



FAMILY HOME FINANCE PRIVATE LIMITED

2024-2025 ANNUAL REPORT

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FAMILY HOME FINANCE PRIVATE LIMITED

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BOARD OF DIRECTORS

Ms. Annu Garg
Whole-time director
(DIN: 07817550)

Ms. Aditi Mittal
Non-executive Director
(DIN: 00698397)

Mr. Vikas Santosh Jain
Non-executive Director
(DIN: 07887754)

Ms. Bindu Darshan Shah
Independent Director
(DIN: 07131459)

Mr. Ashish Vyas
Independent Director
(DIN: 10264901)

KEY MANAGEMENT PERSONNEL

Mr. Ajay Arun Tendulkar
Chief Executive Officer

Mr. Mahesh Bhootra
Chief Financial Officer (Upto August 01, 2024)

Mr. Jinit Gopaldas Kewalramani
Chief Financial Officer (w.e.f. August 02, 2024)

Ms. Sunidhi Singhai
Company Secretary
(ACS No: 59314) (From April 22, 2024 Upto August 01, 2024)

Mr. Rahul Ved
Company Secretary
(ACS No: 34791) (w.e.f. October 29, 2024)

CHIEF COMPLIANCE OFFICER

Mr. Mitesh Hasmukh Sheth

STATUTORY AUDITORS

M/s. PYS & Co. LLP, Chartered Accountants
Firm's Registration Number: 012388S/ S200048

REGISTRAR & SHARE TRANSFER AGENT

MUFG intime India Private Limited (*Formely Known as Link Intime India Private Limited*)
C 101, 247 Park, L B S Marg, Vikhroli West,
Mumbai - 400 083
Contact Person: Mr. Ganesh Jadhav
Tel No: +91 22 49186000; Fax: +91 22 49186060
Email: ganesh.jadhav@in.mpms.mufig.com
Website: www.in.mpms.mufig.com

REGISTERED OFFICE

601-602, 6th Floor, Windsor, Off CST Road, Kalina, Santacruz (East), Mumbai - 400 098
Website: <https://www.fhfp.co.in/> | Tel: + 91-22-66349300/ 67546500 | Fax: + 91-22-66100594

CORPORATE IDENTIFICATION NUMBER

U74999MH2017PTC296737

DIRECTORS' REPORT

To,
The Members of,
Family Home Finance Private Limited

The Board of Directors of your Company are pleased to present the Eight Annual Report along with the Audited Financial Statements and the Report of the Auditors of Family Home Finance Private Limited (**the "Company" or "FHFPL"**) for the financial year ended March 31, 2025.

1. BACKGROUND:

The Company is a wholly-owned subsidiary of A. K. Capital Finance Limited ("**AKCFL**") and is a Housing Finance Company registered with the National Housing Bank and is classified as Middle Layer NBFC as per Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023, as issued by the Reserve Bank of India ("**RBI**"). The Company primarily offers Home Loans, Loan against Property ("**LAP**") and secured lending products through Co-lending, strategic partnership, Securitization and Direct Assignment ("**DA**") model with channel partners.

2. FINANCIAL HIGHLIGHTS:

A summary of the financial performance of the Company, for the financial year ended March 31, 2025 along with the comparative figures for the previous financial year ended March 31, 2024 is given below:

(INR in Lakhs except EPS)

Particulars	FY 2024-25	FY 2023-24
Total Income	757.90	571.80
Total Expenditure	615.02	430.90
Profit before Tax	142.88	140.90
Provision for Tax	32.87	31.77
Profit after Tax	110.01	109.13
Add: Surplus brought forward from previous period	289.81	202.68
Profit available for appropriation	399.82	311.81
Less: Transfer to Special Reserve	23.00	22.00
Surplus carried to Balance Sheet	376.82	289.81
Earnings Per Equity Share (Face Value Rs. 10/- Per Share)		
Basic (Rs.)	0.29	0.44
Diluted (Rs.)	0.29	0.44

3. DIVIDEND:

In order to preserve the resources of the Company and utilize the same towards better business opportunities the Board has decided not to propose any dividend for the financial year ended March 31, 2025. The Board also informs that the Company has not declared any interim dividend during the year.

4. ANNUAL RETURN:

Pursuant to the provisions of Section 134(3)(a) of the Companies Act, 2013 (**the "Act"**), the Annual Return of the Company for the financial year ended March 31, 2025, in Form MGT-7 as prescribed under Section 92(3) of the Act is available on the website of the Company at <https://www.fhfpl.co.in/>

5. FINANCIAL PERFORMANCE, OPERATIONAL HIGHLIGHTS AND STATE OF AFFAIRS OF THE COMPANY:

a) Financial and Business update:

During the financial year ended March 31, 2025, the Company has earned a total income of Rs. 757.90 Lakhs as against a total income of Rs. 571.80 Lakhs during the previous financial year. The profit before tax is Rs. 142.88 Lakhs for the financial year ended March 31, 2025 as against Rs. 140.90 Lakhs for the previous financial year. The net profit is Rs. 110.01 Lakhs for the financial year ended March 31, 2025 as against net profit of Rs. 109.13 Lakhs for the previous financial year.

b) Liquidity Management:

The Company has always maintained adequate cash and investments as a prudent liquidity management strategy.

c) Asset Quality:

The Company's strong approach to risk, portfolio management and collections have contributed to high standards of asset quality metrics. As on financial year ended March 31, 2025 the Company had a Gross NPA of 0.10% and Net NPA at 0.09%.

However, the Company has also adequately resolved its two NPA cases and going forward its focus will be on maintaining high asset quality.

6 DEPOSITS:

The Company being a “Non-Deposit taking Housing Finance Company” has neither invited nor accepted any amount falling within the purview of provisions of Section 73 of the Act read with the Companies (Acceptance of Deposit) Rules, 2014 during the financial year under review. Hence, the requirement for furnishing the details relating to deposits covered under Chapter V of the Act or the details of deposits that are not in compliance with Chapter V of the Act is not applicable.

Further, the Company will not accept any public deposits during the financial year 2025-26 without the prior written approval of Reserve Bank of India/ National Housing Bank. As per the requisite provisions of the Master Direction Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 as issued by RBI (“HFC Master Direction”), a resolution confirming the same was passed by the Board through circulation on April 21, 2025 and the same was also submitted with National Housing Bank.

7. TRANSFER TO RESERVE FUND AND CAPITAL ADEQUACY:

The Company has transferred an amount of Rs. 23.00 Lakhs to Special Reserve Fund during the financial year ended March 31, 2025 as per the provisions of Section 29C of the National Housing Bank Act, 1987 read with Section 36(1)(viii) of the Income Tax Act, 1961.

Further, as at March 31, 2025, the Company's capital adequacy ratio stood at 132.48% as compared to 118.31% as at previous financial year, which provides an adequate cushion to withstand business risks and is much above the minimum requirement of 15% specified in the HFC Master Direction.

8. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF):

The Company did not have unclaimed or unpaid dividend. Accordingly, there was no amount which was required to be transferred to IEPF as per Sections 124 and 125 of the Act during the year under review.

Further, the Company has not issued any Debentures during the financial year. Hence, there were no unclaimed/ unpaid liabilities in this regard.

9. CHANGE IN NATURE OF BUSINESS:

There has been no change in the nature of the business of the Company during the financial year under review.

10. COMPLIANCE WITH PRINCIPAL BUSINESS CRITERIA:

Your Company is adhering to Principal Business Criteria as mentioned in HFC Master Direction. The details of the same are disclosed in Note No. 33 to the Financial Statements of the Company.

11. DECLARATION BY INDEPENDENT DIRECTORS:

All the Independent Directors of the Company have submitted their declarations that each of them meets the criteria of independence as provided under Section 149(6) of the Act read with Rules made thereunder. They have also confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties independently.

In terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, the Independent Directors of the Company have confirmed that they have registered themselves with the databank maintained by the Indian Institute of Corporate Affairs (“IICA”) and as on date their registration is valid. Further, all the Independent Directors are either exempted from appearing or passed the online proficiency self-assessment test conducted by the IICA.

Further, all the Independent Directors have complied with the code of conduct as prescribed in Schedule IV of the Act.

None of the Independent Directors of your Company are on the Board of more than three NBFC-ML or NBFC-UL.

Accordingly, based on the said declarations and after reviewing and verifying its veracity, the Board is of the opinion that the Independent Directors are persons of integrity, possess relevant expertise, experience, proficiency, fulfill the conditions of independence specified in the Act and are independent of the management of the Company.

During the financial year under review, the Independent Directors had no pecuniary relationships or transactions with the Company, except as disclosed in this Report.

12. BOARD OF DIRECTORS OF THE COMPANY AND KEY MANAGERIAL PERSONNEL:

a) Composition of Board of Directors:

The Board of Directors of the Company consisted of the following Directors as on March 31, 2025:

Sr. No.	Name of the Director	Designation
i.	Ms. Annu Garg (DIN: 07817550)	Whole-time Director
ii.	Ms. Aditi Mittal (DIN: 00698397)	Non-Executive Director
iii.	Mr. Vikas Jain (DIN: 07887754)	Non-Executive Director
iv.	Ms. Bindu Darshan Shah (DIN: 07131459)	Independent Director
v.	Mr. Ashish Vyas (DIN: 10264901)	Independent Director

All the directors of the Company have confirmed that they satisfy the fit and proper criteria as prescribed in the HFC Master Direction and that they are not disqualified from being appointed/ continuing as directors in terms of Section 164 of the Act or under any other applicable laws.

b) Re-appointment of Independent Directors of the Company:

During the financial year under review, Ms. Bindu Darshan Shah (DIN: 07131459) and Mr. Ashish Vyas (DIN: 10264901), were re-appointed as Independent Director of the Company with effect from September 7, 2024 for a period of 3 years.

c) Director liable to retire by rotation:

In accordance with the provisions of Section 152(6)(e) of the Act, Mr. Vikas Jain (DIN: 07887754) Non-Executive Director of the Company, is liable to retire by rotation at the ensuing AGM of the Company and being eligible offers himself for re-appointment at the 8th AGM. The Board recommends his re-appointment to the Members of the Company.

A resolution seeking his re-appointment along with the brief particulars as required under the Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India forms part of the Notice convening the 8th AGM of the Company.

d) Key Managerial Personnel (KMP):

The following persons are the KMPs of the Company as per the definition under Section 2(51) and provisions of Section 203 of the Companies Act, 2013 as on March 31, 2025:-

(i) Mr. Ajay Arun Tendulkar (PAN: ACAPT9123H)	- Chief Executive Officer
(ii) Ms. Annu Garg (DIN: 07817550)	- Whole-time Director
(iii) Mr. Jinit Kewalramani (PAN: DBBPK7034P)	- Chief Financial Officer
(iv) Mr. Rahul Ved (PAN: AQLPV8032A)	- Company Secretary

During the financial year under review, Mr. Mahesh Kumar Bhootra, ceased to be the Chief Financial Officer of the Company with effect from August 01, 2024. Pursuant to his resignation, the Board based on recommendation of the Nomination and Remuneration Committee accorded its approval for appointment of Mr. Jinit Kewalramani as the Chief Financial Officer of the Company, with effect from August 2, 2024.

Further, during the financial year under review, Ms. Sunidhi Singhai, ceased to be the Company Secretary of the Company with effect from August 01, 2024. Pursuant to her resignation, the Board based on recommendation of the Nomination and Remuneration Committee accorded its approval for appointment of Mr. Rahul Ved as the Company Secretary of the Company, with effect from October 29, 2024.

e) Performance Evaluation of Board, Committees & Individual Directors:

The Company has duly carried out the performance evaluation of the Board, its Committees and individual directors on annual basis and the outcome of the same is also placed at the Board meetings.

13. SHARE CAPITAL AND ISSUE OF EQUITY SHARES:**a) Authorised Share Capital:**

During the financial year under review, there was no change in the Authorised Share Capital of the Company.

As on March 31, 2025, the Authorised Share Capital of the Company is Rs. 42,00,00,000/- (Rupees Forty Two Crores) divided into 4,20,00,000 (Four Crores Twenty Lakhs) Equity Shares of Rs. 10/- (Rupees Ten) each.

b) Issued, Subscribed and Paid Up Capital:

As on March 31, 2025 the issued, subscribed and paid-up capital of the Company stood at Rs. 38,50,00,000 (Thirty Eight Crores Fifty Lakhs) divided into 3,85,00,000 (Three Crores Eighty Five Lakhs) equity shares of face value of Rs. 10/- each (Rupees Ten only).

In pursuance to the notification issued by the Ministry of Corporate Affairs dated September 10, 2018 and Rule 9A of Companies (Prospectus and Allotment of Securities) Rules, 2014, the Company being a deemed public company, holds the entire shareholding of the Company in dematerialized form.

14. SUBSIDIARY COMPANY:

The Company did not have any subsidiary company as on March 31, 2025. Further, the Company continues to be the Wholly-owned Subsidiary of A. K. Capital Finance Limited and Step-down Subsidiary of A. K. Capital Services Limited

15. NUMBER OF MEETINGS OF THE BOARD AND ANNUAL GENERAL MEETING:

The Board meetings are conducted at regular intervals to review and discuss the financial results, operations, policies/procedures and such other necessary matters.

During the year under review, 4 (Four) Board Meetings were held and the gap between the two board meetings did not exceed 120 days. The details with respect to Directors attendance and other details form part of this Report as **Annexure II**.

The Annual General Meeting (AGM) of the Company for the financial year ended March 31, 2024 was held on September 02, 2024. The details with respect to Directors attendance in AGM forms part of report on Corporate Governance, which is as **Annexure II** of this Report.

16. WHISTLE BLOWER POLICY AND VIGIL MECHANISM:

Pursuant to the provisions of Section 177(9) of the Act read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, the Company has adopted a Whistle Blower Policy and vigil mechanism.

The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviors said Policy has been framed with a view to provide a mechanism, inter alia, enabling stakeholders including Directors, individual employees of the Company and their representative bodies, to freely communicate their concerns about illegal or unethical practices and to report genuine concerns or grievances as also to report to the management concerns about unethical behavior, actual or suspected fraud.

The Whistle Blower Policy is available on the website of the Company viz. <https://www.fhfpl.co.in/>.

During the financial year 2024-25, no cases were reported by the Directors and employees of the Company, under this mechanism.

17. DIRECTORS' RESPONSIBILITY STATEMENT:

The Board acknowledges its responsibility for ensuring compliance with the provisions of Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013 in the preparation of annual accounts for the financial year ended March 31, 2025 and states that:

- a) in the preparation of the annual accounts for the financial year ended March 31, 2025 the applicable accounting standards and Master Directions issued by Reserve Bank of India have been followed along with proper explanation relating to material departures, if any;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2025 and of the profits of the Company for the financial year 2024-25;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a going concern basis;
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) the systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

18. CORPORATE GOVERNANCE:

The Company's philosophy on Corporate Governance is aimed at assisting the management of the Company in the efficient conduct of its business and meeting its obligations to stakeholders and is guided by a strong emphasis on transparency, accountability and integrity. The governance practices and processes ensure that the interest of all stakeholders are taken into account in a transparent manner and are firmly embedded into the culture of the organization.

The Company believes and strives to adopt and adhere to the highest standards of corporate governance principles and best practices. The report on Corporate Governance disclosures as per Para 7 of Annex IV of HFC Master Directions forms part of this Report as **Annexure II**.

19. CORPORATE SOCIAL RESPONSIBILITY (CSR):

As the Company is not meeting the threshold criteria, the provisions of Section 135 of the Act read with Rules made thereunder related to Corporate Social responsibility were not applicable to the Company during the financial year 2024-25.

Accordingly, during the period under review, the Company was not required to undertake any CSR expenditure as per the provisions of the Act.

20. COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES:

The Company has devised Nomination and Remuneration policy which inter-alia include details with respect to Directors Appointment and Remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under Section 178(3) of the Act. A copy of said policy is enclosed as **Annexure III** of this Report.

21. RISK MANAGEMENT AND INTERNAL CONTROLS:

The Company risk philosophy involves developing and maintaining a high credit-quality portfolio along with maintaining risks associated with Company. As a housing finance company, the Company is exposed to various risks which inter-alia includes, credit risk, market risk (interest rate and currency risk), liquidity risk and operational risk (technology, employee, transaction and reputation risk).

Your Company has an adequate system of internal control procedures commensurate with the size and nature of its business activity and with reference to the financial statements. The internal control procedures are reviewed periodically by the Company. Procedural manuals are in place to ensure that all the assets are safeguarded, protected against loss and all transactions are authorized, recorded and reported correctly.

The internal control system provides a reasonable assurance with respect to compliance with applicable statutes and Company's policies, safeguarding of assets of the Company, prevention and detection of frauds, accuracy and completeness of accounting records.

22. INTERNAL FINANCIAL CONTROL SYSTEMS AND ITS ADEQUACY:

Your Company has policies and procedures in place for Internal Financial Control ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.

M/s. PYS & Co. LLP, Chartered Accountants (Firm registration no.: 012388S/ S200048), the Statutory Auditors of the Company have reviewed the Internal Financial Controls of the Company and have also submitted a report on the Internal Financial Controls for the year ended March 31, 2025, to the Board of Directors of the Company stating that the Internal Financial Controls are adequate and operating effectively.

23. ACCOUNTING STANDARDS FOLLOWED BY THE COMPANY:

The Financial Statements of the Company have been prepared in accordance with Ind-AS, as notified under the Companies (Indian Accounting Standards) Rules, 2015, read with Section 133 of the Act along with the necessary provisions of the HFC Master Directions. The Financial Statements have been prepared on an accrual basis under the historical cost convention method. The Accounting Policies adopted in the preparation of the Financial Statements have been consistently followed in the previous year and are mentioned in Notes to Financial Statements.

24. STATUTORY AUDITORS:

The members of the Company at their Annual General Meeting held on September 2, 2022 had accorded their approval for appointment of M/s. PYS & Co. LLP, Chartered Accountants (Firm Registration Number - 012388S/ S200048), for a period of five consecutive years commencing from the conclusion of 5th Annual General Meeting of the Company until the conclusion of the 10th Annual General Meeting to be held in 2027.

Further, in terms of Section 139(1) of the Companies Act, 2013 read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014 amended by Ministry of Corporate Affairs, vide its Notification dated May 07, 2018 the appointment of Auditor's is not required to be ratified by the Members in the AGM.

Accordingly, no resolution has been proposed for ratification of appointment of Statutory Auditors at the ensuing Annual General Meeting.

Auditor's Report –

The Statutory Auditors have issued their unmodified opinion on the financial statements for the year ended March 31, 2025 and that they have not highlighted any qualifications, reservations, adverse remarks or disclaimers. Pursuant to Section 143(12) of the Act, the Statutory Auditors of the Company have not reported any incident of fraud to the Audit Committee of the Company during the financial year 2024-25. The notes to the accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any further explanation and comments.

25. SECRETARIAL AUDIT REPORT:

The provisions of Section 204 of the Act with respect to Secretarial Audit Report are not applicable to the Company during the year under review.

26. PARTICULARS OF LOANS, GUARANTEE AND INVESTMENTS BY THE COMPANY:

Since the Company is a housing finance company, the disclosure regarding particulars of the loans made, guarantee given and security provided in the ordinary course of business are exempted under the provisions of Section 186(11) of the Act.

However, the details of loans advanced and investments made by the Company forms part of Note No. 4 and 5 to the Financial Statements of the Company.

27. RELATED PARTY TRANSACTIONS:

The Company has adopted a Policy and a Framework on Related Party Transactions for the purpose of identification, monitoring and approving of such transactions, as per the applicable provisions of the Act and HFC Master Directions. The Policy on Related Party Transactions is available on the website of the Company at <https://www.fhfp.co.in/> and is appended as **Annexure - IV** to this Report.

Further, pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014, the details with respect to transactions entered with related parties during the financial year 2024-25, are provided in Form **AOC-2** appended as **Annexure-I** to this Report.

Further, details of Related Party Transactions, as required to be disclosed by Indian Accounting Standard – 24 on "Related Party Disclosures" specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, are given in Note No. 27 to the Financial Statements.

28. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

During the financial year under review, there were no material change and commitment that would affect financial position of the Company from the end of the financial year of the Company to which the financial statements relate and the date of this report.

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

The Company being in financial industry, its operations call for nominal energy consumption cost and there are no major areas where conservation measures could be applied on. However, the Company is making continuous efforts to conserve energy and optimize energy consumption practicable by economizing the use of power by taking adequate measures, wherever possible to conserve energy.

The Company has not absorbed any technology during the year under review. During the financial year under review, the Company has neither earned nor spent any amount in foreign currency.

30. STATUTORY & REGULATORY COMPLIANCE:

The Company is registered with the National Housing Bank as a Non-Deposit accepting Housing Finance Company. The Company has complied with and continues to comply with all the applicable provisions of the Companies Act, 2013, Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, the applicable paras of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 and all the other various circulars, notifications, directions and guidelines issued by RBI from time to time.

31. COMPLIANCE WITH SECRETARIAL STANDARD:

The Company has complied with Secretarial Standards issued by Institute of Company Secretaries of India (ICSI) on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) including relaxation provided therein.

32. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

The report on Management Discussion and Analysis for the financial year under review, as stipulated under HFC Master Direction, forms part of this Annual Report.

33. DISCLOSURE UNDER CHAPTER XI- GUIDELINES ON PRIVATE PLACEMENT OF NON-CONVERTIBLE DEBENTURES (NCDs) OF MASTER DIRECTIONS:

As on March 31, 2025, your Company does not have any outstanding Non-Convertible Debentures (NCDs).

Hence, the disclosures under Chapter XI - Guidelines on private placement of Non-Convertible Debentures of HFC Master Direction are not applicable.

34. POLICY FOR PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE:

The Company is committed to uphold and maintain the dignity of all its employees irrespective of gender and the Company has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace at group level pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("POSH Act") and the rules made thereunder. The Company has an Internal Complaints Committee ("ICC") at group level for receiving and redressal of complaints of sexual harassment.

The details of Complaints received during F.Y. 2024-25 under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, are as below:

Sr. No.	Particulars	Details
1.	Sexual Harassment Complaints received	Nil
2.	Sexual Harassment Complaints disposed off	Nil
3.	Number of Sexual Harassment Complaints pending beyond 90 days	Nil

35. FAIR PRACTICE CODE AND GRIEVANCE REDRESSAL MECHANISM:

In pursuance to HFC Master Direction/ Guidelines, the Company has formulated its Fair Practice Code, which is available on the website at <https://www.fhfpl.co.in/>. The said code has been adhered during the year under review and the compliance status of the same was also placed before the Board.

In addition to the above, the Company has in place Grievance Redressal Mechanism to report any grievance of the customer and facilitate quick resolution, as per the terms of HFC Master Directions. The Grievance Redressal Policy and Grievance Redressal Mechanism are available on the website at <https://www.fhfpl.co.in/>.

36. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS:

There is no significant material order passed by any regulator/court/tribunal which would impact the going concern status of the Company and its future operations.

37. SWEAT EQUITY SHARES & EQUITY SHARES WITH DIFFERENTIAL VOTING RIGHTS:

The Company has not issued any sweat equity shares during the year under review and hence no information as per provisions of Section 54(1)(d) of the Act read with Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

38. EMPLOYEE STOCK OPTION SCHEME:

The Company has not issued any equity shares under Employees Stock Option Scheme during the year under review and hence no information as per provisions of Section 62(1)(b) of the Act read with Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

39. PARTICULARS OF EMPLOYEES:

The Company being an unlisted company the provisions of Section 197(12) of the Act are not applicable to Company.

40. MAINTENANCE OF COST RECORDS:

The Company is not required to maintain cost records as per the provisions of Section 148(1) of the Act read with Rule 3 of the Companies (Cost Records and Audit) Rules, 2014.

41. RATING ASSIGNED BY CREDIT RATING AGENCIES:

During the financial year under review, following rating was issued by the rating agency to the Company –

Rating Agency	Rating	Rating Amount	Nature of security
Acuite Ratings & Research Limited	Acuite AA- (Stable)	Rs. 30 Crore	Bank Loans

42. THE DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 DURING THE YEAR ALONG WITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR:

During the financial year under review, no proceedings for Corporate Insolvency Resolution Process were initiated or pending under Insolvency and Bankruptcy Code, 2016.

43. THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF:

During the financial year under review, the Company did not make any one-time settlement with any Bank(s) or Financial Institution(s).

44. POLICIES AND CODES:

During the financial year under review, the Company has reviewed and revised statutory policies as required in terms of applicable provisions of law for the time being in force and was duly adopted by the Board of Directors of the Company. The relevant policies are also hosted on the website of the Company at: <https://www.fhfpl.co.in/>.

45. COMPLIANCE WITH MATERNITY BENEFIT ACT

The Company complies with respect to the provisions of Maternity Benefit Act, 1961 including:

- Providing maternity leave and benefits as mandated under the Act;
- Ensuring job protection during maternity leave;
- Notifying employees of their rights under the Act;
- Maintaining necessary records and registers as prescribed.

The company remains committed to supporting the rights and welfare of women employees in accordance with applicable labour laws.

46. HUMAN RESOURCES:

The Company firmly believes that its Human Resource is its most valuable asset and it contributes towards the performance of the Company in a substantial way. The Company has devised various development programmes for the employees through internal training programmes. The Company has a robust performance management system in place which recognizes the performers and accordingly rewards the employees. The Board of Directors places on record their appreciation to all the employees of the Company for their sustained efforts, dedication and hard work during the year.

47. ACKNOWLEDGEMENT:

Your Directors would like to express their appreciation and sincere thanks for the co-operation received from Banks, Regulators, government authorities, employees, shareholder, auditors and all the other stakeholders of the Company for their continued co-operation and support. Your Directors would also like to take this opportunity to express their gratitude to the Members of the Company for their trust and support. Your Directors look forward to your continuing support.

**On behalf of the Board of Directors
For Family Home Finance Private Limited**

Annu Garg
Whole-time Director
(DIN: 07817550)

Aditi Mittal
Non-Executive Director
(DIN: 00698397)

Date: July 25, 2025
Place: Mumbai

Form No. AOC-2
Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

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

- i) Details of contracts or arrangements or transactions not at Arm's length basis: **Not Applicable**
- ii) Details of contracts or arrangements or transactions at Arm's length basis:

Sr No	Particulars	Details
a)	Corporate identity number (CIN)	U51900MH2006PLC214277
b)	Name (s) of the related party & nature of relationship	A. K. Capital Finance Limited (Holding Company)
c)	Nature of contracts/ arrangements/transaction	<ul style="list-style-type: none"> Loan taken, repayment of loan taken, interest paid on loan taken and support services
d)	Duration of the contracts/ arrangements/transaction	Loan taken - 84 Months
e)	Salient terms of the contracts or arrangements or transaction including the value, if any	<ul style="list-style-type: none"> Loan Taken: Rs. 900 Lakhs; Loan repaid: Rs. 1,270.14 Lakhs; Interest on loan taken: Rs. 208.83 Lakhs; Support Services: Rs.12 Lakhs;
f)	Date of approval by the Board	Loan taken approval – March 24, 2025 (ALCO Committee)
g)	Amount paid as advances, if any	Nil

Note:

- The Company being a wholly owned subsidiary of A. K. Capital Finance Limited, has taken appropriate approvals, if any, for Related Party Transactions.
- Materiality Thresholds for Reporting Related Party Transactions in the ordinary course of business and on an arm's length basis, is as per the Framework for Related Party Transactions adopted by the Company.

**On behalf of the Board of Directors
For Family Home Finance Private Limited**

Annu Garg
Whole-time Director
(DIN: 07817550)

Aditi Mittal
Non-Executive Director
(DIN: 00698397)

Date: July 25, 2025
Place: Mumbai

REPORT ON CORPORATE GOVERNANCE

The Board of Directors presents the Company's Report on Corporate Governance for the financial year ended March 31, 2025, in terms of Para 7 of Annex IV of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 ("HFC Master Directions").

1. COMPANYS' PHILOSOPHY ON CODE OF GOVERNANCE:

The Corporate Governance represents values, culture and behavior of the organization. Further, the term Corporate Governance is wide to encompass processes, accountability and level of transparency deployed by the organization in its functioning. In all the terms Corporate Governance covers the conduct of the organization in different situations over a period.

Since, every company/ body-corporate is an artificial person created by law, it cannot act on its own. Ultimately, it is the Board of Directors, KMPs and Senior Management who generally governs the behavior of organization/ company, and they are responsible for setting the right culture and values at all levels. Accordingly, presence of human element plays pivotal role in success of corporate governance standards at all levels for any organization.

In view of the same, the Company believes that it is the collective responsibility of Board Members and KMPs to foster a culture in which high standards of ethical behavior, individual accountability and transparent disclosures are ingrained in all its dealings.

The Company's philosophy on Corporate Governance is aimed at assisting the management of the Company in the efficient conduct of its business and meeting its obligations to stakeholders and is guided by a strong emphasis on transparency, accountability and integrity. The governance practices and processes ensure that the interest of all stakeholders are taken into account in a transparent manner and are firmly embedded into the culture of the organization. The Report on Corporate Governance, as per the Para 7 of Annex IV of HFC Master Directions is as under:

2. Board of Directors –

The Board of Directors (the "Board") of the Company is an apex body, which inter alia, oversees its overall functioning, provides a strategic direction, guidance leadership and owns the fiduciary responsibility to ensure that the Company's actions and objectives are aligned in creating long term value for its stakeholders.

The Board comprises of highly skilled professionals with wide range of expertise, having diverse background and possesses requisite qualifications and experience which enables to discharge their responsibilities, provide effective leadership and independent views to the management. The Board helps the Company in adhering to high standards of corporate governance practices.

A. Composition of Board as on March 31, 2025:

Sr. No.	Name of Director	Director since	Capacity (i.e. Executive/Non-Executive/Chairman/Promoter nominee/Independent)	DIN	Number of Board Meetings		Number of other Directorship	Remuneration during the financial year 2024-25			No. of shares held in and convertible instruments held in the Company	Whether attended the Annual General Meeting held on September 02, 2024
					Held/entitled to attend	Attended		Salary and other compensation	Sitting Fee	Commission		
1	Ms. Annu Garg	June 29, 2017	Whole-time Director	07817550	4	4	1	Rs. 68,67,611	-	-	*1	Yes
2	Mr. Vikas Jain	July 24, 2017	Non-Executive Director	07887754	4	4	4	-	-	-	-	Yes
3	Ms. Aditi Mittal	July 6, 2017	Non-Executive Director	00698397	4	1	5	-	-	-	*1	Yes
4	Ms. Bindu Darshan Shah	September 7, 2023	Independent Director	07131459	4	4	5**	-	Rs. 2,00,000	-	-	Yes
5	Mr. Ashish Vyas	September 7, 2023	Independent Director	10264901	4	4	2	-	Rs. 1,00,000	-	-	Yes

* Holding shares as a nominee shareholder for A. K. Capital Finance Limited

**Includes JBF Industries Limited. Ms. Bindu Darshan Shah is an Independent Director on the Board of JBF Industries Limited. Currently, the Board of the said company stands dissolved as IRP has taken over.

B. Details of change in composition of the Board of Directors during the financial year ended March 31, 2025 and March 31, 2024:

During the financial year ended March 31, 2025:

Sr. No.	Name of Director	Capacity	Nature of Change	Effective Date
1	Ms. Bindu Darshan Shah	Independent Director	Re-Appointed as the Independent Director of the Company for a period of 3 years with effect from September 7, 2024.	September 7, 2024
2	Mr. Ashish Vyas	Independent Director	Re-Appointed as the Independent Director of the Company for a period of 3 years with effect from September 7, 2024.	September 7, 2024

During the financial year ended March 31, 2024:

Sr. No.	Name of Director	Capacity	Nature of Change	Effective Date
1	Ms. Bindu Darshan Shah	Independent Director	Appointed as the Independent Director of the Company with effect from September 7, 2023.	September 7, 2023
2	Mr. Ashish Vyas	Independent Director	Appointed as the Independent Director of the Company with effect from September 7, 2023.	September 7, 2023

3. Committees of the Board of Directors and its composition:

The Board Committees and other Committees play an important role in the governance and focus on specific areas and make informed decisions within the scope defined in their respective charters and/or terms of reference, which are reviewed annually. The Board has constituted the various Committees in compliance with the requirements of the Act and the RBI Master Directions which help the Company to undertake informed decisions in the best interests of the Company. The details of said Committees are mentioned below –

A. Audit Committee:

The Board of Directors of the Company had constituted the Audit Committee on September 7, 2023. The Audit Committee comprised of 3 (three) Directors viz., Ms. Annu Garg, Mr. Ashish Vyas and Ms. Bindu Darshan Shah, as on March 31, 2025.

During the financial year 2024-25, 4 (Four) meetings of the Audit Committee were held on May 04, 2024, August 01, 2024, October 29, 2024 and January 31, 2025.

The attendance of the Audit Committee meetings during the financial year ended March 31, 2025 is set out below:

Name of the Member	Member of the Committee since	Capacity (i.e., Executive/ Non Executive/ Chairman/Promoter nominee/Independent)	No. of meetings held /entitled to attend	No. of meetings attended	No. of shares held in the Company
Ms. Annu Garg	September 07, 2023	Whole-time Director	4	4	1*
Mr. Ashish Vyas	September 07, 2023	Independent Director	4	4	-
Ms. Bindu Darshan Shah	September 07, 2023	Independent Director	4	4	-

* Holding shares as a nominee shareholder for A. K. Capital Finance Limited

The scope and functions of the Audit Committee inter-alia, includes the following:

- The scope and functions of the Audit Committee inter-alia, includes the following:
- recommending the Board, the appointment, re-appointment (including remuneration and other terms of appointment thereof) and, if required, the replacement or removal of the auditors;
- oversight Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- review with the management the annual financial statements and auditor's report including modified opinion of the Auditor, if any thereon before submission to the Board for approval;
- review, with the management, the quarterly financial results before submission to the Board for approval;
- lay down the criteria for granting the omnibus approval in line with the policy on related party transactions;
- review and/or recommend any related party transaction including omnibus approval;
- review the details of related party transactions entered into by the company pursuant to each of the omnibus approvals given;
- approve or any subsequent modification of transactions of the Company, if any, with related parties;
- review and monitor the auditor's independence and performance and effectiveness of audit process;
- scrutiny of inter-corporate loans and investments except those in the ordinary course of business;

- Reviews the functioning of the Whistle blower/ Vigil mechanism;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing the details of frauds/ frauds attempted on the Company;
- Monitoring end use of the funds raised, if any, by the Company. Any deviations to be approved and thereon recommended for Board's noting, as and when required on a case to case basis;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and lenders, if any;
- Recommend the appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- Reviewing the adequacy of internal audit function, if any, including its structure, staffing and seniority of the official who heads the department, reporting structure coverage and frequency of internal audit;
- Exercise decisions in accordance with the provisions of Companies Act, 2013 and RBI Master Direction;
- Periodic review of the cases of wilful defaults and recommend steps to be taken to prevent such occurrences and their early detection should these occur
- Root cause analysis of willful default cases and on system deficiencies, if any
- Review credit risk monitoring
- To conduct Information System ("IS") Audit of all the identified information technology assets and systems as per the periodicity specified in the IS Audit Policy of the Company. and
- such other tasks as may be entrusted to it by the Board of Directors from time to time. recommending the Board, the appointment, re-appointment (including remuneration and other terms of appointment thereof) and, if required, the replacement or removal of the auditors;
- oversight Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- review with the management the annual financial statements and auditor's report including modified opinion of the Auditor, if any thereon before submission to the Board for approval;
- review, with the management, the quarterly financial results before submission to the Board for approval;
- lay down the criteria for granting the omnibus approval in line with the policy on related party transactions;
- review and/or recommend any related party transaction including omnibus approval;
- review the details of related party transactions entered into by the company pursuant to each of the omnibus approvals given;
- approve or any subsequent modification of transactions of the Company, if any, with related parties;
- review and monitor the auditor's independence and performance and effectiveness of audit process;
- scrutiny of inter-corporate loans and investments except those in the ordinary course of business;
- reviews the functioning of the Whistle blower/ Vigil mechanism;
- valuation of undertakings or assets of the Company, wherever it is necessary;
- evaluation of internal financial controls and risk management systems;
- reviewing the details of frauds/ frauds attempted on the Company;
- monitoring end use of the funds raised, if any, by the Company. Any deviations to be approved and thereon recommended for Board's noting, as and when required on a case to case basis;
- to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and lenders, if any;
- recommend the appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- reviewing the adequacy of internal audit function, if any, including its structure, staffing and seniority of the official who heads the department, reporting structure coverage and frequency of internal audit;
- Exercise decisions in accordance with the provisions of Companies Act, 2013 and RBI Master Direction;
- Periodic review of the cases of wilful defaults and recommend steps to be taken to prevent such occurrences and their early detection should these occur
- Root cause analysis of willful default cases and on system deficiencies, if any
- Review credit risk monitoring
- such other tasks as may be entrusted to it by the Board of Directors from time to time.

B. Nomination and Remuneration Committee:

The Board of Directors of the Company had constituted the Nomination and Remuneration Committee (“NRC”) on September 7, 2023. The NRC comprised of 3 (three) Directors viz., Ms. Aditi Mittal, Mr. Ashish Vyas and Ms. Bindu Darshan Shah, as on March 31, 2025.

During the financial year 2024-25, 4 (Four) meetings of NRC were held on May 04, 2024, August 01, 2024, October 29, 2024 and January 31, 2025.

The attendance of the NRC meetings during the financial year ended March 31, 2025 is set out below:

Name of the Member	Member of the Committee since	Capacity (i.e., Executive/ Non Executive/ Chairman/Promoter nominee/Independent)	No. of meetings held /entitled to attend	No. of meetings attended	No. of shares held in the Company
Ms. Aditi Mittal	September 07, 2023	Non-Executive Director	4	1	1*
Mr. Ashish Vyas	September 07, 2023	Independent Director	4	4	-
Ms. Bindu Darshan Shah	September 07, 2023	Independent Director	4	4	-

* Holding shares as a nominee shareholder for A. K. Capital Finance Limited

The scope and functions of the Nomination and Remuneration Committee inter-alia, includes the following:

- formulating the criteria for determining qualifications, positive attributes and independence of a Director and recommending to the Board of Directors a policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees of the Company;
- identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal;
- recommending to the Board for appointing and removal of Directors and the Senior Management;
- evaluating the performance of independent directors, board and/ or its committees;
- For the appointment of independent director(s), the Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation prepare a description on the role and capabilities required of an independent director;
- deciding whether to extend or continue the term of appointment of the Independent Director on the basis of the report of performance evaluation of Independent Directors;
- Review matters related to remuneration and benefits payable to directors, Key Managerial Personnel (“KMP”) and the Senior Management;
- Ensure adherence of fit & proper criteria for all the Directors in line with Master Directions;
- ascertain that there is no conflict of interest between the Company and Directors, KMPs and Senior Management of the Company;
- Exercise decisions in accordance with the provisions of Companies Act, 2013 and RBI Master Direction; and
- such other tasks as may be entrusted to it by the Board of Directors from time to time.

C. Risk Management Committee:

The Board of Directors of the Company had constituted the Risk Management Committee (“RMC”) on September 7, 2023. As on March 31, 2025, the RMC comprised of 2 (Two) Directors and Chief Executive Officer viz., Mr. Vikas Jain, Ms. Bindu Darshan Shah and Mr. Ajay Arun Tendulkar.

During the financial year 2024-25, 4 (Four) meetings of RMC were held on May 03, 2024, July 31, 2024, October 28, 2024 and January 30, 2025.

The attendance of the RMC meetings during the financial year ended March 31, 2025 is set out below:

Name of the Member	Member of the Committee since	Capacity (i.e., Executive/ Non Executive/ Chairman/Promoter nominee/Independent)	No. of meetings held /entitled to attend	No. of meetings attended	No. of shares held in the Company
Mr. Vikas Jain	September 07, 2023	Non-Executive Director	4	4	-
Ms. Bindu Darshan Shah	September 07, 2023	Independent Director	4	4	-
Mr. Ajay Arun Tendulkar	September 07, 2023	Chief Executive Officer	4	4	-

The scope and functions of the RMC inter-alia, includes the following:

- identification, monitoring and measurement of the risk profile of the Company (including market risk, operational risk, sectoral and transactional risk);
- overseeing its integrated risk measurement system;
- Review of the following:
 - returns/ reports to the NHB and
 - periodic investment portfolio;
- Evaluating the overall risks faced by the Company;
- Ensure that appropriate training on money laundering and terrorist financing to employees/ staff is being carried out whenever required;
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- To keep the Board informed about the nature and content of its discussions, recommendations and actions to be taken; and
- perform such other act, including the acts and functions stipulated by the Reserve Bank of India, National Housing Bank and any other regulatory authority, as prescribed from time to time.
- To oversee enterprise level operational risk and mitigation plans.
- To oversee the effectiveness of the Information and Communication Technology risk management through the designated committee.
- To ensure root cause analysis, after any disruption to a business service with emphasis on critical service.

D. Asset Liability Management Committee:

The Board of Directors of the Company had constituted the Asset Liability Management Committee ("ALCO") on September 7, 2023.

As on March 31, 2025, the ALCO comprised of 2 (two) Directors, Chief Executive Officer and Chief Financial Officer viz., Ms. Aditi Mittal, Ms. Annu Garg, Mr. Ajay Arun Tendulkar and Mr. Jinit Kewalramani.

During the financial year 2024-25, 7 (Seven) meetings of ALCO were held on May 03, 2024, July 31, 2024, October 28, 2024, January 30, 2025 February 11, 2025, March 13, 2025 and March 24, 2025.

The attendance of the ALCO meetings during the financial year ended March 31, 2025 is set out below:

Name of the Member	Member of the Committee since	Capacity (i.e., Executive/ Non Executive/ Chairman/Promoter nominee/Independent)	No. of meetings held /entitled to attend	No. of meetings attended	No. of shares held in the Company
Ms. Annu Garg	September 07, 2023	Whole-Time Director	7	7	1*
Ms. Aditi Mittal	September 07, 2023	Non-Executive Director	7	6	1*
Mr. Ajay Arun Tendulkar	September 07, 2023	Chief Executive Officer	7	7	-
Mr. Jinit Kewalramani	August 02, 2024	Chief Financial Officer	5	5	-

* Holding shares as a nominee shareholder for A. K. Capital Finance Limited

The scope and functions of the ALCO inter-alia, includes the following:

- Review of the asset-liability profile of the Company with a view to manage the market exposure assumed by the Company;
- Safeguarding the recovery positions at any point of time;
- Review of risk monitoring system, ensure payment of liability on its due dates, liquidity risk management, funding and capital planning, profit planning and growth projections, forecasting and analyzing different scenarios and preparation of contingency plans;
- Oversee strategy of the Company relating to liquidity, interest rate and asset liability gap from time to time;
- To borrow money not exceeding an amount of INR 25 Crores (per transaction) within the overall borrowing limit approved by the shareholders and review, negotiate, execute the terms thereof by way of:
 - a) Loans/ credit facilities from banks/ financial institutions.
 - b) By way of issuing of securities
- To consider and approve Direct Assignment transactions for acquiring loan book of third parties aggregating upto an amount of INR 20 Crores (per transaction) and;
- Performing any other act, duty as stipulated by the Reserve Bank of India, National Housing Bank and any other regulatory authority, as prescribed from time to time.

E. IT Strategy Committee:

The Board of Directors of the Company had constituted the IT Strategy Committee on January 29, 2024.

As on March 31, 2025, the IT Strategy Committee comprised of 3(three) Directors viz., Mr. Ashish Vyas, Ms. Annu Garg and Mr. Vikas Jain.

Mr. Ajay Arun Tendulkar, Chief Executive Officer and Mr. Pratim Gangadhar Tare, Chief Information Security Officer shall attend the meetings of the IT Strategy Committee as Permanent Invitees

During the financial year 2024-25, 4 (Four) meetings of IT Strategy Committee were held on May 03, 2024, July 31, 2024, October 28, 2024 and January 30, 2025.

The attendance of the IT Strategy Committee meetings during the financial year ended March 31, 2025 is set out below:

Name of the Member	Member of the Committee since	Capacity (i.e., Executive/ Non Executive/ Chairman/Promoter nominee/Independent)	No. of meetings held /entitled to attend	No. of meetings attended	No. of shares held in the Company
Mr. Ashish Vyas	January 29, 2024	Independent Director-Chairman	4	4	-
Ms. Annu Garg	January 29, 2024	Whole-time Director	4	4	1*
Mr. Vikas Jain	January 29, 2024	Non-Executive Director	4	4	-

*Holding shares as a nominee shareholder for A. K. Capital Finance Limited

The scope and functions of the IT Strategy Committee inter-alia, includes the following:

- To ensure an effective IT strategic planning process in place;
- To guide in preparation of IT Strategy and ensure that the IT Strategy aligns with the overall strategy of the Company towards accomplishment of its business objectives;
- To satisfy that the IT Governance and Information Security Governance structure fosters accountability, is effective and efficient, has adequate skilled resources, well defined objectives and unambiguous responsibilities for each level in the organisation;
- To ensure that the Company has put in place processes for assessing and managing IT and cyber security risks;
- To ensure that the budgetary allocations for the IT function (including for IT security), cyber security are commensurate with the Company's IT maturity, digital depth, threat environment and industry standards and are utilised in a manner intended for meeting the stated objectives;
- to carry out review and amend the IT strategies in line with the corporate strategies, board policy, cyber security arrangements and any other matter related to IT Governance and may place its deliberations before the Board
- approving IT strategy and policy documents and ensuring that the management has put an effective strategic planning process in place
- ensuring IT investments represent a balance of risks and benefits and that the budgets are acceptable;
- ascertaining that management has implemented processes and practices that ensure that the IT delivers value to the business;
- monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources;
- ensuring to institute effective governance mechanism and risk management process for IT outsourced operations, if any;
- To review the adequacy and effectiveness of the Business Continuity Planning and Disaster Recovery ("DR") Management of the Company as per IT Master Directions
- To conduct Vulnerability Assessment ("VA") and Penetration Testing ("PT") as per IT Master Directions; and
- to perform any other act, duty as stipulated by the Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices issued by Reserve Bank of India and any other regulatory authority, as prescribed from time to time.

F. IT Steering Committee:

The Board of Directors of the Company had constituted the IT Steering Committee on January 29, 2024.

As on March 31, 2025, the IT Steering Committee comprised of 2(two) members viz., Mr. Ajay Arun Tendulkar, Chief Executive Officer and Mr. Mitesh Hasamukh Sheth, Chief Compliance Officer.

Mr. Pratim Gangadhar Tare, the Chief Information Security Officer and Mr. Sagar Chaudhari, the Chief Technology Officer, shall attend the meeting of the IT Steering Committee as its permanent invitee.

During the financial year 2024-25, 4 (Four) meetings of IT Steering Committee were held on May 03, 2024, July 31, 2024, October 28, 2024 and January 30, 2025.

The attendance of the IT Steering Committee meetings during the financial year ended March 31, 2025 is set out below:

Name of the Member	Member of the Committee since	Capacity (i.e., Executive/ Non Executive/ Chairman/Promoter nominee/Independent)	No. of meetings held /entitled to attend	No. of meetings attended	No. of shares held in the Company
Mr. Ajay Arun Tendulkar	January 29, 2024	Chief Executive Officer	4	4	-
Mr. Mitesh Hasmukh Sheth	January 29, 2024	Chief Compliance Officer	4	4	-

The scope and functions of the IT Steering Committee inter alia, includes the following:

- To assist the IT Strategy Committee ("ITSC") in strategic IT planning, oversight of IT performance, and aligning IT activities with business needs;
- To oversee the processes put in place for business continuity and disaster recovery;
- To ensure implementation of a robust IT architecture meeting statutory and regulatory compliance; and
- To update ITSC and CEO periodically on the activities of IT Steering Committee.
- To provide oversight and monitoring of the progress of the IT related projects, including deliverables to be realized at each phase of the project and milestones to be reached according to the project timetable;
- Advice on IT infrastructure products;
- Defining project success measures and following up progress on IT projects; and
- To perform any other act, duty as stipulated by the Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices issued by Reserve Bank of India and any other regulatory authority, as prescribed from time to time.

G. Information Security Committee:

The Board of Directors of the Company had constituted the Information Security Committee on May 04, 2024.

As on March 31, 2025, the Information Security Committee comprised of 4 (Four) members viz., Mr. Ajay Arun Tendulkar, Chief Executive Officer, Mr. Vikas Jain, Non-Executive Director, Mr. Pratim Gangadhar Tare, the Chief Information Security Officer and Mr. Sagar Chaudhari, the Chief Technology Officer.

During the financial year 2024-25, 3 (Three) meetings of Information Security Committee were held on July 31, 2024, October 28, 2024 and January 30, 2025.

The attendance of the Information Security Committee meetings during the financial year ended March 31, 2025 is set out below:

Name of the Member	Member of the Committee since	Capacity (i.e., Executive/ Non Executive/ Chairman/Promoter nominee/Independent)	No. of meetings held /entitled to attend	No. of meetings attended	No. of shares held in the Company
Mr. Ajay Arun Tendulkar	May 04, 2024	Chief Executive Officer	3	3	-
Mr. Vikas Jain	May 04, 2024	Non-Executive Director	3	3	-
Mr. Pratim Gangadhar Tare	May 04, 2024	Chief Information Security Officer	3	2	-
Mr. Sagar Chaudhari	May 04, 2024	Chief Technology Officer	3	3	-

The scope and functions of the Information Security Committee inter alia, includes the following:

- To managing cyber/ information security;
- Development of information/ cyber security policies, implementation of policies, standards and procedures to ensure that all identified risks are managed within the RE's risk appetite
- Approving and monitoring information security projects and security awareness initiatives
- Reviewing cyber incidents, information systems audit observations, monitoring and mitigation activities;
- Updating ITSC and CEO periodically on the activities of ISC; and
- To perform any other act, duty as stipulated by the Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices issued by Reserve Bank of India and any other regulatory authority, as prescribed from time to time.

H. Fraud Risk Management Committee:

The Board of Directors of the Company had constituted the Fraud Risk Management Committee (“**FRM Committee**”) on August 01, 2024.

As on March 31, 2025, the FRM Committee comprised of 3 (Three) members viz., Ms. Annu Garg, Whole-time Director, Mr. Mitesh Sheth, Chief Compliance Officer and Mr. Jinit Kewalramani, Chief Financial Officer.

During the financial year 2024-25, 2 (Two) meetings of FRM Committee were held on October 28, 2024 and January 30, 2025.

The attendance of the FRM Committee meetings during the financial year ended March 31, 2025 is set out below:

Name of the Member	Member of the Committee since	Capacity (i.e., Executive/ Non Executive/ Chairman/Promoter nominee/Independent)	No. of meetings held /entitled to attend	No. of meetings attended	No. of shares held in the Company
Ms. Annu Garg	August 01, 2024	Whole-time Director	2	2	1*
Mr. Mitesh Sheth	August 01, 2024	Chief Compliance Officer	2	2	-
Mr. Jinit Kewalramani	August 01, 2024	Chief Financial Officer	2	2	-

*Holding shares as a nominee shareholder for A. K. Capital Finance Limited

The scope and functions of the FRM Committee inter alia, includes the following:

- oversee the effectiveness of the fraud risk management;
- review and monitor cases of frauds, including root cause analysis, and suggest mitigating measures for strengthening the internal controls, risk management framework and minimising the incidence of frauds; and
- identify appropriate early warning indicators for monitoring credit facilities/ loan accounts and other financial transactions, oversee the effectiveness of the framework for early warning signals and implement preventive measures;
- such other responsibilities as prescribed in Master Directions on Fraud Risk Management in Non-Banking Financial Companies (NBFCs) (including Housing Finance Companies).
- such other tasks as may be entrusted to it by the Board of Directors from time to time.

I Loan Committee (Identification Committee under Master Direction on Treatment of Wilful Defaulters and Large Defaulters)

The Board of Directors of the Company had constituted the Loan Committee on March 27, 2023. The said committee was further assigned with the role of the Identification Committee under Master Directions on Treatment of Wilful Defaulters and Large Defaulters with effect from October 29, 2024.

The Loan Committee comprised of 3 (three) members viz., Mr. Ajay Tendulkar, Chief Executive Officer, Mr. Jinit Kewalramani, Chief Financial Officer and Mr. Rahul Ved, Company Secretary as on March 31, 2025.

During the financial year 2024-25, 19 meetings of Loan Committee were held.

The attendance of the Loan Committee meetings during the financial year ended March 31, 2025 is set out below:

Name of the Member	Member of the Committee since	Capacity (i.e., Executive/ Non Executive/ Chairman/Promoter nominee/Independent)	No. of meetings held /entitled to attend	No. of meetings attended	No. of shares held in the Company
Mr. Ajay Arun Tendulkar	March 27, 2023	Chief Executive Officer	19	19	-
Mr. Jinit Kewalramani	August 02, 2024	Chief Financial Officer	12	12	-
Mr. Rahul Ved	October 29, 2024	Company Secretary	8	8	-

The scope and functions of the Loan Committee inter alia, includes the following:

- Scrutinizing the loan proposals including top-up loans and if satisfied approving the sanction of the loan proposal;
- Review and approve various proposals with respect to due diligence and onboarding of customers, product, co-lending as well as other form of arrangement etc. as may be required from time to time;
- Review the necessary compliances with respect to lending;
- all other matters/actions required to be taken with respect to the loans as sanctioned/ disbursed by the Company;
- take note of the loans sanctioned by the Chief Executive Officer of the Company as per the powers delegated by the Board of Directors;
- To verify the status of prospective borrowers at the time of on-boarding as well as on regular basis from wilful and/ or large defaulters perspective

- To analyze and identify the cases of wilful as well as large defaulters borrowers/ promoters/ guarantor and/ or directors/ persons-in-charge for the management of borrower with respect to any credit facility sanctioned by the Company for recommending the same to Review Committee for perusal.
- To authorize the officials of the Company for issuing show cause notices to such wilful/ larger defaulter borrowers/ promoters/ guarantor and/ or directors/ persons-in-charge for the management of borrower
- To examine the 'wilful default' aspect in respect to all the Non-Performing Assets (NPA) accounts with outstanding amount of INR 25 lakh and above or as may be notified by Reserve Bank of India from time to time
- To recommend the Review Committee the requirement of initiating criminal proceedings against any wilful/ large defaulters, based on the facts and circumstances of each case.
- To recommend penal actions and other measures against any such wilful/ large defaulters/ guarantors/ promoters and/ or directors/ persons-in-charge for the management of borrower
- To take all the necessary steps specified in the Board approved mechanism/ procedure for identifying wilful/ large defaulters. The Committee may recommend to Review Committee any amendment to such mechanism/ procedure for approval and the same shall be placed place in subsequent meeting of Board of Directors.
- Monitoring of payment/ repayments from borrowers
- To recommend actions against statutory auditors of such borrower, in case of any negligence or deficiency at its part.
- To analyse the accountability and involvement of third party engaged by the Company if they have played a vital role in credit sanction/ disbursement and are found negligent or deficient in their work or have facilitated the wilful default by the borrower; and
- such other tasks as may be entrusted to it by the Board of Directors from time to time.

J. Review Committee

The Board of Directors of the Company had constituted the Review Committee on October 29, 2024 pursuant to the Master Directions on Treatment of Wilful Defaulters and Large Defaulters.

The Review Committee comprised of 3 (three) directors viz., Ms. Annu Garg, Whole-time Director, Mr. Vikas Jain, Non-Executive Director and Mr. Ashish Vyas, Independent Director as on March 31, 2025.

During the financial year 2024-25, 5 meetings of Review Committee were held.

The attendance of the Review Committee meetings during the financial year ended March 31, 2025 is set out below:

Name of the Member	Member of the Committee since	Capacity (i.e., Executive/ Non Executive/ Chairman/Promoter nominee/Independent)	No. of meetings held /entitled to attend	No. of meetings attended	No. of shares held in the Company
Ms. Annu Garg	October 29, 2024	Whole-time Director-chairman	5	5	1*
Mr. Vikas Jain	October 29, 2024	Non-Executive Director	5	5	-
Mr. Ashish Vyas	October 29, 2024	Independent Director	5	5	-

*Holding shares as a nominee shareholder for A. K. Capital Finance Limited

The scope and functions of the Review Committee inter alia, includes the following:

- To review the cases of wilful as well as large defaulters as recommended by Identification Committee from time to time and classify the borrowers/ promoters/ guarantor and/ or directors/ persons-in-charge for the management of borrower as a wilful/ large defaulter by explaining the reasons in writing.
- To authorize the officials of the Company for issuing show cause notices to such wilful/ larger defaulter borrowers/ promoters/ guarantor and/ or directors/ persons-in-charge for the management of borrower
- To discuss the recommendation of Identification Committee in relation to wilful defaults identified for the Non-Performing Assets (NPA) accounts with outstanding amount of INR 25 lakh and above or as may be notified by Reserve Bank of India from time to time.
- To examine the requirement of initiating criminal proceedings against any wilful/ large defaulters, based on the facts and circumstances of each case.
- To take penal actions and other measures against any such wilful/ large defaulters
- Regular monitoring of any wilful as well as large defaulters identified
- To take all the necessary steps specified in the Board approved mechanism/ procedure for identifying and reviewing wilful/ large defaulters. The Committee may consider and approve the recommendation of Identification Committee for any amendment to such mechanism/ procedure. Revised mechanism/ procedure shall be placed in subsequent meeting of Board of Directors.
- Monitoring of reporting to Credit Information Companies ("CICs") in relation to defaults in subject and on the website of the Company, in the prescribed manner
- Ensure compromise settlements with any such default borrower to be made in line with policy as well as relevant directions/ circular.
- To actions against statutory auditors of such borrower, in case of any negligence or deficiency at its part.
- To fix the accountability of third party engaged by the Company if they have played a vital role in credit sanction/ disbursement and are found negligent or deficient in their work or have facilitated the wilful default by the borrower.
- To carry out any other function or undertake any other activity (from time to time) as is referred/ specified by the Board/ Committee or enforced by any statutory notification/ amendment or modification as may be applicable, whether under any act, regulations or by any other regulatory authority.

4. General Meetings held during the financial year:

A. Annual General Meeting(s) –

The details of Annual General Meetings (“AGM”) held during the last 3 years and the special resolutions passed thereat are as under:

Sr. No.	Date and Place	Special resolution(s) passed
1	Date: September 02, 2024 Place: 601-602, 6th Floor, Windsor, Off CST Road, Kalina, Santacruz (East), Mumbai – 400 098	i) Re-appointment of Mr. Ashish Vyas (DIN: 10264901) as a Non-Executive, Independent Director of the Company. ii) Re-appointment of Ms. Bindu Darshan Shah (DIN: 07131459) as a Non-Executive, Independent Director of the Company.
2	Date: September 08, 2023 Place: 601-602, 6th Floor, Windsor, Off CST Road, Kalina, Santacruz (East), Mumbai – 400 098	i) Regularization of appointment of Additional Director Mr. Ashish Vyas (DIN: 10264901) as a Non-Executive, Independent Director of the Company. ii) Regularization of appointment of Additional Director Ms. Bindu Darshan Shah (DIN: 07131459) as a Non-Executive, Independent Director of the Company; iii) To approve the borrowing limits of the Board of Directors under Section 180(1)(c) of the Companies Act, 2013 upto Rs. 100 Crore; and iv) Creation of charge / mortgage over the properties of the Company, both present and future, in favour of lenders.
3	Date: September 02, 2022 Place: 601-602, 6th Floor, Windsor, Off CST Road, Kalina, Santacruz (East), Mumbai – 400 098	i) Re-appointment of Ms. Annu Garg (DIN: 07817550) as the Whole-time Director of the Company; ii) Fixation of remuneration of Mr. Ajay Arun Tendulkar (PAN:ACAPT9123H), Chief Executive Officer of the Company; iii) To approve the borrowing limits of the Board of Directors under Section 180(1)(c) of the Companies Act, 2013 upto Rs. 50 Crore; and iv) Creation of charge/mortgage over the properties of the Company, both present in future, in favour of lenders.

B. Extra-ordinary General Meeting(s) –

Further, during the financial year 2024-25 no extra-ordinary general meeting was held.

5. Details of non-compliance with requirements of Companies Act, 2013, RBI Master Directions and such other regulations as applicable to the Company.

The Company complies with the requirements of the Companies Act, 2013 including with respect to compliance with accounting and secretarial standards, HFC Master Directions and such other regulations to the extent applicable to the Company.

6. Penalty or Strictures

The RBI in exercise of powers vested under Section 52A of the National Housing Bank Act, 1987, had imposed a monetary penalty of INR 50,000/- for non-compliance with certain directions issued by the RBI on ‘Know Your Customer (KYC)’ vide its order dated October 17, 2024.

The Company has duly paid the said penalty and has also ensured compliance with the relevant provisions related to KYC norms as applicable to the Company.

7. Disclosure in relation to Remuneration to Non-Executive Directors and Independent Directors –

The Independent Directors of the Company receive remuneration by way of sitting fees for attending the meetings of the Board and/or Committees thereof, as decided by the Board from time to time subject to the limits specified under the Act. The details of remuneration paid to the Independent Directors during the financial year under review are as follows –

Name of the Independent Director	Sitting fees paid for attending Board and Committee meetings	Commission	Others, if any
Ms. Bindu Darshan Shah	Rs. 2,00,000	-	-
Mr. Ashish Vyas	Rs. 1,00,000	-	-

Further, no remuneration was paid to the Non-Executive Directors during the financial year under review.

8. Breach of Covenant:

The Company has not breached any covenant attached to the credit facility availed during the financial year 2024-25.

On behalf of the Board of Directors
For Family Home Finance Private Limited

Annu Garg
Whole-time Director
(DIN: 07817550)

Aditi Mittal
Non-Executive Director
(DIN: 00698397)

Date: July 25, 2025
Place: Mumbai

NOMINATION AND REMUNERATION POLICY

1) INTRODUCTION:

The only vital value an enterprise has is the experience, skills, innovativeness and insights of its employees. Family Home Finance Private Limited (**the "Company"**) believes in transparency in evaluating the performances of its Directors, Key Managerial Personnel's (**KMPs**), Senior Management and other employees of the Company and paying equitable Compensation to them. The Company recognizes its Directors, KMPs, Senior Management and its employees as an invaluable asset.

As a part of a good Corporate Governance and in compliance with the Section 178 and Schedule IV of the Companies Act, 2013 (**the "Act"**) including all other applicable rules, regulations, guidelines and laws (including any amendments thereto or re-enactments thereof for the time being in force) and Guidelines issued by RBI on Compensation to KMPs and Senior Management in the NBFC dated April 29, 2022 (**"RBI Guidelines"**), the Board of Directors of the Company have reviewed and approved the adoption of Nomination and Compensation Policy of the Company (**the "Policy"**).

The Company has constituted Nomination and Remuneration Committee (**"NRC"** or the **"Committee"**). The NRC shall comprise of at least three Directors, all of whom shall be Non-Executive Directors and at least half shall be Independent Directors.

2) OBJECTIVES OF THE POLICY:

The key objectives of the Policy inter-alia includes:

- a) To ensure that the level and composition of compensation is reasonable and sufficient to attract, retain and motivate Directors, KMP and Senior Managerial Personnel of the quality required to run the Company successfully;
- b) That the relationship of compensation (variable, fixed and bonus) is clear and meets appropriate performance benchmarks;
- c) That the Compensation to Directors, KMPs, and other employees of the Company involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals;
- d) To formulate criteria for evaluation of annual performance of the Board of Directors and Members of Committees of the Board, KMPs, Senior Management and other employees of the Company and recommend compensation payable to them to the Board;
- e) Formulation of criteria for evaluation of Independent Directors and the Board;
- f) To lay the principles for fixed/ variable pay structures for Senior Management and KMPs.
- g) To guide the Board in relation to appointment and removal of Directors, KMPs and Senior Management.
- h) Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down.
- i) To retain, motivate and promote talent and to ensure their sustainability.

3) DEFINITIONS:

- a) **'Act'** means the Companies Act, 2013 and the rules framed thereunder
- b) **'Board of Directors' or 'Board'** in relation to a company, means the collective body of the directors of the Company
- c) **'Director'** means a director appointed on the Board of the Company
- d) **'Independent Director'** means an independent director referred to in sub-section (5) of Section 149 of the Act
- e) **'Key Managerial Personnel or KMP'** means
 - a) Managing Director, or Chief Executive Officer or Manager and in their absence a Whole-Time Director;
 - b) Chief Financial Officer;
 - c) Company Secretary; and
 - d) And other persons as may be identified by the Board of Directors.
- f) **'Policy'** means Nomination and Compensation Policy of the Company.
- g) **'Senior Management or Senior Managerial Personnel'** shall mean officers/personnel of the Company who are members of its core management team excluding Board of Directors and normally this shall comprise all members of management one level below the chief executive officer/managing director/whole-time director/manager (including chief executive officer/manager, in case they are not part of the Board) and shall specifically include the functional heads, by whatever name called and the company secretary and chief financial officer.

4) APPLICABILITY OF THE POLICY

This Policy is applicable to:

- a) Directors viz. Executive, Non-executive and Independent;
- b) Key Managerial Personnel; and
- c) Senior Management Personnel.

5) NOMINATION AND REMUNERATION COMMITTEE OF THE BOARD:

- a) The NRC of the Board shall comprise of at least three Directors, all of whom shall be Non-Executive Directors and at least two-thirds of the members shall be Independent Directors. The Chairperson of the Committee shall be an Independent Director.
- b) The Committee shall identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down;

- c) The Committee shall recommend to the Board the appointment and removal of the Directors and Senior Management of the Company and shall carry out evaluation of every Director's performance;
- d) The Committee shall formulate the criteria for determining the qualifications, positive attributes and independence of a director;
- e) The Chairperson of the Committee or in his/her absence any other member of the Committee as authorized by him/her in this behalf shall attend the General Meetings of the Company;
- f) The NRC shall monitor the implementation of this policy and shall timely review this policy and recommend amendment in the policy to the Board of Directors as and when required;
- g) The NRC will actively oversee the compensation system's design and operations to ensure that the system operates as intended and is also consistent with the principles outlined by the RBI;
- h) The NRC may work in close coordination with Risk Management Committee to achieve effective alignment between compensation and prudent risk-taking;
- i) The NRC shall ensure that the cost to income ratio of the Company supports the compensation consistent with maintaining sound capital adequacy ratio;
- j) The NRC shall have supervisory oversight regarding implementation of compensation practices and policies of the Company and Human Resource Department will administer the compensation policy by following rules and processes that are objective and transparent. The Company will ensure complete compliance with all disclosure norms as prescribed by the various statutes relevant to the Company and industry in general;
- k) The specific criteria for Malus and Claw back will be reviewed by the NRC annually; and
- l) The performance parameters and final payout for cash based incentives and share-linked incentives, if any, would be fixed by NRC/Board every year.

7) VOTING

- a) Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and any such decision shall for all purposes be deemed a decision of the Committee.
- b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

8) APPOINTMENT AND QUALIFICATION CRITERIA FOR DIRECTOR, KMP AND SENIOR MANAGEMENT:

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his/ her appointment.
- b) A person should possess adequate qualification, expertise and experience for the position he/ she is considered for appointment. The Committee shall have the discretion to decide whether qualification, expertise and experience possessed by a person is sufficient/ satisfactory for the concerned position.
- c) Appointment of Independent Directors is subject to compliance of provisions of Section 149 of the Companies Act, 2013, read with Schedule IV and Rules thereunder.
- d) The Company shall not appoint or continue employment of any person as Managing Director or Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.
- e) KMPs of the Company shall not hold any office (including directorships) in any other NBFC-Middle Layer or NBFC-Upper Layer except for directorship in the subsidiary company in pursuance to applicable SBR framework.
- f) An independent director shall not be on the Board of more than three NBFCs (NBFCs-Middle Layer or NBFCs-Upper Layer) at the same time. Further, the Board of the Company shall ensure that there is no conflict arising out of their independent directors being on the Board of another Company at the same time.

9) REMOVAL

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations there under, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

10) RETIREMENT

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ Compensation or otherwise even after attaining the retirement age, for the benefit of the Company.

11) EVALUATION OF EVERY DIRECTOR'S PERFORMANCE

- a) The Nomination and Remuneration Committee shall carry out evaluation of performance of every Director at regular interval (yearly).
- b) The performance evaluation of the Directors of the Company shall be done by the Nomination and Remuneration Committee wherein the Director being evaluated shall not participate.

12) TERM/TENURE**I. Managing Director/Whole-time Director:**

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

II. Independent Director:

- a. An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment/re-appointment in the Board's report.
- b. No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

13) SEPARATE MEETING OF INDEPENDENT DIRECTORS:

The Independent Directors of the Company shall hold a separate meeting at least once in year without the attendance of Non-Independent Directors of the Board and Members of Management. All the Independent Directors of the Company shall strive to be present at the meeting.

The meeting shall review the performance of the Non-Independent Directors and the Board as a whole and the Chairperson of the Company taking into account the views of the Executive and Non-Executive Directors.

The meeting shall also assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

14) PROVISIONS RELATING TO COMPENSATION OF KMP AND SENIOR MANAGEMENT**I. General:**

- i. The remuneration / compensation / commission etc. to KMP and Senior Management Personnel will be determined by the Whole-time Director of the Company and submit a report to the Board of Directors of the Company. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company, wherever required as per the applicable provisions.
- ii. In case of Managing Directors, Whole Time Directors and Managers, if any, increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board, which shall be subject to necessary approval as per the provisions of the Companies Act, 2013, and the rules made there under for the time being in force.
- iii. Where any insurance is taken by the Company on behalf of its Managerial Person, KMP and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

II. Guidelines for Compensation to Managerial Person, KMP and Senior Management:**i. Fixed pay:**

KMP and Senior Management shall be eligible for a monthly Compensation as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made there under for the time being in force. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F., medical expenses, etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders, wherever required.

ii. Variable Pay:

The variable pay may be in the form of share linked instruments or a mix of cash and share-linked instruments. It shall be ensured that the share-linked instruments are in conformity with relevant statutory provisions.

The proportion of variable pay in total compensation needs to be commensurate with the role and prudent risk taking profile of KMPs/ senior management. At higher levels of responsibility, the proportion of variable pay needs to be higher. There should be proper balance between the cash and share-linked instruments in the variable pay in case the variable pay contains share linked instruments. The variable pay should be truly and effectively variable and can be reduced to zero based on performance at an individual, business-unit and companywide level. In order to do so, performance measures and their relation to compensation packages should be clearly defined at the beginning of the performance measurement period to ensure that the employees perceive the incentive mechanism.

The Committee post assessment of the performance shall approve the variable pay which may be paid immediately or certain portion of variable pay, as decided by the Board of the company, may be deferred to time horizon of the risks Components and risk alignment. The portion of deferral arrangement may be made applicable for both cash and non-cash components of the variable pay. Deferral period for such an arrangement may be decided by the Board.

The Compensation of Key Managerial Personnel (KMPs) and senior management needs to be reasonable, recognising all relevant factors including adherence to statutory requirements and industry practices. The compensation packages may comprise of fixed and variable pay components aligned effectively with prudent risk taking to ensure that compensation is adjusted for all types of risks, the compensation outcomes are symmetric with risk outcomes, compensation pay-outs are sensitive to the time horizon of the risks, and the mix of cash, equity and other forms of compensation are consistent with risk alignment.

iii. Guaranteed bonus:

Guaranteed bonus may not be paid to KMPs and senior management. However, in the context of new hiring joining/sign-on bonus could be considered. Such bonus will neither be considered part of fixed pay nor of variable pay.

iv. Minimum Compensation:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay Compensation to its Managerial Person in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the prior approval of the Central Government.

v. Provisions for excess Compensation:

If any Managerial Person draws or receives, directly or indirectly by way of Compensation any such sums in excess of the limits prescribed under the Companies Act, 2013, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company.

III. Guidelines for Compensation to Non-Executive / Independent Director:**i. Compensation / Commission:**

The Compensation / commission shall be in accordance with the statutory provisions of the Companies Act, 2013, and the rules made there under for the time being in force.

ii. Sitting Fees:

The Non- Executive / Independent Director may receive Compensation by way of sitting fees for attending meetings of Board or Committee thereof. The Board of Directors shall finalise the amount of sitting which will be paid to the Directors. Further, the Board may modify said sitting fees from time to time.

Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee.

iii. Limit of Compensation / Commission:

Compensation / Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

iv. Stock Options:

An Independent Director shall not be entitled to any stock option, if any, of the Company.

15) Control and assurance function personnel:

KMPs and senior management engaged in financial control, risk management, compliance and internal audit may be compensated in a manner that is independent of the business areas they oversee and commensurate with their key role in the company. Accordingly, such personnel may have higher proportion of fixed compensation. However, a reasonable proportion of compensation may be in the form of variable pay.

16) Malus / Clawback:

The deferred compensation may be subject to malus/clawback arrangements in the event of subdued or negative financial performance of the company and/or the relevant line of business or employee misconduct in any year. NRC shall identify the vent of subdued or negative financial performance of the Company or any such events wherein immediate attention is required towards implementation Malus/Clawback arrangements. It shall be implemented with the approval of Committee. Compensation will be aligned to both financial and non-financial indicators of performance including controls like risk management, process perspective, customer perspective and others.

- Acts of gross negligence and integrity breach shall be covered under the purview of the compensation policy. Errors of judgment shall not be construed to be breaches under this note.
- The deferred part of the variable pay (performance bonus) will be subject to malus, under which, the Company will prevent vesting of all or part of the variable pay in the event of an enquiry determining gross negligence or integrity breach.
- Employees will be required to sign claw back agreements for the variable pay. In a claw back arrangement, the employee will agree to return, in case asked for, the previously paid variable pay to the Company in the event of an enquiry determining gross negligence or integrity breach, taking into account relevant regulatory stipulations.

The invocation of the malus and clawback clauses may be applicable on entire variable pay. While setting criteria for the application of malus / clawback, the Committee may also specify a period during which malus and/or clawback can be applied, covering at least the deferral and retention periods.

17) AMENDMENT IN POLICY:

The Company shall reserve the rights to make amended to the Policy from time to time as it deems fit in accordance with the applicable laws, rules and regulations for the time being in force.

POLICY ON MATERIALITY AND DEALING WITH RELATED PARTY TRANSACTIONS

1. PREAMBLE:

Family Home Finance Private Limited (the “**Company**” or “**FHFPL**”) has adopted the following policy and procedures with regards to Related Party Transactions as defined below. This policy will be applicable to all the related party transactions entered by the Company. This policy is to regulate transactions between the Company and its Related Parties based on the laws and regulations applicable on the Company.

2. PURPOSE AND OBJECTIVE OF THIS POLICY:

This Policy is framed as per the requirement of Section 188 of the Companies Act, 2013. The Policy intends to ensure the proper approval and reporting of the transactions between the Company and its Related Parties. The Company has so far been in compliance with various laws and regulations in this regard and ensured that such transactions are in the best interest of the Company and its shareholders. The Company is required to disclose each year in the Financial Statements certain transactions between the Company and Related Parties as well as policies concerning transactions with Related Parties. The Policy shall apply to all Related Party Transaction(s), unless the transaction is exempt.

This Policy may be amended from time to time and is subject to

- (i) Amendments to the Companies Act, 2013;
- (ii) Consequential actions taken by the Board of Directors or the Audit Committee of the Company.

3. DEFINITIONS:

- i. “**Arm’s Length Transaction**” means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.
- ii. “**Audit Committee or Committee**” means Committee of Board of Directors of the Company constituted under provisions of Companies Act, 2013.
- iii. “**Board**” means Board of Directors of the Company.
- iv. “**Control**” shall include the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholder agreements or voting agreements or in any other manner.
- v. “**Key Managerial Personnel**” means key managerial personnel as defined under the Companies Act, 2013 and includes:-
 - (i) Managing Director, or Chief Executive Officer or Manager
 - (ii) Whole-time Director;
 - (iii) Company Secretary;
 - (iv) Chief Financial Officer;
 - (v) such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and
 - (vi) such other officer as may be prescribed
- vi. “**Ordinary course of business**” a transaction entered into by the company which is not in an extra-ordinary course or in an unusual or abnormal nature, but in the regular routine of the business and includes all such activities which the company can undertake as per Memorandum & Articles of Association.
- vii. “**Policy**” means Policy on Materiality and Dealing with Related Party Transactions
- viii. “**Related Party**” means a person/entity which is a related party under Section 2(76) of the Act read with the rules framed thereunder.
- ix. “**Related Party Transaction**” means any transaction involving any Related Party which is a transfer of resources, services or obligations between a company and a related party, regardless of whether a price is charged.
Explanation – A “**transaction**” with a related party shall be construed to include single transaction or a group of transactions in a contract.
- x. “**Relative**” means relative as defined under sub-section (77) of section 2 of the Companies Act, 2013 and rules prescribed there under

4. POLICY:

All Related Party Transactions must be reported to the Audit Committee and referred for approval by the Committee in accordance with this Policy. All Related Party Transactions shall require prior approval of Audit Committee. Provided that only those members of the audit committee, who are independent directors, shall approve related party transactions. Further, all Material Related Party Transactions shall require approval of the shareholders through special resolution.

A. IDENTIFICATION AND NOTIFICATION OF RELATED PARTY TRANSACTIONS:

- i. Every Director or Key Managerial Personnel shall, within a period of thirty days of his/her appointment, or relinquishment of his/her office, as the case may be, disclose to the Company the particulars relating to his concern or interest in the other associations/entities.

- ii. In accordance with the provisions of Section 184 of the Companies Act, 2013, every Director shall at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the disclosures already made, then at the first Board Meeting held after such change, disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals which shall include the shareholding.
- iii. Each Director and Key Managerial Personnel and other related party shall promptly notify the Company Secretary of any material interest that such person or relative of such person had, has or may have in a proposed Related Party Transaction. The notice shall include a description of the transaction and the aggregate amount.
- iv. Senior management shall make disclosures to the Board relating to all material financial and commercial transactions, where they have personal interest, that may have a potential conflict with the interest of the Company at large (for e.g. dealing in Company's shares, commercial dealings with bodies, which have shareholding of management and their relatives, etc.)
- v. The Company Secretary shall promptly notify the Chairman of the Audit Committee of the Board of any such proposed Related Party Transactions notified by the Director or Key Managerial Personnel or any other transactions which are to be entered into with any Related Party.
- vi. Audit Committee will determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this policy.
- vii. The Company strongly prefers to receive such notice of any potential Related Party Transaction well in advance so that the Audit Committee/Board has adequate time to obtain and review information about the proposed transaction.

B. APPROVAL OF RELATED PARTY TRANSACTIONS:

Approval of the Audit Committee

All Related Party transactions require prior approval of the Audit Committee. Provided that only those members of the audit committee, who are independent directors, shall approve related party transactions.

Any member of the Audit Committee who has a potential interest in any Related Party Transaction will recuse himself and abstain from discussion and voting on the approval of the Related Party transaction.

The Company may obtain omnibus approval from the Audit Committee for such transactions, subject to compliances with the following conditions:

- a) 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
 - (iii) Whether the transaction(s) are proposed at arm's length basis.
- b) The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the Company;
- c) Such omnibus approval shall specify –
 - (i) The name/s of the related part(ies), nature of transaction(s), period of transaction(s), maximum amount of transaction that can be entered into;
 - (ii) The indicative base price / current contracted price and the formula for variation in the price if any and;
 - (iii) Such other conditions as the Audit Committee may deem fit.

Provided that where the need for Related Party Transaction cannot be foreseen and aforesaid details are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding INR 1 Crore per transaction.

- d) Audit Committee shall review, atleast on a quarterly basis, the details of Related Party Transactions entered into by the Company pursuant to each of the omnibus approval given.
- e) Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.
- f) In exceptional circumstances, where it is not feasible to seek prior approval of the Audit Committee, Board of Directors and / or shareholders, as the case may be, in respect of any Related Party Transaction, then it shall be required to be ratified by the Audit Committee, Board of Directors and / or shareholders, as the case may be, within a period of three months of entering into Related Party Transaction.

In case, the same is not ratified by the Board or, as the case may be, by the shareholders at a meeting within three months from the date on which such contract or arrangement was entered into, such contract or arrangement shall be voidable at the option of the Board and if the contract or arrangement is with a related party to any Director, or is authorized by any other Director, the Directors concerned shall indemnify the company against any loss incurred by it.

While assessing a proposal put up before the Audit Committee / Board for approval, the Audit Committee / Board may review the following documents / seek the following information from the management in order to determine if the transaction is in the ordinary course of business and at arm's length or not:

- i. Nature of the transaction i.e. details of goods or property to be acquired / transferred or services to be rendered / availed – including description of functions to be performed, risks to be assumed and assets to be employed under the proposed transaction;
- ii. Key terms (such as price and other commercial compensation contemplated under the arrangement) of the proposed transaction, including value and quantum;
- iii. Key covenants (non-commercial) as per the draft of the proposed agreement/ contract to be entered into for such transaction;

- iv. Special terms covered / to be covered in separate letters or undertakings or any other special or sub arrangement forming part of a composite transaction;
- v. Benchmarking information that may have a bearing on the arm's length basis analysis, such as:
 - 1. market analysis, research report, industry trends, business strategies, financial forecasts, etc.;
 - 2. third party comparables, valuation reports, price publications including stock exchange and commodity market quotations;
 - 3. management assessment of pricing terms and business justification for the proposed transaction;
 - 4. comparative analysis, if any, of other such transaction entered into by the company.

Approval of the Board of Directors of the Company

As per the provisions of Section 188 of Companies Act, 2013, all kinds of transactions specified under the said Section and which are not in the ordinary course of business and at arm's length basis shall be placed before the Board for its approval.

Any member of the Board who has a potential interest in any Related Party Transaction will recuse himself and abstain from discussion and voting on the approval of the Related Party transaction.

In addition to the above, the following kinds of transactions with Related Parties are also placed before the Board for its approval:

- i. Transactions which may be in the ordinary course of business and at arm's length basis, but which are as per the policy determined by the Board from time to time (i.e. value threshold and/or other parameters) require Board approval in addition to Audit Committee approval;
- ii. Transactions in respect of which the Audit Committee is unable to determine whether or not they are in the ordinary course of business and/or at arm's length basis and decides to refer the same to the Board for approval;
At the time of determining the arms' length nature of price charged for the Related Party Transaction, permissible method of arms' length pricing as per applicable law would be considered.
i In case the Company is not doing similar transactions with any other non-related party, terms for similar transactions between other non-related parties of similar standing can be considered to establish 'arm's length basis'.
- iii. Transactions which are in the ordinary course of business and at arm's length basis, but which in Audit Committee's view requires Board approval.
- iv. Transactions meeting the materiality thresholds laid down in the Policy, which are intended to be placed before the shareholders for approval.

Approval of the Shareholders of the Company

All the transactions with related parties meeting the materiality thresholds, laid down in the Policy, are placed before the shareholders for approval.

In addition to the above, all kinds of transactions specified under Section 188 of the Act which (a) are not in the ordinary course of business and at arm's length basis; and (b) exceed the thresholds laid down in Companies (Meetings of Board and its Powers) Rules, 2014 shall be placed before the shareholders for its approval.

Further, Explanatory Statement to be annexed to the notice of a general meeting seeking approval of shareholders shall contain the following particulars viz.: - (a) Name of the Related Party; (b) Name of the Director or Key Managerial Personnel who is related, if any; (c) Nature of relationship; (d) Nature, material terms, monetary value and particulars of the contract or arrangement; (e) Any other information relevant or important for the members to take a decision on the proposed resolution.

C. REVIEW OF RELATED PARTY TRANSACTIONS

- i. To review a Related Party Transaction, the Committee will be provided with all relevant material information of the Related Party Transaction:
 - 1. The name of the Related Party and nature of relationship;
 - 2. The nature, duration of the contract and particulars of the contract or arrangement;
 - 3. The material terms of the contract or arrangement including the value, if any;
 - 4. Any advance paid or received for the contract or arrangement, if any;
 - 5. The manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract;
 - 6. Whether all factors relevant to the contract have been considered; and
 - 7. Any other information relevant or important for the Audit Committee/Board to take a decision on the proposed transaction.
- ii. Factors to be considered for considering the approval of a Related Party Transaction are as follows:
 - 1. Whether the terms of the Related Party Transaction are fair and on arm's length basis to the Company and would apply on the same basis if the transaction did not involve a Related Party; and are in the ordinary course of business;
 - 2. Whether there are any compelling business reasons for the Company to enter into the Related Party Transaction and the nature of alternative transactions, if any;
 - 3. Whether the Related Party Transaction would affect the independence of an independent director.
 - 4. Whether the proposed transaction includes any potential reputational risk issues that may arise as a result of or in connection with the proposed transaction;
 - 5. Whether the Related Party Transaction would present an improper conflict of interest for any Director or Key Managerial Personnel of the Company; and
 - 6. Any other factors the Committee deems relevant.

5. DISCLOSURE OF THE POLICY:

The Company shall disclose the Policy on dealing with Related Party Transactions on its website and a web link thereto shall be provided in the Annual Report.

6. REPORTING:

- i. All Related Party Transactions shall be disclosed in the Board's Report along with details and justification for entering into such transaction.
- ii. All Related Party Transactions in which Directors are interested as defined in Section 184 shall be entered in with all the relevant particulars in register maintained as per Form MBP-4 prescribed in Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014.
- iii. Any other reporting shall be done as prescribed in applicable regulation.

7. SCOPE LIMITATION

In the event of any conflict between the provisions of this Policy and Companies Act, 2013 or any other statutory enactments, rules, the provisions of such Companies Act, 2013 or statutory enactments, rules shall prevail over this Policy.

This Policy will be communicated to all functional and operational employees and other concerned persons of the Company.

8. AMENDMENTS IN THE POLICY:

The Company shall reserve the rights to make amended to the Policy from time to time as it deems fit in accordance with the applicable laws, rules and regulations for the time being in force.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

OVERVIEW OF INDIAN ECONOMY:

The growth of India's economy remained steady at 6.5% in FY 2024-25, navigating through global challenges with resilience. Though there were signs of stagnation in urban consumption, rural demand remained robust driven by a strong agricultural sector. According to the RBI's January 2025 survey, consumer confidence remains high, with the Future Expectations Index (FEI) firmly in optimistic territory. This optimism in the Indian economy encouraged the Reserve Bank of India to infuse 1.5 trillion in to the banking system to increase the liquidity levels and thereby propel economic activity.

These aforesaid economic trends have also had a positive impact on India's real estate sector. The market is shifting, adapting, and evolving in every phase keeping pace with the emerging trends in the economy. Infrastructure spending surged, with capital expenditure rising 38.8% between FY 2019-20 and FY 2024-25 building a strong foundation on which future growth can be fuelled.

The domestic financial markets maintained its stable position in stark contrast to global volatility. While economic growth moderated in F.Y. 2024-25, the RBI held repo rates steady for three quarters, aiming to align core CPI inflation within its target. In February 2025, the central bank cut Repo rate from 6.5% to 6.25% to ease liquidity constraints, followed by another 25 basis point rate cut in the month of April, 2025 to stimulate domestic demand and encourage private sector investment through expansionary policies.

India successfully maintained its fiscal deficit at 4.4%-4.5% of GDP, granting the government greater flexibility to boost spending and drive demand. With a continued emphasis on housing, infrastructure development, and pro-business policies, the nation remains well-positioned for broad-based economic growth across various industries.

INDUSTRY OVERVIEW:

India's housing finance market has witnessed a strong growth, due to growing aspirations of homeownership among consumers, government's policy initiatives, attractive interest rates and improving affordability. As per CIBIL TransUnion Report, as of October 2024, the Housing Loan (HL) portfolio stood at ₹37.2 trillion, reflecting a 14% YoY growth. Within this, the regular housing loan segment accounted for ₹25.1 trillion registering a strong 20% YoY growth, while affordable housing loans reached ₹12.2 trillion, having 6% YoY growth. In the Loan Against Property (LAP) segment, the total outstanding portfolio stood at ₹11.1 trillion, marking a robust 23% YoY growth.

In India, real estate sector is the second-largest employment provider, contributing nearly 7% to the nation's GDP. By 2030, the sector is envisioned to expand to a staggering \$1 trillion. Expedited urbanization is propelling this growth, with cities expected to accommodate 40% of the population within the next few years. As India's population surges, the demand for housing is set to amplify across all income groups. The country, already home to the second-largest urban community in the world, the country is expected to add another 416 million people to the urban population making it 50% of the total population by 2050. From affordable units to premium residences, cities will witness heightened pressure to expand their housing supply, making real estate a cornerstone of economic development.

India's affordable housing loan market currently stands at an estimated ₹13 trillion, with Housing Finance Companies (HFCs) accounting for ₹6.9 trillion and Scheduled Commercial Banks (SCBs) holding ₹6.2 trillion. As demand for affordable housing is set to witness substantial increase in the near future, this segment is poised for substantial growth.

According to NHBs and Care Edge Ratings, housing finance market is expected to grow by 15-16% in the next five years. The overnight Marginal Cost of Funds Based Lending Rate (MCLR), which serves as the base lending rate, escalated during the year, significantly heightening borrowing costs. However, its impact was subsidized by the RBI reducing the repo rate in February 2025 by 25 basis points and another 25 basis points rate cut in April which brings the current repo rate down to 6% resulting in improved liquidity levels for banks and HFCs to increase their lending portfolio leading to surge in the demand.

The government remains focused on housing development allocating a 64.1% increase in funding for the P-MAY to sustain momentum in the sector and other policy initiatives to boost housing demand within the country.

OUTLOOK OF THE COMPANY:

The Company is a housing finance company registered with National Housing Bank. The Company primarily offers Home Loans, Loan against Property ("LAP") and secured lending products through Co-lending, Strategic partnership, Securitization and Direct Assignment ("DA") model with channel partners.

As of March 31, 2025, the Company had a Gross Asset under Management ("AUM") of approx. Rs. 7,400.63 Lakhs. Gross Non-Performing Asset stood at 0.10% whereas Net NPA at 0.09%.

The Company continues to focus on raising long-term borrowing. Accordingly, all the borrowing(s) of the Company are long term in nature. The Company has been assigned rating of AA- Stable by Acuite. This will enable the company to grow its debt profile and AUM.

The Company has recently concluded two transactions which includes a direct assignment transaction entered with MAS Rural Housing to acquire 200 loan accounts for an amount aggregating to INR 10 Crores and exit from the co-lending arrangement entered with Star Housing at a profitability.

The Company has also adequately resolved its two NPA cases. Going forward the Company will look at further opportunities available on the direct assignment and co-lending front, however, primary focus will be on direct assignment transactions.

SWOT Analysis:

a) Strengths:

- Strong AK Group brand name.
- Experienced senior management team.
- Well-defined and scalable organizational structure based on product, territory and process knowledge.
- Robust credit underwriting and regular monitoring of loan portfolio.
- Asset quality.

b) Weakness:

- Business and growth directly linked with the GDP growth of the country; and
- The operations of the Company are still at its nascent stage, the cost of funds as available to the Company can be high.

c) Opportunities:

- Increased thrust on Policy initiatives like P-MAY, tax incentives, credit guarantee schemes and interest subventions for EWS/ LIG segments.
- Rise of Tier II & III Cities leading to a surge in housing demand in non-metro locations supported by local economic growth and rising aspirations.

d) Threats:

Banks and large NBFCs are aggressively expanding into retail mortgage space, as a result housing finance companies are facing continued pressures to preserve their margins and at the same time maintain portfolio quality.

Inflationary pressures and currency fluctuations, may indirectly impact funding costs and borrower repayment capacity.

SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE:

Family Home Finance Private Limited (herein after referred as “FHFPL”) operates mainly in the business of providing housing loans to customers or purchase of retail loan books of the other Housing Finance Companies via direct assignment. The revenues from interest on loans and investments in F.Y. 2024-25 were Rs. 721.51 Lakhs.

KEY RISKS & CONCERNS:

The Company is exposed to both internal and external risks from time to time. Identification of key risk shall help the Company to take proactive steps on time and improve Company's capability of managing risk. The purpose of identifying key risks is to assess the sources of risks that may impact the Company in achieving its business objectives and assess the steps which shall be taken by the Company to mitigate said risks.

a) **Credit Risk:** The credit risk framework of FHFPL ensures prior and periodic comprehensive assessment of every client and collateral. Credit risk monitoring mechanism ensures that exposure to clients is diversified. Careful selection of collateral is the key for a client limit. Effective credit risk management has enabled us to steer through environmental stress conditions with NIL delinquencies since inception.

b) **Market Risk:** In order to monitor market risk, a comprehensive framework of reports and limits has been put in place that track positions, value at risk and duration of assets. Limits at various levels are defined to capture early warning signals. The risk framework makes certain that the risks are monitored and necessary timely action is taken for every single instance of violation, in case they occur.

Additionally, the asset liability mismatch and margin utilizations are regularly assessed. Liquidity requirements are closely monitored and necessary care is taken to maintain sufficient liquidity cushion for maturing liabilities and for any unforeseen requirements. We also proactively modify our liabilities profile in sync with the changing assets profile to ensure that we do not carry any material asset liability mismatch.

c) **Operational Risk:** Operational risk arises from the failure of systems, people and processes through which we operate. Operational risk covers several sub-categories of risks such as fraud risk, legal risk, reputational risk, environmental risk and physical risk among others. Operational risk framework of FHFPL is designed to balance and check operational risk at key manifestation points. In addition to defining new processes, we have initiated an ongoing review of all critical processes to proactively identify weak controls and strengthen the same. All of the above will also help us in ensuring our compliance with Companies Act 2013 requirement of “adequate internal financial controls system and operating effectiveness of such controls”. We continue to have a comprehensive Business Continuity Plan that is periodically tested.

d) **Business/Strategic Risk:** Business/ Strategic risks are risks that affect or are created by an organization's business strategy and strategic objectives. Your company's management of this risk is guided by diversification in its business through various products, customer segments and geographies, balanced growth while maintaining asset liability balance and prudent provisioning policies.

e) **Reputation Risk:** Trust is the foundation for the financial service industry and is critical to building a strong customer franchise. Any adverse stakeholder or public perception about the company may negatively impact our ability to attract and retain customers and may expose us to litigation and regulatory actions. Reputation Risk most often results from the poor management of other risks and can arise from a variety of sources including direct sources like poor financial performance, poor governance and indirect sources like increased operational risk or control failures. The company manages this through a strict code of conduct policy for its employees, good corporate governance policies and an effective customer grievance mechanism. We communicate with our stakeholders regularly through appropriate engagement mechanisms to address stakeholder expectations and assuage their concerns, if any.

f) **Interest Rate Risk:** Interest Rate Risk is the exposure of a Company's financial condition to adverse movements in interest rates. Changes in interest rates affect a Company's earnings by changing its Net Interest Income (NII). Advances Book and Funding strategy are tailored in such a way that repricing of borrowings can be offset by repricing the loans. Earnings impact using traditional gap analysis measures the level of your Company's exposure to interest rate risk in terms of sensitivity of its NII to interest rate movements over the horizon of analysis.

g) **Liquidity Risk:** Liquidity Risk is the risk that a Company may not be able to meet its short-term financial obligations due to an asset– liability mismatch or interest rate fluctuations. The Company's framework for liquidity and interest rate risk management is articulated in its Asset Liability Management Policy that is implemented, monitored and periodically reviewed by the Board of Directors.

h) **Compliance Risk:** Compliance Risk is defined as the risk of exposure to legal, regulatory sanctions and damage to its reputation as a result of failure or a perceived failure to comply with applicable laws, regulations, and internal policies or prescribed best practices. Your Company has a Compliance Policy to ensure highest standards of compliance. The Compliance team works with business and operations to ensure active compliance risk management and monitoring. The team also provides advisory services on regulatory matters. The focus is on identifying and reducing risk by rigorous testing and also putting in place robust internal policies. Products and processes are reviewed for adherence to regulatory norms prior to rollout. Internal policies are reviewed and updated periodically as per agreed frequency or based on market action or regulatory guidelines / action. The compliance team also seeks regular feedback on regulatory compliance from product, business and operation teams through self-certifications and monitoring.

i) **Information Technology Risk, Cyber Security Risk and Information Security Risk:** Information technology risk is the risk arising on account of inadequacies or failure of technical infrastructure or IT systems which can have an adverse impact on the availability, integrity, accessibility and security of the data and the IT infrastructure. Cyber Security Risk means risk of cyber-attacks on Company's systems through hacking, phishing, ransomware and other means, resulting in disruption of our services or theft or leak of sensitive internal data or customer information.

The Company has implemented a layered technology architecture to manage risks due to system failures, cyber-attacks etc. Disaster recovery and Business Continuity Plans (BCP) have been established and various functional and technology initiatives have been taken to enhance system resiliency. Technology and Operational controls are implemented to manage privileged access to systems. Cyber threats and the associated risks in the external environment have increased and the Company works continuously to improve processes and controls to mitigate these risks.

INTERNAL CONTROL SYSTEMS:

The Company has adequate internal control systems to commensurate with the nature of business and size of operations. The auditor(s) of the Company are responsible for independently evaluating the adequacy of internal controls and provide assurance those operations and business units adhere to internal policies, processes and procedures as well as regulatory and legal requirements. Existing audit procedures are reviewed periodically to enhance effectiveness, usefulness and timeliness. The internal control procedures include proper authorization and adherence to authorization matrix, segregation of roles and responsibilities, third party confirmations, physical verification, checks and balances and preventive checks on Compliance Risk and overseeing of periodical financials etc. The internal control audit follows Generally Accepted Audit Practices, Internal Audit Standards and Analytical procedures. It entails risk assessment and detailed verification of processes, adequacy of maintenance of accounting records, documentations and supporting, authorizations, review of internal controls, compliance with management policies and laid down procedures, compliance with applicable accounting standards etc. and to verify adherence with applicable statutes, rules, regulation, byelaws and circulars of the relevant statutory and regulatory authorities. It includes consideration of Laws and Regulations in an audit of Financial Statements, system audit, control over assets of the Company, review of related party transactions and reporting them to the Board, among other things. FHFPL has institutionalized a strong compliance culture across the Company recognizing that transparency and trust amongst all its stakeholders can be achieved only through this. We have a centralized Compliance Department that ensures compliance with all the applicable laws. It also provides advice on general regulatory matters including formulating various policies with the help and guidance of the Board of Directors and Committees of the Board.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

During FY 2024-25, the Company demonstrated a steady growth with a marginal increase in revenue. The Company has earned a total income of Rs. 757.90 Lakhs as against a total income of Rs. 571.80 Lakhs during the previous financial year. The net profit is Rs. 110.01 Lakhs for the financial year ended March 31, 2025 as against net profit of Rs. 109.13 Lakhs for the previous financial year.

HUMAN RESOURCES:

At FHFPL, we believe that the employees are the drivers of growth, efficiency, productivity and success. Your Company is an equal opportunity employer and is committed to ensuring that the work environment at all its locations is conducive to fair, safe and harmonious relations between employees. It strongly believes in maintaining the dignity of all its employees, irrespective of their gender or seniority. The Company had 10 employees at the end of the Financial Year 2024-25. The Company has a strong orientation to learning and development. All employees, from a new joiner to a tenured one, are provided tailored learning opportunities as per their role, level and specific focus area. The Company believes in focusing on employee training and development, rigorous leadership engagement, enhanced communication and participative decision making.

OUTLOOK:

The housing finance industry in India is poised for a substantial growth, buoyed by various factors such as government interventions, escalating incomes and increased demand for affordable housing. Regulatory reforms among other policy measures are essential for streamlining operations within the sector.

Government initiatives will play a pivotal role in bringing about expansion in the housing finance industry. Moreover, rising incomes and urbanization trends will fuel the demand for housing finance products across all segments of the society and the housing finance industry is well-positioned to capitalize on this increase in demand and is focused on providing tailored solutions to meet the diverse needs of prospective homeowners across the country.

CAUTIONARY STATEMENT:

This report contains forward-looking statements extracted from reports of Government Authorities / Bodies, Industry Associations etc., available in the public domain, which may involve risks and uncertainties including, but not limited to, economic conditions, government policies, dependence on certain businesses, and other factors. Actual results, performance, or achievements could differ materially from those expressed or implied in such forward-looking statements. This report should be read in conjunction with the financial statements included herein and the notes thereto. The Company does not undertake to update these statements.

**On behalf of the Board of Directors
For Family Home Finance Private Limited**

Annu Garg
Whole-time Director
(DIN: 07817550)

Aditi Mittal
Non-Executive Director
(DIN: 00698397)

Date: July 25, 2025
Place: Mumbai

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Family Home Finance Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Family Home Finance Private Limited**, (hereinafter referred to as "the Company"), which comprise the balance sheet as at 31 March 2025, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the financial statements).

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 Standard prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standard) Rules 2015 as amended (Ind AS) and the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2025, the profit and total comprehensive income, changes in equity and its cash flows 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 (SAs) specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, description of how our audit addressed the matter is provided in that context. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	How the matter was addressed in our audit
1	<p>Expected Credit Loss – Impairment of carrying value of loans and advances.</p> <p>The value of loans as at 31 March 2025 is significant and there is a high degree of complexity and judgment involved for the Company in estimating individual and collective credit impairment provisions and write-offs against these loans.</p> <p>Recognition and measurement of impairment relating to the loans measured at amortized cost involves significant management judgment and as per the requirements of Ind AS 109, credit loss assessment is based on management's ECL model. The Company's impairment allowance is computed based on estimates including the historical default and loss ratios. Management exercises judgment in determining the quantum of loss based on a range of factors.</p> <p>The most significant areas are:</p> <ul style="list-style-type: none"> Credit worthiness of the parties to whom loans have been given; Securities given by the parties in favor of the Company; Loans staging criteria; Calculation of probability of default rate / Loss given default rate; Consideration of probability weighted scenarios; and Forward looking macro-economic factors. 	<p>We performed audit procedures set out below:</p> <p>We have started our audit procedures with understanding of the internal control environment related to loans and impairment loss allowance. Our procedures over internal controls focused on recognition and measurement of impairment loss allowance. We assessed the design and tested the operating effectiveness of the selected key controls implemented by the Company.</p> <p>We also assessed whether the impairment methodology used by the Company is in line with Ind AS 109 "Financial instruments" requirements. Particularly, we assessed the approach of the Company regarding definition of default, Probability of Default, Loss Given Default and incorporation of forward-looking information for the calculation of ECL.</p> <p>For loans which are assessed for impairment on a portfolio basis, we performed particularly the following procedures:</p> <ul style="list-style-type: none"> We read and understood the methodology and policy laid down for loans given by the Company; We have verified loan agreements and related financial and non-financial covenants on sample basis; We have verified the existence of recovery process plan in the event of default; We have verified the historical trends of repayment of principal amount of loan and repayment of interest;

Sr. No.	Key Audit Matter	How the matter was addressed in our audit
	<p>In calculating expected credit loss, the Company has also considered credit reports and other related credit information for its loans to estimate the Probability of Default (PD) and Loss Giving Default (LGD) in future.</p> <p>There is a large increase in the data inputs required for the computation of ECL of loans. This increases the risk of completeness and accuracy of the data that has been used as a basis of assumptions in the model and therefore we identified allowance for credit losses of loans as a key audit matter.</p> <p>(Refer note 2, 4, 28 and 29 to the financial statements)</p>	<ul style="list-style-type: none"> • We tested the reliability of key data inputs and related management controls; • We checked the stage classification as at the balance sheet date as per definition of default of the Company; • We have assessed the assumptions made by the Company in making provision considering forward-looking information. • Relied on the management representation regarding the factors considered for determination of ECL on loans.
2	<p>IT Systems and controls</p> <p>The Company financial accounting and reporting systems are highly dependent on the effective working of the operating and accounting system.</p> <p>The Company has separate software applications for management of its loan portfolio from origination to servicing and closure and for the routine accounting. Transfer of data from / to this software is critical for accurate compilation of financial information.</p> <p>Due to extensive volumes, variety and complexity of transactions the operating system is functioning, consistently and accurately, specifically with respect to following:</p> <ul style="list-style-type: none"> • Interest, Fee income and other charges collected on Loans. • Bifurcation of the Loan Portfolio based on maturity pattern and Assets Classification based on ageing of default. <p>We have identified 'IT systems and controls' as key audit matter because of significant use of IT system and the scale and complexity of the IT architecture. Our audit outcome is dependent on the effective functioning of such operating and accounting system.</p>	<p>We performed audit procedures set out below:</p> <ul style="list-style-type: none"> • We obtained an understanding of the Company's business IT environment and key changes, if any during the audit period that may be relevant to the audit. • Our audit procedures included verifying, testing and reviewing the design and operating effectiveness of the key automated and manual business cycle controls and logic for system generated reports relevant to the audit by verifying the reports/returns and other financial and non-financial information generated from the system on a test check basis. • We have tested and reviewed the reconciliations between the loan origination/ servicing application and the accounting software to mitigate the risk of incorrect data flow to/from separate application software. • We have also obtained management representations wherever considered necessary.

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 information included in the annual report, namely the Directors' Report, Annexures to Board Report, Management Discussion and Analysis, but does not include the financial statements and our auditor's report thereon. The Reports are expected to be made available to us after the date of this auditors' report.

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

When we read the Board report including Annexures to Board Report, Management Discussion and Analysis, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 (Revised) 'The Auditor's responsibilities Relating to Other Information'.

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, changes in equity and cash flows of the Company in accordance with the Indian Accounting Standards (Ind AS) and other accounting principles generally accepted in India.

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

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

The Board of Directors are 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 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 with reference to financial statements 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.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the 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. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as, it appears from our examination of those books;
 - c) The balance sheet, the statement of profit and loss (including other comprehensive income), statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended;
 - e) On the basis of the written representations received from the directors as on 31 March 2025 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2025, from being appointed as a director in terms of Section 164(2) of the Act;
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial control over financial reporting;
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid or provided to its directors during the year is in accordance with the provision of Section 197 of the Act;

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i The Company does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
- iv. a) The Management has represented that, to the best of its knowledge and belief, as mentioned in note 52 (a) to the financial statements, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b) The Management has represented, that, to the best of its knowledge and belief, as mentioned in note 52 (b) to the financial statements, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The Company has not declared or paid any dividend during the year and has not proposed final dividend for the year.
- vi. Based on our examination, which included test checks, the Company has used accounting softwares for maintaining its books of account for the financial year ended 31 March 2025 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the softwares. Further, during the course of our audit, we did not come across any instance of the audit trail feature being tampered with.

The Company is using independent softwares for loan management and payroll processing which are not integrated with the accounting system of the Company. Based on the output of these softwares, the Company account for the entries related to loan and payroll on a timely basis. Accordingly, in our view, the reporting responsibility under Rule 11(g) is not applicable.

Further, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

For PYS & CO LLP
Chartered Accountants
Firm's Registration No. 012388S/S200048

Sanjay Kokate
Partner
Membership No.: 130007
UDIN: 25130007BMHIVB1444

Place: Mumbai
Date: 08 May 2025

ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT
(Referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements'
of our report of even date of Family Home Finance Private Limited)

- (I) In respect of the Company's Property, Plant and Equipment and Intangible Assets, according to the information and explanations given to us and on the basis of our examination of the records of the Company:
- a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of property, plant and equipment and relevant details of right-of-use assets and relevant details of right-of-use assets.
 - (B) The Company is maintaining proper records showing full particulars of intangible assets.
 - b) The Company has a regular programme for physical verification of its property, plant and equipment by which all the assets are verified every year. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, all the property, plant and equipment have been physically verified by the management during the year and no discrepancy was observed in such verification.
 - c) According to information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not have any immovable properties. In view of this, Clause 3 (i) (c) of the Order is not applicable to the Company.
 - d) The Company has not revalued any of its property, plant and equipment (including right-of-use assets) and intangible assets during the year.
 - e) No proceedings have been initiated during the year or are pending against the Company as of 31 March 2025 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in respect of the Company's inventories:
- a) Considering the nature of the business, the Company does not have inventory. In view of this, Clause 3 (ii) (a) of the Order is not applicable to the Company.
 - b) The Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks and financial institutions on the basis of security of current assets, and accordingly, reporting under Clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) In respect of the Company's investments, loan, guarantee or security:
- a) Since the Company is in the business of Housing Finance, the reporting under clause 3(iii)(a) of the Order is not applicable to the Company.
 - b) During the year, the Company has made investments, granted loans and advances to other parties. In our opinion, the investments made, and the terms and conditions of the grant of loans, during the year are prima facie, not prejudicial to the interest of the Company. Further, the Company has not provided guarantee or security to any party during the year.
 - c) The Company is principally engaged in the business of providing loans. In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been duly stipulated and the repayments of principal amounts and receipts of interest have generally been regular as per repayment schedules except for 583 instances of 146 loan accounts wherein the repayments of principal or interest are not regular for one or more installments. There are 70 loan accounts having loan outstanding balance as at year end aggregating to Rs. 386.70 Lakhs wherein the repayments of principal and interest are not regular. Out of 146 loan accounts reported above, default in 76 loan accounts have been regularized during the year. Having regard to the nature of the Company's business, it is not practicable to provide an itemized list of loan assets where repayment of principal and interest have not been regular.
 - d) In respect of loans granted by the Company, there is one loan for which amounts are overdue for more than 90 days as at the balance sheet date. The total amount overdue is Rs. 9,336 as at 31 March 2025 which consists of 4 Equated Monthly Installments of Rs. 2,334 each.
- In cases where repayment of principal and payment of interest is not received as stipulated, the cognizance thereof is taken by the Company in course of its periodic regulatory reporting. According to the information and explanation made available to us, reasonable steps are being taken by the Company for recovery thereof.
- e) Since the Company is in the business of Housing Finance, and accordingly, reporting under Clause 3(iii)(e) of the Order is not applicable to the Company.
 - f) During the year, 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 and accordingly, reporting under Clause 3(iii)(f) of the Order is not applicable to the Company.
- (iv) There are no loans and investments in respect of which provisions of Sections 185 and 186 of the Act are attracted. Accordingly, reporting under Clause 3(iv) of the Order is not applicable to the Company. Further, the Company has not granted any guarantee and not provided any securities during the year.
- (v) The Company has not accepted any deposits during the year from the public to which the directives issued by the Reserve Bank of India and provision of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder apply. Accordingly, the reporting under Clause 3 (v) of the Order is not applicable to the Company.

- (vi) In our opinion and according to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under Sub-section (1) of Section 148 of the Act.
- (vii) In respect of statutory dues:
- According to the information and explanations given to us, the Company is regular in depositing the undisputed statutory dues including provident fund, goods and service tax, income tax, cess and any other statutory dues applicable to it with the appropriate authorities. There are no arrears of outstanding statutory dues as at the last day of the financial year for the period of more than six months from the date they became payable. As explained to us, the Company did not have any dues on account of duty of excise, sales tax and value added tax.
 - According to the information and explanations given to us, there are no dues of income tax, goods and service tax and other statutory dues which have not been deposited on account of any dispute with the appropriate authorities.
- (viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- (ix) In respect of borrowings:
- During the year, the Company has not defaulted in repayment of loans or other borrowings in the payment of interest thereon to any lender and hence, reporting under Clause 3(ix) (a) of the Order is not applicable to the Company.
 - The Company is not declared a willful defaulter by any bank or financial institution or other lender and hence, reporting under Clause 3(ix) (b) of the Order is not applicable to the Company.
 - The Company has applied for the term loans for the purpose for which the loans were obtained.
 - During the year, no funds were raised on short term basis by the Company and accordingly the reporting under Clause 3(ix) (d) of the Order is not applicable to the Company.
 - The Company does not have any subsidiaries, associates or joint ventures and hence, reporting under Clause 3(ix) (e) and Clause 3(ix) (f) of the Order are not applicable to the Company.
- (x) In respect of issue of shares or debt instruments:
- The Company has not raised money by way of an initial public offer or further public offer (including debt instruments) during the year and hence, reporting under clause 3(x)(a) of the Order is not applicable to the Company.
 - During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence, reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) In respect of frauds and whistle blower complaints:
- No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
 - No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
 - No whistle blower complaints received by the Company during the year (and upto the date of this report), while determining the nature, timing and extent of our audit procedures.
- (xii) The Company is not a Nidhi Company and hence, reporting under clause (xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with Sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us, in our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per the provisions of the Companies Act 2013. Accordingly, reporting under Clause 3(xiv) of the Order is not applicable to the Company.
- (xv) In our opinion during the year, the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence, the provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) In respect of the Reserve Bank of India Act, 1934:
- The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934).
 - The Company is a Housing Finance Company, and it holds a valid Certificate of Registration (CoR) from the National Housing Bank issued under Section 29A(2) of the National Housing Bank Act, 1987 for conducting housing finance business.
 - The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
 - According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has not more than one CIC as part of the Group. The CIC company in the Group is not required to be registered with the Reserve Bank of India.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) 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 and 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 indicating that the 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) The Company is not required to spend amounts towards Corporate Social Responsibility as it does not fulfill the condition given under section 135 of Companies Act, 2013. Accordingly, reporting on Clauses 3(xx) (a) and 3(xx)(b) of the Order are not applicable to the Company.

For PYS & COLL P

Chartered Accountants

Firm's Registration No. 012388S/S200048

Sanjay Kokate

Partner

Membership No.: 130007

UDIN: 25130007BMHIVB1444

Place: Mumbai

Date: 08 May 2025

ANNEXURE 'B' TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2(f) under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date)
Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Family Home Finance Private Limited** (the Company) as of 31 March 2025 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on, the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at and for the year ended 31 March 2025, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For PYS & CO LLP
Chartered Accountants
Firm's Registration No. 012388S/S200048

Sanjay Kokate
Partner
Membership No.: 130007
UDIN: 25130007BMHIVB1444

Place: Mumbai
Date: 08 May 2025

AUDITOR'S ADDITIONAL REPORT

INDEPENDENT AUDITORS' REPORT AS PER PARA 69 OF MASTER DIRECTION – NON-BANKING FINANCIAL COMPANY – HOUSING FINANCE COMPANY (RESERVE BANK) DIRECTIONS, 2021

To
The Board of Directors,
Family Home Finance Private Limited,
601-602, 6th Floor, Windsor,
Off CST Road, Kalina, Santacruz (E),
Mumbai – 400 098

1. Introduction

This report is issued in terms of our audit engagement with Family Home Finance Private Limited ("the Company") in our capacity as Statutory Auditors. Pursuant to the Paragraph 69 of the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 ("RBI Master Directions"), we have examined the matters specified in Paragraph 70 and 71 of these Directions in respect of the Company for the year ended 31 March 2025.

2. Management's Responsibility

The Management of the Company is responsible for compliance with the RBI Master Directions, Reserve Bank of India Act, 1934 ("the RBI Act") and the National Housing Bank Act, 1987 ("the NHB Act") on an ongoing basis and reporting non-compliances, if any, to the regulatory authorities and Board of Directors. This responsibility also includes –

- creation and maintenance of proper accounting and other records based on guidelines issued by National Housing Bank ("NHB") and the Reserve Bank of India ("RBI"),
- design, implementation, and maintenance of adequate internal control relevant to the preparation and presentation of the records and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances,
- ensuring that the records provided to us for our examination are correct and complete.

3. Our Responsibility

Our responsibility is to express reasonable assurance in the form of an opinion based on our examination of the books of account and other records maintained by the Company on the matters specified in Paragraph 70 and 71 of the RBI Master Directions.

We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("the ICAI"). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Service Engagements issued by ICAI.

4. Opinion

Based on the information and explanations given to us and shown by the records examined by us, we are of the opinion that-

A. Matters applicable to all Housing Finance Companies

- The Company has applied for registration as required under Section 29A of the National Housing Bank Act, 1987 and has been granted the Certificate of Registration (Cor) dated 05 April 2018 from the National Housing Bank. The Company has fulfilled the Principal Business Criteria as specified in Paragraph 4.1.17 of RBI Master Direction.
- The Company has complied with Net Owned Fund (NOF) requirement as prescribed under section 29A of the National Housing Bank Act, 1987.
- As per Section 29C of the NHB Act, the Company is required to create a reserve fund and transfer at least 20% of net profits every year before declaration of any dividend. The Company has complied with this provision and has transferred the required amount to the Statutory Reserve Account.
- Total borrowings of the Company i.e. the amounts referred to in sub-clauses (iii) to (vii) of sub-section (bb) of Section 45 I of the RBI Act and loans or other assistance from the National Housing Bank, are within the limit prescribed under Para 27.2 of the RBI Master Directions.
- The Company has complied with the prudential norms on income recognition, accounting standards, asset classification, loan-to-value ratio, provisioning requirements, disclosure in balance sheet, investment in real estate, exposure to capital market and concentration of credit/investments as specified in the RBI Master Directions. The provisions of para 24 of RBI Master Directions regarding engagement of brokers are not applicable to the Company for the financial year 2024-25.
- The capital adequacy ratio as disclosed in the half-yearly statutory return, submitted to the National Housing Bank in terms of NHB Circular No. NHB(ND)/DOS/Sup. Circular No. 10 /2023-24 dated 31 December 2021 as updated on 21 July 2023, has been correctly determined and such ratio is in compliance with the minimum capital to risk weighted asset ratio (CRAR) prescribed.

7. The Company has furnished Schedule II Return for half year ended 30 September 2024 with the National Housing Bank within the stipulated time as specified in the Directions issued by NHB in this regard. The due date for furnishing the return for half year ended 31 March 2025 to NHB is 12 May 2025. Accordingly, the Schedule II return for the half year ended 31 March 2025 is yet to be submitted as of date by the Company.
 8. The Company is a housing finance Company not accepting/holding public deposits and therefore requirement of furnishing the quarterly statutory return on Statutory Liquid Assets as specified in Paragraph 70.1.8 of the RBI Master Direction, within stipulated period, is not applicable.
 9. The Company does not have branches and therefore compliance with respect to the requirements with respect to the opening of new branches/offices or in the case of closure of existing branches/offices as specified in the directions is not applicable.
 10. During the year, the Company has not granted any loans against security of shares as per Paragraph 3.1.3, loan against single product – gold jewellery as per Paragraph 3.1.4 and loan against Company's own shares as per Paragraph 18 of the RBI Master Direction. Therefore, compliances in respect to the requirements of Paragraph 3.1.3, Paragraph 3.1.4 and Paragraph 18 as specified in the directions are not applicable to the Company.
 11. The Board of Directors have passed a circular resolution on 26 April 2024 for non-acceptance of any public deposits and has not accepted any deposit during the financial year 2024-25. Further, the Board of Directors have passed a circular resolution on 21 April 2025 stating that the company would not accept public deposit without obtaining prior written permission of the National Housing Bank/Reserve Bank of India.
 12. The Company has not accepted any public deposits during the financial year ended 31 March 2025. Accordingly, reporting on compliances with respect to Paragraph 70.2 is not applicable to the Company.
- B.** There are no unfavourable or qualified statement/ remarks/ notes regarding any of the items referred to in Paragraph 70 of the RBI Master Direction, as mentioned in the Paragraph 4A - 1 to 12 above. Accordingly, reporting with respect to Paragraph 71 is not applicable to the Company.

5. Restriction on use:

This report has been issued pursuant to the requirements of the RBI Master Directions. It should not be used by any other person or for any other purpose other than submission to regulatory authorities. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other party to whom our report is shown or into whose hands it may come without our prior consent in writing.

For PYS & COLLP

Chartered Accountants

Firm's Registration No. 012388S/S200048

Sanjay Kokate

Partner

Membership No.: 130007

UDIN: 25130007BMHIVC8583

Place: Mumbai

Date: 08 May 2025

**BALANCE SHEET AS AT MARCH 31, 2025**

			₹ in Lakhs
	Note No.	As at 31-03-2025	As at 31-03-2024
ASSETS			
(1) Financial assets			
(a) Cash and cash equivalents	3	74.41	27.51
(b) Loans	4	7,101.78	7,229.17
(c) Investments	5	298.85	487.57
(d) Other financial assets	6	33.37	31.11
Total financial assets		7,508.41	7,775.36
(2) Non-financial assets			
(a) Deferred tax assets (net)	7	14.16	8.76
(b) Property, plant and equipment	8	346.93	316.81
(c) Capital work-in-progress	9	-	106.15
(d) Intangible Assets	10	-	-
(e) Other non financial assets	11	43.20	28.12
Total non-financial assets		404.29	459.84
TOTAL ASSETS		7,912.70	8,235.20
LIABILITIES AND EQUITY			
LIABILITIES			
(1) Financial liabilities			
(a) Trade Payables	12		
(i) Total outstanding dues of micro enterprises and small enterprises		0.01	-
(ii) Total outstanding dues of creditors other than micro and small enterprises		21.61	21.34
(b) Borrowings (other than debt securities)	13	2,614.28	2,984.42
(c) Other financial liabilities	14	280.70	343.56
Total financial liabilities		2,916.60	3,349.32
(2) Non-financial liabilities			
(a) Current tax liabilities (net)		3.67	5.97
(b) Provisions	15	2.77	1.35
(c) Other non-financial liabilities	16	10.06	9.05
Total non-financial liabilities		16.50	16.37
TOTAL LIABILITIES		2,933.10	3,365.69
EQUITY			
(a) Equity share capital	17(a)	3,850.00	3,850.00
(b) Other equity	17(b)	1,129.60	1,019.51
TOTAL EQUITY		4,979.60	4,869.51
TOTAL LIABILITIES AND EQUITY		7,912.70	8,235.20

Summary of material accounting policies and other explanatory information -See note 2

The accompanying notes are an integral part of financial statements

As per our report of even date attached

For PYS & CO LLP
Chartered Accountants
Firm's Reg. No.: 012388S/S200048

For and on behalf of the Board of Directors
Family Home Finance Private Limited

Sanjay Kokate
Partner
Membership No. 130007

Vikas Jain
Director
DIN-07887754

Annu Garg
Director
DIN-07817550

Ajay Tendulkar
Chief Executive
Officer

Jinit Kewalramani
Chief Financial
Officer

Place: Mumbai
Date : 08 May 2025

Rahul Ved
Company Secretary
(ACS: 34791)

Place: Mumbai
Date : 08 May 2025

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2025

Particulars	Note No.	₹ in Lakhs	
		Current Year 2024-2025	Previous Year 2023-2024
Revenue from operations			
Interest income	18	721.51	552.97
Fees and commission income	19	4.42	3.85
Net gain on fair value changes	21	31.96	14.98
Total revenue from operations		757.89	571.80
Other income	22	0.01	-
Total income		757.90	571.80
EXPENSES			
Finance cost	23	231.93	208.32
Impairment of financial assets		0.77	11.78
Employee benefit expense	24	169.97	93.71
Depreciation and amortization expense	8c	79.12	0.24
Other expenses	25	133.23	116.85
Total expenses		615.02	430.90
Profit before exceptional items and tax		142.88	140.90
Exceptional items		-	-
Profit before tax		142.88	140.90
Tax expense:			
Current tax		38.20	31.26
Tax adjustment for earlier years		0.10	0.10
Deferred tax expense/ (credit)		(5.43)	0.41
Profit for the year after tax [A]		110.01	109.13
Other comprehensive income, net of tax			
Item that will not be reclassified to the statement of profit and loss		0.11	-
Less: Income tax expense on above		(0.03)	-
[I]		0.08	-
Item that will be reclassified to the statement of profit and loss		-	-
Less: Income tax expense on above		-	-
[II]		-	-
Other comprehensive income for the year [I+II] [B]		0.08	-
Total comprehensive income for the year [A+B]		110.09	109.13
Earnings per equity share (Rs.)			
Basic and diluted earnings per share	36	0.29	0.44

Summary of material accounting policies and other explanatory information - See note 2

The accompanying notes are an integral part of financial statements

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Chartered Accountants
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Sanjay Kokate
Partner
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Place: Mumbai
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Chief Executive
Officer

Jinit Kewalramani
Chief Financial
Officer

Place: Mumbai
Date : 08 May 2025

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2025**

₹ in Lakhs

	Current Year 2024-2025	Previous Year 2023-2024
Cash flow from operating activities		
Profit before tax	142.88	140.90
Adjustment for:		
Depreciation and amortization expense	79.12	0.24
Impairment of financial assets	0.77	11.78
Net gain on fair value changes	(31.96)	(14.98)
Other interest income	(2.06)	(0.64)
Profit on sale of property, plant and equipment	(0.01)	-
Finance cost	231.93	208.32
Interest income on investments	(31.52)	(33.06)
Movement in working capital:		
Increase in trade payable and other financial liabilities	3.77	19.45
Increase in other non financial liabilities	1.01	5.63
(Increase) in trade receivables and other financial assets, Loans	126.84	(3,943.52)
Increase in provisions	1.53	0.92
(Increase) in other non financial assets	(15.08)	(18.12)
Cash used in operations	507.22	(3,623.08)
Income tax paid	(41.30)	(34.80)
Cash used in operations [A]	465.92	(3,657.88)
Cash flow from investing activities		
Payment for acquisition of property, plant and equipment including capital advances	(34.00)	(58.60)
Proceeds from sale of property, plant and equipment	0.01	-
Interest income received on investments	31.10	33.14
Proceeds from sale of Investments (Net)	220.68	205.99
Cash generated from investing activities [B]	217.79	180.53
Cash flow from financing activities		
Proceeds from long term borrowings	900.00	1,700.00
Repayment of long term borrowings	(1,270.14)	(408.44)
Repayment of lease liabilities	(35.00)	(16.77)
Issue of equity shares	-	1,850.00
Securities premium received	-	555.00
Share issue expenses	-	(19.00)
Interest paid	(231.67)	(204.52)
Cash generated from financing activities [C]	(636.81)	3,456.27
Net decrease in cash and cash equivalents [A+B+C]	46.90	(21.08)
Add: Cash and cash equivalents at the beginning of the year	27.51	48.59
Cash and cash equivalents at the end of the year	74.41	27.51

Reconciliation of liabilities arising from financing activities

₹ in Lakhs

Particular	As at 31 March 2024	Cash Flows	Transaction cost	Interest accrual	As at 31 March 2025
Long-term borrowings	2,984.42	(370.14)	-	-	2,614.28
Lease liabilities	305.20	(57.40)	-	22.40	270.20
Interest on above borrowings	2.88	(231.67)	22.40	208.83	2.44
Total liabilities from financing activities	3,292.50	(659.21)	22.40	231.23	2,886.92

Particular	As at 31 March 2023	Cash Flows	Transaction cost	Interest accrual	As at 31 March 2024
Long-term borrowings	1,692.86	1,291.56	-	-	2,984.42
Lease liabilities	-	(24.95)	321.97	8.18	305.20
Interest on above borrowings	-	(204.52)	8.18	199.22	2.88
Total liabilities from financing activities	1,692.86	1,062.09	330.15	207.40	3,292.50

Summary of material accounting policies and other explanatory information - See note 2

The accompanying notes are an integral part of financial statements

As per our report of even date attached

For PYS & CO LLP
Chartered Accountants
Firm's Reg. No.: 012388S/S200048

Sanjay Kokate
Partner
Membership No. 130007

Place: Mumbai
Date : 08 May 2025

For and on behalf of the Board of Directors
Family Home Finance Private Limited

Vikas Jain Annu Garg
Director Director
DIN-07887754 DIN-07817550

Rahul Ved
Company Secretary
(ACS: 34791)

Ajay Tendulkar
Chief Executive
Officer

Jinit Kewalramani
Chief Financial
Officer

Place: Mumbai
Date : 08 May 2025

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2025

A. EQUITY SHARE CAPITAL

EQUITY SHARES

As at 31 March 2023

Changes in Equity Share Capital due to prior period errors

Restated balance at 31 March 2023

Issue of share capital

As at 31 March 2024

As at 31 March 2024

Changes in Equity Share Capital due to prior period errors

Restated balance at 31 March 2024

Issue of share capital

As at 31 March 2025

	Number of shares	₹ in Lakhs Amount
As at 31 March 2023	2,00,00,000	2,000.00
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at 31 March 2023	2,00,00,000	2,000.00
Issue of share capital	1,85,00,000	1,850.00
As at 31 March 2024	3,85,00,000	3,850.00
As at 31 March 2024	3,85,00,000	3,850.00
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at 31 March 2024	3,85,00,000	3,850.00
Issue of share capital	-	-
As at 31 March 2025	3,85,00,000	3,850.00

B. OTHER EQUITY

₹ in Lakhs

Particulars	Retained Earnings				
	Special reserve	Securities premium	Retained earnings	Other	Total
Balance as at 31 March 2023	51.00	116.87	202.68	-	370.55
Changes in accounting policy/prior period errors	-	-	-	-	-
Restated balance as at 31 March 2023	51.00	116.87	202.68	-	370.55
Profit for the year	-	-	109.13	-	109.13
Addition during the year	-	555.00	-	-	-
Share issue Cost (Net of taxes)	-	(15.17)	-	-	-
Transfer to special reserve	22.00	-	(22.00)	-	-
Other comprehensive income for the period	-	-	-	-	-
Balance as at 31 March 2024	73.00	656.70	289.81	-	1,019.51
Changes in accounting policy/prior period errors	-	-	-	-	-
Restated balance as at 31 March 2024	73.00	656.70	289.81	-	1,019.51
Profit for the year	-	-	110.01	0.08	110.09
Addition during the year	-	-	-	-	-
Share issue Cost (Net of taxes)	-	-	-	-	-
Transfer to special reserve	23.00	-	(23.00)	-	-
Other comprehensive income for the year	-	-	-	-	-
Balance as at 31 March 2025	96.00	656.70	376.82	0.08	1,129.60

Summary of material accounting policies and other explanatory information - See note 2

The accompanying notes are an integral part of financial statements

As per our report of even date attached

For PYS & CO LLP
Chartered Accountants
Firm's Reg. No.: 012388S/S200048

Sanjay Kokate
Partner
Membership No. 130007

Place: Mumbai
Date : 08 May 2025

For and on behalf of the Board of Directors
Family Home Finance Private Limited

Vikas Jain Annu Garg
Director Director
DIN-07887754 DIN-07817550

Rahul Ved
Company Secretary
(ACS: 34791)

Ajay Tendulkar Jinit Kewalramani
Chief Executive Chief Financial
Officer Officer

Place: Mumbai
Date : 08 May 2025

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

1 Corporate Information

Family Home Finance Private Limited (hereinafter referred to as the Company) was incorporated on 29 June 2017. It is a Subsidiary of A.K. Capital Finance Limited (RBI Registered NBFC); and a Step down Subsidiary of A. K. Capital Services Limited, a SEBI Category I Merchant Banker in India. The company is a non deposit taking housing finance company. The company was granted certificate of registration from National Housing Bank on 09 April 2018. The registered address of the Company is situated at 601-602, 6th Floor, Windsor, Off CST Road, Kalina, Santacruz East, Mumbai - 400098. The financial statements are approved for issue by the Company's Board of Directors on 08 May 2025.

2 Summary of material accounting policies and other explanatory information

2.01 Basis of preparation of financial statements

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of Companies Act, 2013 ("the Act") and the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and the guidelines issued by the National Housing Bank ("NHB") and Reserve Bank of India (RBI) to the extent applicable and the relevant provisions of the Act.

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, and on the basis of accounting principle of a going concern in accordance with generally accepted accounting principles (GAAP). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The Financial Statements are presented in Lakhs or decimal thereof unless otherwise specified.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The Financial Statements are presented in Lakhs or decimal thereof unless otherwise specified.

The financial statements have been presented in accordance with Schedule III-Division III General Instructions for Preparation of financial statements of a Non-Banking Financial Company (NBFC) that is required to comply with Ind AS.

2.02 Functional and presentation currency

Items included in the financial statements of Company are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). Indian rupee is the functional currency of the Company. All amounts are rounded to two decimal places to the nearest lakh, unless otherwise stated.

2.03 Use of estimates and judgements

The preparation of financial statements in conformity of Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosures of contingent assets and contingent liabilities at the date of financial statements, income and expenses during the year. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods which are affected.

Application of accounting policies that require critical accounting estimates and assumption having the most significant effect on the amounts recognised in the financial statements are:

- Determination of Expected Credit Loss ("ECL")

The measurement of impairment losses (ECL) across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows based on Company's historical experience and collateral values when determining impairment losses along with the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. Elements of the ECL models that are considered accounting judgements and estimates include:

- Bifurcation of the financial assets into different portfolios when ECL is assessed on collective basis.
- Company's criteria for assessing if there has been a significant increase in credit risk.
- Development of ECL models, including choice of inputs/assumptions used.

- Effective interest rate computation

Computation of effective interest rate involves significant estimates and judgements with respect to expected loan tenure (period within which all cash flows pertaining to such financial instruments are expected to be received), nature and timings of such estimated cashflows considering the contractual terms of the financial instrument. These estimations are done considering various factors such as historical behavior patterns of the instrument with respect to average repayment period and cash flows behaviors. Such estimates and assumptions are reviewed by the Company at each reporting date and changes, if any are given effect to.

- Fair Value Measurements

In case of financial assets and financial liabilities recorded or disclosed in financial statements the Company uses the quoted prices in active markets for identical assets or based on inputs which are observable either directly or indirectly for determining the fair value. However in certain cases, the Company adopts valuation techniques and inputs which are not based on market data. When Market observable information is not available, the Company has applied appropriate valuation techniques and inputs to the valuation model.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

- Taxes

The Company's tax jurisdiction is in India. Significant judgements are involved in determining the provision for direct and indirect taxes, including amount expected to be paid/recovered for certain tax positions.

- Measurement of defined employee benefit obligation

The cost of the defined benefit plan and the present value of the obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date

- Provisions and Liabilities

Provisions and liabilities are recognized in the period when they become probable that there will be an outflow of funds resulting from past operations or events that can be reasonably estimated. The timing of recognition requires judgment to existing facts and circumstances which may be subject to change.

2.04 Fair value measurement and hierarchy

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest & best use.

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

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 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

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

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's Management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

2.05 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.

i. Interest income

Interest income on financial instruments at amortized cost is recognized on a time proportion basis taking into account the amount outstanding and the effective interest rate ("EIR") applicable. The EIR is the rate that exactly discounts estimated future cash flows of the financial instrument through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount of the financial instrument. The future cash flows are estimated considering all the contractual terms of the instrument. Interest income/expenses is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets/liabilities (i.e. at the amortized cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets, interest income is calculated by applying the EIR to the amortized cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for expected credit losses).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

Penal Charges are recognized as income only when revenue is virtually certain which generally coincides with receipts.

The calculation of the EIR includes all fees paid or received between parties to the contract that are incremental and directly attributable to the specific lending arrangement, transaction costs, and all other premiums or discounts. For financial assets at fair value through profit and loss ("FVTPL"), transaction costs are recognized in the Statement of Profit and Loss at initial recognition."

ii. Fees and commission income

Revenue from fee-based activities are recognized when the services are rendered. Fees earned from contract with customer is recognised as and when performance obligation is satisfied. Fees or components of fees that are linked to certain performance are recognised after fulfilling the corresponding criteria.

iii. Net gain on fair value changes

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

Similarly, any realised gain or loss on sale of financial instruments measured at FVTPL and debt instruments measured at Fair value through Other Comprehensive Income ("FVOCI") is recognised in net gain/loss on fair value changes.

However, net gain / loss on derecognition of financial instruments classified as amortised is presented separately under the respective head in the Statement of Profit and Loss.

2.06 Taxes

The tax expense for the period comprises of current tax and deferred tax. Tax is recognised in the Statement of Profit and Loss except to the extent it relates to items recognised in the other comprehensive income or equity. In which case, the tax is also recognised in other comprehensive income or equity.

Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

Current income taxes are recognized in profit or loss except to the extent that the tax relates to items recognized outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates position taken in the tax returns with respect to situations in which applicable tax regulations are subjected to interpretation and establishes provisions, where appropriate.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

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 realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

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

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exist to set-off current tax assets and current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.07 Property, plant and equipment

Property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment loss, if any. Such cost includes purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

Subsequent cost

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Depreciation

Depreciation is calculated as per the estimated useful life of assets prescribed by the Schedule II to the Companies Act 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Derecognition of assets

An item of property plant & equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the income statement when the asset is derecognised.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

2.08 Intangible assets

Intangible assets that are acquired by the Company, which have finite useful life, are measured at cost less accumulated amortisation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the intangible asset.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, are recognised in profit or loss as incurred.

Amortisation of intangible assets with finite useful lives:

Intangible assets comprising of Software are amortised on a straight line basis over its estimated useful life or maximum 5 years, whichever is shorter.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

2.09 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

2.10 Provisions, contingent liabilities and contingent assets

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

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The contingent liability is not recognized in books of account but its existence is disclosed in financial statements.

A contingent assets, where an inflow of economic benefits is probable, an entity shall disclose a brief description of the nature of the contingent assets at the end of the reporting period, and, where practicable, an estimate of their financial effect, measured using the principles set out for provisions in Ind AS 37.

2.11 Impairment of assets

a) Financial assets

Overview of the ECL principles

The Company records allowance for expected credit losses for all loans, other debt financial assets not held at FVTPL, together with financial guarantee contracts, in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment under Ind AS 109.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is the portion of Lifetime ECL that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both Lifetime ECLs and 12-month ECLs are calculated on either an individual basis or a collective basis.

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Company does the assessment of significant increase in credit risk at a borrower level. If a borrower has various facilities having different past due status, then the highest days past due (DPD) is considered to be applicable for all the facilities of that borrower.

Based on the above, the Company categorises its loans into Stage 1, Stage 2 and Stage 3 as described below:

Stage 1

All exposures where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date and that are not credit impaired upon origination are classified under this stage. The Company classifies all standard advances and advances up to 0-30 days default under this category. Stage 1 loans also include facilities where the credit risk has improved, and the loan has been reclassified from Stage 2.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

Stage 2

All exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired are classified under this stage. Financial assets past due for 31-90 days are classified under this stage. Stage 2 loans also include facilities where the credit risk has improved, and the loan has been reclassified from Stage 3.

Stage 3

All exposures assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred are classified in this stage. For exposures that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount. 90 days Past Due is considered as default for classifying a financial instrument as credit impaired. If an event warrants a provision higher than as mandated under ECL methodology, the Company may classify the financial asset in Stage 3 accordingly.

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12 months ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized as an impairment gain or loss in the Statement of profit or loss.

Financial assets (and the related impairment allowances) are written off in full, when there is no realistic prospect of recovery. The Company may apply enforcement activities to certain qualifying financial assets written off.

b) Non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

2.12 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

The classification depends on the contractual terms of the financial assets' cash flows and the Company's business model for managing financial assets which are explained below:

Business model assessment

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

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

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel
- The risks that affect the performance of the business model (and the financial assets held within that business model) and the way those risks are managed
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)
- The expected frequency, value and timing of sales are also important aspects of the Company's assessment. The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account.

If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the

Company does not change the classification of the remaining financial assets held in that business model but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

The Solely Payments of Principal and Interest (SPPI) test

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

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/ discount). In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

A Financial assets

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument. On initial recognition, a financial asset is recognised at fair value, in case of Financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost are recognised in the statement of profit and loss. In other cases, the transaction cost are attributed to the acquisition value of the financial asset.

Financial assets are subsequently classified as measured at:

Amortised cost: Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the effective interest rate ('EIR') method less impairment, if any. The amortization of EIR and loss arising from impairment, if any is recognized in the Statement of Profit and Loss.

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

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

Financial assets are not reclassified subsequent to their recognition, except if and in the period the Company changes its business model for managing financial assets.

(i) Trade Receivables and loans:

Trade receivables and loans (including loans granted by way of Business Correspondence arrangement) are initially recognized at fair value. Subsequently, these assets are held at amortised cost, using the effective interest rate (EIR) method net of any expected credit losses. The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument.

(ii) Debt Instruments:

Debt instruments are initially measured at amortised cost, fair value through other comprehensive income ('FVOCI') or fair value through profit or loss ('FVTPL') till derecognition on the basis of (i) the entity's business model for managing the financial assets and (ii) the contractual cash flow characteristics of the financial asset.

a) **Measured at amortised cost:** Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the effective interest rate ('EIR') method less impairment, if any. The amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

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

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

(iii) Equity instruments:

All investments in equity instruments classified under financial assets are initially measured at fair value, the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL.

The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument is recognised as other income in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognised in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised in the Statement of Profit and Loss.

Derecognition

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

B Financial liabilities:

Initial recognition and measurement

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss. All financial liabilities are recognised initially at fair value and in the case of borrowings trade payables and other financial liabilities, net of directly attributable transaction costs. The Company's financial liabilities include borrowings, trade payables, deposits and other financial liabilities.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognized in the Statement of Profit and Loss.

(a) Borrowings: Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the EIR method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

(b) Trade and other payables: These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(c) Deposits: They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method

Derecognition

A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability.

The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

2.13 Segment reporting:

Based on "Management Approach" as defined in Ind AS 108 -Operating Segments, the Chief Operating Decision Maker evaluates the Company's performance and allocates the resources based on an analysis of various performance indicators by business segments.

Segment policies:

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole. Common allocable costs are allocated to each segment on an appropriate basis.

Segment information:

Companies whole business is being considered as one segment.

2.14 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, as they are considered an integral part of the Company's cash management.

2.15 Retirement benefits

i) Defined contribution plans

In accordance with Indian Law, eligible employees receive benefits from Provident Fund, Pension Fund and Labour welfare fund which is defined contribution plan. In case of Provident fund, both the employee and employer make monthly contributions to the plan, which is administrated by the Government authorities, each equal to the specific percentage of employee's basic salary. The Company has no further obligation under the plan beyond its monthly contributions. Obligation for contributions to the plan is recognised as an employee benefit expense in the Statement of Profit and Loss when incurred.

ii) Defined benefit plans (Gratuity)

In accordance with applicable Indian Law, the Company provides for gratuity, a defined benefit retirement plan (the Gratuity Plan) covering eligible employees. The Gratuity Plan provides a lumpsum payment to vested employees, at retirement or termination of employment, and amount based on respective last drawn salary and the years of employment with the Company. The Company's net obligation in respect of the Gratuity Plan is calculated by estimating the amount of future benefits that the employees have earned in return of their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service cost and the fair value of plan assets are deducted. The discount rate is yield at reporting date on risk free government bonds that have maturity dates approximating the terms of the Company's obligation. The calculation is

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognised asset is limited to the total of any unrecognised past service cost and the present value of the economic benefits available in the form of any future refunds from the plan or reduction in future contribution to the plan.

The Company recognises all remeasurements of net defined benefit liability/asset directly in other comprehensive income and presented within equity.

iii) Short term benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as a related service provided. A liability is recognised for the amount expected to be paid under short term cash bonus or profit sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

iii) Compensated absences

The employees of the Company are entitled to leave as per the leave policy of the Company. The liability in respect of unutilized leave balances is provided at the end of year and charged to the Statement of Profit and Loss.

2.16 Lease

As a lessee:

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgment in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

2.17 Earnings per share

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

2.18 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31 March 2025, MCA has notified Ind AS – 117 Insurance Contracts and amendments to Ind AS 116 – Leases, relating to sale and leaseback transactions, applicable to the Company w.e.f. 01 April 2024. The Company has reviewed the new pronouncements and based on its evaluation has determined that it does not have any significant impact in its financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

₹ in Lakhs

NOTE - 3

(a) CASH AND CASH EQUIVALENTS

	As at 31-03-2025	As at 31-03-2024
Cash on hand	0.97	0.84
Balances with banks	73.44	26.67
	74.41	27.51

NOTE - 4

LOANS (AT AMORTISED COST)

(A) Loans

(i) Housing	6,405.10	6,697.41
(ii) Non housing	718.77	553.08

Total (A) -Gross

7,123.87 **7,250.49**

Less: Impairment loss allowance

22.09 21.32

Total (A) - Net

7,101.78 **7,229.17**

(B) Out of Above

(i) Secured by tangible assets	7,123.87	7,250.49
--------------------------------	----------	----------

Total (B)-Gross

7,123.87 **7,250.49**

Less: Impairment loss allowance

22.09 21.32

Total (B)-Net

7,101.78 **7,229.17**

(C) Out of Above

(i) Public Sector	-	-
(ii) Others	7,123.87	7,250.49

Total (C)- Gross

7,123.87 **7,250.49**

Less: Impairment loss allowance

22.09 21.32

Total (C)-Net

7,101.78 **7,229.17**

4 (a) (i) The Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person which are repayable on demand during the year ended 31 March 2025 and 31 March 2024

(ii) The Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person that are without specifying any terms or period of repayment during the year ended 31 March 2025 and 31 March 2024

(iii) Credit quality of assets

₹ in Lakhs

Particular	As at 31-03-2025	As at 31-03-2024
Stage 1	6,874.24	7,169.32
Stage 2	242.34	81.17
Stage 3	7.29	-

4 (b) (i) An analysis of changes in gross carrying amount and corresponding Impairment Loss allowances in relation to lending as at 31 March 2025 is as follows;

₹ in Lakhs

Particulars	Stage 1	Stage 2	Stage 3
Gross carrying amount opening balance	7,169.32	81.17	-
New assets originated / (repaid) [excluding write offs]	(68.29)	(54.62)	(3.71)
Transfer to / from Stage 1	-	278.47	(51.68)
Transfer to / from Stage 2	(278.47)	-	62.68
Transfer to / from Stage 3	51.68	(62.68)	-
Amount written off	-	-	-
Gross carrying amount closing balance	6,874.24	242.34	7.29

Particulars	Stage 1	Stage 2	Stage 3
Gross carrying amount opening balance	3,294.36	39.66	-
New assets originated / (repaid) [excluding write offs]	3,941.95	(25.48)	-
Transfer to / from Stage 1	-	66.99	-
Transfer to / from Stage 2	(66.99)	-	-
Transfer to / from Stage 3	-	-	-
Amount written off	-	-	-
Gross carrying amount closing balance	7,169.32	81.17	-

Particulars	Stage 1	Stage 2	Stage 3
Gross carrying amount opening balance	20.51	0.81	-
Add/(Less): Movement (Net) due to new origination, transfer, reversals due to recovery,etc	(1.81)	1.47	1.11
Gross carrying amount closing balance	18.70	2.28	1.11

Particulars	Stage 1	Stage 2	Stage 3
Gross carrying amount opening balance	9.14	0.40	-
Add/(Less): Movement (Net) due to new origination, transfer, reversals due to recovery,etc	11.37	0.41	-
Gross carrying amount closing balance	20.51	0.81	-

Particular	As at 31-03-2025	As at 31-03-2024
Gross loans and advances	7,135.76	7,264.71
Less: Effective interest rate impact	11.89	14.22
Loans and advances after effective interest rate impact	7,123.87	7,250.49

NOTE - 5

INVESTMENTS

Total (B)

OTHER FINANCIAL ASSETS

Income receivable on financial assets (at fair value through profit and loss account)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

₹ in Lakhs

NOTE - 7

DEFERRED TAX ASSETS (NET)

Deferred tax assets:

On account of:

Timing difference arising on preliminary expenses (Section 35D on Income Tax Act 1961)*	3.35
Impairment allowance on loans	5.56
Transaction cost on financial assets	2.99
Lease Liabilities	68.00
Timing difference arising on depreciation	1.83
Expenses allowable on payment basis (gratuity)	0.70

3.35
5.56
2.99
68.00
1.83
0.70

As at
31-03-2024

4.79
5.37
3.58
75.62
0.08
0.34

Less: Deferred tax liabilities:

Fair value gain on investments in debt securities	(0.95)
Timing difference arising on Section 36 on Income Tax Act 1961	(7.89)
Right-of-use assets	(59.43)

(0.95)
(7.89)
(59.43)

(0.61)
(3.60)
(76.81)

Income tax assets (net)

14.16

8.76

* Net of Share issue Expenses

NOTE - 8

PROPERTY, PLANT AND EQUIPMENT

₹ in Lakhs

Particulars	Computers	Office Equipment	Leasehold improvement	Building Right-of-use (Refer note 37)	Total
Gross block					
As at 31 March 2023	2.23	0.22	-	-	2.45
Additions	1.91	3.73	-	333.68	339.32
Disposals	-	-	-	-	-
As at 31 March 2024	4.14	3.95	-	333.68	341.77
Additions	0.85	2.56	117.29	-	120.70
Disposals	0.35	0.32	-	-	0.67
As at 31 March 2025	4.64	6.19	117.29	333.68	461.80
Accumulated depreciation					
As at 31 March 2023	2.23	0.21	-	-	2.44
Additions	0.23	0.01	-	22.28	22.52
Disposals	-	-	-	-	-
As at 31 March 2024	2.46	0.22	-	22.28	24.96
Additions	0.88	1.03	21.69	66.66	90.26
Disposals	0.35	-	-	-	0.35
As at 31 March 2025	2.99	1.25	21.69	88.94	114.87
Net Block					
As at 31 March 2024	1.68	3.73	-	311.40	316.81
As at 31 March 2025	1.65	4.94	95.60	244.74	346.93

(a) The Company has not revalued any of its property, plant and equipment.

(b) There was no impairment loss on the property, plant and equipment on the basis of review carried out by the management in accordance with Accounting Standard (Ind AS) – 36 'Impairment of Assets'.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(c) Reconciliation of Depreciation

Particulars

	Current Year 2024-2025	Previous Year 2023-2024
Depreciation charged during the year		
Depreciation on Property, plant and equipment	90.26	22.52
Depreciation on Intangible assets	-	-
Less: Depreciation capitalised to capital work in progress	(11.14)	(22.28)
Depreciation charged to Profit and Loss Account	79.12	0.24

NOTE - 09

CAPITAL WORK IN PROGRESS

	As at 31-03-2025	As at 31-03-2024
Opening capital work in progress of leasehold improvements & other capital expenditure	106.15	-
Add: Leasehold improvements and other capital expenditure	-	83.87
Add: Project development expenditure (Depreciation on right of use asset)	11.14	22.28
Less: Transferred to leasehold improvements	(117.29)	-
Total	-	106.15

(a) (i) CWIP aging schedule for leasehold improvements in progress

Capital work-in-progress (CWIP)		
Less than 1 year	-	106.15
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
Total	-	106.15

(a) (ii) There is no capital work-in-progress which are temporarily suspended as on 31 March 2025 and 31 March 2024.

(b) There is no capital-work-in-progress, whose completion is overdue or has exceeded its cost compared to its original plan.

₹ in Lakhs

NOTE - 10

INTANGIBLE ASSETS

Gross block

	Software	Total
Opening balance as at 01 April 2023	12.23	12.23
Additions	-	-
Deductions/adjustments	-	-
As at 31 March 2024	12.23	12.23
Additions	-	-
Deductions/adjustments	-	-
As at 31 March 2025	12.23	12.23

Accumulated amortisation

Opening balance as at 01 April 2023	12.23	12.23
Additions	-	-
Deductions/adjustments	-	-
As at 31 March 2024	12.23	12.23
Additions	-	-
Deductions/adjustments	-	-
As at 31 March 2025	12.23	12.23

Net block

As at 31 March 2024	-	-
As at 31 March 2025	-	-

(a) The Company has not revalued any of its Intangible Assets.

(b) There was no impairment loss on the property, intangible assets on the basis of review carried out by the management in accordance with Accounting Standard (Ind AS) – 36 'Impairment of Assets'.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

NOTE - 11

OTHER NON FINANCIAL ASSETS

	As at 31-03-2025	As at 31-03-2024
Prepaid expense	2.61	3.15
Balance with Government authorities	40.59	24.97
Total	43.20	28.12

NOTE - 12

TRADE PAYABLES

(i) Total outstanding dues of micro enterprises and small enterprises	0.01	-
(ii) Total outstanding dues of creditors other than micro and small enterprises	21.61	21.34
Total	21.62	21.34

Following disclosures as required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 has been made to the extent information available with the Company and the same has been relied upon by the auditors.

Particulars	As at 31-03-2025	As at 31-03-2024
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	0.01	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprise Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprise Development Act, 2006.	-	-
(v) The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(vi) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006	-	-

Note- Principal amount remaining unpaid to any supplier as at the end of the accounting year are subsequently paid within due dates.

Outstanding of trade payable from due date of payment

Particulars	As at 31-03-2025		As at 31-03-2024	
	MSME	Others	MSME	Others
Unbilled	-	1.73	-	12.60
Less than 1 year	0.01	19.88	-	8.74
1-2 years	-	-	-	-
2-3 years	-	-	-	-
More than 3 years	-	-	-	-
Total	0.01	21.61	-	21.34

There are no outstanding of disputed trade payable from MSME or Others, from due date of payment as on 31 March 2025 and 31 March 2024

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

NOTE - 13 BORROWINGS (OTHER THAN DEBT SECURITIES) (AT AMORTISED COST)

(a) Term Loans

	As at 31-03-2025	As at 31-03-2024
(i) from NBFC*	2,614.28	2,984.42
Total (A)	2,614.28	2,984.42
Borrowings in India	2,614.28	2,984.42
Borrowings outside India	-	-
Total (B)	2,614.28	2,984.42
Secured	2,614.28	2,984.42
Unsecured	-	-
Total (C)	2,614.28	2,984.42

₹ in Lakhs

As at
31-03-2024

* Term loan from NBFC is repayable in 84 equated monthly installments along with interest from the date of loan. The loans are secured by by Pari- passu first charge by way of hypothecation/assignment of assets financed including current and future receivables of the Company, in favour of the NBFC.

- 13 (a) The Company has used the borrowings from NBFC for the specific purpose for which it was taken at the balance sheet date.
- 13 (b) The quarterly returns and / or statements of current assets filed by the Company with NBFC are in agreement with books of accounts and there is no discrepancies in the same.
- 13 (c) The Company is not declared a wilful defaulter by any bank or financial institution or other lender.
- 13 (d) The Company has registered the charges towards secured borrowings outstanding as on 31 March 2025 and 31 March 2024. There is no satisfaction of charge pending on secured borrowings which are repaid during the financial year ended 31 March 2025 and 31 March 2024.
- 13 (e) Refer Note - 52 for utilization of borrowed funds.

NOTE - 14 OTHER FINANCIAL LIABILITIES

	As at 31-03-2025	As at 31-03-2024
Employee dues	8.03	4.51
Creditors for capital goods	-	30.91
Interest accrued but not due on borrowings	2.44	2.88
Lease liabilities (Refer Note - 37)	270.20	305.20
Other payables	0.03	0.06
	280.70	343.56

₹ in Lakhs

As at
31-03-2024

NOTE - 15 PROVISIONS

Provision for employee benefits

Gratuity (Refer Note - 31)	2.77	1.35
	2.77	1.35

NOTE - 16 OTHER NON-FINANCIAL LIABILITIES

Statutory dues	10.06	9.05
	10.06	9.05

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

NOTE - 17

(a) SHARE CAPITAL

(i) EQUITY SHARE CAPITAL

Particulars	As at 31-03-2025		As at 31-03-2024	
	Number of Shares	Amount ₹ in Lakhs	Number of Shares	Amount ₹ in Lakhs
Authorised:				
Equity shares of Rs. 10 each	4,20,00,000	4,200.00	4,20,00,000	4,200.00
Total		4,200.00		4,200.00
Issued, subscribed and paid-up:				
Equity shares of Rs. 10 each fully paid up	3,85,00,000	3,850.00	3,85,00,000	3,850.00
Total		3,850.00		3,850.00

Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs.10 per share. Each equity shareholder is entitled to one vote per share.

In the event of the liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. However there exists no preferential liability as at 31 March 2025.

Shares held by the holding company

Particulars	As at 31-03-2025		As at 31-03-2024	
	Number of shares	Percentage of shareholding	Number of Shares	Percentage of shareholding
A. K. Capital Finance Limited	3,85,00,000	100.00%	3,85,00,000	100.00%

Details of shareholders holding more than 5% equity shares in the Company :

Particulars	As at 31-03-2025		As at 31-03-2024	
	Number of shares	Percentage of shareholding	Number of Shares	Percentage of shareholding
A. K. Capital Finance Limited	3,85,00,000	100.00%	3,85,00,000	100.00%

Details of shares held by promoters in the Company :

Particulars	As at 31-03-2025		As at 31-03-2024	
	Number of shares	Percentage of shareholding	Number of Shares	Percentage of shareholding
A. K. Capital Finance Limited	3,85,00,000	100.00%	3,85,00,000	100.00%

There is no percentage change in the shareholding of promoters during the financial year ended 31 March 2025 and 31 March 2024.

The reconciliation of the number of shares outstanding:

Particulars	As at 31-03-2025	As at 31-03-2024
Shares at the beginning of the year	3,85,00,000	2,00,00,000
Add :Shares issued during the year	-	1,85,00,000
Shares at the end of the year	3,85,00,000	3,85,00,000

During the previous year ended 31 March 2024, the Board of Directors of the Company at its meeting held on 18 December 2023 approved the allotment of 1,85,00,000 fully paid-up equity shares of face value of Rs. 10 per share at a premium of Rs. 3 per equity share to its holding company, A. K. Capital Finance Limited which would rank pari passu with the existing equity share capital.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

₹ in Lakhs

	As at 31-03-2025	As at 31-03-2024
(b) Other equity		
Statutory reserve		
A - Statutory reserve as per section 29C of the National Housing Bank Act, 1987*		
Opening balance	55.40	51.00
Add: Transfer from retained earning	4.60	4.40
Closing balance of statutory reserve	60.00	55.40
B - Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken in to account for the purpose of statutory reserve u/s 29C of National Housing, Bank Act, 1987*		
Opening balance	17.60	-
Add: Transfer from retained earning	18.40	17.60
Closing balance of statutory reserve	36.00	17.60
Closing balance of statutory reserve (A+B)	96.00	73.00
Security Premium Account		
Opening balance	656.70	116.87
Add: Received on issue of Equity Shares	-	555.00
Less: Share issue cost (Net of Taxes)	-	(15.17)
Closing balance of security premium account	656.70	656.70
Other comprehensive income		
Opening balance	-	-
Add: Profit for the year	0.08	-
Closing balance of other comprehensive income	0.08	-
Retained earning		
Opening balance	289.81	202.68
Add: Profit for the year	110.01	109.13
Profit available for appropriation	399.82	311.81
Appropriations:		
Transfer to special reserves	(23.00)	(22.00)
Closing balance of retained earnings	376.82	289.81
	1,129.60	1,019.51

Refer Note - 52

*Special Reserve represents the reserve created pursuant to the National Housing Bank Act, 1987 ("the NHB Act"). In terms of Section 29C(1) of the NHB Act, a Housing Finance Company is required to transfer an amount not less than 20% of its net profit to a reserve fund before declaring any dividend. For this purpose any Special Reserve created by the Company under Section 36(1)(viii) of the Income Tax Act, 1961 is considered to be an eligible transfer. Appropriation from this Reserve Fund is permitted only for the purpose specified by the RBI.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

₹ in Lakhs

NOTE - 18

INTEREST INCOME

Particulars

At amortised cost

Interest on loans

Processing fees income

Other interest income

At fair value through profit or loss

Interest income on investments

Current Year
2024-2025

Previous Year
2023-2024

685.36

517.41

2.57

1.86

2.06

0.64

31.52

33.06

721.51

552.97

NOTE - 19

FEES AND COMMISSION INCOME

Other charges

4.42

3.85

4.42

3.85

NOTE - 20

DISAGGREGATED REVENUE INFORMATION

The table below represents disaggregation of the Company's revenue from contracts with the customers. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of its revenues and cash flows are affected by industry, market and other economic factors.

₹ in Lakhs

Current Year
2024-2025

Previous Year
2023-2024

Type of goods or service

Fees and commission Income

4.42

3.85

Total revenue from contracts with the customers

4.42

3.85

Geographical markets

-India

4.42

3.85

-Outside India

-

-

Total revenue from contracts with the customers

4.42

3.85

Relation with customer

-Non related party

4.42

3.85

-Related Party

-

-

Total revenue from contracts with the customers

4.42

3.85

Timing of revenue recognition

-Service transferred over a period of time

-

-

-Service transferred over a point of time

4.42

3.85

Total revenue from contracts with the customers

4.42

3.85

Geographical revenue is allocated based on the location of the services.

NOTE - 21

NET GAIN ON FAIR VALUE CHANGES

Net gain/(loss) on investments at fair value through profit and loss

- Realised

30.56

12.55

- Unrealised

1.40

2.43

31.96

14.98

Additional Information :

Profit on sale of Investments (actual) (A)

30.60

16.01

Net gain/(loss) on investments due to fair value change (B)

- Realised

(0.04)

(3.46)

- Unrealised

1.40

2.43

31.96

14.98

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

NOTE - 22

OTHER INCOME

Profit on sale of property, plant and equipment

Current Year 2024-2025	₹ in Lakhs Previous Year 2023-2024
0.01	-
0.01	-

NOTE - 23

FINANCE COST

Interest on borrowings
Interest on income tax
Unwinding Interest Cost

208.83	199.22
0.70	0.92
22.40	8.18
231.93	208.32

NOTE - 24

EMPLOYEE BENEFITS EXPENSES

Salaries and wages
Gratuity
Employers contribution to provident fund and other funds
Staff welfare expenses

157.87	88.33
1.53	0.92
10.40	4.32
0.17	0.14
169.97	93.71

NOTE - 25

OTHER EXPENSES

Rent, rates and energy cost

Auditor's remuneration:

As auditor
For other services
Selling expenses
Software expenses
Communication costs
Support services
Conveyance expenses
Travelling expenses
Director sitting fees
Legal and professional charges
Collection and sourcing fees
Repairs and maintenance
Miscellaneous expenses

7.17	3.59
1.65	1.65
1.24	1.09
-	0.39
44.35	53.41
0.27	0.03
13.08	13.08
0.91	4.39
1.70	1.30
3.27	1.64
35.37	14.57
13.14	16.68
7.94	2.42
3.14	2.61
133.23	116.85

NOTE - 26

SEGMENT REPORTING

In accordance with Indian Accounting Standard (Ind AS) 108, the Company operates in a single operating segment i.e. "Providing Housing Finance Loans" within India. Accordingly, no separate disclosure is required. The Board of Directors of the Company are collectively the Chief Operating Decision Makers (CODMs) of the Company.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

NOTE - 27

RELATED PARTY DISCLOSURES:

A Ind AS 24 defines a related party as a person or entity that is related to the reporting entity and it includes (a) a person or a close member of that person's family if that person: (i) has control or joint control over the reporting entity; (ii) has significant influence over the reporting entity; or (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity. (b) An entity is related to the reporting entity if any of the following conditions apply: (i) The entity and the reporting entity are members of the same group. (ii) One entity is an associate or joint venture of the other entity. (iii) Both entities are joint ventures of the same third party. (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity. (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity. (vi) The entity is controlled or jointly controlled by a person identified in (a). (vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

B Related party relationships:

Ultimate holding Company

A. K. Capital Services Limited

Holding Company

A. K. Capital Finance Limited

Fellow subsidiary of holding Company

A. K. Stockmart Private Limited

Enterprise in which Key managerial personnel of holding company has significant influence

IB Future Tech Private Limited (Formerly known as Indiabonds Technologies Private Limited)

Directors/ Key managerial personnel

Ms. Annu Garg - Director

Ms. Bindu Shah - Independent Director (w.e.f. 07 September 2023)

Mr. Ashish Vyas- Independent Director (w.e.f. 07 September 2023)

Ms. Aditi Mittal - Non-executive Director

Mr. Vikas Jain - Non-executive Director

Mr. Ajay Tendulkar - Chief Executive Officer

Mr. Mahesh Bhootra - Chief Finance Officer (Upto 01 August 2024)

Mr. Jinit Kewalramani - Chief Finance Officer (w.e.f. 02 August 2024)

Ms. Sunidhi Singhai - Company Secretary (w.e.f. 22 April 2024) (Upto 01 August 2024)

Mr. Rahul Ved - Company Secretary (w.e.f. 29 October 2024)

Notes:

- The related party relationships have been determined on the basis of the requirements of the Indian Accounting Standard (AS) - 24 'Related Party Disclosures' and the same have been relied upon by the auditors.
- The relationships as mentioned above pertain to those related parties with whom transactions have taken place during the year, except where control exist, in which case the relationships have been mentioned irrespective of transactions with the relatives.

Details of transactions with Related Parties are given as under:

₹ in Lakhs

Disclosure in respect of transactions which are more than 10% of the total transactions of the same type during the year is as under:

Particular	Current Year 2024-2025	Previous Year 2023-2024
Transaction with related parties:		
Demat Charges		
A. K. Stockmart Private Limited	0.01	0.02
Key managerial remuneration		
Short term benefits	92.97	52.85
Director's sitting fees	3.00	1.50
Website Maintenance Charges		
IB Future Tech Private Limited	1.00	-
Support Service Expense		
A. K. Capital Finance Limited	12.00	12.00
Loan taken		
A. K. Capital Finance Limited	900.00	1,700.00
Repayment of Loan taken		
A. K. Capital Finance Limited	1,270.14	408.44
Interest paid on loan taken		
A. K. Capital Finance Limited	208.83	199.22
Issuance of equity share capital (including securities premium of Rs.555.00 lakhs in FY 2023-24)		
A. K. Capital Finance Limited	-	2,405.00
Balances with related parties:		
Loan outstanding		
A. K. Capital Finance Limited	2,614.28	2,984.42
Interest accrued but not due on loan outstanding		
A. K. Capital Finance Limited	2.44	2.88

Notes: (i) Transaction amount is excluding taxes wherever applicable (ii) Reimbursement of expenses has not been considered for above disclosure.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

NOTE - 28

FINANCIAL INSTRUMENTS

The risk management policies of the Company 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 and the Company's activities.

The Management has overall responsibility for the establishment and oversight of the Company's risk management framework. In performing its operating, investing and financing activities, the Company is exposed to the Credit risk, Liquidity risk and Market risk.

The carrying value and fair value of financial instrument not measured at fair value by categories as of 31 March 2025 were as follows: ₹ in Lakhs

Particulars	Total carrying value	Fair Value Level I	Fair Value Level II	Fair Value Level III
Assets:				
Cash and cash equivalents	74.41	74.41	-	-
Loans	7,123.87	-	-	7,123.87
Other financial assets	29.64	-	-	29.64
TOTAL	7,227.92	74.41	-	7,153.51
Liabilities:				
Trade and other payables	21.62	-	-	21.62
Borrowings (other than debt securities)	2,614.28	-	-	2,614.28
Other financial liabilities	280.70	-	-	280.70
TOTAL	2,916.60	-	-	2,916.60

The carrying value and fair value of financial instrument not measured at fair value by categories as of 31 March 2024 were as follows: ₹ in Lakhs

Particulars	Total carrying value	Fair Value Level I	Fair Value Level II	Fair Value Level III
Assets:				
Cash and cash equivalents	27.51	27.51	-	-
Loans	7,250.49	-	-	7,250.49
Other financial assets	27.80	-	-	27.80
TOTAL	7,305.80	27.51	-	7,278.29
Liabilities:				
Trade and other payables	21.34	-	-	21.34
Borrowings (other than debt securities)	2,984.42	-	-	2,984.42
Other financial liabilities	343.56	-	-	343.56
TOTAL	3,349.32	-	-	3,349.32

Measurement Of Fair Value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the financial statements, these fair values were calculated for disclosure purpose only

a. Short Term Financial Assets And Liabilities

For financial assets and financial liabilities that have a short term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: other financial assets (excluding security deposit), trade payables and other financial liability.

b. Loans And Advances

In case of loans with floating rates, the interest rate represents the market rate. Consequently the carrying amount represents the fair value.

In case of Loan with fixed rate, the fair values estimated by discounted cash flow model that incorporates assumptions for credit risk, probability of default and loss given default estimates. As per management assumptions, the fair value of the loans & advances has been at par with the carrying value of the portfolio considering the fact that the competitive interest rates in the operational area of the company and the portfolio in which the company has exposure are more or less as per prevailing market rates.

c. Borrowings

In case of borrowings with floating rates, the interest rate represents the market rate. Consequently the carrying amount represents the fair value.

NOTE - 29

RISK MANAGEMENT

Financial risk management

The risk management policies of the Company 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 and the Company's activities.

The Management has overall responsibility for the establishment and oversight of the Company's risk management framework.

In performing its operating, investing and financing activities, the Company is exposed to the Credit risk, Liquidity risk and Market risk.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and derivative financial instruments.

Credit risk

Revenue/Trade receivables

The Company limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Company does not expect any losses from non-performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors or specific country risks.

Loans

Credit risk is controlled by analysing the credit limits and creditworthiness of the customer on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. An impairment analysis is performed at each reporting date on a individual basis. The Company holds collateral as security against the loans. The impairment of the credit risk on the loan is carried out through a detailed ECL model. The ECL model provides for the ECL on a 12 month ECL basis for standard to stage 1 Assets whereas the same is calculated based on a lifetime ECL for stage 2 & 3 level assets. The ECL is calculated based on a probability default (PD) X exposure at default (EAD) X (Loss given default X discount rate - LGD)). The Company calculates the PD by taking into account the past historical trends of the portfolio and its credit performance based on a homogenous characteristic of the underlying portfolio. This is calculated based on a 12 month PD perspective. In case of Impaired assets where lifetime PD is applied, the PD is extrapolated to take into account the probability of default over the life time of asset.

Loss given default (LGD) represents estimated financial loss the Company is likely to suffer in respect of default account and it is used to calculate provision requirement on EAD along with PD. The Company uses collection details on previously defaulted cases for calculating LGD including estimated direct cost of collection from default cases. Appropriate discounting rates are applied to calculate present value of future estimated collection net of direct collection cost. LGD thus calculated is used for all Stages, i.e. Stage 1, Stage 2 and Stage 3.

The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation; To calculate the ECL for a Stage 1 loan, the Company assesses the possible default events within 12 months for the calculation of the 12 month ECL. For Stage 2 and Stage 3 financial assets, the exposure at default is considered for events over the lifetime of the instruments.

a) The following table gives details in respect of fees and income from loans generated from top customer and top 5 customers: ₹ in Lakhs

Particulars	Current Year 2024-2025	Previous Year 2023-2024
Revenue from top customer	6.64	6.69
Revenue from top 5 customers	20.86	22.87

Exposure to credit risk

Financial asset for which loss allowance is measured using expected credit loss model:

₹ in Lakhs

Particulars	As at 31-03-2025	As at 31-03-2024
Financial assets		
Loans	7,123.87	7,250.49
Other financial assets	29.64	27.80
Total	7,153.51	7,278.29

The Company's exposure to customers is diversified and no single customer contributes to more than 15% of outstanding loans which are measured at amortised cost as at 31 March 2025 and 31 March 2024.

The Company has used a practical expedient by computing the expected credit loss allowance for Loans and advances taking into account historical credit loss experience.

Balances with banks and other financial assets:

The Company held cash and cash equivalents of Rs. 74.41 lakhs as at 31-March-2025 (31-March-2024: Rs. 27.51 lakhs). The cash and cash equivalents are held with banks with good credit ratings. Also, the Company invests its surplus funds in bank fixed deposits and mutual funds, which carry no / low mark to market risks for short duration and therefore, does not expose the Company to credit risk.

For banks only high rated banks/institutions are accepted. The Company holds cash and cash equivalents with bank, which are having highest safety ratings based on ratings published by various credit rating agencies. The Company considers that its cash and cash equivalents have low credit risk based on external credit ratings of the counterparties.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

NOTE - 29

RISK MANAGEMENT (CONTD.)

For other financial assets, the Company assesses and manages credit risk based on reasonable and supportive forward looking information. The Company does not have significant credit risk exposure for these items.

The Company limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Company does not expect any losses from non-performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors or specific country risks.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Company has interest rate risk exposure mainly from changes in rate of interest on borrowings. The following table analyse the breakdown of the financial assets and liabilities by type of interest rate:

₹ in Lakhs		
Particulars	As at 31-03-2025	As at 31-03-2024
Financial assets		
Interest bearing		
- fixed interest rate		
Loans	5,896.88	5,756.16
Deposits	28.58	26.51
- floating interest rate		
Loans	1,226.99	1,494.33
Non interest bearing		
Investments	298.85	487.57
Cash and cash equivalents	74.41	27.51
Other financial assets	4.79	4.60
Financial Liabilities		
Interest bearing		
- fixed interest rate		
Lease Liabilities	270.20	305.20
- floating interest rate		
Borrowings	2,614.28	2,984.42
Non interest bearing		
Trade payables	21.62	21.34
Other financial liabilities	10.50	38.36

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the excluding the credit exposure for which interest rate swap has been taken and hence the interest rate is fixed. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

₹ in Lakhs		
Particulars	Current Year 2024-2025	Previous Year 2023-2024
Increase in basis points	50.00	50.00
Effect on profit before tax (Rs. in Lakhs)	(6.94)	(7.45)
Decrease in basis points	50.00	50.00
Effect on profit before tax (Rs. in Lakhs)	6.94	7.45

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

NOTE - 29

RISK MANAGEMENT (CONTD.)

Liquidity Risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including debt at an optimised cost.

The Company's maximum exposure to liquidity risk for the components of the balance sheet at 31 March 2025 and 31 March 2024 is the carrying amounts. The liquidity risk is managed on the basis of expected maturity dates of the financial liabilities. The Company's major financial liabilities include term loans with maturity profile ranging between 0 to 7 years. The average credit period taken to settle trade payables is about 15 days. The other payables are with short-term durations. The following table analysis undiscounted financial liabilities by remaining contractual maturities:

₹ in Lakhs

Particulars	On demand	Less than 3 months	3 to 12 months	1 to 5 years	>5 years
Year ended 31 March 2025					
Borrowings (other than debt securities)	-	169.83	499.82	2,202.73	314.08
Trade and other payables	-	21.62	-	-	-
Other financial liabilities	-	30.15	60.26	232.68	-
	-	221.60	560.08	2,435.41	314.08
Year ended 31 March 2024					
Borrowings (other than debt securities)	-	185.23	540.47	2,506.01	976.17
Trade and other payables	-	21.34	-	-	-
Other financial liabilities	-	57.08	38.68	312.60	-
	-	263.65	579.15	2,818.61	976.17

Capital management

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

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep optimum gearing ratio. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

₹ in Lakhs

Particulars	As at 31-03-2025	As at 31-03-2024
Trade payables	21.62	21.34
Borrowing (other than debt securities)	2,614.28	2,984.42
Other financial liabilities	280.70	343.56
Net debt (A)	2,916.60	3,349.32
Equity share capital	3,850.00	3,850.00
Other equity	1,129.60	1,019.51
Total member's capital (B)	4,979.60	4,869.51
Capital and net debt (C=A+B)	7,896.20	8,218.83
Gearing ratio (%) (A/C)	36.94	40.75

In order to achieve this 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 meeting the financial covenants would permit the NBFC to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2025 and 31 March 2024.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

NOTE - 30

FAIR VALUE HIERARCHY

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

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

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents fair value hierarchy of assets measured at fair value on a recurring basis as of 31 March 2025:

₹ in Lakhs

Particulars	As at 31-03-2025	Fair value measurement at end of the reporting year using		
		Level 1	Level 2	Level 3
Financial assets:				
Investments	298.85	-	298.85	-
Income receivable on financial assets	3.73	-	3.73	-

The following table presents fair value hierarchy of assets measured at fair value on a recurring basis as of 31 March 2024:

₹ in Lakhs

Particulars	As at 31-03-2024	Fair value measurement at end of the reporting year using		
		Level 1	Level 2	Level 3
Financial assets:				
Investments	487.57	185.14	302.43	-
Income receivable on financial assets	3.31	-	3.31	-

Description of techniques and valuation inputs used for Level II and Level III hierarchy are under:

Assets class	Fair value hierarchy	Valuation techniques and inputs
Debt instruments, Government securities, commercial paper and state development loan measured at FVTPL	Level II	Valuation techniques and inputs in order of first preference are as under: 1. Cost of securities only if the securities are allotted within last 20 days or purchased within 7 days from the measurement date or, latest traded price reported on recognised stock exchange or settlement house close to measurement date i.e. in the range of 0-7 days, whichever is later. 2. Weighted average (appropriate weight considered by the company) of; -Future cash flows which are discounted using a discount rate arrived at by adding the spread provided by FIMMDA and -Latest subsequent traded price reported on recognised stock exchange or settlement house close to measurement date i.e. in the range of 0-7 days. 3. Future cash flows are discounted using a discount rate arrived at by adding the spread provided by FIMMDA or other approved agencies and annualised government security yield provided by regulatory authorities.
Alternative Investment Fund (AIF) measured at FVTPL	Level II	The valuation is done based on the rating agency valuation provided by the Alternative Investment Fund (AIF).
Unquoted equity instruments measured at FVOCI	Level III	Based on unobservable inputs which generally approximates to the carrying value of the investments unless significantly impaired. Fair value has been considered Nil for significantly impaired investments. Sensitivity change in the unobservable input does not have a significant impact in its value and accordingly, sensitivity disclosure is not given.

The management assessed that cash and cash equivalents, bank balances other than cash and cash equivalents and other financial asset approximate their carrying amount largely due to short term maturity of these instruments.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

NOTE - 31

EMPLOYEE BENEFIT OBLIGATION

A. Defined Contribution Plans

The following amount recognized as an expense in statement of profit and loss on account of provident fund and other funds. There are no other obligations other than the contribution payable to the respective authorities.

₹ in Lakhs

Particulars	Current Year 2024-2025	Previous Year 2024-2025
Contribution to provident fund and other funds	10.40	4.32

B. Defined Benefit Plans

The Company has a unfunded defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service as per the provision of the Payment of Gratuity Act, 1972 with total ceiling on gratuity of Rs.20.00 Lakhs (31 March 2024 - Rs 20.00 Lakhs)

The following tables summaries the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the gratuity plan:

₹ in Lakhs

Particulars	Current Year 2024-2025	Previous Year 2023-2024
(a) Statement of profit and loss		
Net employee benefit expense recognised in the employee cost		
Current service cost	1.43	0.89
Past service cost	-	-
Interest cost on defined benefit obligation	0.10	0.03
(Gain) / losses on settlement	-	-
Total expense charged to profit and loss account (included in salaries, wages and incentives) (A)	1.53	0.92
(b) Amount recorded in Other Comprehensive Income (OCI)		
Opening amount recognised in Other Comprehensive Income outside profit and loss account		
Remeasurement during the period due to :	0.11	0.05
Actuarial loss / (gain) arising from change in financial assumptions	-	-
Actuarial loss / (gain) arising from change in demographical assumptions	(0.22)	(0.05)
Actuarial loss / (gain) arising on account of experience changes	(0.11)	-
Amount recognised in Other Comprehensive Income (B)		
Gratuity expense recognised in the statement of profit and loss and Other Comprehensive Income (A+B)	1.42	0.92
(c) Reconciliation of net liability		
Opening defined benefit liability	1.35	0.43
Expense charged to profit and loss account	1.53	0.92
Amount recognised in outside profit and loss account	(0.11)	-
Benefit paid	-	-
Closing net defined benefit liability	2.77	1.35

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

NOTE - 31

EMPLOYEE BENEFIT OBLIGATION (CONTD.)

₹ in Lakhs

Particulars	Current Year 2024-2025	Previous Year 2023-2024
(d) Movement in benefit obligation and balance sheet		
Opening defined benefit obligation	1.35	0.43
Current service cost	1.43	0.89
Past service cost	-	-
Interest on defined benefit obligation	0.10	0.03
Remeasurement during the period due to :		
Actuarial loss / (gain) arising from change in financial assumptions	0.11	0.05
Actuarial loss / (gain) arising from change in demographic assumptions	-	-
Actuarial loss / (gain) arising on account of experience changes	(0.22)	(0.05)
Benefits paid / payable	-	-
Closing defined benefit obligation [liability / (asset)] recognised in balance sheet	2.77	1.35
(e) The principal assumptions used in determining gratuity benefit obligation for the company's plans are shown below:		
Discount rate	6.93%	7.22%
Expected rate of return on plan assets (p.a.)		
Salary escalation rate (p.a.)	5.00%	5.00%
Withdrawal rate		
Upto 30 Years	3.00%	3.00%
Upto 31-44 Years	2.00%	2.00%
Above 45 Years	1.00%	1.00%
Mortality pre-retirement	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)

(f) A quantitative analysis for significant assumption is as shown below:

Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and employee turnover. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at end of the reporting period, while holding all other assumptions constant. The result of Sensitivity analysis is given below:

Indian gratuity plan:

₹ in Lakhs

Particulars	Current Year 2024-2025	Previous Year 2023-2024
Assumptions -Discount rate		
Sensitivity Level (a hypothetical increase / (decrease) by)	0.50%	0.50%
Impact on defined benefit obligation -increase of sensitivity level	(0.17)	(0.08)
Impact on defined benefit obligation -decrease of sensitivity level	0.18	0.08
Assumptions -Future salary escalations rates		
Sensitivity Level (a hypothetical increase / (decrease) by)	0.50%	0.50%
Impact on defined benefit obligation-increase of sensitivity level	0.19	0.08
Impact on defined benefit obligation-decrease of sensitivity level	(0.17)	(0.08)

The following payments are expected contributions to the defined benefit plant in future years.

₹ in Lakhs

Particulars	Current Year 2023-2024	Previous Year 2022-2023
Within 1-2 years	0.13	0.07
2-3 years	0.20	0.10
3-4 years	0.27	0.15
4-5 years	3.01	0.19
5-6 years	0.41	3.04

The average duration of the defined benefit plan obligation at the end of the reporting period is 2.31 years (previous year 1.79).

The employees of the Company are entitled to leave as per the leave policy of the Company. The liability in respect of unutilized leave balances is provided at the end of year and charged to the Statement of Profit and Loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

NOTE - 32 INCOME TAX

₹ in Lakhs

	Particulars	Current Year 2024-2025	Previous Year 2023-2024
A	The major components of income tax expense for the years are:		
	Current income tax:		
	Current income tax charge	38.20	31.26
	Adjustments in respect of previous year	0.10	0.10
	Deferred tax:		
	Relating to origination and reversal of temporary differences	(5.43)	0.41
	Income tax expense reported in the statement of profit or loss	32.87	31.77
B	The reconciliation between the provision of income tax of the Company and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows:		
	Profit before income tax	142.88	140.90
	Rate of Income tax	25.17%	25.17%
	Computed expected tax expenses	35.96	35.46
	Tax effect due to non-deductable expenses	0.30	0.37
	Tax effect due to deductible expenses	(0.52)	(0.96)
	Other adjustments	0.06	0.01
	Adjustments in respect of current income tax of previous year	0.10	0.10
	Tax effect due to recognition / non recognition of deferred tax assets/(liabilities)	(3.04)	(3.21)
	Income tax expense reported in the statement of profit or loss	32.87	31.77
C	The Gross movement in the current income tax liability for the year ended March 31, 2025 and March 31, 2024 is as follows:		
	Net current income tax liability at the beginning	(5.97)	(8.49)
	Income tax paid	41.30	34.80
	Current tax expenses	(38.20)	(31.26)
	Interest on income tax	(0.70)	(0.92)
	Excess short provision of earlier year	(0.10)	(0.10)
	Net current income tax liability at the end	(3.67)	(5.97)
D	The balance comprises temporary differences attributable to the below items and corresponding movement in deferred tax (liabilities)/ assets:		
	Net deferred tax asset at the beginning of the year	8.76	5.34
	Disallowance of share issue expenses	(1.44)	3.35
	Property plant and equipments	1.75	(0.22)
	Expenses allowable on payment basis (gratuity)	0.36	0.23
	Transaction cost on financial assets	(0.59)	1.62
	Impairment of financial instruments	0.19	2.97
	Right-of-use assets	17.38	(76.81)
	Lease Liabilities Expenses	(7.62)	75.62
	Timing difference arising on Section 36 on Income Tax Act 1961	(4.29)	(3.60)
	Fair value gain on investments in debt securities	(0.34)	0.26
	Net current income tax asset at the end	14.16	8.76

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

NOTE - 33

DISCLOSURE ON PRINCIPAL BUSINESS CRITERIA:

For the year ended 31-March-2025

Criteria-I NBFC	%	Limit
Financial assets/ Total assets (net of intangible assets) (I/IV)	94.15%	> 50%
Income from financial assets/Gross income (VII/VIII)	100.00%	> 50%

Criteria-II HFC	%	Limit
Housing finance/ Total assets (net of intangible assets) (V/IV)	81.12%	≥ 60 %
Housing finance for individual/Total assets (net of intangible assets) (VI/IV)	81.12%	≥ 50 %

For the year ended 31-March-2023

Criteria-I NBFC	%	Limit
Financial assets/ Total assets (net of intangible assets) (I/IV)	94.22%	> 50%
Income from financial assets/Gross income (VII/VIII)	100.00%	> 50%

Criteria-II HFC	%	Limit
Housing finance/ Total assets (net of intangible assets) (V/IV)	81.21%	> 60 %
Housing finance for individual/Total assets (net of intangible assets) (VI/IV)	81.21%	> 50 %

₹ in Lakhs

Sr. No	Particulars	As at 31-March-2025	As at 31-March-2024
I	Financial assets (Refer Note-1 below)	7,434.00	7,747.85
II	Total assets	7,912.70	8,235.20
III	Intangible assets (All Intangible Assets) (Refer Note-2 below)	16.77	11.91
IV	Total assets (net of Intangible Assets)	7,895.93	8,223.29
V	Housing finance	6,405.10	6,678.50
VI	Housing finance for individual	6,405.10	6,678.50

Sr. No	Particulars	Current Year 2024-2025	Previous Year 2023-2024
VII	Income from financial assets (Refer Note-3 below)	757.89	571.80
VIII	Gross income	757.90	571.80

Note:

Cash/Bank balance and investments in fixed deposits cannot be treated as "financial assets"

Intangible assets includes deferred revenue expenditure and deferred tax assets.

Interest income on fixed deposits cannot be treated as "income from financial assets"

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

NOTE - 34

Maturity analysis of assets and liabilities

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

Particulars	As at 31-March-2025			As at 31-March-2024		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
(1) Financial assets						
(a) Cash and cash equivalents	74.41	-	74.41	27.51	-	27.51
(b) Loans	488.42	6,613.36	7,101.78	462.79	6,766.38	7,229.17
(c) Investments	298.85	-	298.85	185.14	302.43	487.57
(d) Other financial assets	4.26	29.11	33.37	4.60	26.51	31.11
Total financial assets	865.94	6,642.47	7,508.41	680.04	7,095.32	7,775.36
(2) Non-financial assets						
(a) Deferred tax assets (net)	-	14.16	14.16	-	8.76	8.76
(b) Property, plant and equipment	-	346.93	346.93	-	316.81	316.81
(c) Capital work-in-progress	-	-	-	106.15	-	106.15
(d) Intangible assets	-	-	-	-	-	-
(e) Other non financial assets	43.20	-	43.20	28.12	-	28.12
Total non-financial assets	43.20	361.09	404.29	134.27	325.57	459.84
TOTAL ASSETS	909.14	7,003.56	7,912.70	814.31	7,420.89	8,235.20

Particulars	As at 31-March-2025			As at 31-March-2024		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
(1) Financial liabilities						
(a) Trade Payables						
(i) Total outstanding dues of micro enterprises and small enterprises	0.01	-	0.01	-	-	-
(ii) Total outstanding dues of creditors other than micro and small enterprises	21.61	-	21.61	21.34	-	21.34
(b) Borrowings (other than debt securities)	488.20	2,126.08	2,614.28	516.00	2,468.42	2,984.42
(c) Other financial liabilities	71.57	209.13	280.70	73.36	270.20	343.56
Total financial liabilities	581.39	2,335.21	2,916.60	610.70	2,738.62	3,349.32
(2) Non-financial liabilities						
(a) Current tax liabilities (net)	3.67	-	3.67	5.97	-	5.97
(b) Provisions	0.04	2.73	2.77	0.02	1.33	1.35
(c) Other non-financial liabilities	10.06	-	10.06	9.05	-	9.05
Total non-financial liabilities	13.77	2.73	16.50	15.04	1.33	16.37
TOTAL LIABILITIES	595.16	2,337.94	2,933.10	625.74	2,739.95	3,365.69
EQUITY						
(a) Equity share capital	-	3,850.00	3,850.00	-	3,850.00	3,850.00
(b) Other equity	-	1,129.60	1,129.60	-	1,019.51	1,019.51
TOTAL EQUITY	-	4,979.60	4,979.60	-	4,869.51	4,869.51

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

NOTE - 35

Disclosure as required by Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, as updated from time to time.

Disclosure as per Annexure III

₹ in Crores

	Particulars	As at 31-March-2025		As at 31-March-2024	
	Liability side	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
1	Loans and advances availed by the HFC inclusive of interest accrued thereon but not paid:				
	(a) Debentures				
	: Secured	Nil	Nil	Nil	Nil
	: Unsecured	Nil	Nil	Nil	Nil
	(b) Deferred credits	Nil	Nil	Nil	Nil
	(c) Term loans	Nil	Nil	Nil	Nil
	(d) Inter-corporate loans and borrowings	26.17	Nil	29.87	Nil
	(e) Commercial paper	Nil	Nil	Nil	Nil
	(f) Public deposits	Nil	Nil	Nil	Nil
	(g) Other loans (specify nature)	Nil	Nil	Nil	Nil
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	Nil	Nil	Nil	Nil
	(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	Nil	Nil	Nil	Nil
	(c) Other public deposits	Nil	Nil	Nil	Nil
3	Asset side	As at 31-March-2025		As at 31-March-2024	
		Amount outstanding		Amount outstanding	
	Break-up of loans and advances including bills receivables [other than those included in (4) below]:				
	(a) Secured		71.24		72.50
	(b) Unsecured		Nil		Nil
4	Break up of leased assets and stock on hire and other assets counting towards asset financing activities	As at 31-March-2025		As at 31-March-2024	
	(a) Lease assets including lease rentals under sundry debtors				
	(i) Financial lease	Not applicable		Not applicable	
	(ii) Operating lease	Not applicable		Not applicable	
	(b) Stock on hire including hire charges under sundry debtors				
	(i) Assets on hire	Not applicable		Not applicable	
	(ii) Repossessed Assets	Not applicable		Not applicable	
	(c) Other loans counting towards asset financing activities				
	(i) Loans where assets have been repossessed	Not applicable		Not applicable	
	(ii) Loans other than (a) above	Not applicable		Not applicable	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

NOTE - 35

Disclosure as required by Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, as updated from time to time.

₹ in Crores

5	Break-up of Investments	As at 31-March-2025	As at 31-March-2024
	Current Investments		
	(a) Quoted:		
	(i) Shares		
	(1) Equity	Nil	Nil
	(2) Preference	Nil	Nil
	(ii) Debentures and bonds	Nil	Nil
	(iii) Units of mutual funds	Nil	1.85
	(iv) Government securities	Nil	Nil
	(v) Others (Please specify)	Nil	Nil
	(b) Unquoted:		
	(i) Shares		
	(1) Equity	Nil	Nil
	(2) Preference	Nil	Nil
	(ii) Debentures and bonds	Nil	Nil
	(iii) Units of mutual funds	Nil	Nil
	(iv) Government securities	Nil	Nil
	(v) Others - Units of AIF	2.99	3.03

5	Break-up of Investments	As at 31-March-2025	As at 31-March-2024
	Long term Investments		
	(a) Quoted:		
	(i) Shares		
	(1) Equity	Nil	Nil
	(2) Preference	Nil	Nil
	(ii) Debentures and bonds	Nil	Nil
	(iii) Units of mutual funds	Nil	Nil
	(iv) Government securities	Nil	Nil
	(v) Others (Please specify)	Nil	Nil
	(b) Unquoted:		
	(i) Shares	Nil	Nil
	(1) Equity	Nil	Nil
	(2) Preference	Nil	Nil
	(ii) Debentures and bonds	Nil	Nil
	(iii) Units of mutual funds	Nil	Nil
	(iv) Government securities	Nil	Nil
	(v) Others (Please specify)	Nil	Nil

6	Borrower group-wise classification of assets financed as in (3) and (4) above:			As at 31-March-2025
	Category	Amount Net of Provisions in Crores		
		Secured	Unsecured	Total
	1. Related parties			
	(a) Subsidiaries	Nil	Nil	Nil
	(b) Companies in the same group	Nil	Nil	Nil
	(c) Other related parties	Nil	Nil	Nil
	2. Other than related Parties	71.24	Nil	71.24
	Total	71.24	Nil	71.24
	Refer note no. 1 below			

6	Borrower group-wise classification of assets financed as in (3) and (4) above:			As at 31-March-2024
	Category	Amount Net of Provisions in Crores		
		Secured	Unsecured	Total
	1. Related parties			
	(a) Subsidiaries	Nil	Nil	Nil
	(b) Companies in the same group	Nil	Nil	Nil
	(c) Other related parties	Nil	Nil	Nil
	2. Other than related Parties	72.50	Nil	72.50
	Total	72.50	Nil	72.50
	Refer note no. 1 below			

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

NOTE - 35 (CONTD.)

Disclosure as required by Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, as updated from time to time.

7	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :				
	Category	As at 31-March-2025		As at 31-March-2024	
		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	Nil	Nil	Nil	Nil
	(b) Companies in the same group	Nil	Nil	Nil	Nil
	(c) Other related parties	Nil	Nil	Nil	Nil
	2. Other than related Parties	2.99	2.99	4.88	4.88
	Total	2.99	2.99	4.88	4.88
	* As per Accounting Standard notified by Central Government of India (Refer note no. 2 below)				

8 Other information

8	Particular	As at 31-March-2025	As at 31-March-2024
	(i) Gross Non-performing Assets	Nil	Nil
	(a) Related parties	0.07	Nil
	(b) Other than related parties		
	(ii) Net Non-performing Assets	Nil	Nil
	(a) Related parties	0.06	Nil
	(b) Other than related parties	Nil	Nil
	(iii) Assets acquired in satisfaction of debt		

Notes:

- Provisioning norms shall be applicable as prescribed in Non-Banking Financial Company- Housing Finance Company (Reserve Bank) Directions, 2021.
- All Accounting Standards notified by Central Government of India and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments (except Debentures and Government Securities are valued at cost as the market value is not available) and break up/ fair value/ NAV in respect of unquoted investments has been disclosed irrespective of whether they are classified as long term or current in (5) and (6) above.
- The financial information in the above disclosure as required by Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, as updated from time to time as on 31 March 2025 and 31 March 2024 are based on the INDAS financial statements for the year ended 31 March 2025 and 31 March 2024 respectively.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

NOTE - 35

Disclosure as required by Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, as updated from time to time.

Disclosure as per Annexure IV

I Capital		₹ In Crores	
Items		Current Year 2024-2025	Previous Year 2023-2024
i) CRAR (%)		132.48	118.31
ii) CRAR - Tier I Capital (%)		131.98	117.81
iii) CRAR - Tier II Capital (%)		0.50	0.50
iv) Amount of subordinated debt raised as Tier- II Capital		-	-
v) Amount raised by issue of Perpetual Debt Instruments		-	-

2 Reserve Fund u/s 29C of NHB Act, 1987		
Particular	Current Year 2024-2025	Previous Year 2023-2024
Balance at the beginning of the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	0.55	0.51
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	0.18	-
c) Total	0.73	0.51
Addition/ Appropriation/ Withdrawal during the year		
Add:		
a) Amount transferred u/s 29C of the NHB Act, 1987	0.05	0.04
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	0.18	0.18
Less:		
a) Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
b) Amount withdrawn from the special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account which has been taken into account for the purpose of provision u/s 29C of the NHB Act, 1987	-	-
Balance at the end of the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	0.60	0.55
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	0.36	0.18
c) Total	0.96	0.73

3 Investment		
Particular	Current Year 2024-2025	Previous Year 2023-2024
Value of Investments		
(i) Gross value of investments		
(a) In India	2.99	4.88
(b) Outside India	-	-
(ii) Provisions for Depreciation		
(a) In India	-	-
(b) Outside India	-	-
(iii) Net value of investments		
(a) In India	2.99	4.88
(b) Outside India	-	-
Movement of provisions held towards depreciation on investments		
Opening balance	-	-
Add: Provisions made during the year	-	-
Less: Write-off / Written-back of excess provisions during the year	-	-
Closing balance	-	-

4 Derivatives

The Company did not have any transactions in Derivatives and accordingly Forward Rate Agreement (FRA)/ Interest Rate Swap, Exchange Traded Interest Rate (IR) Derivative, Disclosures on Risk Exposure in Derivatives has not been furnished.

5 Deleted

6 Assets Liability Management (Maturity pattern of certain items of Assets and Liabilities) as on 31 March 2025

Particulars	1 day to 7days	8 days to 14 Days	15 Days to 30/31 Days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Liabilities:											
Deposits	-	-	-	-	-	-	-	-	-	-	-
Borrowings from banks	-	-	-	-	-	-	-	-	-	-	-
Market borrowings (from NBFC)	-	-	0.42	0.40	0.40	1.21	2.43	9.71	8.64	2.95	26.16
Foreign currency liabilities	-	-	-	-	-	-	-	-	-	-	-
Assets:											
Advances	0.13	-	0.62	0.36	0.37	1.10	2.30	10.30	11.39	44.78	71.35
Investments	-	-	-	-	-	-	2.99	-	-	-	2.99
Foreign currency assets	-	-	-	-	-	-	-	-	-	-	-

Assets Liability Management (Maturity pattern of certain items of Assets and Liabilities) as on 31 March 2024

Particulars	1 day to 7days	8 days to 14 Days	15 Days to 30/31 Days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Liabilities:											
Deposits	-	-	-	-	-	-	-	-	-	-	-
Borrowings from banks	-	-	-	-	-	-	-	-	-	-	-
Market borrowings (from NBFC)	-	-	0.46	0.43	0.43	1.28	2.56	10.25	10.25	4.21	29.87
Foreign currency liabilities	-	-	-	-	-	-	-	-	-	-	-
Assets:											
Advances	-	0.04	0.65	0.34	0.36	1.05	2.18	9.93	11.07	47.03	72.65
Investments	1.86	-	-	-	-	-	-	3.02	-	-	4.88
Foreign currency assets	-	-	-	-	-	-	-	-	-	-	-

Note:

Advances includes loans and advances in the nature of loans and excludes advances recoverable in cash or kind or for value to be received, advance payment of taxes and deposits.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

NOTE - 35 (CONTD.)

C. Sectoral exposure

₹ in Crores

S.No	Sectors	As at 31-March-2025			As at 31-March-2024		
		Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs (₹ crore)	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs (₹ crore)	Percentage of Gross NPAs to total exposure in that sector
1	Agriculture and Allied Activities	-	-	-	-	-	-
2	Industry						
	2.1	-	-	0.00%	-	-	0.00%
	2.2	-	-	0.00%	-	-	0.00%
	2.3 Others	-	-	0.00%	-	-	0.00%
	Total of Industry (2.1+2.2+2.3 others)	-	-	0.00%	-	-	-
3	Services	-	-	0.00%	-	-	0.00%
	3.1	-	-	0.00%	-	-	0.00%
	3.2	-	-	-	-	-	-
	3.3 Others	-	-	-	-	-	-
	Total of Services (3.1+3.2+3.3 others)	-	-	0.00%	-	-	-
4	Personal Loan	-	-	0.00%	-	-	0.00%
	4.1 - Housing Loans	64.19	0.01	0.02%	67.60	-	0.00%
	4.2 - Non Housing Loans	7.19	0.06	0.83%	5.86	-	0.00%
	4.3 Others	-	-	-	-	-	-
	Total of Personal Loans (4.1+4.2+4.3 others)	71.38	0.07	0.10%	73.46	-	-
5	Others	-	-	-	-	-	-

D. Details of financing of parent company products

The Company did not have any financing of parent company's products.

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

Single Borrower Limit (SGL) / Group Borrower Limit (GBL) has not been exceeded the prudential exposure limits during the year by the Company.

F. Unsecured Advances

The Company does not have any unsecured advances as on 31 March 2025 and 31 March 2024

G. Exposure to group companies engaged in real estate business

The Company does not have any exposure to companies engaged in real estate business as on 31 March 2025 and 31 March 2024.

H. Intra-group exposures

The Company does not have any intra group exposue during the year ended 31 March 2025 and 31 March 2024.

I. Unhedged foreign currency exposure

The Company does not have any unhedged foreign currency exposure as at 31 March 2025 and 31 March 2024.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

35 Disclosure as required by Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, as updated on 21 March 2024.

8 Related Party Disclosure

₹ In Crores

Related Party	Parent (as per ownership or control)		Subsidiaries		Directors		Relative of Directors		Key Management Personnel		Relative of Key Management Personnel		Others		Total	
	For the year ended/ As at 31-March-2025	For the year ended/ As at 31-March-2024	For the year ended/ As at 31-March-2025	For the year ended/ As at 31-March-2024	For the year ended/ As at 31-March-2025	For the year ended/ As at 31-March-2024	For the year ended/ As at 31-March-2025	For the year ended/ As at 31-March-2024	For the year ended/ As at 31-March-2025	For the year ended/ As at 31-March-2024	For the year ended/ As at 31-March-2025	For the year ended/ As at 31-March-2024	For the year ended/ As at 31-March-2025	For the year ended/ As at 31-March-2024	For the year ended/ As at 31-March-2025	
Borrowings	26.14	29.84	-	-	-	-	-	-	-	-	-	-	-	-	26.14	29.84
(Maximum o/s during the year)	29.84	31.37	-	-	-	-	-	-	-	-	-	-	-	-	29.84	31.37
Interest Paid	2.09	1.99	-	-	-	-	-	-	-	-	-	-	-	-	2.09	1.99
Others transactions:																
Support Services	0.12	0.12	-	-	-	-	-	-	-	-	-	-	-	-	0.12	0.12
Website Maintenance Charges	-	-	-	-	-	-	-	-	-	-	-	-	0.01	-	0.01	-
Demat Charges	-	-	-	-	-	-	-	-	-	-	-	-	0.00	0.00	0.00	0.00
Remuneration	-	-	-	-	0.69	0.44	-	-	0.24	0.09	-	-	-	-	0.93	0.53
Sitting Fees	-	-	-	-	0.03	0.02	-	-	-	-	-	-	-	-	0.03	0.02
Loan Taken	9.00	17.00	-	-	-	-	-	-	-	-	-	-	-	-	9.00	17.00
Repayment of Loan taken	12.70	4.08	-	-	-	-	-	-	-	-	-	-	-	-	12.70	4.08
Issuance of equity Shares	-	24.05	-	-	-	-	-	-	-	-	-	-	-	-	0.00	24.05
Other closing balances:																
Interest accrued but not due on borrowings	0.02	0.03	-	-	-	-	-	-	-	-	-	-	-	-	0.02	0.03

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

NOTE - 35 (CONTD.)

9 Miscellaneous

A. Registration obtained from other financial sector regulators

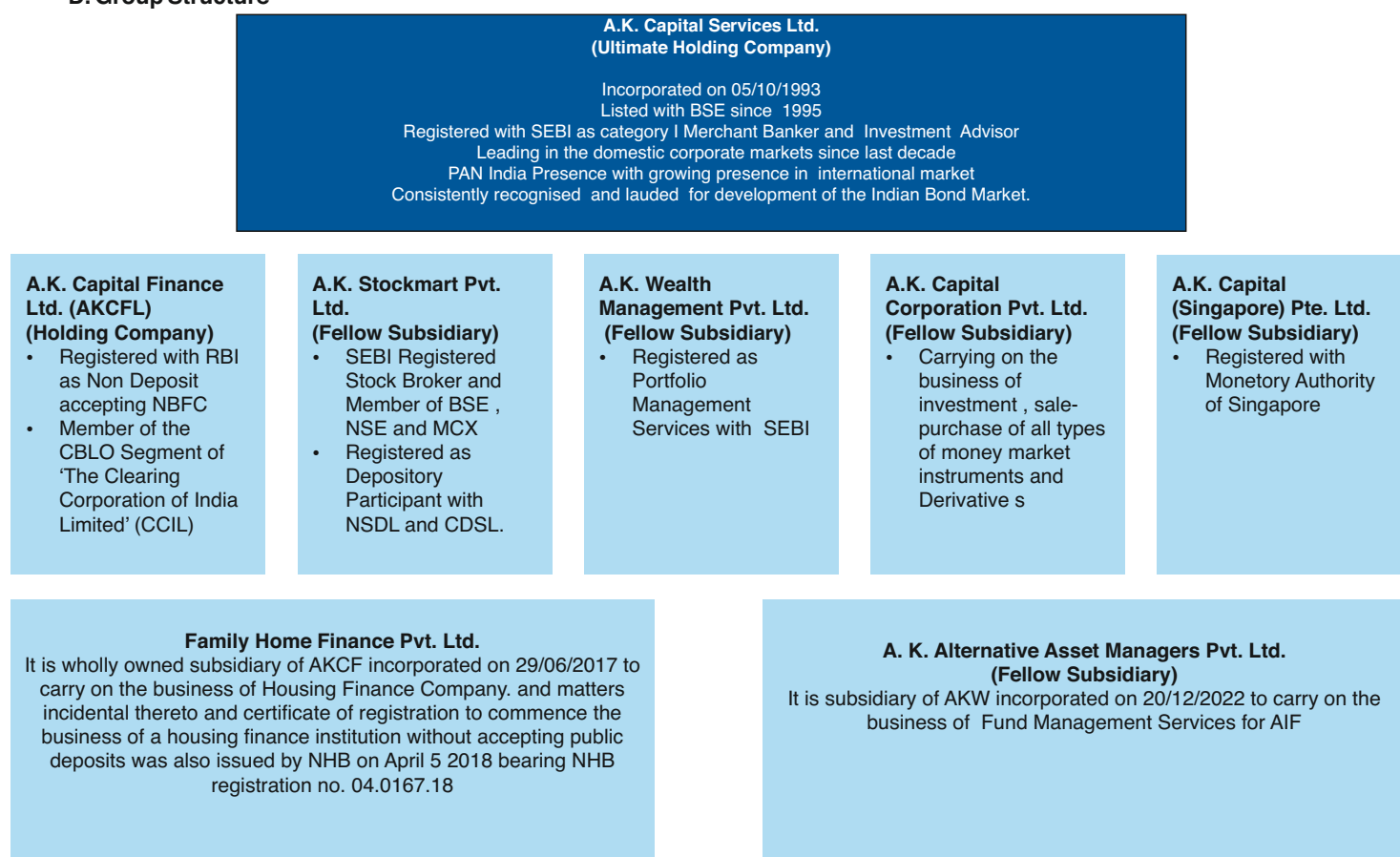
There is no other registration obtained from any other financials sector regulators.

B. Disclosure of Penalties imposed by NHB/RBI and other regulators

During the year RBI has imposed a penalty of Rs. 50,000/- vide its order dated October 17, 2024

C. Deleted

D. Group Structure



E. Rating assigned by credit rating agencies and migration of rating during the year

Acuité Ratings & Research Limited has assigned "ACUITE AA- Stable" rating to the Company.

F. Deleted

G. Management- The disclosure required by this clause will be given in Director's Report for the year ended 31 March 2025.

H. Net Profit or Loss for the year, prior period items and changes in accounting policies

There are no prior period items that have impact on the current year's profit and loss.

I. Revenue Recognition

There are no such circumstances in which revenue recognition has been postponed pending the resolution of significant uncertainties.

J. Indian Accounting Standard 110 and 28- Consolidated Financial Statements (CFS)

The Company does not have subsidiary company or associates thus consolidated financial statements are not applicable to the Company.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

10 Additional Disclosures

₹ in Crores

A. Provisions and Contingencies		
Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	Current Year 2024-25	Previous Year 2023-2024
(i) Provisions for depreciation on Investments	-	-
(ii) Provision towards NPA	0.01	-
(iii) Provision made towards Income tax (Including Deferred tax and Earlier period tax adjustments)*	0.33	0.32
(iv) Other Provision and Contingencies	0.01	-
(v) Impairment on loans and advances (net)	0.01	0.12

* including recognised in other comprehensive income

₹ in Crores

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	Housing		Non-Housing	
Standard Assets	As at 31-03-2025	As at 31-03-2024	As at 31-03-2025	As at 31-03-2024
(a) Total Outstanding Amount	64.04	66.64	7.13	5.86
(b) Provisions made	0.18	0.20	0.03	0.01
Sub-Standard Assets				
(a) Total Outstanding Amount	0.01	-	0.06	-
(b) Provisions made*	-	-	0.01	-
Doubtful Assets – Category I				
(a) Total Outstanding Amount	-	-	-	-
(b) Provisions made	-	-	-	-
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	64.05	66.64	7.19	5.86
(b) Provisions made	0.18	0.20	0.04	0.01

* Provision made for Housing Loans & Advances (Sub Standard Assets) is Rs. 18,281/- in FY 2024-25

A1.Divergence in Asset Classification and Provisioning

Divergence in Asset Classification and Provisioning is not applicable since either of the conditions mentioned in the clause are not met.

B. Draw Down from Reserves

There have been no drawdown from Reserves.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

₹ in Crores

C.	Concentration of Deposits, Advances, Exposures and NPAs	As at 31-03-2025	As at 31-03-2024
a.	Concentration of Deposits (for deposit taking HFC) Total deposits of twenty largest depositors Percentage of deposits of twenty largest depositors to total deposits of the HFC	Not Applicable Not Applicable	Not Applicable Not Applicable
b.	Concentration of Loans & Advances Total loans & advances to twenty largest borrowers Percentage of loans & advances to twenty largest borrowers to total advances of the HFC	5.65 7.93%	6.04 8.36%
c.	Concentration of all Exposure (including off-balance sheet exposure) Total exposure to twenty largest borrowers / customers Percentage of exposures to twenty largest borrowers / customers to total exposure of the HFC on borrowers / customers	5.72 8.01%	6.15 8.37%
d.	Concentration of NPAs Total Exposure to top ten NPA accounts	-	-

e. Sector-wise NPAs	As at 31-03-2025	As at 31-03-2024
Sector	% of NPAs to Total Advances in that Sector	% of NPAs to Total Advances in that Sector
A. Housing Loans	0.02%	-
1. Individuals	-	-
2. Builder/project loans	-	-
3. Corporates	-	-
4. Others (specify)	-	-
B. Non-Housing Loans	0.85%	-
1. Individuals	-	-
2. Builder/project loans	-	-
3. Corporates	-	-
4. Others (specify)	-	-

D. Movements of NPAs	As at 31-03-2025	As at 31-03-2024
i) Net NPAs to Net Advances (%)	0.00%	-
ii) Movement of NPA (Gross)		
(a) Opening Balance	-	-
(b) Additions during the year	0.63	-
(c) Reductions during the year	(0.56)	-
(d) Closing Balance	0.07	-
iii) Movement of Net NPA		
(a) Opening Balance	-	-
(b) Additions during the year	0.62	-
(c) Reductions during the year	(0.56)	-
(d) Closing Balance	0.06	-
iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening Balance	-	-
(b) Provisions made during the year	0.01	-
(c) Write-off / write-back of excess provisions	-	-
(d) Closing Balance	0.01	-

E. Overseas Assets

During the year, there are no overseas assets in the Company.

F. Off-Balance Sheet SPVs sponsored

During the year, there are no off-balance sheet SPVs sponsored by the Company.

G. Disclosure of Complaints

During the year, there are no Customer Complaints received from any Customers of the Company.

H. Corporate Governance- The disclosure required by this clause will be given in Annual Report for the year ended 31 March 2025.**I. Breach of Covenants**

There are no instances of breach of covenants of loan availed.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

NOTE - 36

EARNINGS PER SHARE (EPS)

₹ in Lakhs

Particulars	Current Year 2024-2025	Previous Year 2023-2024
Net profit after tax as per profit and loss account (Rs. in Lakhs)	110.01	109.13
Weighted average number of equity shares outstanding during the year for basic earnings per share (No.)	3,85,00,000	2,48,52,459
Basic and diluted earnings per share (Rs.)	0.29	0.44
Nominal value of share (Rs.)	10.00	10.00

NOTE - 37

LEASES

(i) Lease commitments as lessee:

The Company has entered into agreements for taking on lease office on lease and licence basis. The lease term is for a period of 60 months. The Company has contract which have fixed rentals.

Following are the changes in the carrying value of right-of-use assets (disclosed under note 8 - property, plant and equipment) for the year ended 31 March 2025:

₹ in Lakhs

Particulars	As at 31-03-2025	As at 31-03-2024
Opening gross block value of account on adoption of Ind AS 116	333.68	-
Measurement on account of adoption of Ind AS 116	-	333.68
Deduction on account of termination of lease	-	-
Closing gross block value of account on adoption of Ind AS 116	333.68	333.68
Opening accumulated depreciation of account on adoption of Ind AS 116	22.28	-
Depreciation charged for the year	66.66	22.28
Deduction on account of termination of lease	-	-
Closing accumulated depreciation of account on adoption of Ind AS 116	88.94	22.28
Closing net block value	244.74	311.40

Carrying value of lease liabilities is disclosed under note 14 - other financial liabilities at Rs. 270.20 Lakhs as at 31-March-2025.

The following is the movement in lease liabilities during the year ended 31 March 2025

₹ in Lakhs

Particulars	As at 31-03-2025	As at 31-03-2024
Balance at the beginning of the year	305.20	-
Additions	-	321.97
Finance cost accrued during the year	22.40	8.18
Payment of lease liabilities	(57.40)	(24.95)
Balance at the end of the year	270.20	305.20

Contractual maturities of lease liabilities:

The below table provides details regarding the contractual maturities of lease liabilities on undiscounted basis:

₹ in Lakhs

Particulars	As at 31-03-2025	As at 31-03-2024
Not later than one year	79.92	57.39
Later than one year and not later than five years	232.68	312.60
More than five years	-	-

The cash outflow of lease payments with respect to the above lease recognised in the statement of profit and loss for the financial year 2024-2025 is Rs. 57.40 lakhs. (previous year Rs. 24.95 Lakhs)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

NOTE - 38

Contingent Liabilities and Capital / Other Commitments

₹ in Lakhs

Particulars	Current Year 2024-2025	Previous Year 2023-2024
(a) Contingent liabilities	-	-
(b) Capital commitments	-	-
(c) Other commitments - undrawn loan sanctions	14.20	96.27

NOTE - 39

No loan was sanctioned/given to any Directors/Senior Officers/ KMP or relatives of the same in current year and previous year.

NOTE - 40

Code On Social Security, 2020

The Indian Parliament has approved the Code on Social Security, 2020 which subsumes the Provident Fund and the Gratuity Act and the Rules thereunder. The Ministry of Labour and Employment has also released draft rules thereunder on 13 November 2020, and has invited suggestions from the stakeholders which are under active consideration by the Ministry. The Company will evaluate the rules, assess the impact, if any, and account the same once the rules are notified and become effective.

NOTE - 41

Comparison between provisions required under IRACP and impairment allowances made under Ind AS 109 as required by notification DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13 March 2020

₹ in Lakhs

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	6,874.24	18.68	6,855.56	18.25	0.43
	Stage 2	242.34	2.27	240.07	0.66	1.61
Subtotal		7,116.58	20.95	7,095.63	18.91	2.04
Non Performing Assets						
Sub-standard	Stage 3	7.29	1.11	6.18	1.10	0.01
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		7.29	1.11	6.18	1.10	0.01
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	12.52	-	-	-	-
	Stage 2	1.68	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal	-	14.20	0.03	14.17	-	0.03
Total	Stage 1	6,886.76	18.71	6,868.05	18.25	0.46
	Stage 2	244.02	2.27	241.75	0.66	1.61
	Stage 3	7.29	1.11	6.18	1.10	0.01

Note: (i) The assets includes loans and advances only

(ii) In terms of the requirement as per RBI notifications no.RBI/2019-20/170DOR(NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13 March 2020 on implementation of Indian Accounting Standards, Non-Banking Financial Companies (NBFCs) are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and Income recognition, Asset Classification and Provisioning (IRACP) Norms (including provision on standard assets). The impairment allowances under Ind AS 109 made by the Company exceeds the total provision required under IRACP (including standard asset provisioning) as at 31 March 2025 and accordingly, no amount is required to be transferred to impairment reserve.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

NOTE - 42

Disclosures as required by RBI Notification No. RBI/2020-21/16DOR.No.BP.BC/3/21.04.048/2020-21 dated 6 August 2020 "Resolution Framework for COVID-19-related Stress" read with RBI Notification No. RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 dated 5 May 2021 "Resolution Framework – 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses" (the Notification) are given as under;

₹ in Lakhs

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous year (A)	Of (A), aggregate debt that slipped into NPA during the year	Of (A) amount written off during the year	Of (A) amount paid by the borrowers during the year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this year
Personal Loans	Nil	Nil	Nil	Nil	Nil
Corporate persons					
- of which, MSMEs	Nil	Nil	Nil	Nil	Nil
- Others	Nil	Nil	Nil	Nil	Nil
Total	Nil	Nil	Nil	Nil	Nil

NOTE - 43

Disclosures as required by RBI Notification dated 24 September 2021 "Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021" (the Notification) are given as under;

(a) (i) Details of loans acquired through assignments in respect of loans not in default during the year ended 31 March 2025

₹ in Lakhs

Description	Acquired
Entity	Housing Finance Company (HFC)
Count of loan accounts acquired (in numbers)	200
Amount of loan accounts acquired	1,006.14
Retention of beneficial economic interest (MRR)	10.00%
Weighted average maturity (residual maturity in months)	157.00
Weighted average holding period (in months)	1.00
Coverage of tangible security	100.00%
Rating-wise distribution of rated loans	Unrated

(a) (ii) Details of loans not in default through assignments transferred during the year ended 31 March 2025 - Nil

(b) The Company has not transferred or acquired, any stressed loans during the year ended 31 March 2025

NOTE - 44

The Company does not have intangible assets under development.

NOTE - 45

No proceedings have been initiated during the year or are pending against the Company as of 31 March 2025 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

NOTE - 46

The Company does not have any transactions with companies struck off under section 248 of Companies Act 2013 or Section 560 of Companies Act 1956, during the financial year ending 31 March 2025 and 31 March 2024

NOTE - 47

The Company has complied with the number of layer prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on Number of Layers) Rules, 2017.

NOTE - 48

The ratios pertaining to Capital to risk-weighted assets ratio (CRAR), Tier I CRAR and Tier II CRAR have been duly disclosed in Note 35 of the financial statements. Liquidity coverage ratio is not applicable to the Company.

NOTE - 49

Information namely, area, country of operation and joint venture partners with regard to joint ventures and overseas subsidiaries:

Particulars	Information
Area	Mumbai, Maharashtra
Country	India
Joint ventures	No Joint ventures
Overseas subsidiaies	No Overseas subsidiaries

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

NOTE - 50

Compliance with approved Scheme(s) of Arrangements: Not Applicable

NOTE - 51

The Company is not required to spend amounts towards Corporate Social Responsibility as it does not fulfill the condition given under section 135 of Companies Act, 2013.

NOTE - 52

Utilisation of borrowed funds and share premium

- (a) No funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) No funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

NOTE - 53

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

NOTE - 54

The Company does not traded or invested in Crypto Currency or Virtual Currency during the financial year ended 31 March 2025 and 31 March 2024

NOTE - 55

Balances of certain trade payables are subject to confirmation/reconciliation, if any. The management does not expect any material difference affecting the financial statements on such reconciliation/adjustments.

NOTE - 56

No fraud on or by the Company has been noticed or reported during the year ended 31 March 2025 and 31 March 2024.

NOTE - 57

The Company has been incorporated on 29 June 2017 as a non deposit taking housing finance company. The Company was granted certificate of registration from National Housing Bank on 09 April 2018. As the Company's assets size is less than 100 Crores and the Company being a non deposit taking housing finance Company, the disclosures pursuant to Non-Banking Financial Company- Housing Finance Company (Reserve Bank) Directions, 2021 are been made accordingly.

NOTE - 58

The Company has not received any intimation from its suppliers regarding their registration under the 'Micro, Small and Medium Enterprises Development Act, 2006'. Hence, the disclosure has been made as per information available with the Company.

NOTE - 59

No subsequent events have been observed which may require an adjustment to the statement of financial position.

NOTE - 60

Previous year figures have been regrouped or rearranged wherever considered necessary, to confirm with the current year's presentation.

Signatures to 1 to 60

As per our report of even date attached
For PYS & CO LLP
Chartered Accountants
Firm's Reg. No.: 012388S/S200048

Sanjay Kokate
Partner
Membership No. 130007

Place: Mumbai
Date : 08 May 2025

For and on behalf of the Board of Directors
Family Home Finance Private Limited

Vikas Jain
Director
DIN-07887754

Rahul Ved
Company Secretary
(ACS: 34791)

Annu Garg
Director
DIN-07817550

Ajay Tendulkar
Chief Executive
Officer

Jinit Kewalraman
Chief Financial
Officer

Place: Mumbai
Date : 08 May 2025



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