

**INDEPENDENT AUDITOR'S REPORT**

**To the Members of Godrej Housing Finance Limited**

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the financial statements of Godrej Housing Finance Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as "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 Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended, (Ind AS) and with other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, the loss, 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 Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**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 for the year ended March 31, 2022. 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.

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 Key Audit Matter was addressed in our audit
1	Impairment of financial assets as at the balance sheet date (Expected Credit Losses) Total ECL Provision as at March 31, 2022 – Rs.718.24 lakh (Previous year Rs.71.02 lakh)	



Sr. No.	Key Audit Matter	How the Key Audit Matter was addressed in our audit
	<p>Charge to the Statement of Profit and Loss – INR 647.22 lakh (Previous year Rs.71.02 lakh)</p> <p>(as described in <i>Note no 2.08.A.iv on Significant Accounting Policies, Note 5 and Note 24 of the Financial Statements.</i></p>	
	<p>As part of our risk assessment, we determined that the allowance for Expected Credit Loss (ECL) on loan assets has a high degree of estimation uncertainty, with a potential range of reasonable outcomes for the financial statements.</p> <p>Ind AS 109 requires the Company to provide for impairment of its financial assets designated at amortised cost and fair value through other comprehensive income (including loan receivables and investments) using the expected credit loss (ECL) approach. ECL involves an estimation of probability-weighted loss on financial instruments over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions which could impact the credit quality of the Company's financial assets.</p> <p>The key areas where we identified greater levels of management judgement and therefore increased levels of audit focus in the Company's estimation of ECLs are;</p> <p>In process for or estimation of ECL for the Company, the entire portfolio has been segmented into various homogenous product segments.</p> <p>The Company's portfolio currently has neither a sufficiently long history nor adequate number of defaults to use own data for estimation of Probability of Default (PD). A Logistic Regression model developed on the lookalike data obtained from Experian for estimating the PD of Applicant for a 24 Month period, has been used for PD estimation.</p> <p>Bureau data for product segment during the period January 2016 to October 2017 was considered for scorecard development. The lookalike population was arrived at by considering the ticket size, location, age and peer institution. Performance was monitored for the above selected accounts from account open date, giving an outcome period of 24 months for all customers. Appropriate adjustments</p>	<p>We have examined the ECL methodology of the Company, which has been reviewed by the Board of Directors, and have confirmed that adjustments to the output of the ECL model is consistent with the documented methodology.</p> <p>Read and assessed the Company's accounting policies for impairment of financial assets and their compliance with Ind AS 109.</p> <p>Our audit procedures relating to the allowance for ECL included the following, among others:</p> <p>Tested the design and operating effectiveness of the internal financial controls relevant to the impairment loss allowance process, as detailed below:</p> <ul style="list-style-type: none"> <li>- completeness and accuracy of the Exposure at Default ("EAD").</li> <li>- appropriateness of information used in the estimation of the Probability of Default ("PD") and Loss given Default ("LGD") for the different loan portfolio.</li> <li>- reconciled the total loans considered for ECL assessment with the books of accounts to ensure the completeness.</li> </ul> <p>Performed the following substantive procedures on sample of loan assets:</p> <ul style="list-style-type: none"> <li>- Tested categorization of loan portfolio into different segments.</li> <li>- Tested the accuracy of information such as ratings and other related information used in estimating the PD;</li> </ul>



Sr. No.	Key Audit Matter	How the Key Audit Matter was addressed in our audit
	<p>based on bureau data has been carried out to align the PD models to the required ECL performance period.</p> <p>The Loss Given Default (LGD) is an estimate of the loss arising The Loss Given Default (LGD) is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD. The Company's Portfolio is at a nascent stage and has till date had no defaults. Given the nature of the business, nascency of business and restricted observation period, a Loss Given Default (LGD) Rate has been considered based on the industry trend.</p> <p>In case of Exposure at Default (EAD), the principal outstanding for the accounts has been considered as EAD.</p> <p>If required, definition of the above segments can change with business expansion, change in portfolio performance or economic cycle. Each segment is further split delinquency buckets. For each such bucket, Probability of Default (PD), Loss Given Default (LGD) and EAD are estimated.</p> <p>In addition to the output of the ECL models, macroeconomic overlays and adjustments are recognised by the Company to align historic LGD estimates with the current collection and recovery practices.</p> <p>The Company has considered a management overlay of Rs. 487.30 lakh as part of its ECL, to reflect among other things an increased risk of deterioration in macro-economic factors. The management overlay is based on various uncertain variables, which could result in actual credit loss being different than that being estimated.</p> <p>In view of such high degree of Management's judgement involved in estimation of ECL, it is a key audit matter.</p>	<ul style="list-style-type: none"> <li>- Reviewed the JSON file obtained from Credit Rating Agency to re-compute the score as per the ECL Model provided to us, on sample basis.</li> <li>- Performed inquiries with the Company's Management and its risk management function to assess basis for determining the PD and LGD rates.</li> <li>- Evaluated the methodology used to determine macroeconomic overlays.</li> <li>- Tested the arithmetical accuracy of computation of ECL provision performed by the Company in spreadsheets.</li> <li>- Assessed the disclosures included in the financial statements in respect of ECL to confirm compliance with Ind AS provisions.</li> </ul>



Sr. No.	Key Audit Matter	How the Key Audit Matter was addressed in our audit
2.	<p>Information Technology ("IT") Systems and Controls</p> <p>The Company has a complex IT architecture to support its day-to-day business operations. Moderate volume of transactions is processed and recorded multiple applications. The reliability and security of IT systems plays a key role in the business operations of the Company. Since transactions are processed on daily basis in multiple applications hence IT controls are required to ensure that applications process data as expected and that changes are made in an appropriate manner.</p> <p>Appropriate IT general controls and application controls are required to ensure that such IT systems are able to process the data, as required, completely, accurately and consistently for reliable financial reporting.</p> <p>We have identified 'IT systems and controls' as a key audit matter because of the high-level automation, significant number of systems being used by the management and the complexity of the IT architecture and its impact on the financial reporting system.</p>	<p>Our Audit procedures with respect to this matter included the following:</p> <p>Involved IT specialists as part of the audit for the purpose of testing the IT general controls and application controls (automated and semi-automated controls) to determine the accuracy of the information produced by the Company's IT systems.</p> <p>Obtained an understanding of IT applications landscape implemented by the Company, including an understanding of the process, mapping of applications and understanding financial risks posed by people-process and technology.</p> <p>Tested effectiveness of key controls over user access management, change management (including compliance of change release in production environment to the defined procedures), program development (including review of data migration activity), computer operations, including testing of key controls pertaining to, backup, batch processing (including interface testing), incident management and data centre security.</p> <p>Also tested entity level controls pertaining to IT policy and procedure and business continuity plan assessment.</p> <p>Tested the design and operating effectiveness of certain automated controls that were considered as key internal controls over the financial reporting system</p>

#### **Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report, including Annexures to Board's Report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other





information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Board's report, including Annexures to Board's Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance. We have nothing to report in this regard.

### **Responsibilities of Management 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, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards prescribed under section 133 of the Act, read with relevant rules issued thereunder.

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

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has internal financial



controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of the users 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 for the year ended March 31, 2022 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 "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, 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, the 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 Ind AS specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Company as on March 31, 2022 taken on record by the Board of Directors, none of the directors of the Company is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to the financial statements.
- (g) With respect to 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 by the Company to its director during the year is in accordance with the provisions 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, 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 on its financial position in its financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. a) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in the note to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s)/ entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, 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, other than as disclosed in note to the financial statements, no funds have been received by the Company from any person(s) / entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the



Company shall 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 audit procedures that have been considered reasonable and appropriate in the circumstances performed by us, 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 neither declared nor paid any dividend during the year.

**For Kalyaniwalla & Mistry LLP**

**Chartered Accountants**

Firm Registration No.104607W/W100166

**Jamshed. K. Udawadia**

Partner

Membership No. 124658

UDIN: 22124658AJMBMD7491

Mumbai, May 11, 2022





**Annexure 'A' to the Independent Auditor's Report**

Referred to in Para 1 under 'Report on Other Legal and Regulatory Requirements' of our Report to the members of the Company on the financial statements for the year ended March 31, 2022:

**Statement on Matters Specified in paragraphs 3 and 4 of the Companies (Auditors Report) Order, 2020**

- 1) (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.  
(B) The Company is maintaining proper records showing full particulars of intangible assets.
- (b) The Property, Plant and Equipment, including Right of Use assets have been physically verified by management at reasonable intervals. No material discrepancies were noticed on such verification.
- (c) The Company does not have any investment properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) as at the balance sheet date and therefore the provisions of paragraph 3 (i) (c) of the Order are not applicable.
- (d) The Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year and therefore the provisions of paragraph 3 (i) (d) of the Order are not applicable.
- (e) Based on the information and explanations provided to us and our verification of the books and records of the Company no proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- 2) (a) The Company does not have any inventory and hence reporting under paragraph 3 (ii)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, during the year, from banks on the basis of security of current assets. The quarterly returns or statements filed by the Company with such banks are in agreement with the books of account of the Company.
- 3) According to the information and explanations given to us and based on the audit procedures performed by us, the principal business of the Company is to carry out the business of housing finance and provide financial assistance therefore provisions of paragraph 3 (iii) (a) & 3 (iii) (e) of the Order are not applicable. The Company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships or any other parties during the year therefore provisions of paragraph 3 (iii) (b) to 3(iii) (d) & 3 (iii) (f) of the Order are not applicable.

- 4) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not provided any loans, investment, guarantees or security and



provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the same is not applicable and therefore, the provisions of paragraph 3 (iv) of the Order are not applicable.

- 5) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not accepted any deposits from the public within the meaning of the directives issued by Reserve Bank of India and the provisions of sections 73 to 76 or any other applicable provisions of the Act and the rules framed there under and therefore the provisions of paragraph 3 (v) of the Order are not applicable.
- 6) The Central Government has not prescribed the maintenance of cost records under section 148 (1) of the Companies Act, 2013 for any of the services rendered by the Company and therefore the provisions of paragraph 3 (vi) of the Order are not applicable.
- 7) (a) The Company is generally regular in depositing undisputed statutory dues, including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues applicable to it with the appropriate authorities.  
  
(b) There are no statutory dues of Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues applicable to it which have not been deposited on account of any disputes.
- 8) According to the information and explanations given to us, and based on the audit procedures performed by us, we have not come across any transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- 9) (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not defaulted in repayment of any loans or other borrowing or in the payment of interest thereon to any lender.  
  
(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared as a wilful defaulter by any bank or financial institution or other lender.  
  
(c) The term loans were applied for purpose for which the loans were obtained.  
  
(d) According to the information and explanations given to us, and based on the audit procedures performed by us, and on an overall examination of the financial statements of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.  
  
(e) The Company does not have any subsidiaries, associates or joint ventures and therefore the provisions of paragraph 3 (ix) (e) of the Order are not applicable.  
  
(f) The Company does not have any subsidiaries, associates or joint ventures and therefore the provisions of paragraph 3 (ix) (f) of the Order are not applicable.



- 10) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and therefore the provisions of paragraph 3 (x) (a) of the Order are Not applicable.
- (b) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has made preferential allotment of shares and the requirements of section 62 of the Companies Act, 2013 have been complied with and the funds raised have been used for the purposes for which the funds were raised.
- 11) (a) Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company has been noticed or reported during the year.
- (b) In view of paragraph 11 (a) above, the provisions of paragraph 11 (b) of the Order are not applicable.
- (c) According to the information and explanations given to us and as represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- 12) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and therefore provisions of paragraph 3 (xii) of the Order are not applicable.
- 13) In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with Section 177 and 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the financial statements as required by the applicable Ind AS
- 14) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and nature of business.
- (b) Reports issued by the Internal auditors for the period under audit which has been provided by the management have been considered by us.
- 15) According to the information and explanations given to us, and based on the audit procedures performed by us, the Company has not entered into any non-cash transactions with Directors or persons connected with him and therefore the provisions of paragraph 3 (xv) of the Order are not applicable.
- 16) (a) According to the information and explanation given to us, the Company is not required to be registered under section 45- IA of the Reserve Bank of India Act, 1934 and therefore the provisions of paragraph 3 (xvi) (a) of the Order are not applicable.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934. The Company has been registered under section 29A of the National Housing Bank Act, 1987 to carry out the business of housing finance activities.



- (c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and therefore the provisions of paragraph 3 (xvi) (c) of the Order are not applicable.
- (d) According to the information and explanation given to us, the Company does not have any Core Investment Company (CIC) in the Group therefore provisions of paragraph 3 (xvi)(d) of the Order are not applicable to the Company.
- 17) The Company has incurred cash losses amounting to Rs.5,938.19 lakh during the financial year covered by our audit and Rs.4,168.73 lakh during the immediately preceding financial year.
- 18) There is no resignation of statutory auditor of the Company during the year and therefore the provisions of paragraph 3 (xviii) of the Order are not applicable.
- 19) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements 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 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.
- 20) The Company is not required to incur any expenditure towards Corporate Social Responsibility (CSR) during the period under audit as per provision of Section 135 of the said Act, as Company had incurred losses during the preceding three years and therefore, the provisions of paragraph 3 (xx) (a) and (b) of the Order are not applicable.
- 21) The Company is not required to prepare consolidated financial statements and therefore the provisions of paragraph 3 (xxi) of the Order are not applicable.

**For KALYANIWALLA & MISTRY LLP**

Chartered Accountants

Firm Registration No: 104607W / W100166

**Jamshed K. Udawadia**

Partner

Membership No: 124658

UDIN: 22124658AJMBMD7491

Mumbai, May 11, 2022





## **Annexure 'B' to the Independent Auditor's Report**

The Annexure referred to in Para 2 (f) under 'Report on Other Legal and Regulatory Requirements' of our Independent Auditor's Report to the members of the Company on the financial statements for the year ended March 31, 2022:

### **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 with reference to financial statements of **Godrej Housing Finance Limited** ("the Company") as at March 31, 2022 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 Act.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both 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 with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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



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

### **Meaning of Internal Financial Controls over Financial Reporting**

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

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the criteria for internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

**For KALYANIWALLA & MISTRY LLP**

Chartered Accountants

Firm Registration No: 104607W/W100166



**Jamshed K. Udawadia**

Partner

Membership No: 124658

UDIN: 22124658AJMBMD7491

Mumbai, May 11, 2022



**INDEPENDENT AUDITORS' ADDITIONAL REPORT**

**TO THE BOARD OF DIRECTORS OF GODREJ HOUSING FINANCE LIMITED**

In addition to our report dated May 11, 2022, issued under section 143 of the Companies Act, 2013 on the financial statements of Godrej Housing Finance Limited ("the Company"), and as required under Paragraph 69 of "Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021" ("The Directions"), we report as follows on the matters specified therein.

**Management's Responsibility for the Financial Statements**

The Management is responsible for compliance with the Reserve Bank of India (RBI) Act and other relevant RBI circulars and guidelines applicable to Housing Finance Companies (HFCs), as amended from time to time, and for providing all the required information to RBI. This includes collecting, collating, and validating data and designing, implementing, and maintaining of internal controls relevant to the preparation and presentation of the matters in the RBI Directions that is free from material misstatement, whether due to fraud or error and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

**Auditors' Responsibility**

Pursuant to the requirements of the Directions it is our responsibility to examine the audited books and records of the Company and provide reasonable assurance on the matters specified in the Directions to the extent applicable to the Company.

The financial statements for the year ended March 31, 2022, which comprise the Balance Sheet as at March 31, 2022, 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 significant accounting policies and other explanatory information have been audited by us, on which we issued an unmodified audit opinion vide our report dated May 11, 2022. Our audit of the financial statements was conducted in accordance with the Standards on Auditing specified under section 143(10) of the Companies Act, 2013 and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Our audits were not planned and performed in connection with any transactions to identify matters that may be of potential interest to third parties.

We conducted our examination in accordance with the Guidance Note on Audit Reports and Certificates for Special Purpose issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

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



## Conclusion

Based on our examination of the books and records of the Company as produced for our examination and the information and explanation given to us we report that:

1. The main object of the Company is to engage in the business of Housing Finance (as defined in the Directions) requiring the Company to obtain a certificate of registration from the RBI. The Company has obtained the certificate of registration dated October 26, 2020 from the RBI's Department of Regulation, permitting it to commence the business of a Housing Finance Institution without accepting public deposits. The Company has fulfilled the Principal Business Criteria as contained in Paragraph 4.1.17 of The Directions that the financial assets, from the business of providing finance for housing, are more than 60% of its total assets (netted off by intangible assets) and that the income from such financial assets should be more than 50% of its Gross Income. The Company has also fulfilled the criteria that out of the total assets (netted off by intangible assets), not less than 50% should be by way of housing finance for individuals as stated in clauses (a) to (e) of paragraph 4.1.16 of the Directions. In view of the above we are of the opinion that the Company is entitled to continue to hold such Certificate of Registration in term of its asset/income pattern as on March 31, 2022.
2. The Company has complied with the requirements of Net Owned Funds (NOF) as prescribed under Section 29A of the National Housing Bank Act, 1987 and the Directions.
3. The Company is a loss-making Company and hence the question of Compliance with Section 29C of the National Housing Bank Act, 1987 does not arise.
4. The total borrowings of the Company as at March 31, 2022 are within the prescribed limits as given under the directions.
5. 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 engagement of brokers, and concentration of credit/investments as specified in these directions, to the extent applicable.
6. The capital adequacy ratio as disclosed in the half-yearly statutory return, submitted to the National Housing Bank (NHB), as per the directions issued by NHB, have been correctly determined and such ratio is in compliance with the prescribed minimum capital to risk weighted asset ratio (CRAR).
7. The Company has furnished to the NHB within the stipulated period the half-yearly statutory return, as specified in the directions issued by NHB.
8. The Company has furnished to the NHB within the stipulated period the quarterly statutory return on Statutory Liquid Assets, as specified in the directions issued by NHB;
9. The Company has complied with the requirements contained in these directions for opening of new branches / offices and closure of existing branch.
10. The Company has not given any loans against security of shares, security of single product - gold jewellery or against its own shares hence the provisions contained in Paragraph 3.1.3, Paragraph 3.1.4 and Paragraph 18 are not applicable.



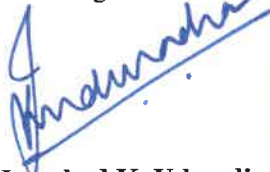


11. The Board of Directors of the Company has passed a resolution for non-acceptance of any public deposits in their meeting conducted on May 6, 2021.
12. The Company has not accepted any public deposits during the current year.
13. Since the Company has not accepted / held any public deposits, the requirements of paragraph 70.2 of the Directions are not applicable.

**Restriction on Use**

This report has been issued at the request of the Management of the Company for onwards submission to the NHB in terms of the Directions and is not intended to be and should not be used for any other purpose without our prior consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For **KALYANIWALLA & MISTRY LLP**  
Chartered Accountants  
Firm Registration No: 104607W/W100166



**Jamshed K. Udawadia**  
**Partner**

Membership No: 124658  
UDIN: 22124658AIUOBF2256  
Mumbai, May 11, 2022

# Godrej Housing Finance Limited

Balance Sheet as at March 31, 2022

(Currency : Indian Rupees in lakhs)

	Note No.	As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
<b>ASSETS</b>				
<b>(I) Financial Assets</b>				
(a) Cash and cash equivalents	3	20,432.69	10,756.51	818.30
(b) Bank balances other than cash and cash equivalents	4	-	-	1,215.17
(c) Loans	5	1,74,131.29	19,958.78	-
(d) Investments	6	-	-	401.97
(e) Other financial assets	7	929.73	52.45	16.41
		<b>1,95,493.71</b>	<b>30,767.74</b>	<b>2,451.85</b>
<b>(II) Non Financial Assets</b>				
(a) Current tax assets (net)	8	214.89	8.28	4.27
(b) Property, plant and equipment	9	496.64	269.03	178.82
(c) Capital work-in-progress		-	-	0.64
(d) Right-of-use assets	9	829.45	1,177.08	93.07
(e) Intangible assets under development		99.07	-	2,704.43
(f) Intangible assets	9	3,706.11	3,717.16	50.79
(g) Other non financial assets	10	422.51	274.55	87.51
		<b>5,768.67</b>	<b>5,446.10</b>	<b>3,119.53</b>
<b>Total Assets</b>		<b>2,01,262.38</b>	<b>36,213.84</b>	<b>5,571.38</b>
<b>LIABILITIES AND EQUITY</b>				
<b>LIABILITIES</b>				
<b>(I) Financial Liabilities</b>				
(a) Payables	11			
(i) Trade payables				
total outstanding dues of micro enterprises and small enterprises	11.1	25.66	4.75	34.83
total outstanding dues of creditors other than micro enterprises and small enterprises	11.1	1,483.19	720.95	102.27
(b) Debt securities	12	9,921.18	-	-
(c) Borrowings (Other than debt securities)	13	1,38,703.37	24,434.59	-
(d) Lease liabilities	33	803.94	1,339.77	87.79
(e) Other financial liabilities	14	8,183.20	838.73	0.01
		<b>1,59,120.54</b>	<b>27,338.79</b>	<b>224.90</b>
<b>(II) Non-Financial Liabilities</b>				
(a) Provisions	15	129.38	65.07	17.96
(b) Other non-financial liabilities	16	368.45	113.40	90.29
		<b>497.83</b>	<b>178.47</b>	<b>108.25</b>
<b>(III) EQUITY</b>				
(a) Equity share capital	17	26,133.11	12,736.84	7,300.00
(b) Other equity	18	15,510.90	(4,040.26)	(2,061.77)
		<b>41,644.01</b>	<b>8,696.58</b>	<b>5,238.23</b>
<b>Total Liabilities and Equity</b>		<b>2,01,262.38</b>	<b>36,213.84</b>	<b>5,571.38</b>

Significant Accounting Policies and accompanying notes forming part of the Financial Statements.


2-45


As per our report of even date attached  
For Kalyaniwalla & Mistry LLP  
Chartered Accountants  
Firm Registration No.: 104607W/W100166

  
Jyotsna K. Udawadia  
Partner  
Membership No. - 124658



For and on behalf of the Board of Directors  
Godrej Housing Finance Limited

  
Pirojsha Godrej  
Director  
DIN - 00432983  
USA  
May 11, 2022

  
Manish Shah  
Managing Director & CEO  
DIN - 06422627  
Mumbai  
May 11, 2022

  
Kunal Karnani  
Chief Financial Officer  
Mumbai  
May 11, 2022

  
Mili Desai  
Company Secretary  
Mumbai  
May 11, 2022



# Godrej Housing Finance Limited

Statement of Profit and Loss for the year ended March 31, 2022

(Currency : Indian Rupees in lakhs)

Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>(I) Revenue from operations</b>			
(a) Interest income	19	4,871.88	197.97
(b) Fee and commission income	20	15.80	-
(c) Net gain on fair value change	21	197.99	26.20
<b>Total revenue from operations</b>		<b>5,085.67</b>	<b>224.17</b>
<b>(II) Other income</b>	22	980.20	1.36
<b>Total income</b>		<b>6,065.87</b>	<b>225.53</b>
<b>(III) Expenses</b>			
(a) Finance costs	23	3,685.82	208.02
(b) Impairment on financial assets	24	647.22	71.02
(c) Employee Benefits Expenses	25	5,585.17	2,712.05
(d) Depreciation and amortization	9	1,027.67	658.07
(e) Other expenses	26	2,699.50	1,540.33
<b>Total expenses</b>		<b>13,645.38</b>	<b>5,189.49</b>
<b>(IV) (Loss) before tax for the year (I + II - III)</b>		<b>(7,579.51)</b>	<b>(4,963.96)</b>
<b>(V) Tax Expense</b>		-	-
<b>(VI) Net (loss) after tax for the year (IV - V)</b>		<b>(7,579.51)</b>	<b>(4,963.96)</b>
<b>(VII) Other Comprehensive Income/(Loss)</b>			
(a) Items that will not be reclassified to profit and loss			
(i) Remeasurement gains and (losses) on defined benefit obligations		1.02	(8.92)
(b) Items that will be reclassified to profit and loss		-	-
<b>Other Comprehensive Income/(Loss) (a+b)</b>		<b>1.02</b>	<b>(8.92)</b>
<b>(VIII) Total Comprehensive (Loss) for the year (VI + VII)</b>		<b>(7,578.49)</b>	<b>(4,972.88)</b>
<b>(IX) Earnings per equity share in Rupees (Face value Rs. 10 each)</b>			
Basic	27	(4.96)	(35.45)
Diluted	27	(4.96)	(35.45)

Significant Accounting Policies and accompanying notes forming part of the Financial Statements.

2-45

As per our report of even date attached  
For Kalyaniwalla & Mistry LLP  
Chartered Accountants  
Firm Registration No. 104607W/W100166

**Jamshed K. Udwadia**  
Partner  
Membership No. - 124658



For and on behalf of the Board of Directors  
Godrej Housing Finance Limited

**Pirojsha Godrej**  
Director  
DIN - 00432983

USA  
May 11, 2022

**Kunal Karnani**  
Chief Financial Officer

Mumbai  
May 11, 2022

**Manish Shah**  
Managing Director & CEO  
DIN - 06422627

Mumbai  
May 11, 2022

**Mili Desai**  
Company Secretary

Mumbai  
May 11, 2022

Mumbai  
May 11, 2022



# Godrej Housing Finance Limited

## Statement of cash flow for the year ended March 31, 2022

(Currency : Indian Rupees in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>A Cash flow from operating activities</b>		
(Loss) before tax	(7,579.51)	(4,963.96)
<b>Adjustments for</b>		
Net gain on fair value change	(197.99)	(26.20)
Impairment on financial assets	647.22	71.02
Depreciation, amortisation and impairment	1,027.67	658.07
Interest income on investments / debt instruments	(73.00)	-
Interest on security deposits	(9.36)	(1.20)
Interest expenses on lease liabilities	83.47	76.29
Loss on sale of fixed assets	0.14	-
Gain on Lease Modification	(176.23)	-
<b>Operating cash flow before working capital changes</b>	<b>(6,277.59)</b>	<b>(4,185.98)</b>
<i>Add / (Less): Adjustments for working capital changes</i>		
(Increase)/ Decrease in Loans	(1,54,819.73)	(20,029.80)
(Increase)/ Decrease in Other Financial Assets	(911.76)	(24.98)
(Increase)/ Decrease in Other non financial assets	(147.96)	(187.04)
Increase/ (Decrease) in Provisions	65.33	38.19
Increase/ (Decrease) in Trade Payables	783.15	588.60
Increase/ (Decrease) in Other financial liabilities	7,587.63	841.20
Increase/ (Decrease) in Other non-financial liabilities	255.05	23.11
<b>Cash (used in) operations</b>	<b>(1,53,465.88)</b>	<b>(22,936.70)</b>
Income taxes paid (Net of refunds received)	(206.62)	(4.02)
<b>Net cash (used in) operating activities - A</b>	<b>(1,53,672.50)</b>	<b>(22,940.72)</b>
<b>B Cash flow from investing activities</b>		
Purchase of property, plant and equipment	(366.24)	(156.06)
Purchase of intangible assets	(563.86)	(1,307.72)
Increase in intangible assets under development	(99.07)	-
Purchase of investments	(2,30,080.96)	(28,966.69)
Proceeds from sale of investments	2,30,351.95	29,394.87
Investment in fixed deposits with banks	(2,798.00)	(2,200.00)
Proceeds from fixed deposits with banks	2,798.00	3,400.00
<b>Net cash generated from/(used in) investing activities - B</b>	<b>(758.18)</b>	<b>164.40</b>
<b>C Cash flow from financing activities</b>		
Proceeds from issue of equity shares (including securities premium)	38,420.33	3,068.07
Proceeds from issue of compulsorily convertible preference shares (including securities premium)	2,214.29	5,363.16
Share issue expenses	(108.69)	-
Repayment of Lease Obligations	(365.87)	(148.81)
Proceeds from issue of debt securities	37,174.39	-
Repayment of debt securities	(27,326.65)	-
Proceeds from borrowings (other than Debt securities)	1,44,525.84	28,946.99
Repayment of borrowings (other than Debt securities)	(30,426.78)	(4,514.88)
<b>Net cash generated from financing activities - C</b>	<b>1,64,106.86</b>	<b>32,714.53</b>





**Godrej Housing Finance Limited****Statement of cash flow for the year ended March 31, 2022**

(Currency : Indian Rupees in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Net increase / (Decrease) in cash and cash equivalents (A+B+C)	9,676.18	9,938.21
Cash and cash equivalent as at the beginning of the year	10,756.51	818.30
Cash and cash equivalent as at the end of the year	20,432.69	10,756.51

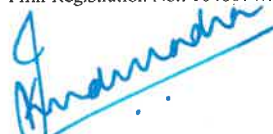
**Notes:****i) Reconciliation of cash and cash equivalents as per the statement of cash flow**

Particulars	March 31, 2022	March 31, 2021
Cash and Cash Equivalents as per above comprise of the following		
- In Current accounts	13,234.42	4,756.10
- In Fixed deposits	4,700.95	6,000.41
- In certificate of deposit	2,497.32	-
<b>Balances as per statement of cash flow</b>	<b>20,432.69</b>	<b>10,756.51</b>

ii) The above Statement of Cash Flow has been prepared under the indirect method as set out in Indian Accounting Standard - 7 " Statement of Cash flow ".

Significant Accounting Policies and accompanying notes forming part of the Financial Statements. 2-45

As per our report of even date attached  
For Kalyaniwalla & Mistry LLP  
Chartered Accountants  
Firm Registration No.: 104607W/W100166

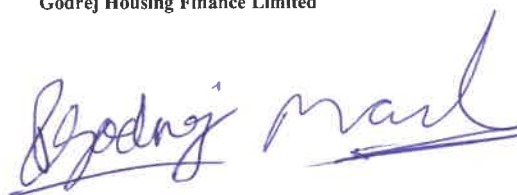


**Jamshed K. Udawadia**  
Partner  
Membership No. - 124658



Mumbai  
May 11, 2022

For and on behalf of the Board of Directors  
Godrej Housing Finance Limited



**Pirojsha Godrej**  
Director  
DIN - 00432983

USA  
May 11, 2022

**Manish Shah**  
Managing Director & CEO  
DIN - 06422627

Mumbai  
May 11, 2022



**Kunal Karnani**  
Chief Financial Officer

Mumbai  
May 11, 2022



**Mili Desai**  
Company Secretary

Mumbai  
May 11, 2022



**Godrej Housing Finance Limited**  
Statement of changes in equity As at March 31, 2022

(Currency : Indian Rupees in lakhs)

**A. Equity Share Capital**

Particulars	As at March 31, 2022		As at March 31, 2021		As at April 01, 2020	
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount
Issued, subscribed and fully paid up equity shares outstanding at the beginning of the year	1,47,36,842	1,473.68	1,40,00,000	1,400.00	1,20,00,000	1,200.00
Add: Shares issued during year	11,18,19,860	11,181.99	7,36,842	73.68	20,00,000	200.00
Add: Conversion during the year	13,47,74,436	13,477.44	-	-	-	-
Issued, subscribed and fully paid up equity shares outstanding at the end of the year	26,13,31,138	26,133.11	1,47,36,842	1,473.68	1,40,00,000	1,400.00

**B. Other Equity**

Particulars	Reserves and Surplus			Items of Other Comprehensive Income	Total Other Equity
	Securities premium	Statutory reserve	Retained Earnings	Remeasurement of defined benefit liabilities / assets	
Balance As at April 01, 2020	-	-	(2,053.79)	(7.98)	(2,061.77)
Profit for the year	-	-	(4,963.96)	-	(4,963.96)
Other comprehensive income/(loss) for the year	-	-	-	(8.92)	(8.92)
Issue of equity shares	2,994.39	-	-	-	2,994.39
Balance As at March 31, 2021	2,994.39	-	(7,017.75)	(16.90)	(4,040.26)
Profit for the year	-	-	(7,579.51)	-	(7,579.51)
Other comprehensive income/(loss) for the year	-	-	-	1.02	1.02
Issue of equity shares	27,238.34	-	-	-	27,238.34
Share issue expenses	(108.69)	-	-	-	(108.69)
Balance As at March 31, 2022	30,124.04	-	(14,597.26)	(15.88)	15,510.90

Significant Accounting Policies and accompanying notes forming part of the Financial Statements.

2-45

As per our report of even date attached  
For Kalyaniwalla & Mistry LLP  
Chartered Accountants  
Firm Registration No.: 104405/W/100166

  
Manish K. Udawadia  
Partner  
Membership No. - 124658

Mumbai  
May 11, 2022

For and on behalf of the Board of Directors  
Godrej Housing Finance Limited

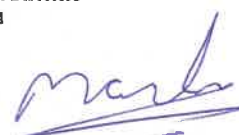


  
Pirojsha Godrej  
Director  
DIN - 00432983

USA  
May 11, 2022

  
Kunal Karnani  
Chief Financial Officer

Mumbai  
May 11, 2022

  
Manish Shah  
Managing Director & CEO  
DIN - 06422627

Mumbai  
May 11, 2022

  
Mili Desai  
Company Secretary

Mumbai  
May 11, 2022



## Godrej Housing Finance Limited

Notes to the financial statements for the year ended March 31, 2022

### 1. Corporate Information

Godrej Housing Finance Limited ("the Company") was incorporated on October 05, 2018 having Corporate Identity Number (CIN): U65100MH2018PLC315359 as a company limited by shares. The Company obtained the certificate of registration from the Reserve Bank of India ('RBI') as required under Section 29A of the National Housing Bank ('NHB') Act, 1987 on October 26, 2020. The Company is registered as a non deposit taking housing finance company. The main objects of the Company, inter alia are to carry out the business of housing finance and provide financial assistance to construct, purchase, expand, renovate property.

The financial statements of the Company for the year ended March 31, 2022 were approved for issue in accordance with the resolution of the Board of Directors on May 11, 2022.

### 2. Basis of preparation and summary of significant accounting policies

#### Basis of preparation of financial statements

#### 2.1 Statement of compliance with Indian Accounting Standards (Ind AS)

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016. The Company has adopted Ind AS from April 01, 2021 with effective transition date of April 01, 2020 and accordingly, these financial statements together with the comparative reporting period have been prepared in accordance with the recognition and measurement principles as laid down in Ind AS, prescribed under Section 133 of the Companies Act, 2013 ('the Act') and the provisions of the National Housing Bank Act, 1987 and the Master Directions for Housing Finance Companies issued by Reserve Bank of India (RBI) dated February 17, 2021, as amended from time to time. The transition to Ind AS has been carried out from the erstwhile Accounting Standards notified under the Act read with Rule 7 of Companies (Accounts) Rules 2014 (as amended), guidelines issued by the RBI and other generally accepted accounting principles in India (collectively referred to as 'the Previous GAAP'). Accordingly, the impact of transition has been recorded in the opening reserves as at April 01, 2020 and the comparative previous year has been restated / reclassified.

The Company uses accrual basis of accounting except in case of significant uncertainties. The accounting policies are applied consistently to all the financial years presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at April 01, 2020 being the 'date of transition to Ind AS'.

#### 2.2 Basis of preparation

The financial statements comprises of statement of financial position as at March 31, 2022, statement of profit and loss, statement of changes in equity and statement of cash flow for the year then ended and related explanatory notes. The Company has prepared these financial statements to comply in all material respects with the Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 ("the Act") [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act, guidelines issued by the RBI directions 2021 as applicable to a Housing Finance Company and other accounting principle generally accepted in India. These are the Company's first Ind AS financial statements.

The financial statements are prepared on a going concern basis, as the Management is satisfied that the Company shall be able to continue its business for the foreseeable future and no material uncertainty exists that may cast significant doubt on going concern assumption. In making this assessment, the Management has considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources.



## **Godrej Housing Finance Limited**

Notes to the financial statements for the year ended March 31, 2022 (Continued)

### **2.3 Basis of measurement**

The financial statements have been prepared on an accrual basis under the historical cost convention as modified by the application of fair value measurements required or allowed by the relevant standards under Ind AS.

Historical cost is generally the amount of cash or cash equivalents paid or the fair value of the consideration given in exchange for goods and services.

The financial statements have been prepared on a historical cost basis except for the fair value through other comprehensive income (FVOCI) instruments and certain financial assets and financial liabilities measured at fair value through profit and loss statement (FVTPL).

### **2.4 Use of estimates and judgements**

The preparation of financial statements in conformity with Ind-AS requires management to make estimates, judgements and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities (including contingent liabilities) and disclosures as of the date of the financial statements and the reported amounts of revenues and expenses for the reporting period. Actual results could differ from these estimates. Accounting estimates and underlying assumptions are reviewed on an ongoing basis and could change from period to period. Appropriate changes in estimates are recognised in the periods in which the Company becomes aware of the changes in circumstances surrounding the estimates. Any revisions to accounting estimates are recognised prospectively in the period in which the estimate is revised and future periods. The estimates and judgements that have significant impact on the carrying amount of assets and liabilities at each balance sheet date listed here in below under critical accounting estimates and judgements.

### **2.5 Critical Accounting Estimates and Judgements**

The preparation of the financial statements requires the use of accounting estimates, which, by definition in some cases vary with the actual results. Management also needs to exercise judgement and make certain assumptions in applying the Company's accounting policies and preparation of financial statements.

The use of such estimates, judgements and assumptions affect the reported amounts of revenue, expenses, assets and liabilities including the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in the future periods.

Estimates and judgements are continuously evaluated. They are based on historical experience and other factors including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

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

#### **A. Measurement of impairment of loans and advances**

Judgement is required by management in the estimation of the amount and timing of future cash flows when determining an impairment loss for loans and advances in new businesses. In estimating these cash flows, the Company makes judgements about the borrower's financial situation compare the borrower's profile with customers having similar profile to estimate probability of default and the net realisable value of collateral, if any. These estimates are based on assumptions about a number of factors including forward looking information, and actual results may differ, resulting in future changes to the impairment allowance.





## **Godrej Housing Finance Limited**

Notes to the financial statements for the year ended March 31, 2022 (Continued)

### **B. Useful lives of property, plant and equipment and intangible assets**

The Company reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period or even earlier in case, circumstances change such that the amount recorded value of an asset may not be recoverable.

### **C. Fair value of financial instruments**

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility. For further details about determination of fair value please see Note - 36.

### **D. Business model assessment**

Classification and measurement of financial asset depends upon the results of the solely payment of principal and interest (SPPI) and the business model test. The Company determines the business model at a level that reflects how groups of financial asset are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the asset is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held.

### **E. Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation as at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation.

### **F. Contingent liabilities**

Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefits is not probable or cannot be reliably measured. Contingent liabilities are disclosed unless the possibility of an outflow of resources embodying economic benefit is remote.

### **G. Employee Benefits**

#### **i) Short-term employee benefits**

Short-term employee benefits in respect of salaries and wages, including non-monetary benefits are recognised as an expense at the undiscounted amount in the statement of profit and loss for the year in which the related service is rendered.



## Godrej Housing Finance Limited

### Notes to the financial statements for the year ended March 31, 2022 (Continued)

#### ii) Defined Contribution Plan

The Company's contribution paid/payable during the year towards Provident and other funds is charged to the statement of profit and loss in the year in which employee renders the related service.

#### iii) Measurement of defined benefit obligations

The cost of the defined benefit gratuity plan and the present value of the gratuity 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 financial year end.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the actuary considers the interest rates of government bonds.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

The Company has an obligation towards gratuity, a non funded defined benefit plan covering eligible employees. Vesting for gratuity occurs upon completion of five years of service.

Details of the unfunded defined benefit plans for its employees are given in Note - 35 which is as certified by the actuary using projected unit credit method.

#### iv) Compensated Absences

Eligible employees of the Company are entitled to compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation using projected unit credit method for the unused entitlement that has accumulated as at the balance sheet date.

#### H. Effective interest rate

The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial (i.e. its amortised cost before any impairment allowance) or to the amortised cost of a financial liability. This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments and other fee income/expense that are integral parts of the instrument.

#### 2.6 Presentation of financial statements

The Balance Sheet and the Statement of profit and loss are prepared and presented in the format prescribed in the Division III to Schedule III to the Companies Act, 2013 ("the Act") as amended from time to time. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flow". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Ind AS, RBI, NHB and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.



## Godrej Housing Finance Limited

Notes to the financial statements for the year ended March 31, 2022 (Continued)

### 2.7 Functional and Presentation Currency

The financial statements are presented in Indian Rupees (rounded to the nearest lakhs) which is determined to be the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

### 2.8 Financial Instruments

Financial assets and financial liabilities are recognised in the balance sheet when the Company becomes a party to the contractual provisions of the instrument. The Company determines the classification of its financial assets and financial liabilities at initial recognition based on its nature and characteristics.

#### 2.8.1 Financial assets

##### i) Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit and loss, transaction costs that are attributable to the acquisition of the financial asset.

The financial assets include investments in mutual funds, trade and other receivables, loans and advances and cash and bank balances.

##### ii) Subsequent measurement

For the purpose of subsequent measurement, financial assets are classified in the following categories:

- At amortised cost, and
- At fair value through other comprehensive income (FVOCI), and
- At fair value through profit and loss (FVTPL).

##### Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold the asset for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### Financial Assets at Amortised Cost

Financial assets at amortised cost include loans receivable, and other financial assets that are held with the objective of collecting contractual cash flows. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate (EIR). The effective interest rate (EIR) amortisation is included in interest income in the statement of Profit and Loss.

##### Fair value through other comprehensive income (FVOCI)

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income ("OCI"), except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the Statement of profit and loss and recognised in other gains/(losses) (net). Interest income from these financial assets is included in other income using the effective interest rate (EIR) method.



## Godrej Housing Finance Limited

### Notes to the financial statements for the year ended March 31, 2022 (Continued)

#### Fair value through Profit and Loss (FVTPL)

Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit and loss ('FVTPL').

#### iii) Reclassifications

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

#### iv) Impairment

The provision for credit risks, which is recognized in accordance with the expected credit loss method specified by Ind AS 109 and in accordance with uniform standards applied, encompasses all financial assets measured at amortised cost. The calculation of the provision for credit risks generally takes into account the exposure at default, the probability of default and the loss given default.

Financial assets are subject to credit risks, which are taken into account by recognising the amount of the expected loss; such allowances are recognised for both financial assets with objective evidence of impairment and non-impaired financial assets.

The general approach is used for financial assets measured at amortised cost on initial recognition. Financial assets are broken down into three stages in the general approach.

Stage 1 consists of financial assets that are being recognised for the first time or that have not demonstrated any significant increase in probability of default since initial recognition. In this stage, the model requires the calculation of an expected credit loss for the next twelve months.

Stage 2 consists of financial assets for which there is a significant increase in credit risk. The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

Stage 3 Financial assets demonstrating objective indications of impairment are allocated to stage 3. The Company assumes that the financial asset is credit impaired if it is more than 90 days past due.

In stage 2 and 3, an expected credit loss is calculated for the entire remaining maturity of the asset.

The Company considers a financial asset to be in default when :

- the borrower is unlikely to pay its credit obligations to the Company in full or in part, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is 90 days or more past due.

Both historical information, such as average historical default probabilities for each portfolio, and forward-looking information is used to determine the measurement parameters for calculating the provision for credit risks.

Impairment arises in a number of situations, such as delayed payment over a certain period, the initiation of enforcement measures, the threat of insolvency or over indebtedness, application for or the initiation of insolvency proceedings, or the failure of restructuring measures.

Reviews are regularly carried out to ensure that the allowances are appropriate. Uncollectible loans or receivables that are already subject to a workout process and for which all collateral has been recovered and all further options for recovering the loan or receivable have been exhausted are written off directly. Any valuation allowances previously recognised are utilised. Income subsequently collected in connection with loans or receivables already written off is recognised in the statement of profit and loss.

Loans are reported in the balance sheet at the net off Expected Credit Loss (ECL) provision.

#### Measurement of ECL

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:





## Godrej Housing Finance Limited

### Notes to the financial statements for the year ended March 31, 2022 (Continued)

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

The Exposure at Default (EAD) is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date of repayments of principal and interest.

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

When estimating the ECLs, the company adds a management override to account for stressed scenarios which are then reviewed on a periodic basis. This takes into account the expected inherent risk for different segments in the portfolio and the macro economic environment. The assumptions are periodically validated and modified as appropriate.

Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

#### v) Write - offs

Financial assets are written off either partially or in their entirety when the Company has no reasonable expectations of recovery. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to impairment of financial instruments in the statement of profit and loss. However, financial assets that are written off may be subject to enforcement activities to comply with the Company's procedures for recovery of amounts due.

### 2.8.2 Financial liabilities

#### i) Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities classified at amortised cost, net of directly attributable transaction costs. The financial liabilities include trade and other payables, term loans and borrowings, lease liabilities etc.

#### ii) Subsequent measurement

For the purpose of subsequent measurement, financial liabilities are classified as financial liabilities at amortised cost.

#### Financial liabilities at amortised cost

After initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the effective interest rate (EIR) amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate (EIR). The effective interest rate (EIR) amortisation is included as finance costs in the statement of profit and loss.



## **Godrej Housing Finance Limited**

### **Notes to the financial statements for the year ended March 31, 2022 (Continued)**

#### **2.8.3 De-recognition, Modification and Transfer**

##### **Financial Asset**

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

- The rights to receive cash flows from the asset have expired; or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under as 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset; or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its right to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

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

If the terms of a financial assets are modified, the Company evaluates whether the cash flow of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value.

If the cash flows of the modified asset carried at amortised cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Company recalculates the gross carrying amount of the financial asset as the present value of the renegotiated or modified contractual cashflows that are discounted at the financial asset's original effective interest rate and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in the the statement of profit and loss. Any costs or fees incurred adjust the carrying amount of modified financial asset and are amortised over the remaining term of the modified financial asset. If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses, in other cases, it is presented as interest income.

##### **Financial Liability**

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The Company derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the statement of profit and loss.



## **Godrej Housing Finance Limited**

Notes to the financial statements for the year ended March 31, 2022 (Continued)

### **2.8.4 Offsetting of financial instruments**

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

### **2.8.5 Fair value measurement**

The Company's accounting policies and disclosures require the measurement of fair values for financial instruments. The management regularly reviews significant unobservable inputs and valuation adjustments.

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

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

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

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

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

### **2.9 Share capital**

An equity instrument is a contract that evidences residual interest in the assets of the Company after deducting all of its liabilities. Incremental costs directly attributable to the issuance of new equity shares are recognized as a deduction from equity, net of any tax effects.

### **2.10 Cash and Cash equivalents**

Cash and cash equivalents consist of cash on hand, balances with bank, deposits with bank (with original maturity of three months or less). For the purposes of presentation in the statement of cash flow, cash and cash equivalents include cash on hand and current account balances with banks that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

### **2.11 Foreign currency transactions and balances**

#### **i) Initial recognition:**

Foreign currency transactions are recorded in the reporting currency (which is Indian Rupees), by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

#### **ii) Conversion:**

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

#### **iii) Exchange differences:**

All exchange differences arising on settlement or translation of monetary items are recognized as income or as expenses in the period in which they arise.



## Godrej Housing Finance Limited

Notes to the financial statements for the year ended March 31, 2022 (Continued)

### 2.12 Property, Plant and Equipment (Tangible assets) & Depreciation

#### i) Recognition and measurement

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

#### ii) Subsequent measurement

Subsequent costs are included in the asset's carrying amount only when it is probable that future economic benefits associated with the part will flow to the Company and its cost can be measured reliably. All other expenses on existing PPE, including day-to-day repair and maintenance expenditure and cost of replacing parts are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of PPE are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

#### iii) Depreciation

Depreciation on PPE is provided on a straight-line basis to allocate their cost, net of their residual value over the estimated useful life of the respective asset. The Company has estimated the useful lives to depreciate its PPE which is in accordance with those prescribed under Schedule II of the The Companies Act, 2013. The following are the estimates of the useful lives to depreciate its PPE:

Particulars	Estimated useful life by the Company
Computer Hardware	3 - 5 Years
Office Equipment	5 Years
Vehicles	5 Years
Furniture and Fixtures	10 Years

Leasehold improvements are amortized on a straight line basis over the period of lease of the asset.

### 2.13 Intangible assets

#### i) Recognition and measurement

The Company's intangible assets primarily consist of computer softwares. Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortisation and cumulative impairment.

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets.

Development costs include employee costs and an appropriate portion of relevant overheads. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.





## Godrej Housing Finance Limited

### Notes to the financial statements for the year ended March 31, 2022 (Continued)

Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as "Intangible assets under development".

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

#### ii) Amortisation of intangible assets

Intangible assets are amortized on a straight line basis over the estimated useful economic life. Intangible assets are amortised as per management's estimate over a period of 3 to 10 years or license period whichever is earlier. Intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method are reviewed at least at each financial year end. Costs associated with maintaining software programmes are recognised as an expense as incurred.

On review of estimates related to the intangible assets following changes have been made prospectively during the year:

- Life of certain core intangible assets is increased from 5 years to 10 years
- Residual value of intangible assets updated to zero

#### 2.14 Impairment of non-financial assets

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

#### 2.15 Earnings per share

Basic earnings per share are calculated by dividing the net profit and loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split and reverse share split (consolidation of 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 and loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares which may involve issue of equity shares. The calculation of diluted earnings per share does not assume conversion, exercise, or other issue of potential ordinary shares that would have an antidilutive effect on earnings per share.



## **Godrej Housing Finance Limited**

**Notes to the financial statements for the year ended March 31, 2022 (Continued)**

### **2.16 Income Taxes**

Income tax expense comprises current tax and deferred tax and is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in equity or in OCI.

#### **Current income tax**

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities using the tax rates and tax laws that are enacted or substantively enacted by the balance sheet date and applicable for the period.

Current tax items in correlation to the underlying transaction relating to OCI and equity are recognized in OCI and in equity respectively.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

#### **Deferred income tax**

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

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

The carrying amount of deferred tax assets is reviewed at each balance sheet 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 assets to be utilised.

Unrecognised deferred tax assets are re-assessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

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



## Godrej Housing Finance Limited

### Notes to the financial statements for the year ended March 31, 2022 (Continued)

#### 2.17 Leases

The Company's lease assets primarily consist of leases for office premises. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee. Short term leases (lease term of twelve months or less) and low value leases are recognized as an operating expense on a straight-line basis over the term of the lease.

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

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

#### 2.18 Revenue and Expense Recognition

##### A. Interest income

Interest income is presented in the statement of profit and loss includes interest on financial assets measured at amortised cost calculated on an effective interest basis. Fee income and expense that are integral to the effective interest rate on a financial asset are included in the effective interest rate computation. The amortization of income and expenses for financial assets under EIR approach is done on a systematic basis that exactly discounts estimated future cash flows of the financial assets through the expected life of the assets.

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



## Godrej Housing Finance Limited

Notes to the financial statements for the year ended March 31, 2022 (Continued)

### B. Commission and fee income

Commissions earned by the Company which are not directly attributable to disbursement of loans are recognised in the statement of profit and loss as and when incurred.

Fee and commission income include fees other than those that are an integral part of EIR. The Company recognises the fee and commission income in accordance with the terms of the relevant contracts / agreement and when it is probable that the Company will collect the consideration.

C. Profit or loss earned on sale of investments is recognised on trade date basis, determined based on the weighted average cost of the investments sold.

### D. Dividend income

Dividend income is recognized when:

- the right to receive dividend is established which is generally when shareholders approve the dividend,
- it is probable that the economic benefits associated with the dividend will flow to the entity and
- amount of dividend can be measured reliably.

### E. Interest expenses

Interest expense is presented in the statement of profit and loss includes interest on liabilities measured at amortised cost calculated on an effective interest basis. Fee and borrowing costs that are integral to the effective interest rate on a financial liability are included in the effective interest rate computation. The amortization of expenses for financial liabilities under EIR approach is done on a systematic basis that exactly discounts estimated future cash flows of the financial liabilities through the expected life of the financial liability.

### F. Borrowing costs

Borrowing costs incurred in connection with the borrowing of funds including the ancillary cost are amortised and accounted as interest expense using the EIR method.

Other borrowing costs are recognised as expense in the period in which they are incurred.

### 2.19 Approach on exemption under Ind AS 101 First Time Adoption of Indian Accounting Standards (Ind AS):

The Company has adopted Ind AS with effect from April 01, 2021 with comparatives being restated. Accordingly the impact of transition has been provided in the Opening Reserves as at April 01, 2020. The figures for the previous period have been restated, regrouped and reclassified whenever required to comply with the requirement of Ind AS and Schedule III-Division III.

The detailed note on the same has been provided in 'Note-42 First-time adoption of Ind AS'.



**Godrej Housing Finance Limited**

Notes to the financial statements for the year ended March 31, 2022 (Continued)

(Currency : Indian Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
<b>3. Cash and cash equivalents</b>			
a) Balances with Banks			
i) in current accounts	13,234.42	4,756.10	52.79
ii) in deposit accounts having original maturity less than 3 months	4,700.95	6,000.41	765.51
iii) in certificate of deposit	2,497.32	-	-
<b>Total</b>	<b>20,432.69</b>	<b>10,756.51</b>	<b>818.30</b>
<b>4. Bank balances other than cash and cash equivalents</b>			
Other Bank balances			
a) In fixed deposit accounts			
i) in deposit accounts having original maturity more than 3 months	-	-	1,215.17
<b>Total</b>	<b>-</b>	<b>-</b>	<b>1,215.17</b>

**Note:** Balance with Banks in deposit accounts comprises deposits that have an original maturity exceeding 3 months at balance sheet date.





**Godrej Housing Finance Limited**  
**Notes to the financial statements for the year ended March 31, 2022 (Continued)**

(Currency : Indian Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
<b>5. Loans</b>			
<b>At amortised cost</b>			
<b>A. Product wise Details</b>			
At Amortised cost			
a) Term loans	1,74,849.53	20,029.80	-
<b>Total (A) - Gross</b>	<u>1,74,849.53</u>	<u>20,029.80</u>	<u>-</u>
Less: Impairment loss allowance	(718.24)	(71.02)	-
<b>Total (A) - Net</b>	<u><b>1,74,131.29</b></u>	<u><b>19,958.78</b></u>	<u>-</u>
<b>B. Security wise Details</b>			
At Amortised cost			
a) Secured considered good			
i) Secured by tangible assets (property, including land & building)	1,71,610.28	19,672.25	-
b) Unsecured	3,239.25	357.55	-
<b>Total (B) - Gross</b>	<u>1,74,849.53</u>	<u>20,029.80</u>	<u>-</u>
Less: Impairment loss allowance	(718.24)	(71.02)	-
<b>Total (B) - Net</b>	<u><b>1,74,131.29</b></u>	<u><b>19,958.78</b></u>	<u>-</u>
<b>C. Region wise Details</b>			
At Amortised cost			
a) Loans in India			
- Others	1,74,849.53	20,029.80	-
b) Loans outside India	-	-	-
<b>Total (C) - Gross</b>	<u>1,74,849.53</u>	<u>20,029.80</u>	<u>-</u>
Less: Impairment loss allowance	(718.24)	(71.02)	-
<b>Total (C) - Net</b>	<u><b>1,74,131.29</b></u>	<u><b>19,958.78</b></u>	<u>-</u>
<b>D. Nature of Loan wise Details</b>			
At Amortised cost			
a) Housing Loans	1,25,387.05	19,070.94	-
b) Non Housing Loans	49,462.48	958.86	-
<b>Total (D) - Gross</b>	<u>1,74,849.53</u>	<u>20,029.80</u>	<u>-</u>
Less: Impairment loss allowance	(718.24)	(71.02)	-
<b>Total (C) - Net</b>	<u><b>1,74,131.29</b></u>	<u><b>19,958.78</b></u>	<u>-</u>



# Godrej Housing Finance Limited

Notes to the financial statements for the year ended March 31, 2022 (Continued)

(Currency : Indian Rupees in lakhs)

## 5. Loans (Continued)

5.1 Analysis of changes in the gross carrying amount and corresponding Impairment loss allowance in relation to loans:

Particulars	As at March 31, 2022					
	Stage 1		Stage 2		Stage 3	Total
	Term loans (Gross)	Impairment loss allowance	Term loans (Gross)	Impairment loss allowance	Term loans (Gross)	Impairment loss allowance
<b>Balance as at the beginning of the year</b>	20,029.80	71.02	-	-	20,029.80	71.02
New Assets Originated or Purchased, net of repayments	1,54,819.73	647.22	-	-	1,54,819.73	647.22
Transfer during the year	-	-	-	-	-	-
Transfer to Stage 1	-	-	-	-	-	-
Transfer to Stage 2	-	-	-	-	-	-
Transfer to Stage 3	-	-	-	-	-	-
Impact of changes in credit risk on account of stage movements	-	-	-	-	-	-
Amounts written off	-	-	-	-	-	-
<b>Balance as at the end of the year</b>	<b>1,74,849.53</b>	<b>718.24</b>	<b>-</b>	<b>-</b>	<b>1,74,849.53</b>	<b>718.24</b>

Particulars	As at March 31, 2021					
	Stage 1		Stage 2		Stage 3	Total
	Term loans (Gross)	Impairment loss allowance	Term loans (Gross)	Impairment loss allowance	Term loans (Gross)	Impairment loss allowance
<b>Balance as at the beginning of the year</b>	-	-	-	-	-	-
New Assets Originated or Purchased, net of repayments	20,029.80	71.02	-	-	20,029.80	71.02
Transfer during the year	-	-	-	-	-	-
Transfer to Stage 1	-	-	-	-	-	-
Transfer to Stage 2	-	-	-	-	-	-
Transfer to Stage 3	-	-	-	-	-	-
Impact of changes in credit risk on account of stage movements	-	-	-	-	-	-
Amounts written off	-	-	-	-	-	-
<b>Balance as at the end of the year</b>	<b>20,029.80</b>	<b>71.02</b>	<b>-</b>	<b>-</b>	<b>20,029.80</b>	<b>71.02</b>

There were no loans outstanding as on 01st April, 2020



**Godrej Housing Finance Limited**

Notes to the financial statements for the year ended March 31, 2022 (Continued)

(Currency : Indian Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
<b>6. Investments</b>			
Investments Carried at fair value through profit and loss			
a) Mutual Fund (Quoted)	-	-	401.97
<b>Total</b>	<b>-</b>	<b>-</b>	<b>401.97</b>
<b>Of the Above</b>			
a) Investment in India	-	-	401.97
b) Investments outside India	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>401.97</b>
<b>7. Other financial assets</b>			
Unsecured, considered good			
a) Security deposits	210.52	31.00	10.52
b) Receivable from employees	2.45	0.80	0.21
c) Other Receivables	716.76	20.65	5.68
<b>Total</b>	<b>929.73</b>	<b>52.45</b>	<b>16.41</b>
<b>8. Current tax assets (net)</b>			
a) Advance Income Taxes (net)	214.89	8.28	4.27
[Net of provision for income tax Rs. Nil (As at March 31, 2021 - Rs. Nil; As at April 01, 2020 - Rs. Nil)]			
<b>Total</b>	<b>214.89</b>	<b>8.28</b>	<b>4.27</b>



**9. Property, plant and equipment and intangible assets**

Refer note 33 for detailed disclosure related to Leases

Particulars	Amount in CWIP for a period of			Total	Amount in Intangibles under Development for a period of			Total		
	Less than 1 year	1-2 years	2-3 years		Less than 1 year	1-2 years	2-3 years			
As at March 31, 2022										
Project in progress*	-	-	-	-	99.07	-	-	99.07		
Project temporarily suspended	-	-	-	-	-	-	-	-		
As at March 31, 2021										
Project in progress*	-	-	-	-	-	-	-	-		
Project temporarily suspended	-	-	-	-	-	-	-	-		
As at April 01, 2020										
Project in progress*	0.64	-	-	0.64	2,704.43	-	-	2,704.43		
Project temporarily suspended	-	-	-	-	-	-	-	-		

- There are no projects whose completion are overdue or has exceeded its cost compared to its original plan.



**Godrej Housing Finance Limited**  
**Notes to the financial statements for the year ended March 31, 2022 (Continued)**

(Currency : Indian Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 01, 2020		
10. Other non financial assets					
Unsecured, considered good					
a) Balances with statutory authorities	115.93	162.78	75.53		
b) Advances to vendors	148.55	48.82	0.19		
c) Prepaid expenses	158.03	62.95	11.79		
Total	422.51	274.55	87.51		
11. Payables					
11.1 Trade payables *					
a) total outstanding dues of micro enterprises and small enterprises	25.66	4.75	34.83		
b) total outstanding dues of creditors other than micro enterprises and small enterprises	1,483.19	720.95	102.27		
Total	1,508.85	725.70	137.10		
11.1.1 Trade Payable Ageing	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at March 31, 2022					
i) MSME	25.66	-	-	-	25.66
ii) Others	53.41	-	-	-	53.41
iii) Disputed dues-MSME	-	-	-	-	-
iv) Disputed dues-Others	-	-	-	-	-
Total	79.07	-	-	-	79.07
As at March 31, 2021					
i) MSME	4.74	-	-	-	4.74
ii) Others	40.10	-	-	-	40.10
iii) Disputed dues-MSME	-	-	-	-	-
iv) Disputed dues-Others	-	-	-	-	-
Total	44.84	-	-	-	44.84
As at April 01, 2020					
i) MSME	34.83	-	-	-	34.83
ii) Others	90.82	-	-	-	90.82
iii) Disputed dues-MSME	-	-	-	-	-
iv) Disputed dues-Others	-	-	-	-	-
Total	125.65	-	-	-	125.65
*Note:					
Particulars	As at March 31, 2022	As at March 31, 2021	As at April 01, 2020		
Trade payables as per above ageing	79.07	44.84	125.65		
Add: Unbilled dues	1,429.78	680.86	11.45		
Total	1,508.85	725.70	137.10		





**Godrej Housing Finance Limited**

Notes to the financial statements for the year ended March 31, 2022 (Continued)

(Currency : Indian Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
<b>12 Debt securities</b>			
<b>12.1 At amortised cost</b>			
<b>Unsecured</b>			
a) Commercial Papers	9,921.18	-	-
	9,921.18	-	-
<b>Total</b>	<b>9,921.18</b>	<b>-</b>	<b>-</b>
<b>12.2 Of the Above</b>			
i) Debt securities in India	9,921.18	-	-
ii) Debt securities outside India	-	-	-
<b>Total</b>	<b>9,921.18</b>	<b>-</b>	<b>-</b>

**12.3 Terms of repayment of Commercial paper As at March 31, 2022**

Original maturity (In no. of days)	Due within 1 year	Due 1 to 3 Years	More than 3 years	Total
Issued at discount and redeemable at par				
Upto 365	9,847.75	-	-	9,847.75
Interest accrued and impact of EIR				73.43
<b>Total</b>				<b>9,921.18</b>

Interest rate ranges from 4.20 % p.a. to 4.30 % p.a. as at 31 March 2022

Face value of commercial paper is 10,000 lakhs as at 31 March 2022



**Godrej Housing Finance Limited**

Notes to the financial statements for the year ended March 31, 2022 (Continued)

(Currency : Indian Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
<b>13 Borrowings (Other than debt securities)</b>			
<b>13.1 At amortised cost</b>			
Secured * #			
a) Term loans from banks	1,31,702.96	17,434.59	-
b) Loan repayable on demand from banks	7,000.41	7,000.00	-
<b>Total</b>	<b>1,38,703.37</b>	<b>24,434.59</b>	<b>-</b>
<b>13.2 Of the Above</b>			
i) Borrowings in India	1,38,703.37	24,434.59	-
ii) Borrowings outside India	-	-	-
<b>Total</b>	<b>1,38,703.37</b>	<b>24,434.59</b>	<b>-</b>

\*Note: Loans taken from a banks are secured by first ranking pari passu charge with a minimum cover of 1.1 times on standard receivables of the borrower, both present and future, however standard receivable excludes receivables which are / or will be exclusively charged to National Housing Bank (NHB). There is also first ranking pari passu charge on cash and cash equivalents of the borrower, both present and future, to the extent required to make up any shortfall in the stipulated security cover over the standard receivables.

\* The quarterly returns/statements of current assets filed by the Company with the banks are in agreement with the books of accounts.

**13.3 Repayment terms of term loans**

Terms of repayment of term loans As at March 31, 2022

Original maturity of loan (No. of days)	Due within 1 year		Due 1 to 3 years		More than 3 years		Total
	No. of Instalments	Amount	No. of Instalments	Amount	No. of Instalments	Amount	Amount
<b>Monthly</b>							
Upto 365 Days	-	-	-	-	-	-	-
366 to 1095 Days	12	666.67	12	666.67	-	-	1,333.34
More than 1095 Days	-	-	-	-	-	-	-
<b>Quarterly</b>							
Upto 365 Days	-	-	-	-	-	-	-
366 to 1095 Days	21	6,291.67	26	10,083.33	-	-	16,375.00
More than 1095 Days	22	7,300.00	77	29,595.83	104	49,604.17	86,500.00
<b>On maturity (bullet)</b>							
Upto 365 Days	1	2,500.00	-	-	-	-	2,500.00
366 to 1095 Days	3	12,000.00	-	-	-	-	12,000.00
More than 1095 Days	-	-	2	20,000.00	-	-	20,000.00
Interest accrued and impact of EIR							(4.97)
<b>TOTAL</b>							<b>1,38,703.37</b>

Interest rates range from 5.60% p.a. to 7.35% p.a.

Terms of repayment of term loans As at March 31, 2021

Original maturity of loan (No. of days)	Due within 1 year		Due 1 to 3 years		More than 3 years		Total
	No. of Instalments	Amount	No. of Instalments	Amount	No. of Instalments	Amount	Amount
<b>Monthly</b>							
Upto 365 Days	-	-	-	-	-	-	-
366 to 1095 Days	-	-	-	-	-	-	-
More than 1095 Days	12	666.67	24	1,333.33	-	-	2,000.00
<b>Quarterly</b>							
Upto 365 Days	-	-	-	-	-	-	-
366 to 1095 Days	2	375.00	30	7,625.00	-	-	8,000.00
More than 1095 Days	-	-	8	5,000.00	-	-	5,000.00
<b>On maturity (bullet)</b>							
Upto 365 Days	1	2,500.00	-	-	-	-	2,500.00
366 to 1095 Days	4	6,985.12	-	-	-	-	6,985.12
More than 1095 Days	-	-	-	-	-	-	-
Interest accrued and impact of EIR							(50.53)
<b>TOTAL</b>							<b>24,434.59</b>

Interest rates range from 6.00% p.a. to 7.35% p.a.



**Godrej Housing Finance Limited****Notes to the financial statements for the year ended March 31, 2022 (Continued)**

(Currency : Indian Rupees in lakhs)

	As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
<b>14. Other financial liabilities</b>			
a) Book overdraft	6,959.73	598.36	-
b) Payable to Employees	1,211.76	240.37	0.01
c) Advances received from customers	10.77	-	-
d) Other Financial Liabilities	0.94	-	-
<b>Total</b>	<b>8,183.20</b>	<b>838.73</b>	<b>0.01</b>
<b>15. Provisions</b>			
a) Provision for Employee Benefits			
i) Gratuity	84.04	47.98	15.83
ii) Compensated absences	45.34	17.09	2.13
<b>Total</b>	<b>129.38</b>	<b>65.07</b>	<b>17.96</b>
<b>16. Other non-financial liabilities</b>			
a) Statutory dues payable	368.45	113.40	90.29
<b>Total</b>	<b>368.45</b>	<b>113.40</b>	<b>90.29</b>



**Godrej Housing Finance Limited**

Notes to the financial statements for the year ended March 31, 2022 (Continued)

(Currency : Indian Rupees in lakhs)

**17. Equity share capital**
**a) Share capital authorised, issued, subscribed and paid up**

Particulars	As at March 31, 2022		As at March 31, 2021		As at April 01, 2020	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
<b>Authorised:</b>						
Equity shares of Rs.10/- each	66,50,00,000	66,500.00	1,50,00,000	1,500.00	1,50,00,000	1,500.00
Preference Shares of Rs.10/- each	18,50,00,000	18,500.00	18,50,00,000	18,500.00	18,50,00,000	18,500.00
<b>Total</b>	<b>85,00,00,000</b>	<b>85,000.00</b>	<b>20,00,00,000</b>	<b>20,000.00</b>	<b>20,00,00,000</b>	<b>20,000.00</b>
<b>Issued, Subscribed and fully paid up:</b>						
Equity Shares of Rs. 10 each	26,13,31,138	26,133.11	1,47,36,842	1,473.68	1,40,00,000	1,400.00
0.01% Compulsorily Convertible Preference Shares of Rs.10/- each, fully paid up	-	-	11,26,31,579	11,263.16	5,90,00,000	5,900.00
<b>Total</b>	<b>26,13,31,138</b>	<b>26,133.11</b>	<b>12,73,68,421</b>	<b>12,736.84</b>	<b>7,30,00,000</b>	<b>7,300.00</b>

**b) Reconciliations of the number of shares and equity share capital :**

Particulars	As at March 31, 2022		As at March 31, 2021		As at April 01, 2020	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
<b>I Equity Shares</b>						
Outstanding at the beginning of year	1,47,36,842	1,473.68	1,40,00,000	1,400.00	1,20,00,000	1,200.00
Add: Shares issued during year	11,18,19,860	11,181.99	7,36,842	73.68	20,00,000	200.00
Add: Conversion during the year	13,47,74,436	13,477.44	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>26,13,31,138</b>	<b>26,133.11</b>	<b>1,47,36,842</b>	<b>1,473.68</b>	<b>1,40,00,000</b>	<b>1,400.00</b>
<b>II 0.01% Compulsorily Convertible Preference shares</b>						
Outstanding at the beginning of year	11,26,31,579	11,263.16	5,90,00,000	5,900.00	-	-
Add: Shares issued during year	2,21,42,857	2,214.29	5,36,31,579	5,363.16	5,90,00,000	5,900.00
Less: Conversion during the year	(13,47,74,436)	(13,477.45)	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>-</b>	<b>-</b>	<b>11,26,31,579</b>	<b>11,263.16</b>	<b>5,90,00,000</b>	<b>5,900.00</b>

**c) Details of Shares held by Holding Entity, Ultimate holding Entity, their subsidiaries and associates -**

Name of the Shareholder	As at March 31, 2022		As at March 31, 2021		As at April 01, 2020	
	No. of shares	% Holding	No. of shares	% Holding	No. of shares	% Holding
(i) Equity shares held by holding entity:						
Anamudi Real Estates LLP and its nominees	-	-	1,40,00,000	95.00%	1,40,00,000	100.00%
Godrej Capital Limited (formerly known as Pyxis Holdings Limited) and its nominees	24,82,64,584	95.00%	-	-	-	-

**d) Shareholder holding more than 5% shares as at the end of the year :**

Name of Shareholders	As at March 31, 2022		As at March 31, 2021		As at April 01, 2020	
	No. of shares	% Holding	No. of shares	% Holding	No. of shares	% Holding
<b>Equity Shares</b>						
Anamudi Real Estates LLP and its nominees	-	-	1,40,00,000	95.00%	1,40,00,000	100.00%
Godrej Capital Limited (formerly known as Pyxis Holdings Limited) and its nominees	24,82,64,584	95.00%	-	-	-	-

**e) Shareholding of Promoters**

Name of Promoter	As at March 31, 2022		As at March 31, 2021		As at April 01, 2020	
	No. of shares	% Holding	No. of shares	% Holding	No. of shares	% Holding
Anamudi Real Estates LLP and its nominees	-	-	1,40,00,000	95.00%	1,40,00,000	100.00%
Godrej Capital Limited (formerly known as Pyxis Holdings Limited) and its nominees	24,82,64,584	95.00%	-	-	-	-



**Godrej Housing Finance Limited**

Notes to the financial statements for the year ended March 31, 2022 (Continued)

(Currency : Indian Rupees in lakhs)

**17. Equity share capital****f) Details of Convertible Securities**

Instrument	As at March 31, 2022		As at March 31, 2021		As at April 01, 2020	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
0.01% Compulsorily Convertible Preference shares	-	-	11,26,31,579	11,263	5,90,00,000	5,900

**g) Rights, Preferences and Restrictions Attached to Shares****i) Equity Shares**

The Company has one class of equity shares. Each equity share entitles the holder to one vote. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts in proportion to their shareholding.

**ii) 0.01% Compulsorily Convertible Preference Shares (CCPS):**

The dividend rate on face value of the 0.01% CCPS will remain fixed over the tenure of the 0.01% CCPS. The 0.01% CCPS will carry non-cumulative dividend rights. Subject to applicable laws, each 0.01% CCPS shall be converted into such number of fully paid up Equity Shares of face value of Rs. 10/- each in ratio of 1:1. Such conversion shall be at the option of the holder of the 0.01% CCPS at any time not later than twenty years from the date of allotment of the 0.01% CCPS. In the event the holder does not convert the 0.01% CCPS into Equity Shares, the 0.01% CCPS shall be automatically converted into fully paid up Equity Shares of face value of Rs. 10/- each in the ratio of 1:1 on the date of the 20th anniversary from the date of allotment of the 0.01% CCPS. Till the time of conversion, the 0.01% CCPS will carry preferential rights vis-à-vis equity shares of the Company with respect to payment of dividend and repayment in case of winding up or repayment of capital. The Equity Shares issued upon conversion of the 0.01% CCPS shall rank pari-passu inter-se, i.e. without any preference or priority of one over the other or any of them and will rank pari-passu with the then existing Equity Shares of the Company in all respects and that the Equity Shares so issued upon conversion shall pari-passu qualify for dividend, if any, to be declared by the Company for the year of conversion. Till the time of conversion, the 0.01% CCPS shall be non-participating in the surplus funds and profits on winding up which may remain after the entire capital has been repaid. The 0.01% CCPS shall carry voting rights as prescribed under the provisions of the Companies Act, 2013.

h) There are no equity shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestment.

i) The Company has not allotted any shares as fully paid up pursuant to contracts without payment being received in cash, or as bonus shares from the date of incorporation. The Company has not bought back any of its equity shares.

j) There are no calls unpaid on any equity shares, and forfeited shares.





**Godrej Housing Finance Limited**

Notes to the financial statements for the year ended March 31, 2022 (Continued)

(Currency : Indian Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
<b>18. Other equity</b>			
a) Securities premium	30,124.04	2,994.39	-
b) (Deficit) in Statement of Profit and Loss	(14,597.26)	(7,017.75)	(2,053.79)
c) Other comprehensive income	(15.88)	(16.90)	(7.98)
<b>Total</b>	<b>15,510.90</b>	<b>(4,040.26)</b>	<b>(2,061.77)</b>

**A. Nature and purpose of reserves****a. Securities premium**

Securities premium represents the amount of premium received by the Company on the issuance of shares. The utilisation of the Securities premium is in accordance with the provisions of the Companies Act, 2013.

**b. (Deficit) in Statement of Profit and Loss**

Retained earnings comprises of the Company's undistributed earnings after taxes.

**c. Other Comprehensive income**

It represents the gain / (loss) on account of actuarial valuation of defined benefit obligation.

**B. Movement in Other equity**

	As at March 31, 2022	As at March 31, 2021
<b>a) Securities premium</b>		
Balance as at beginning of the year	2,994.39	-
Add : Premium Received on issue of shares	27,238.34	2,994.39
Less : Share issue expenses	(108.69)	-
<b>Balance as at end of the year (a)</b>	<b>30,124.04</b>	<b>2,994.39</b>
<b>b) Retained Earnings / (Deficit) in Statement of Profit and Loss</b>		
Balance as at beginning of the year	(7,017.75)	(2,053.79)
Add : Profit / (Loss) for the year	(7,579.51)	(4,963.96)
<b>Balance as at end of the year (b)</b>	<b>(14,597.26)</b>	<b>(7,017.75)</b>
<b>c) Other comprehensive income</b>		
Balance as at beginning of the year	(16.90)	(7.98)
Add : Transfer from retained earnings	1.02	(8.92)
<b>Balance as at end of the year (c)</b>	<b>(15.88)</b>	<b>(16.90)</b>
<b>Total (a+b+c)</b>	<b>15,510.90</b>	<b>(4,040.26)</b>



**Godrej Housing Finance Limited****Notes to the financial statements for the year ended March 31, 2022 (Continued)**

(Currency : Indian Rupees in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>19. Interest income</b>		
a) On financial assets measured at amortised cost		
i) Interest income on loans	4,714.86	166.37
ii) Interest income on investments / debt instruments	73.00	-
iii) Interest income on fixed deposits	83.48	31.60
iv) Interest income on certificate of deposits	0.54	-
<b>Total</b>	<b>4,871.88</b>	<b>197.97</b>
<b>20. Fee and commission income</b>		
a) Fee income and other charges	15.80	-
<b>Total</b>	<b>15.80</b>	<b>-</b>
<b>21. Net gain on fair value change</b>		
a) Investments at Fair value through profit and loss (FVTPL)		
i) Profit on liquid mutual funds	197.99	26.20
<b>Total</b>	<b>197.99</b>	<b>26.20</b>
i) Realised	197.99	26.20
ii) Unrealised	-	-
<b>Total</b>	<b>197.99</b>	<b>26.20</b>
<b>22. Other income</b>		
a) Interest income on security deposits	9.36	1.20
b) Gain on Lease Modification	176.23	-
c) Gain on Foreign Exchange Translation	1.49	0.06
d) Interest on I.T. Refund	0.26	-
e) Miscellaneous income	792.86	0.10
<b>Total</b>	<b>980.20</b>	<b>1.36</b>



**Godrej Housing Finance Limited****Notes to the financial statements for the year ended March 31, 2022 (Continued)**

(Currency : Indian Rupees in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>23. Finance costs</b>		
a) On Financial liabilities measured at amortised cost		
i) Interest on borrowings (other than debt securities)	3,253.78	130.02
ii) Interest on debt securities	246.79	-
iii) Interest - lease liabilities	83.47	76.29
iv) Other Borrowing costs	101.78	1.71
<b>Total</b>	<b>3,685.82</b>	<b>208.02</b>
<b>24. Impairment on financial assets</b>		
a) On Financial assets measured at amortised cost		
i) Loans	647.22	71.02
<b>Total</b>	<b>647.22</b>	<b>71.02</b>
<b>25. Employee Benefits Expenses</b>		
a) Salaries, bonus and allowances (net)*	4,802.82	2,508.69
b) Contribution to provident fund and other funds	196.41	107.85
c) Gratuity expense	33.87	20.75
d) Staff welfare	552.07	74.76
<b>Total</b>	<b>5,585.17</b>	<b>2,712.05</b>
<b>*Notes:</b>		
Salaries, bonus and allowances is net of salary cost recovered/reimbursed from related parties. Refer related party transaction Note - 34		
Salaries, bonus and allowances net of salary cost capitalised to Intangible Assets Under Development during the current year Nil (Previous Year: Rs. 554.12 lakhs)		
<b>26. Other expenses</b>		
a) Advertisement and Sales Promotion expenses	277.59	82.81
b) Auditor's fees and expenses (Refer note below)	19.02	6.53
c) Commission and Brokerage	10.11	1.41
d) Travelling and Conveyance	115.78	39.34
e) Computer & IT Expenses	774.37	420.42
f) Director's sitting fee	58.86	19.62
g) Communication Expenses	33.41	10.92
h) Electricity Expenses	24.12	10.33
i) Housekeeping Expenses	152.18	24.41
j) Legal and Professional Fees	690.24	738.22
k) Loan sourcing cost	226.00	2.65
l) Membership and Subscription Fees	9.71	8.34
m) Office expenses	14.75	2.15
n) Printing and stationery	45.72	22.41
o) Rates, duties and taxes	10.89	11.66
p) Recruitment Expenses	133.30	49.66
q) Rent	50.20	20.53
r) Repair and Maintenance- Others	51.03	68.52
s) Miscellaneous Expenses	2.08	0.40
t) Loss on sale of fixed assets	0.14	-
<b>Total</b>	<b>2,699.50</b>	<b>1,540.33</b>
<b>26.1 Auditors' fees and expenses</b>		
Payments to auditor		
a) Audit fees	11.99	5.50
b) Certification	2.67	1.03
c) Tax audit fee	4.36	-
<b>Total</b>	<b>19.02</b>	<b>6.53</b>



**Godrej Housing Finance Limited**

Notes to the financial statements for the year ended March 31, 2022 (Continued)

(Currency : Indian Rupees in lakhs)

**27. Earning per Share**Year Ended March 31,  
2022                      2021**Basic and Diluted earning per share**

a) Profit/(Loss) after tax attributable to equity shareholders for Basic EPS	(7,579.51)	(4,963.96)
b) Weighted average no. of equity shares outstanding during the year for Basic EPS	15,29,01,371	1,40,04,037
c) Nominal value of equity shares (Rs. per share)	10.00	10.00
d) Basic and diluted earnings per share (EPS) (Rs. per share)	(4.96)	(35.45)

**28. Commitments and contingencies****A. Contingent liabilities**

The contingent liabilities and litigations which are pending against the company as at 31st March, 2022 are Nil (As at 31st March, 2021: Nil and As at 01st April 01, 2020: Nil).

**B. Capital commitments**

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
i) Estimated amount of contracts remaining to be executed on capital account and not provided for	273.21	170.00	339.70
ii) Undisbursed commitments in respect of the loan agreements	1,40,019.09	22,225.21	-

**29. Investor Education and Protection Fund**

There are no amounts due and outstanding to be credited to Investor Education and Protection Fund As at March 31, 2022 (As at 31st March, 2021: Nil and As at 01st April 01, 2020: Nil).

**30. Unhedged foreign currency exposures**

The Company has unhedged foreign currency exposure of Rs. Nil As at March 31, 2022 (As at 31st March, 2021: Rs. 1.08 lakhs (USD 1,475.46) and As at 01st April 01, 2020: Nil).

**31. Dues to Micro, Small Enterprises**

During the year micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) have been identified by the Company on the basis of the information available with the Company. The disclosures pursuant to MSMED Act based on the books of account are as under:

	As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
i) The principal amount remaining unpaid to any supplier as at the end of the accounting year;	25.66	4.75	34.83
ii) The 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 under MSMED Act, 2006 along with the amounts 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 has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006;	-	-	-
v) The amount of interest accrued and remaining unpaid at the end of accounting year;	-	-	-
vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-	-

Disclosure of outstanding dues of Micro and Small Enterprise under Trade Payables is based on the information available with the Company regarding the status of the suppliers as defined under the Micro, Small and Medium Enterprises Development Act, 2006. There is no undisputed amount overdue during the year ended and as at March 31, 2022 and March 31, 2021 to Micro, Small and Medium Enterprises on account of principal or interest.

**32. Segment Reporting**

The Company's main business is financing by way of loans for purchase or construction of residential houses, commercial real estate and certain other purposes in India. All other activities of the Company revolve around the main business. Accordingly, there are no separate reportable segments as per IND-AS 108 dealing with Operating Segment.



**Godrej Housing Finance Limited****Notes to the financial statements for the year ended March 31, 2022 (Continued)**

(Currency : Indian Rupees in lakhs)

**33. Leases**

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

**(i) Right of use Asset**

Particulars	As at March 31, 2022	As at March 31, 2021
Opening Right of use Asset	1,177.08	93.07
Add: Addition for new leases	635.76	1,329.81
Less: Reduction for termination / closure	(669.13)	-
Less: Depreciation charge for the year (net of deduction)	(314.26)	(245.80)
Closing Right of use Asset	829.45	1,177.08

**(ii) Movement in Lease liabilities**

Particulars	As at March 31, 2022	As at March 31, 2021
Opening lease liabilities	1,339.77	87.79
Add: Addition for new leases	618.01	1,286.65
Less: Reduction for termination / closure	(845.36)	-
Add: Interest on lease liabilities	83.47	76.29
Add: Lease adjustment	(28.19)	28.19
Less: Lease payments	(363.76)	(139.15)
Closing lease liabilities	803.94	1,339.77

**(iii) Amount recognised in Statement of Profit and Loss**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Depreciation charge of right-of-use assets	314.26	245.80
(b) Interest on lease liabilities	83.47	76.29
(c) Expense relating to short-term leases	50.20	20.53
Total	447.93	342.62

**(iv) The total cash outflow for leases for the year:**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
The total cash outflow of leases	363.76	139.15

**(v) Maturity analysis (undiscounted amounts)**

Particulars	As at March 31, 2022	As at March 31, 2021
Less than one year	257.15	393.18
One to five years	646.01	1,131.31
More than five years	-	-
Total undiscounted lease liabilities	903.16	1,524.49

Lease liabilities included in the statement of financial position

Current	211.05	316.36
Non-Current	592.89	1,023.41
Weighted average effective interest rate %	6.5% to 7%	6.5% to 7%





**Godrej Housing Finance Limited**

**Notes to the financial statements for the year ended March 31, 2022 (Continued)**

(Currency : Indian Rupees in lakhs)

**34. Related Party Disclosure**

As per the requirement of Ind AS 24, on related party disclosures, the name of the related parties with the description of the relationship and transactions between the reporting enterprise and its related parties, as identified by the management are as follows :

**34.1 List of related parties**

**A. Ultimate Holding Company**

Godrej Industries Limited (w.e.f. August 24, 2021)

**B. Holding Company / Entity**

Godrej Capital Limited (formerly known as Pyxis Holdings Limited) (w.e.f. August 24, 2021)  
Anamudi Real Estates LLP (upto August 23, 2021)

**C. Fellow Subsidiaries**

Godrej Fund Management and Investment Advisers Private Limited (formerly known as Godrej Investment Advisers Private Limited)  
Karukachal Developers Private Limited (upto August 23, 2021)  
Ceres Developers Private Limited (upto August 23, 2021)  
Godrej Consumer Products Limited (w.e.f. August 24, 2021)  
Godrej One Premises Management Private Limited (w.e.f. August 24, 2021)  
Godrej Finance Limited (formerly known as Ensemble Holdings & Finance Limited) (w.e.f. August 24, 2021)  
Godrej Properties Limited (w.e.f. August 24, 2021)  
Godrej Agrovet Limited (w.e.f. August 24, 2021)

**D. Key management personnel (KMP)**

Mr. Manish Shah (Managing Director & CEO)  
Mr. Kunal Kamani (Chief Financial Officer)  
Ms. Mili Desai (Company Secretary)



34.2 Transactions and Balances with Related parties

Sr. No.	Nature of Transaction	Ultimate Holding Company		Holding Company/ Entity		Fellow Subsidiaries		Key management personnel	
		FY 2022	FY 2021	FY 2022	FY 2021	FY 2022	FY 2021	FY 2022	FY 2021
<u>Transactions with Related parties</u>									
1	Issue of equity shares	-	-	50,702.89	1,400.00	-	-	-	-
2	Issuance of Preference Share Capital	-	-	-	4,800.00	-	-	-	-
3	Cost Reimbursement Paid To	244.01	-	-	-	78.65	-	-	-
4	Cost Reimbursement Recovered From	6.37	-	806.86	11.05	1,626.32	-	-	-
5	Purchase of Goods	-	-	-	-	0.62	-	-	-
6	Remuneration to Key Management Personnel	-	-	-	-	-	-	347.74	376.42
<u>Balances with related parties as at the end of the year</u>									
7	Trade Payables	2.76	-	-	-	0.62	-	-	-
8	Security deposits	126.61	-	-	-	-	-	-	-
9	Other Receivables	-	-	1.66	-	714.86	-	-	-



Sr. No.	Nature of Transaction	Ultimate Holding Company		Holding Company/ Entity		Fellow Subsidiaries		Key management personnel	
		FY 2022	FY 2021	FY 2022	FY 2021	FY 2022	FY 2021	FY 2022	FY 2021
1	<b>Issue of equity shares</b> Godrej Capital Limited Anamudi Real Estates LLP	-	-	50,702.89	-	-	-	-	-
2	<b>Issuance of Preference Share Capital</b> Anamudi Real Estates LLP	-	-	-	4,800.00	-	-	-	-
3	<b>Cost Reimbursement Paid To</b> Godrej Industries Limited Godrej One Premises Management Private Limited Godrej Properties Limited	244.01	-	-	-	-	-	-	-
4	<b>Cost Reimbursement Recovered From</b> Godrej Industries Limited Godrej Capital Limited Godrej Properties Limited Godrej Finance Limited Godrej Fund Management and Investment Advisers Private Limited	6.37	-	806.86	11.05	-	-	-	-
5	<b>Purchase of Goods</b> Godrej Consumer Products Limited	-	-	-	-	0.62	-	-	-
6	<b>Remuneration to Key Management Personnel</b> Short term employee benefit Post employment benefit	-	-	-	-	-	-	325.16 22.58	358.14 18.28
7	<b>Trade Payables</b> Godrej Consumer Products Limited Godrej Industries Limited	2.76	-	-	-	0.62	-	-	-
8	<b>Security deposits</b> Godrej Industries Limited	126.61	-	-	-	-	-	-	-
9	<b>Other Receivables</b> Godrej Properties Limited Godrej Finance Limited Godrej Capital Limited	-	-	-	-	1.78 713.08	-	-	-
		-	-	1.66	-	-	-	-	-



**Godrej Housing Finance Limited****Notes to the financial statements for the year ended March 31, 2022 (Continued)**

(Currency : Indian Rupees in lakhs)

**35. Employee benefits - Disclosure pursuant to Ind AS 19 'Employee Benefits'****35.1 Defined contribution plans**

The Company makes Provident fund contributions which are defined contribution plans for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits

The Company has recognised the following amounts in the statement of profit and loss towards contribution to defined contribution plans which are included under contribution to provident and other funds:

	<b>Year Ended March 31,</b>	
	<b>2022</b>	<b>2021</b>
Provident fund	196.41	107.85

**35.2 Defined Benefit Plan**

- 1 The Company has an obligation towards gratuity, a non funded defined benefit plan covering eligible employees. Vesting for gratuity occurs upon completion of five years of service. Details of the unfunded post retirement benefit plans for its employees are given below which is as certified by the actuary.

Gratuity Disclosure Statement as Per Indian Accounting Standard 19 (Ind AS 19) as below.

**a) Changes in Present Value of Defined Benefit Obligation**

	<b>Year Ended March 31,</b>	
	<b>2022</b>	<b>2021</b>
<b>Present Value of Benefit Obligation at the Beginning of the year</b>	47.98	15.82
Current Service Cost	31.11	21.55
Past service cost	-	-
Interest Expense/(Income)	3.11	0.99
Liability transferred in	2.86	2.65
Liability transferred out	-	(1.95)
Settlement Cost (Credit)/Cost	-	-
Actuarial (Gains)/Losses on obligations - due to experience	15.67	5.29
Actuarial (Gains)/Losses on obligations - due to change in demographic assumptions	(23.54)	4.63
Actuarial (Gains)/Losses on obligations - due to change in financial assumptions	6.85	(1.00)
Experience (gains)/losses	-	-
<b>Present Value of Benefit Obligation at the End of the year</b>	<b>84.04</b>	<b>47.98</b>

**Change in plan assets:****Fair value of plan assets, beginning of the year**

Expected return on Plan Assets	-	-
Contributions	-	-
Benefits paid	-	-
Actuarial Gain (loss) on plan assets	-	-

**Fair value of plan assets, end of the year****b) Amount recognized in the balance sheet consists of:**

	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>	<b>As at April 01, 2020</b>
Present value of defined benefit obligation	84.04	47.98	15.82
Fair value of plan assets	-	-	-
<b>Net liability</b>	<b>84.04</b>	<b>47.98</b>	<b>15.82</b>

**c) The amounts recognised in the Statement of Profit and Loss are as follows:**

		<b>Year Ended March 31,</b>	
		<b>2022</b>	<b>2021</b>
<b>Service Cost</b>			
Current service cost		31.11	21.55
Past service cost		-	-
<b>Total Service cost</b>	(i)	<b>31.11</b>	<b>21.55</b>
<b>Net interest cost</b>			
Interest expense on DBO		3.11	0.99
Interest expense / (income) on plan assets		-	-
<b>Total Interest cost</b>	(ii)	<b>3.11</b>	<b>0.99</b>
<b>Defined benefit cost included in Statement of Profit and Loss</b>	(iii) - (i + ii)	<b>34.22</b>	<b>22.54</b>
Total remeasurement in other comprehensive income (OCI)	(iv)	(1.02)	8.92
<b>Total Defined benefit cost included in Statement of Profit and loss and OCI</b>	(v) = (iii + iv)	<b>33.20</b>	<b>31.46</b>



**Godrej Housing Finance Limited****Notes to the financial statements for the year ended March 31, 2022 (Continued)**

(Currency : Indian Rupees in lakhs)

**35. Employee benefits - Disclosure pursuant to Ind AS 19 'Employee Benefits' (Continued)****d) The principal assumptions used in determining gratuity obligations for the Company's plans are shown below**

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans and post retirement medical benefits at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

	As at March 31, 2022	As at March 31, 2021
Discount rate	6.09%	6.49%
Salary growth rate	8.00%	7.00%
Employee attrition rate	20.00%	12.00%
Mortality rate during employment	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2006-08)
Expected average remaining working lives of employees	4 Years	7 Years

**e) Impact on defined benefit obligation - Sensitivity Analysis**

Particulars	March 31, 2022		March 31, 2021	
	Increase	Decrease	Increase	Decrease
i) Discount rate (1% movement)	(5.00)	5.51	(3.70)	4.19
ii) Change in salary growth rate (1% movement)	5.36	(4.96)	4.13	(3.72)
iii) Change in employee attrition rate (1% movement)	(3.06)	3.17	(1.52)	1.57

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the benefit obligation as recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

**f) Maturity**

The defined benefit obligations shall mature after year end as follows:

Particulars	As at March 31,		As at April 01,
	2022	2021	2020
i) 1st Following Year	0.30	0.44	0.23
ii) 2nd Following Year	0.28	1.72	0.21
iii) 3rd Following Year	9.08	1.75	1.14
iv) 4th Following Year	13.95	4.50	1.07
v) 5th Following Year	15.32	6.28	1.07
vi) Sum of Years 6 to 10	51.25	26.20	9.64
vii) Sum of Years 11 and above	38.47	48.01	-

The weighted average duration of the defined benefit obligation is 8 years (previous year - 10 years).

**g) Risk Exposure**

Gratuity is a defined benefit plan and Company is exposed to the Following Risks:

Interest rate risk: A fall in the discount rate which is linked to the Government Security Rate will increase the present value of the liability requiring higher provision.

Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Company has to manage pay-out based on pay as you go basis from own funds.

Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

**35.3 Impact of Code on Social Security, 2020**

The Indian Parliament has approved the Code on social security, 2020 which may impact the contributions by the Company towards Provident Fund and Gratuity. The effective date from which the changes are applicable is yet to be notified and the rules for quantifying and financial impact are yet to be determined. The Company will complete its evaluation and will give appropriate impact in the financial statements in the year in which, the code becomes effective and the related rules to determine the financial impact are notified.





**Godrej Housing Finance Limited**
**Notes to the financial statements for the year ended March 31, 2022 (Continued)**

(Currency : Indian Rupees in lakhs)

**36. Fair Value Measurement**

The fair value is the amount at which financial instruments could be sold on fair terms as of the reporting date. Where market prices (e.g. for marketable securities) were available, we have used these prices without modification for measuring fair value. If no market prices were available, the fair values for loans/receivables and liabilities were calculated by discounting using a maturity-matched discount rate appropriate to the risk.

**36.1 Classification of financial assets and financial liabilities:**

The following table shows the carrying amounts and fair values of Financial assets and Financial liabilities which are classified as Amortised Cost, Fair value through Profit and Loss (FVTPL) and Fair value through other comprehensive income (FVTOCI).

**36.1.1 As at March 31, 2022**

	At Amortised cost	FVTPL	FVTOCI	Total carrying Value	Total Fair value
<b>Financial Assets</b>					
Cash and cash equivalents	20,432.69	-	-	20,432.69	20,432.69
Loans	1,74,131.29	-	-	1,74,131.29	1,74,131.29
Other financial assets	929.73	-	-	929.73	929.73
<b>Total</b>	<b>1,95,493.71</b>	<b>-</b>	<b>-</b>	<b>1,95,493.71</b>	<b>1,95,493.71</b>
<b>Financial Liabilities</b>					
Trade payables	1,508.85	-	-	1,508.85	1,508.85
Debt securities	9,921.18	-	-	9,921.18	9,921.18
Borrowings (other than debt securities)	1,38,703.37	-	-	1,38,703.37	1,38,703.37
Lease liabilities	803.94	-	-	803.94	803.94
Other financial liabilities	8,183.20	-	-	8,183.20	8,183.20
<b>Total</b>	<b>1,59,120.54</b>	<b>-</b>	<b>-</b>	<b>1,59,120.54</b>	<b>1,59,120.54</b>

**36.1.2 As at March 31, 2021**

	At Amortised cost	FVTPL	FVTOCI	Total carrying Value	Total Fair value
<b>Financial Assets</b>					
Cash and cash equivalents	10,756.51	-	-	10,756.51	10,756.51
Loans	19,958.78	-	-	19,958.78	19,958.78
Other financial assets	52.45	-	-	52.45	52.45
<b>Total</b>	<b>30,767.74</b>	<b>-</b>	<b>-</b>	<b>30,767.74</b>	<b>30,767.74</b>
<b>Financial Liabilities</b>					
Trade payables	725.70	-	-	725.70	725.70
Borrowings (other than debt securities)	24,434.59	-	-	24,434.59	24,434.59
Lease liabilities	1,339.77	-	-	1,339.77	1,339.77
Other financial liabilities	838.73	-	-	838.73	838.73
<b>Total</b>	<b>27,338.79</b>	<b>-</b>	<b>-</b>	<b>27,338.79</b>	<b>27,338.79</b>

**36.1.3 As at April 01, 2020**

	At Amortised cost	FVTPL	FVTOCI	Total carrying Value	Total Fair value
<b>Financial Assets</b>					
Cash and cash equivalents	818.30	-	-	818.30	818.30
Other Bank balances	1,215.17	-	-	1,215.17	1,215.17
Investments	-	401.97	-	401.97	401.97
Other financial assets	16.41	-	-	16.41	16.41
<b>Total</b>	<b>2,049.88</b>	<b>401.97</b>	<b>-</b>	<b>2,451.85</b>	<b>2,451.85</b>
<b>Financial Liabilities</b>					
Trade payables	137.10	-	-	137.10	137.10
Lease liabilities	87.79	-	-	87.79	87.79
Other financial liabilities	0.01	-	-	0.01	0.01
<b>Total</b>	<b>224.90</b>	<b>-</b>	<b>-</b>	<b>224.90</b>	<b>224.90</b>



## Godrej Housing Finance Limited

### Notes to the financial statements for the year ended March 31, 2022 (Continued)

(Currency : Indian Rupees in lakhs)

#### 36. Fair Value Measurement (Continued)

##### 36.2 Fair value hierarchy of financial instruments

The fair value of financial instruments are classified into three categories i.e. Level 1, 2 or 3 depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active market for identical assets or liabilities (level 1 measurements) and lowest priority to unobservable inputs (level 3 measurements).

**Level 1:** Financial instruments measured using quoted prices and that are traded in active market are categorized under level 1.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using observable market data and not the entity specific estimates.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. The instruments are valued based on quoted prices for the similar instruments but for which significant observables adjustments are required to reflect the difference between the instruments.

##### 36.2.1 Financial instruments valued at carrying value:

The respective carrying values of certain on-balance sheet financial instruments approximated their fair value. These financial instruments include cash in hand and bank balances, trade receivables, trade payables, overdraft facility payable on demand certain other assets and liabilities that are considered financial instruments. Carrying values were assumed to approximate fair values for these financial instruments as they are short-term in nature and their recorded amounts approximate fair values or are receivable or payable on demand.

##### 36.2.2 Valuation techniques used to determine fair value:

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

The Company has an established control framework with respect to the measurement of fair values. The Board / Audit Committee has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

The Company uses the following hierarchy for determining and disclosing the fair value of financial assets by valuation technique:

##### i) Investments in Mutual Funds

The fair values of investments in mutual funds is based on the net asset value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.

##### ii) Loans

Substantially all loans are at floating rate of interest, the carrying value of loans approximates their fair value.

##### iii) Borrowings and Debt Securities - (other than Market linked debt securities)

The Company's borrowings are at floating rate of interest and the carrying value of loans approximates their fair value.

Debt securities are short-term in nature and hence carrying value approximates their fair value.



**Godrej Housing Finance Limited****Notes to the financial statements for the year ended March 31, 2022 (Continued)**

(Currency : Indian Rupees in Lakhs)

**36. Fair Value Measurement (Continued)****36.2.3 Transfers between Levels**

There are no transfers between Level 1, 2 and 3 since there are no financial instruments at fair value under the category.

**36.2.4** Fair values of financial assets and financial liabilities not measured at fair value, including their levels in the fair value hierarchy, are presented below. It also includes the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Fair Value As at March 31, 2022			Total
	Level 1	Level 2	Level 3	
<b>Financial Assets</b>				
Cash and cash equivalents	20,432.69	-	-	20,432.69
Other Bank balances	-	-	-	-
Trade receivables	-	-	-	-
Loans	-	-	1,74,131.29	1,74,131.29
Other financial assets	-	-	929.73	929.73
<b>Total</b>	<b>20,432.69</b>	<b>-</b>	<b>1,75,061.02</b>	<b>1,95,493.71</b>
<b>Financial Liabilities</b>				
Trade payables	-	-	1,508.85	1,508.85
Debt securities	-	-	9,921.18	9,921.18
Borrowings (other than debt securities)	-	-	1,38,703.37	1,38,703.37
Lease liabilities	-	-	803.94	803.94
Other financial liabilities	-	-	8,183.20	8,183.20
<b>Total</b>	<b>-</b>	<b>-</b>	<b>1,59,120.54</b>	<b>1,59,120.54</b>
<b>As at March 31, 2021</b>				
	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Cash and cash equivalents	10,756.51	-	-	10,756.51
Other Bank balances	-	-	-	-
Trade receivables	-	-	-	-
Loans	-	-	19,958.78	19,958.78
Other financial assets	-	-	52.45	52.45
<b>Total</b>	<b>10,756.51</b>	<b>-</b>	<b>20,011.23</b>	<b>30,767.74</b>
<b>Financial Liabilities</b>				
Trade payables	-	-	725.70	725.70
Debt securities	-	-	-	-
Borrowings (other than debt securities)	-	-	24,434.59	24,434.59
Lease liabilities	-	-	1,339.77	1,339.77
Other financial liabilities	-	-	838.73	838.73
<b>Total</b>	<b>-</b>	<b>-</b>	<b>27,338.79</b>	<b>27,338.79</b>
<b>As at April 01, 2020</b>				
	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Cash and cash equivalents	818.30	-	-	818.30
Other Bank balances	1,215.17	-	-	1,215.17
Trade receivables	-	-	-	-
Loans	-	-	-	-
Other financial assets	-	-	16.41	16.41
<b>Total</b>	<b>2,033.47</b>	<b>-</b>	<b>16.41</b>	<b>2,049.88</b>
<b>Financial Liabilities</b>				
Trade payables	-	-	137.10	137.10
Borrowings (other than debt securities)	-	-	-	-
Lease liabilities	-	-	87.79	87.79
Other financial liabilities	-	-	0.01	0.01
<b>Total</b>	<b>-</b>	<b>-</b>	<b>224.90</b>	<b>224.90</b>



**Godrej Housing Finance Limited****Notes to the financial statements for the year ended March 31, 2022 (Continued)**

(Currency : Indian Rupees in lakhs)

**36. Fair Value Measurement (Continued)**

36.2.5 Fair values of financial assets and financial liabilities measured at fair value, including their levels in the fair value hierarchy, are presented below. It also includes the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Fair Value			Total
	Level 1	Level 2	Level 3	
<b>Financial Assets</b>				
Investments	-	-	-	-
<b>Total</b>	-	-	-	-
<b>Financial Assets</b>				
	As at March 31, 2021			
Investments	-	-	-	-
<b>Total</b>	-	-	-	-
<b>Financial Assets</b>				
	As at April 01, 2020			
Investments	401.97	-	-	401.97
<b>Total</b>	401.97	-	-	401.97



**Godrej Housing Finance Limited**  
**Notes to the financial statements for the year ended March 31, 2022 (Continued)**

(Currency : Indian Rupees in lakhs)

**37. Risk Management framework**

**37.1 Introduction**

As a financial institution, Godrej Housing Finance is exposed to various types of risks namely credit risk, liquidity risk, market risks, operational risk, strategic risk (including emerging & external risks) and compliance & reputation risk.

We have adopted a holistic and data driven enterprise level risk management approach which includes monitoring both internal and external indicators. We as an organization periodically adjust our strategy, incognizance with industry risk dynamics and emergence of new challenges and opportunities. Godrej Housing Finance's risk management framework has been laid down with long term sustainability and value creation in mind.

Important pillars of the risk management approach are developing a strong risk management culture within the Company, alignment of risk with business strategy, creating, preserving and realizing value. The key risks are being monitored by way of various policies covering these areas.

The policies provide guiding principles by setting various guardrails, procedures, risk assessment and control frameworks etc. which are regularly tracked and reviews are presented to various senior management committees and board committees. An effort is also made to understand the best practices in risk management across industries which are then customized to our business requirements.

**37.2 Company's Risk Management Framework for Measuring and Managing Risk**

**Risk management framework**

Risk Management forms an integral part of the Company's operations. The company's Board of Directors with support of risk function has overall responsibility for the establishment and oversight of the risk management framework. The Board of Directors has constituted following committees and defined their role for monitoring the risk management policies of the company.

**Board level committees**

**Risk Management Committee of the Board (RMC):** The purpose of the Committee is to assist the Board in its oversight of various risks

- i) Credit Risk
- ii) Liquidity and Interest Rate Risk
- iii) Operational Risk (Process, HR, Technology and Fraud)
- iv) Strategic Risks (including emerging and external risks)
- v) Compliance and Reputation Risk (compliance risk and reputation risk are covered through compliance risk management charter).

**Borrowing and Investment Committee:** Provide guidance on nature of investments that shall be undertaken, and approve credit limits for various counterparties, where exposures in aggregate exceed a certain level.

**Asset Liability Management Committee of the Board (ALCO):** ALCO shall review the Liquidity Risk and Interest Rate Risk on a regular basis and suggest necessary actions based on its view and expectations on the liquidity and interest rate profile. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. The risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the activities of the Company. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Risk Management Committee oversees how the management monitors compliance with the risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

The **Audit Committee** is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

**Credit Committee (MCC):** Committee members include Managing Director (MD), Chief Risk Officer (CRO), Chief Financial Officer (CFO) and Chief Business Officer (CBO). Committee approves policies on recommendation of concerned credit committee. It approves/ modifies/disapproves business proposal based on delegation of authority (DOA) approved by the Board and recommends proposals.

**Fraud Risk Management Committee (FRMC):** An independent Fraud Risk Management Committee (FRMC) comprising of top management representatives has been constituted who review the matters related to fraud risk and approve / recommend actions against frauds. FRMC consists of CFO, Head-Risk, Chief Human Resources Officer (CHRO) and Head-Legal and Compliance.





**Godrej Housing Finance Limited****Notes to the financial statements for the year ended March 31, 2022 (Continued)**

(Currency : Indian Rupees in lakhs)

**37. Risk Management framework (Continued)****37.3 Company's Risk Management Approach for handling various type of risks****(A) Credit risk management:**

The credit risk is governed by defined credit policies and Board approved DOA which undergo periodic review. The credit policies outline the type of products that can be offered, customer categories, targeted customer profile, credit approval process, DOA and limits etc. Each business unit is required to implement company's credit policies and procedures and maintain the quality of its credit portfolio.

**Credit Risk assessment methodology**

The Company has a structured credit approval process, which includes a well-established procedure of comprehensive credit appraisal. The credit appraisal process involves critical assessment of quantitative and qualitative parameters subject to review and approval as per defined DOA. The credit assessment involves detailed analysis of industry, business, management, financials, end use etc. An internal rating is also assigned to the borrower based on defined parameters. For retail customers, the credit assessment is based on a parameterised approach. Credit risk monitoring and portfolio review. The company measures, monitors and manages credit risk at an individual borrower level. The credit risk for retail borrowers is being managed at portfolio level.

The credit assessment is carried out based on an internal risk assessment framework which rates the customers accordingly to various parameters. Data analytics is extensively used for effective risk monitoring.

**(B) Market Risk**

Risk due to change in market prices – e.g. interest rates, equity prices, foreign exchange rates and credit spreads, but not relating to changes in the obligor's/issuer's credit standing and will affect the Company's income or the value of its holdings of financial instruments. The objective of the Company's market risk management is to manage and control market risk exposures within acceptable risk tolerances levels to ensure the solvency while optimising the return on risk. ALCO sets up limits for each significant type of risk/aggregated risk and various products in the portfolio, with market liquidity being a primary factor in determining the level of limits.

**Exposure to Market Risk****Interest rate risk**

Core business of the Company is borrowing and lending as permitted by the Reserve Bank of India, exposing us to interest rate risk. Interest rate risk is measured through Interest rate sensitivity report where gaps are being monitored classifying all rate sensitive assets and rate sensitive liabilities into various time period categories according to earliest of contracted/behavioural maturities or anticipated re-pricing date. The Company monitors interest rate risk through above measures on a monthly basis. The interest rate risk limits are approved by the ALCO. A regular stress testing on liquidity scenarios and interest rate scenarios is carried out and presented to the ALCO.

**Interest rate risk on investments**

As at March 31, 2022			
Particulars	Carrying value	@ 100bps change increase	@ 100bps change decrease
Investment at FVTPL	-	-	-
As at March 31, 2021			
Particulars	Carrying value	@ 100bps change increase	@ 100bps change decrease
Investment at FVTPL	-	-	-
As at April 01, 2020			
Particulars	Carrying value	@ 100bps change increase	@ 100bps change decrease
Investment at FVTPL	401.97	4.02	(4.02)



**Godrej Housing Finance Limited**

Notes to the financial statements for the year ended March 31, 2022 (Continued)

(Currency : Indian Rupees in lakhs)

**37. Risk Management framework (Continued)****Interest rate risk (Continued)**

Below table illustrates impact on earnings on account of 100 bps change on in interest rate on the loans and borrowings due for repayment / rate reset in one year.

**As at March 31, 2022**

Rate sensitive	Less than 1 Year	@ 100bps change increase	@ 100bps change decrease
i) Loans	1,73,313.38	1,733.13	(1,733.13)
ii) Borrowings (Other than debt securities)	1,38,703.37	1,387.03	(1,387.03)
iii) Net Gap (iii) = (i-ii)	24,688.83	246.89	(246.89)

**As at March 31, 2021**

Rate sensitive	Less than 1 Year	@ 100bps change increase	@ 100bps change decrease
i) Loans	19,958.78	199.59	(199.59)
ii) Borrowings (Other than debt securities)	24,434.59	244.35	(244.35)
iii) Net Gap (iii) = (i-ii)	(4,475.81)	(44.76)	44.76

The following table sets forth, for the periods indicated, the break-up of borrowings into variable rate and fixed rate

Particulars	As at March 31, 2022	As at March 31, 2021
Variable rate borrowings	93%	100%
Fixed rate borrowings	7%	0%
Total borrowings	100%	100%

**Currency Risk**

The company is currently not exposed to currency risk since its primary dealings are in INR.

**Equity price risk**

The Company does not have any exposure to equities and hence it not exposed to any equity price risk.



**Godrej Housing Finance Limited**  
Notes to the financial statements for the year ended March 31, 2022 (Continued)

(Currency : Indian Rupees in lakhs)

**37. Risk Management framework (Continued)**

**(C) Liquidity risk**

A risk that the Company will encounter difficulty in meeting its day to day financial obligations is known as liquidity risk. Management of liquidity risk is done as follows:

- ALCO sets the strategy for managing liquidity risk commensurate with the business objectives.
- ALCO has delegated the responsibility of managing overall liquidity risk and interest rate risk to Treasury. ALCO has set various gap limits for tracking liquidity risk. The CFO and head of treasury monitor the gap limits with actuals and present the same to the MD & CEO.
- Treasury department manages the liquidity position on a day-to-day basis and reviews daily reports covering the liquidity position of the Company. Treasury team ensures the regulatory compliance to the liquidity risk related limits approved in the ALM policy by ALCO.
- The Company's approach to managing liquidity is to ensure sufficient liquidity to meet its liabilities when they are due without incurring unacceptable losses or risking damage to the Company's reputation.

The key elements of the Company's liquidity risk management strategy are as follows:

- Maintaining a diversified funding through market and bank borrowings resources such as debentures, commercial papers, subordinated debt, perpetual debt, Inter-corporate deposits (ICD's), overdraft and bank term loans. Unused bank lines constitute the main liquidity back up to meet the contingency funding plan. Additionally, based on Market scenario, the company also maintains a portfolio of highly liquid mutual fund units.
- Under the ALM guidelines, the dynamic liquidity statement and structural liquidity statement are being prepared periodically to monitor the maturity gaps in the Assets and Liabilities cash flows.
- The company carries out stress testing of cash flows on periodic basis and shares the results with ALCO to gauge the adequacy of liquidity.

The below table analyses the Company's financial liabilities and financial assets into relevant maturity groupings based on the remaining period as at the reporting date to the contractual maturity date.

**As at March 31, 2022**

Particulars	Total	Contractual cash flows				
		Less than 6 months	6 to 12 months	1 to 2 years	2 to 5 years	More than 5 years
<b>Financial liabilities</b>						
Trade payables	1,508.85	1,508.85	-	-	-	-
Debt securities	9,921.18	9,921.18	-	-	-	-
Borrowings (other than debt securities)	1,38,703.37	18,453.78	10,409.62	20,122.68	69,396.04	20,321.25
Lease Liabilities	803.94	103.06	108.01	230.79	362.08	-
Other financial liabilities	8,183.20	8,149.15	22.34	-	-	11.71
<b>Total</b>	<b>1,59,120.54</b>	<b>38,136.02</b>	<b>10,539.97</b>	<b>20,353.47</b>	<b>69,758.12</b>	<b>20,332.96</b>

Particulars	Total	Contractual cash flows				
		Less than 6 months	6 to 12 months	1 to 2 years	2 to 5 years	More than 5 years
<b>Financial assets</b>						
Cash and cash equivalents	20,432.69	20,432.69	-	-	-	-
Loans	1,74,131.29	4,166.22	3,607.80	7,726.06	26,545.81	1,32,085.41
Other financial assets	929.73	716.76	-	-	208.84	4.13
<b>Total</b>	<b>1,95,493.71</b>	<b>25,315.67</b>	<b>3,607.80</b>	<b>7,726.06</b>	<b>26,754.65</b>	<b>1,32,089.54</b>



**Godrej Housing Finance Limited**  
Notes to the financial statements for the year ended March 31, 2022 (Continued)

(Currency : Indian Rupees in lakhs)

**37. Risk Management framework (Continued)**

**(C) Liquidity risk (continued)**

As at March 31, 2021

Particulars	Total	Contractual cash flows				
		Less than 6 months	6 to 12 months	1 to 2 years	2 to 5 years	More than 5 years
<b>Financial liabilities</b>						
Trade payables	725.70	725.70	-	-	-	-
Borrowings (other than debt securities)	24,434.59	2,823.56	7,680.81	7,146.17	6,784.05	-
Lease Liabilities	1,339.77	141.03	175.33	310.71	712.70	-
Other financial liabilities	838.73	821.63	17.10	-	-	-
<b>Total</b>	<b>27,338.79</b>	<b>4,511.92</b>	<b>7,873.24</b>	<b>7,456.88</b>	<b>7,496.75</b>	<b>-</b>
<b>Financial assets</b>						
Cash and cash equivalents	10,756.51	10,756.51	-	-	-	-
Loans	19,958.78	420.74	366.09	782.64	2,764.74	15,624.58
Other financial assets	52.45	20.65	-	-	27.62	4.18
<b>Total</b>	<b>30,767.74</b>	<b>11,197.90</b>	<b>366.09</b>	<b>782.64</b>	<b>2,792.36</b>	<b>15,628.76</b>

As at April 01, 2020

Particulars	Total	Contractual cash flows				
		Less than 6 months	6 to 12 months	1 to 2 years	2 to 5 years	More than 5 years
<b>Financial liabilities</b>						
Trade payables	137.10	137.10	-	-	-	-
Lease liabilities	87.79	7.43	7.70	16.15	56.51	-
Other financial liabilities	0.01	0.01	-	-	-	-
<b>Total</b>	<b>224.90</b>	<b>144.54</b>	<b>7.70</b>	<b>16.15</b>	<b>56.51</b>	<b>-</b>
<b>Financial assets</b>						
Cash and cash equivalents	818.30	818.30	-	-	-	-
Bank balance other than cash and cash equivalents above	1,215.17	1,215.17	-	-	-	-
Other financial assets	16.41	5.68	-	-	10.52	0.21
<b>Total</b>	<b>2,049.88</b>	<b>2,039.15</b>	<b>-</b>	<b>-</b>	<b>10.52</b>	<b>0.21</b>

**(D) Operational Risk**

The risk of direct or indirect potential loss arising from a wide variety of causes associated with the company's processes, personnel, systems, or from external factors other than credit, compliance, reputation, market and liquidity risks. Management of operational risk forms an integral part of the Company's enterprise wide risk management systems. Clear strategies and oversight by the Board of Directors and senior management, a strong operational risk management culture, effective internal control and reporting and contingency planning are crucial elements of the Company's operational risk management framework.

Godrej Housing Finance has a Business Continuity Planning "BCP" framework in place, to ensure uninterrupted business operations in case any disruptive event occurs. The company immediately activated its Business Continuity Plan (BCP) during this time of COVID 19 pandemic. The Company continues to seamlessly carry out normal operations hence addressing the risk associated with occurrence of the pandemic.

**Cyber Security Risk**

Various measures are adopted to effectively protect the company against phishing, social media threats and rogue mobile. Company ensures seamless accessibility of critical systems through virtual private network (VPN), thereby minimizing the risk of security/data breaches and cyber-attacks.

**(E) Regulatory and Compliance Risk**

Regulatory compliances are handled by Finance team, Treasury and Business teams in consultation with Compliance team. Statutory compliances are handled by Secretarial team, Administrative and people process related compliances are handled by Administration & HR departments. As per regulatory requirements, required policies are adopted, modified and rolled from time to time. Compliance to the defined policies is strictly adhered to.



**Godrej Housing Finance Limited**  
Notes to the financial statements for the year ended March 31, 2022 (Continued)

(Currency : Indian Rupees in lakhs)

**38. Maturity analysis of assets and liabilities**

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

Particulars	As at March 31, 2022			As at March 31, 2021			As at April 01, 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>I Assets</b>									
<b>A. Financial assets</b>									
a) Cash and cash equivalents	20,432.69	-	20,432.69	10,756.51	-	10,756.51	818.30	-	818.30
b) Other Bank balances	-	-	-	-	-	-	1,215.17	-	1,215.17
c) Loans	7,774.01	1,66,357.28	1,74,131.29	786.83	19,171.95	19,958.78	-	-	-
d) Investments	-	-	-	-	-	-	401.97	-	401.97
e) Other financial assets	716.76	212.97	929.73	20.65	31.80	52.45	5.68	10.73	16.41
<b>B. Non-financial assets</b>									
a) Current tax assets (net)	-	214.89	214.89	-	8.28	8.28	-	4.27	4.27
c) Property, plant and equipment	-	496.64	496.64	-	269.03	269.03	-	178.82	178.82
c) Capital work-in-progress	-	-	-	-	-	-	-	0.64	0.64
d) Right of use asset	-	829.45	829.45	-	1,177.08	1,177.08	-	93.07	93.07
e) Intangible assets under development	-	99.07	99.07	-	-	-	-	2,704.43	2,704.43
f) Other intangible assets	-	3,706.11	3,706.11	-	3,717.16	3,717.16	-	50.79	50.79
g) Other non-financial assets	115.93	306.58	422.51	162.78	111.77	274.55	75.53	11.98	87.51
<b>Total Assets</b>	<b>29,039.39</b>	<b>1,72,222.99</b>	<b>2,01,262.38</b>	<b>11,726.77</b>	<b>24,487.07</b>	<b>36,213.84</b>	<b>2,516.65</b>	<b>3,054.73</b>	<b>5,571.38</b>
<b>II Liabilities</b>									
<b>A. Financial liabilities</b>									
a) Trade payables	1,508.85	-	1,508.85	725.70	-	725.70	137.10	-	137.10
b) Debt securities	9,921.18	-	9,921.18	-	-	-	-	-	-
c) Borrowings (other than debt securities)	28,863.40	1,09,839.97	1,38,703.37	10,504.37	13,930.22	24,434.59	-	-	-
d) Lease liabilities	211.07	592.87	803.94	316.36	1,023.41	1,339.77	15.13	72.66	87.79
e) Other financial liabilities	8,171.49	11.71	8,183.20	838.73	-	838.73	0.01	-	0.01
<b>B. Non-financial Liabilities</b>									
a) Provisions	0.30	129.08	129.38	0.44	64.63	65.07	0.23	17.73	17.96
b) Other non-financial liabilities	368.45	-	368.45	113.40	-	113.40	90.29	-	90.29
<b>Total Liabilities</b>	<b>49,044.74</b>	<b>1,10,573.63</b>	<b>1,59,618.37</b>	<b>12,499.00</b>	<b>15,018.26</b>	<b>27,517.26</b>	<b>242.76</b>	<b>90.39</b>	<b>333.15</b>





## Godrej Housing Finance Limited

Notes to the financial statements for the year ended March 31, 2022 (Continued)

(Currency : Indian Rupees in lakhs)

### 39. Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other reserves attributable to the equity holders of the Company.

The primary objective of the Company's capital management policy is to ensure compliance with regulatory capital requirements. In line with this objective, the Company ensures adequate capital at all times and manages its business in a way in which capital is protected, satisfactory business growth is ensured, cash flows are monitored, borrowing covenants are honoured and ratings are maintained. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year. There were no changes in the capital management process during the periods presented.

For Capital-to-Risk Weighted Assets (CRAR) as required by Regulator- Refer Note 44.3.2

### 40. Other statutory information

- i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- ii) The Company does not have any transactions with struck off companies.
- iii) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.
- iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) 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
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - (a) 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
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- vii) The Company has not entered into any such transaction which is not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- viii) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act.
- ix) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act.



**Godrej Housing Finance Limited**

Notes to the financial statements for the year ended March 31, 2022 (Continued)

(Currency : Indian Rupees in lakhs)

**41. Disclosure pursuant to Ind AS 12 "Income Taxes"**

	As at March 31, 2022	As at March 31, 2021
<b>Deferred Tax Assets (DTA)</b>		
Business loss and others	2,811.05	1,951.21
<b>DTA restricted to</b>	<b>393.82</b>	<b>160.42</b>
<b>Deferred Tax Liabilities (DTL)</b>		
WDV of tangible and intangible assets	(393.82)	(160.42)
<b>Total DTL</b>	<b>(393.82)</b>	<b>(160.42)</b>

Deferred tax asset on unabsorbed depreciation, business losses, EIR impact on financial instruments at amortised cost, lease related adjustments, unrealised net gain/(loss) on fair value changes, disallowances under u/s 43B of Income Tax Act, 1961 and others are not created on conservative basis but it restricted to the deferred tax liability on tangible and intangible assets.



**Godrej Housing Finance Limited**  
**Notes to the financial statements for the year ended March 31, 2022 (Continued)**

(Currency : Indian Rupees in lakhs)

**42. First-time adoption of Ind AS**

**a) Transition to Ind AS**

For the purposes of reporting as set out in Note 1, the Company has transitioned its basis of accounting from Indian generally accepted accounting principles ("IGAAP") to Ind AS. The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended March 31, 2022, the comparative information presented in these financial statements for the year ended March 31, 2021 and in the preparation of an opening Ind AS balance sheet at April 1, 2020 (the "transition date")

In preparing the opening Ind AS balance sheet, the Company has adjusted amounts reported in financial statements prepared in accordance with IGAAP. An explanation of how the transition from IGAAP to Ind AS has affected the financial performance, cash flows and financial position is set out in the following tables and the notes that accompany the tables. On transition, the Company did not revise estimates previously made under IGAAP except where required by Ind AS.

**b) Optional exemptions availed**

Ind AS 101 'First Time Adoption of Indian Accounting Standards' allows first-time adopters certain voluntary exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

**i) Deemed cost for property, plant and equipment and intangible assets**

The Company has elected to continue the carrying value for all of its property, plant and equipment and intangible assets as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost at the date of transition.

**c) Ind AS mandatory exceptions**

The Company has applied the following exceptions from full retrospective application of Ind AS as mandatorily required under Ind AS 101:

**i) Estimates**

On assessment of the estimates made under the Previous GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under Previous GAAP are made by the Company for the relevant reporting dates reflecting conditions existing as at that date.

Key estimates considered in preparation of the financial statements that were not required under the previous GAAP are listed below:

- Fair valuation of financial instruments carried at FVTPL
- Impairment of financial assets based on the expected credit loss model

**ii) De-recognition of financial assets and liabilities**

As per Ind AS 101, an entity should apply the derecognition requirements in Ind AS 109, Financial Instruments, prospectively for transactions occurring on or after the date of transition to Ind AS. However, an entity may apply the derecognition requirements retrospectively from a date chosen by it if the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions. The Company has elected to apply the derecognition principles of Ind AS 109 prospectively from the date of transition to Ind AS.

**iii) Classification and measurement of financial assets**

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.



**Godrej Housing Finance Limited**  
**Notes to the financial statements for the year ended March 31, 2022 (Continued)**

(Currency : Indian Rupees in lakhs)

**42. First-time adoption of Ind AS**

**d) Reconciliations between previous GAAP and Ind AS**

**i) Reconciliation of Equity between previous GAAP and Ind AS:**

**Equity as per previous GAAP**

**Adjustments:**

Impact of EIR method on other financial assets  
 Impact of Ind AS 116 - Leases  
 Impact of EIR method on financial instruments measured at amortised cost  
 Impairment allowance on financial instruments measured at amortised cost  
 Impact of EIR method on loans and advances  
 Net Fair value gain/(loss) on Investment measured at FVTPL

**Total adjustments**

**Total equity as per Ind AS**

**ii) Reconciliation of Total comprehensive income as per Previous GAAP and Ind AS :**

**Net profit after tax as per previous GAAP**

**Adjustments:**

Impact of EIR method on other financial assets  
 Impact of Ind AS 116 - Leases  
 Impact of EIR method on financial instruments measured at amortised cost  
 Impairment allowance on financial instruments measured at amortised cost  
 Impact of EIR method on loans and advances  
 Net Fair value gain/(loss) on Investment measured at FVTPL  
 Remeasurement of defined benefit obligation

**Net profit for the year ended under Ind AS**

Other comprehensive income (net of tax) attributable to owners of the Company

**Total comprehensive income as per Ind AS (attributable to owners of the Company)**

Notes	As at March 31, 2021	As at April 01, 2020
	8,480.46	5,232.33
v(b)	(5.12)	(0.02)
v(c)	(18.06)	4.25
v(d)	53.01	-
v(e)	(1.47)	-
	187.76	-
	-	1.67
	<b>216.12</b>	<b>5.90</b>
	<b>8,696.58</b>	<b>5,238.23</b>

**Year Ended March 31, 2021**  
**(5,183.10)**

(5.12)  
 (22.29)  
 53.01  
 (1.47)  
 187.76  
 (1.67)  
 8.92

**(4,963.96)**

(8.92)

**(4,972.88)**



**Godrej Housing Finance Limited**

Notes to the financial statements for the year ended March 31, 2022 (Continued)

(Currency : Indian Rupees in lakhs)

**42. First-time adoption of Ind AS****e) Notes to first-time adoption:****i) Loan Assets**

Under previous GAAP, transaction income earned on loan assets was recognised upfront while under Ind AS, such income (net of expenses) are included in the initial recognition amount of financial assets and recognised as interest income using the effective interest method.

**ii) Expected Credit loss**

Under the previous GAAP, provisions against loans and advances were made as per the prudential norms specified by the RBI. In accordance with Ind AS 109, the Company is required to recognise provisions by applying the expected credit loss model. Accordingly, the Company has reversed all outstanding provisions created against advances under the previous GAAP and recognised an amount for expected credit losses on its loans and other financial assets with a corresponding adjustment to profit and loss and consequently, equity.

**iii) Borrowings and subordinated debt instruments (Transaction cost)**

Under previous GAAP, transaction costs incurred on debt instruments and borrowings were recognised upfront on an accrual basis.

Under Ind AS, such costs are reduced from the carrying amount of financial liability on its initial recognition. These costs are recognised as interest expense using the effective interest method.

**iv) Ind AS 116 - leases**

Under previous GAAP, payments made under operating leases (net of any incentives received from the lessor) were charged to statement of profit and loss on a straight-line basis over the period of the lease unless, the payments are structured to increase in line with expected general inflation, to compensate for the lessor's expected inflationary cost increases.

Ind AS 116 requires recognition of an asset (the right-of-use the leased item) and a financial liability to pay rentals. In the Statement of Profit and Loss, lessees presents interest expense on the lease liability and depreciation on the right-of-use asset.

**v) Interest free lease deposits**

Under the previous GAAP, interest free lease security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets except Trade Receivables are required to be initially recognised at fair value. Accordingly, the Company has fair valued these security deposits under Ind AS. The difference between the fair value and transaction value of the security deposit on initial recognition is added to right-of-use assets and the same has been reduced from security deposit. Subsequently the interest unwinding is done on the security deposit amount and recognised as interest income under the head other income and right-of-use asset is amortised under the head depreciation and amortization.

**vi) Reversal of Lease Equalisation Reserve**

Under the erstwhile Accounting Standards, the Lease Equalisation Reserve was created. However upon implementation of "Ind AS 116-Leases" this reserve is no longer required. Hence the same has been reversed.

**vii) Remeasurements of post-employment benefit obligations**

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of statement of profit and loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year.

**f) Effect of Ind AS adoption on the statement of cash flows for the year ended March 31, 2021**

Particulars	Previous GAAP	Adjustments	Ind AS
Net cash from/(used in) operating activities	(23,063.31)	122.59	(22,940.72)
Net cash from/(used in) investing activities	211.34	(46.94)	164.40
Net cash from/(used in) financing activities	32,790.29	(75.76)	32,714.53
Net increase/(decrease) in cash and cash equivalents	9,938.32	(0.11)	9,938.21
Cash and cash equivalents at the beginning of the year	817.79	0.51	818.30
Cash and cash equivalents at the end of the year	10,756.11	0.40	10,756.51

**43. Events after reporting date**

There have been no major events which will cause changes to any numbers reported in the financial statements.





**Godrej Housing Finance Limited**

Notes to the financial statements for the year ended March 31, 2022 (Continued)

(Currency : Indian Rupees in lakhs)

**44. Regulatory disclosures - RBI**

**44.1 Disclosure in notes to Financial statements as required under paragraph 2 (a) of RBI Notification No RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020**

**44.1.1 Comparison of provisions required under Income Recognition, Asset Classification and Provisioning (IRACP) and Impairment allowances made under Ind AS 109**

As at March 31, 2022

Asset Classification		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
as per RBI Norms	as per Ind AS 109					
<b>Performing Assets</b>						
Standard	Stage-1	1,74,849.53	718.24	1,74,131.29	617.35	100.89
	Stage-2	-	-	-	-	-
<b>Sub total</b>		<b>1,74,849.53</b>	<b>718.24</b>	<b>1,74,131.29</b>	<b>617.35</b>	<b>100.89</b>
<b>Non Performing Assets (NPA)</b>						
Substandard	Stage-3	-	-	-	-	-
Doubtful						
up to 1 year	Stage-3	-	-	-	-	-
1 to 3 Years	Stage-3	-	-	-	-	-
More than 3 years	Stage-3	-	-	-	-	-
Sub total for Doubtful		-	-	-	-	-
Loss	Stage-3	-	-	-	-	-
<b>Subtotal for NPA</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage-1 Stage-2 Stage-3	- - -	- - -	- - -	- - -	- - -
<b>Subtotal</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	Stage-1 Stage-2 Stage-3 <b>Total</b>	<b>1,74,849.53</b> - - <b>1,74,849.53</b>	<b>718.24</b> - - <b>718.24</b>	<b>1,74,131.29</b> - - <b>1,74,131.29</b>	<b>617.35</b> - - <b>617.35</b>	<b>100.89</b> - - <b>100.89</b>

As at March 31, 2021

Asset Classification		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
as per RBI Norms	as per Ind AS 109					
<b>Performing</b>						
Standard	Stage-1	20,029.80	71.02	19,958.78	69.55	1.47
	Stage-2	-	-	-	-	-
<b>Sub total</b>		<b>20,029.80</b>	<b>71.02</b>	<b>19,958.78</b>	<b>69.55</b>	<b>1.47</b>
<b>Non Performing Assets (NPA)</b>						
Substandard	Stage-3	-	-	-	-	-
Doubtful						
up to 1 year	Stage-3	-	-	-	-	-
1 to 3 Years	Stage-3	-	-	-	-	-
More than 3 years	Stage-3	-	-	-	-	-
Sub total for Doubtful		-	-	-	-	-
Loss	Stage-3	-	-	-	-	-
<b>Subtotal for NPA</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage-1 Stage-2 Stage-3	- - -	- - -	- - -	- - -	- - -
<b>Subtotal</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	Stage-1 Stage-2 Stage-3 <b>Total</b>	<b>20,029.80</b> - - <b>20,029.80</b>	<b>71.02</b> - - <b>71.02</b>	<b>19,958.78</b> - - <b>19,958.78</b>	<b>69.55</b> - - <b>69.55</b>	<b>1.47</b> - - <b>1.47</b>

**44.1.2 Company has not conducted any sale of its business portfolio and hence no policy for sales out of amortised cost business model portfolios has been framed.**

**44.1.3 There are no accounts which are past due beyond 90 days but not treated as impaired.**



**Godrej Housing Finance Limited**

Notes to the financial statements for the year ended March 31, 2022 (Continued)

(Currency : Indian Rupees in lakhs)

**44. Regulatory disclosures - RBI (Continued)****44.2 Disclosure on liquidity risk under RBI circular no. RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 04, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies from March 31, 2020 onwards****i) Funding Concentration based on significant counterparty (both deposits and borrowings)**

Particulars	As at March 31, 2022	As at March 31, 2021
No. of Significant Counterparties	9	5
Amount	1,38,703.37	24,434.59
Percentage of funding concentration to total deposits	-	-
Percentage of funding concentration to total liabilities #	86.90%	88.80%

# Total Liabilities represents total liabilities as per balance sheet.

**ii) Top 20 large deposits**

Since the Company is registered as a non deposit taking housing finance company this clause is not applicable

**iii) Top 10 Borrowings**

Particulars	As at March 31, 2022	As at March 31, 2021
Total amount of top 10 borrowings	1,38,703.37	24,434.59
Percentage of amount of top 10 borrowings to total borrowings	100.00%	100.00%

**iv) Funding concentration based on significant instrument / product:**

Particulars	As at March 31, 2022		As at March 31, 2021	
	₹ in lakh	% of Total liabilities	₹ in lakh	% of Total liabilities
a) Debt Securities	9,921.18	6.22%	-	-
b) Borrowings (Other than debt securities)	1,38,703.37	86.90%	24,434.59	88.80%

**v) Stock Ratios:**

Particulars	As at March 31, 2022	As at March 31, 2021
a) Commercial Papers to Total Liabilities	6.22%	N.A
b) Commercial Papers to Total Assets	4.93%	N.A
c) Commercial Papers to Public funds	6.68%	N.A
d) NCD (Original Maturity < 1year) to Total Liabilities	N.A	N.A
e) NCD (Original Maturity < 1year) to Total Assets	N.A	N.A
f) NCD (Original Maturity < 1year) to Public funds	N.A	N.A
g) Other Short Term Liabilities to Total Liabilities ##	6.20%	6.83%
h) Other Short Term Liabilities to Total Assets ##	4.91%	5.19%
i) Other Short Term Liabilities to Public funds ##	6.66%	7.70%

## Other short term liabilities include all the financial liabilities as per IND As maturing within next 12 months other than Debt securities and Borrowings (other than debt securities).

**vi) Institutional set-up for liquidity risk management:**

Asset Liability Management Committee (ALCO) supervises liquidity risk management. Meetings of ALCO are held periodically.



**Godrej Housing Finance Limited**
**Notes to the financial statements for the year ended March 31, 2022 (Continued)**

(Currency : Indian Rupees in lakhs)

**44. Regulatory disclosures - RBI (Continued)**
**44.3 Disclosure of details as required under Master Directions for Housing Finance Companies issued by RBI dated February 17, 2021, DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 are given as under:**
**44.3.1 Schedule to the Balance Sheet**

Particulars		As at March 31, 2022		As at March 31, 2021	
Liabilities side		Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
1	<b>Loans and advances availed by the HFC inclusive of interest accrued thereon but not paid:</b>				
	a) Debentures:				
	Secured	-	-	-	-
	Unsecured	-	-	-	-
	b) Deferred Credits	-	-	-	-
	c) Term Loans	1,31,880.12	-	17,487.60	-
	d) Inter-corporate loans and borrowing	-	-	-	-
	e) Commercial Paper	9,921.18	-	-	-
	f) Public Deposits	-	-	-	-
	g) Other Loans (Loan repayable on demand from banks)	7,000.41	-	7,000.00	-
2	<b>Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):</b>				
	a) In the form of Unsecured debentures	-	-	-	-
	b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-	-	-
	c) Other public deposits	-	-	-	-
<b>Assets side</b>		<b>Amount outstanding</b>			
3	<b>Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:</b>	<b>As at March 31, 2022</b>		<b>As at March 31, 2021</b>	
	a) Secured	1,71,610.28		19,672.25	
	b) Unsecured	3,239.25		357.55	
4	<b>Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities</b>				
	i) Lease assets including lease rentals under sundry debtors				
	a) Financial lease			-	-
	b) Operating lease			-	-
	ii) Stock on hire including hire charges under sundry debtors				
	a) Assets on hire			-	-
	b) Repossessed Assets			-	-
	iii) Other loans counting towards asset financing activities				
	a) Loans where assets have been repossessed			-	-
	b) Loans other than (a) above			-	-
5	<b>Break-up of Investments</b>				
	<b>Current Investments</b>				
	<b>Quoted</b>				
	i) Shares				
	a) Equity			-	-
	b) Preference			-	-
	ii) Debentures and Bonds			-	-
	iii) Units of mutual funds			-	-
	iv) Government Securities			-	-
	v) Others (please specify)			-	-
	<b>Unquoted</b>				
	i) Shares				
	a) Equity			-	-
	b) Preference			-	-
	ii) Debentures and Bonds			-	-
	iii) Units of mutual funds			-	-
	iv) Government Securities			-	-
	v) Others (please specify)			-	-



44.3 Disclosure of details as required under Master Directions for Housing Finance Companies issued by RBI dated February 17, 2021, DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 are given as under: (Continued)

Assets side (Continued)		Amount outstanding		
		As at March 31, 2022	As at March 31, 2021	
Long Term investments				
Quoted				
i) Shares				
a) Equity		-		-
b) Preference		-		-
ii) Debentures and Bonds		-		-
iii) Units of mutual funds		-		-
iv) Government Securities		-		-
v) Others (please specify)		-		-
Unquoted				
i) Shares				
a) Equity		-		-
b) Preference		-		-
ii) Debentures and Bonds		-		-
iii) Units of mutual funds		-		-
iv) Government Securities		-		-
v) Others (please specify)		-		-

6 Borrower group-wise classification of assets financed as in (3) and (4) above:				
Category	Amount net of provisions			
	As at March 31, 2022			
	Secured	Unsecured	Total	
Related Parties				
a) Subsidiaries		-	-	-
b) Companies in the same group		-	-	-
c) Other related parties		-	-	-
Other than related parties		1,70,930.55	3,200.74	1,74,131.29
Category	Amount net of provisions			
	As at March 31, 2021			
	Secured	Unsecured	Total	
Related Parties				
a) Subsidiaries		-	-	-
b) Companies in the same group		-	-	-
c) Other related parties		-	-	-
Other than related parties		19,606.50	352.28	19,958.78

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

8 Other information		Amount	
Particulars		As at March 31, 2022	As at March 31, 2021
i) Gross Non-Performing Assets			
a) Related parties		-	-
b) Other than related parties		-	-
ii) Net Non-Performing Assets			
a) Related parties		-	-
b) Other than related parties		-	-
iii) Assets acquired in satisfaction of debt		-	-



**Godrej Housing Finance Limited**
**Notes to the financial statements for the year ended March 31, 2022 (Continued)**

(Currency : Indian Rupees in lakhs)

**44. Regulatory disclosures - RBI (Continued)**
**44.3 Disclosure of details as required under Master Directions for Housing Finance Companies issued by RBI dated February 17, 2021, DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 are given as under: (Continued)**
**44.3.2 Capital to risk assets ratio (CRAR)**

Particulars	As at March 31,	
	2022	2021
CRAR (%)	21.76%	21.61%
CRAR - Tier I capital (%)	21.36%	21.30%
CRAR - Tier II Capital (%)	0.40%	0.31%
Amount of Subordinated debt raised as Tier II capital	-	-
Amount raised by issue of perpetual debt instruments	-	-

**44.3.3 Reserve Fund u/s 29C of NHB Act, 1987**

Particulars	As at March 31,	
	2022	2021
<b>Balance at the beginning of the year</b>		
a) Statutory Reserve under Section 29C of the NHB Act, 1987	-	-
b) Amount of Special Reserve under Section 36 (1)(viii) of the Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	-	-
<b>Total</b>	-	-
<b>Addition / Appropriation / Withdrawal during the year</b>		
<b>Add:</b>		
a) Amount transferred under Section 29C of the NHB Act, 1987	-	-
b) Amount of Special Reserve under Section 36 (1)(viii) of the Income Tax Act, 1961 taken into account for the purpose of Statutory Reserve under Section 29C of the NHB Act, 1987	-	-
<b>Less:</b>		
a) Amount appropriated from Statutory Reserve under Section 29C of the NHB Act, 1987	-	-
b) Amount withdrawn from Special Reserve under Section 36 (1)(viii) of the Income Tax Act, 1961 which has been taken into account for the purpose of provision under Section 29C of the NHB Act, 1987	-	-
<b>Balance at the end of the year</b>		
a) Statutory Reserve under Section 29C of the NHB Act, 1987	-	-
b) Amount of Special Reserve under Section 36 (1)(viii) of the Income Tax Act, 1961 taken into account for the purpose of Statutory Reserve under Section 29C of the NHB Act, 1987	-	-
<b>Total</b>	-	-

**44.3.4 Investments**

Particulars	As at March 31,	
	2022	2021
<b>I) Value of Investment</b>		
(i) Gross value of investments		
(a) In India	-	-
(b) Outside India	-	-
(ii) Provisions for depreciation		
(a) In India	-	-
(b) Outside India	-	-
(iii) Net value of investments		
(a) In India	-	-
(b) Outside India	-	-
<b>II) Movement of provisions held towards depreciation on investments.</b>		
Opening balance	-	-
Add : Provisions made during the year	-	-
Less : Write-off / written-back of excess provisions during the year	-	-
Closing balance	-	-



**Godrej Housing Finance Limited**
**Notes to the financial statements for the year ended March 31, 2022 (Continued)**

(Currency : Indian Rupees in lakhs)

**44. Regulatory disclosures - RBI (Continued)**
**44.3 Disclosure of details as required under Master Directions for Housing Finance Companies issued by RBI dated February 17, 2021, DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 are given as under: (Continued)**
**44.3.5 Derivatives**
**a) Forward rate agreement / interest rate swap**

Particulars	As at March 31,	
	2022	2021
i) The notional principal of swap agreements	-	-
ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	-	-
iii) Collateral required by the HFC upon entering into swaps	-	-
iv) Concentration of credit risk arising from the swaps <sup>5</sup>	-	-
v) The fair value of the swap book <sup>6</sup>	-	-
Note: Nature and terms of the swaps including information on credit and market risk and the accounting policies adopted for recording the swaps should also be disclosed.		
<sup>5</sup> Examples of concentration could be exposures to particular industries or swaps with highly geared companies.		
<sup>6</sup> If the swaps are linked to specific assets, liabilities, or commitments, the fair value would be the estimated amount that the HFC would receive or pay to terminate the swap agreements as on the balance sheet date.		

**b) Exchange traded interest rate (IR) derivatives**

Particulars	As at March 31,	
	2022	2021
i) Notional principal amount of exchange traded IR derivatives undertaken during the year	-	-
ii) Notional principal amount of exchange traded IR derivatives outstanding	-	-
iii) Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective"	-	-
iv) Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective"	-	-

**c) Disclosures on risk exposure in derivatives**
**Qualitative disclosure**

The company has not entered into any derivative/forward rate agreement/interest rate swap/exchange traded interest rate derivative during the year, hence there is no qualitative disclosure.

**Quantitative disclosure**

Particulars	As at March 31, 2022		As at March 31, 2021	
	Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
Derivatives (notional principal amount)	-	-	-	-
Marked to market positions	-	-	-	-
Assets (+)	-	-	-	-
Liability (-)	-	-	-	-
Credit exposure	-	-	-	-
Unhedged exposures	-	-	-	-

**44.3.6 As per Paragraph 86 of Disclosures pursuant to RBI Notification - RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021.**
**a) Details of loans acquired through assignment in respect of loans not in default during the year ended March 31, 2022**

Particulars	Acquired
i) Entity	NBFCs
ii) Count of loan accounts assigned (in numbers)	54
iii) Amount of loan account assigned (in lakhs)	1,535.75
iv) Retention of beneficial economic interest (MRR)**	10.00%
v) Weighted average maturity (residual maturity in months)	204.47
vi) Weighted average holding period (in months)	39.83
vii) Coverage of tangible security	100.00%
viii) Rating-wise distribution of rated loans	N/A

\*\*Retained by the originator

**b) The Company has not transferred any loans through assignment in respect of loans not in default during the year ended March 31, 2022**
**c) The Company has not transferred/acquired any stressed loans during the year ended March 31, 2022**
**44.3.7 Disclosures pursuant to RBI Notification - RBI/DOR/2021-22/85 DOR.STR.REC.53/21.04.177/2021-22 dated September 24, 2021.**

No securitization has been done by the company during the year





**Godrej Housing Finance Limited**

Notes to the financial statements for the year ended March 31, 2022 (Continued)

(Currency : Indian Rupees in lakhs)

## 44. Regulatory disclosures - RBI (Continued)

44.3 Disclosure of details as required under Master Directions for Housing Finance Companies issued by RBI dated February 17, 2021, DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 are given as under: (Continued)

## 44.3.8 Asset liability management

**a) Maturity pattern of certain items of assets and liabilities As at March 31, 2022**

Particulars	Liabilities			
	Deposits	Borrowings from Banks	Market Borrowings	Foreign Currency Liabilities
1 day to 7 days	-	172.20	-	-
8 days to 14 days	-	-	-	-
15 days to 30/31 days (One month)	-	49.74	4,984.05	-
Over One month up to 2 months	-	374.46	-	-
Over 2 months up to 3 months	-	2,716.37	-	-
Over 3 months up to 6 months	-	15,141.01	4,937.13	-
Over 6 months up to 1 year	-	10,409.62	-	-
Over 1 year up to 3 years	-	60,260.88	-	-
Over 3 years up to 5 years	-	29,257.84	-	-
Over 5 years	-	20,321.25	-	-
<b>Total</b>	-	<b>1,38,703.37</b>	<b>9,921.18</b>	-

Particulars	Assets		
	Advances	Investments	Foreign Currency Assets
1 day to 7 days	1,281.69	-	-
8 days to 14 days	-	-	-
15 days to 30/31 days (One month)	6.60	-	-
Over One month to 2 months	553.98	-	-
Over 2 months up to 3 months	575.75	-	-
Over 3 months up to 6 months	1,748.20	-	-
Over 6 months up to 1 year	3,607.80	-	-
Over 1 year up to 3 years	16,096.07	-	-
Over 3 years up to 5 years	18,175.79	-	-
Over 5 years	1,32,085.41	-	-
<b>Total</b>	<b>1,74,131.29</b>	-	-

**b) Maturity pattern of certain items of assets and liabilities As at March 31, 2021**

Particulars	Liabilities			
	Deposits	Borrowings from Banks	Market Borrowings	Foreign Currency Liabilities
1 day to 7 days	-	2.48	-	1.08
8 days to 14 days	-	-	-	-
15 days to 30/31 days (One month)	-	53.58	-	-
Over One month up to 2 months	-	53.50	-	-
Over 2 months up to 3 months	-	2,553.56	-	-
Over 3 months up to 6 months	-	160.44	-	-
Over 6 months up to 1 year	-	7,680.81	-	-
Over 1 year up to 3 years	-	13,930.22	-	-
Over 3 years up to 5 years	-	-	-	-
Over 5 years	-	-	-	-
<b>Total</b>	-	<b>24,434.59</b>	-	<b>1.08</b>

Particulars	Assets		
	Advances	Investments	Foreign Currency Assets
1 day to 7 days	131.33	-	-
8 days to 14 days	-	-	-
15 days to 30/31 days (One month)	-	-	-
Over One month to 2 months	52.89	-	-
Over 2 months up to 3 months	58.62	-	-
Over 3 months up to 6 months	177.91	-	-
Over 6 months up to 1 year	366.09	-	-
Over 1 year up to 3 years	1,638.45	-	-
Over 3 years up to 5 years	1,908.92	-	-
Over 5 years	15,624.58	-	-
<b>Total</b>	<b>19,958.78</b>	-	-



**Godrej Housing Finance Limited**

Notes to the financial statements for the year ended March 31, 2022 (Continued)

(Currency : Indian Rupees in lakhs)

**44. Regulatory disclosures - RBI (Continued)**

44.3 Disclosure of details as required under Master Directions for Housing Finance Companies issued by RBI dated February 17, 2021, DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 are given as under: (Continued)

**44.3.9 Exposure****i) Exposure to real estate sector**

Category	As at March 31,	
	2022	2021
<b>a) Direct exposure</b>		
<b>Residential mortgages -</b>		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented.	1,49,138.11	16,546.96
<b>Commercial real estate -</b>		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenant commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure includes non-fund based (NFB) limits.	18,106.86	2,524.13
(Note: Loans for third dwelling unit onwards are being classified as CRE exposure)		
<b>Investments in mortgage backed securities (MBS) and other securitised exposures -</b>		
- Residential	-	-
- Commercial Real Estate	-	-
<b>b) Indirect exposure</b>		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-
<b>Total exposure to Real Estate Sector</b>	<b>1,67,244.97</b>	<b>19,071.09</b>



**Godrej Housing Finance Limited**  
Notes to the financial statements for the year ended March 31, 2022 (Continued)

(Currency : Indian Rupees in lakhs)

**44. Regulatory disclosures - RBI (Continued)**

**44.3 Disclosure of details as required under Master Directions for Housing Finance Companies issued by RBI dated February 17, 2021, DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 are given as under: (Continued)**

**44.3.9 Exposure (Continued)**

ii) Exposure to Capital Market		As at March 31,	
Category		2022	2021
a)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt	-	-
b)	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds	-	-
c)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	-	-
d)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances	-	-
e)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	-	-
f)	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	-	-
g)	Bridge loans to companies against expected equity flows / issues	-	-
h)	All exposures to Venture Capital Funds/Alternate Investment Funds (both registered and unregistered)	-	-
<b>Total exposure to Capital Market</b>		-	-

**44.3.10 Details of financing of parent company products:**

No parent company products were financed during the year (Previous Year: Nil).

**44.3.11 Details of single borrower limit and borrower group limit exceeded by the Company:**

The Company has not exceeded prudential exposure limit stipulated by RBI prudential norms applicable to HFC as on reporting date (Previous Year: Nil).

**44.3.12 Unsecured advances**

The Company has unsecured advances of Rs. 3,239.25 lakhs As at March 31, 2022 (As at March 31, 2021: 357.55 lakhs). The Company has not granted any advances against intangible collateral.

**44.3.13 Exposure to group companies engaged in real estate business**

Description	As at March 31, 2022		As at March 31, 2021	
	Amount	% of Owned Fund	Amount	% of Owned Fund
i) Exposure to any single entity in a group engaged in real estate business	-	-	-	-
ii) Exposure to all entities in a group engaged in real estate business	-	-	-	-

Note: Company has funded the customers of the Godrej Properties Limited and/or its subsidiaries/associates though no exposure has been taken on Godrej Properties Limited and/or its subsidiaries/associates.



**Godrej Housing Finance Limited**  
Notes to the financial statements for the year ended March 31, 2022 (Continued)

(Currency : Indian Rupees in lakhs)

**44. Regulatory disclosures - RBI (Continued)**

**44.3 Disclosure of details as required under Master Directions for Housing Finance Companies issued by RBI dated February 17, 2021, DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 are given as under: (Continued)**

**44.3.14 Registration obtained from other financial sector regulators**

The Company is registered with following regulators effective As at March 31, 2022 :

Regulator	Registration No.
i) Ministry of Company Affairs	CIN: U65100MH2018PLC315359
ii) Reserve Bank of India	Registration No. DOR - 00184
iii) Legal Entity Identifier	LEI Code: 33580013ZGNIERZRLU44

**44.3.15 Disclosure of penalties imposed by RBI and other regulators**

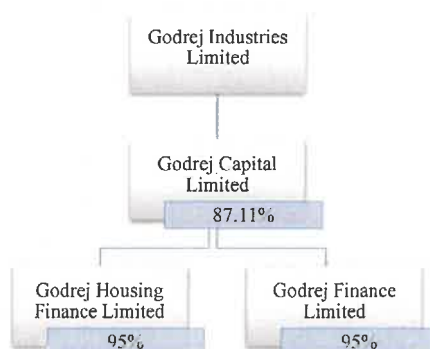
There were no penalties imposed on the Company by NHB or any other regulator during the year (Previous Year: Nil).

**44.3.16 Related Party Transactions**

Details of all material transactions with related parties are disclosed in Note 34 to Financial Statements.

**44.3.17 Group Structure**

Ultimate Holding Company                      Godrej Industries Limited (w.e.f. August 24, 2021)  
Holding Company                                  Godrej Capital Limited (formerly known as Pyxis Holdings Limited) (w.e.f. August 24, 2021)  
Subsidiaries of Holding Company              Godrej Finance Limited (formerly known as Ensemble Holdings & Finance Limited) (w.e.f. August 24, 2021)



**44.3.18 Rating assigned by credit rating agencies**

Instruments	Credit Rating Agency	As at March 31,	
		2022	2021
Bank Borrowings	CARE Ratings Ltd.	-	CARE A1+
Bank Borrowings	CRISIL Ltd.	CRISIL AA	-
Commercial Paper	ICRA Ltd.	ICRA A1+	ICRA A1+
Commercial Paper	CRISIL Ltd.	-	-
Non Convertible Debentures	CRISIL Ltd.	CRISIL AA	-

**44.3.19 Remuneration of Directors**

Details of all pecuniary transactions with Non-Executive Independent Directors

Particulars	As at March 31,	
	2022	2021
Directors sitting fees paid to		
i) Rosemary Sebastian	22.00	8.00
ii) Usha Sangwan	32.00	10.00

There are no other pecuniary transactions with Non-executive Directors during the year (Previous Year: Nil).

**44.3.20 Management Discussion and Analysis**

Refer to the Management Discussion and Analysis report which is part of Director Report for relevant Disclosure.

**44.3.21 Net Profit or Loss for the period, 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. The accounting policies regarding key areas of operations are disclosed in note 1 & 2 to the Financial Statement for the year ended March 31, 2022.

**44.3.22 Revenue Recognition**

There have been no instances in which revenue recognition has been postponed pending the resolution of significant uncertainties. (Previous Year: Nil)

**44.3.23 Consolidated Financial Statements (CFS)**

The Company does not have any Subsidiary/Joint Venture/Associates As at March 31, 2022.



**Godrej Housing Finance Limited**
**Notes to the financial statements for the year ended March 31, 2022 (Continued)**

(Currency : Indian Rupees in lakhs)

**44. Regulatory disclosures - RBI (Continued)**
**44.3 Disclosure of details as required under Master Directions for Housing Finance Companies issued by RBI dated February 17, 2021, DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 are given as under: (Continued)**
**44.3.24 Provisions and contingencies**

Breakup of provisions and contingencies shown under the head expenditure in the Statement of Profit and loss

Particulars	Year Ended March 31,	
	2022	2021
i) Provision made for depreciation on investment	-	-
ii) Provision made towards non performing assets	-	-
iii) Provision made towards income tax	-	-
iv) Provision made for gratuity	36.06	32.15
v) Provision made for leave encashment	28.25	14.96
vi) Provision made for standard assets: *	718.24	71.02

\* This includes provision towards Commercial Real Estate (CRE) loans of Rs. 202.38 lakhs As at March 31, 2022 (As at March 31, 2021 of Rs. 28.04 lakhs)

**44.3.25 Break up of Loan & Advances and Provisions thereon**

Particulars	As at March 31, 2022		As at March 31, 2021	
	Housing	Non Housing	Housing	Non Housing
<b>i) Standard Assets</b>				
Total Outstanding Amount	1,25,387.05	49,462.48	19,070.94	958.86
Provisions made	(322.51)	(395.73)	(63.59)	(7.42)
<b>ii) Sub-Standard Assets</b>				
Total Outstanding Amount	-	-	-	-
Provisions made	-	-	-	-
<b>iii) Doubtful Assets – Category-I</b>				
Total Outstanding Amount	-	-	-	-
Provisions made	-	-	-	-
<b>iv) Doubtful Assets – Category-II</b>				
Total Outstanding Amount	-	-	-	-
Provisions made	-	-	-	-
<b>v) Doubtful Assets – Category-III</b>				
Total Outstanding Amount	-	-	-	-
Provisions made	-	-	-	-
<b>vi) Loss Assets</b>				
Total Outstanding Amount	-	-	-	-
Provisions made	-	-	-	-
<b>vii) Total</b>				
Total Outstanding Amount	1,25,387.05	49,462.48	19,070.94	958.86
Provisions made	(322.51)	(395.73)	(63.59)	(7.42)

**44.3.26 Draw down from reserves**

No drawdown from the reserves during the year. (Previous Year: Nil)

**44.3.27 Concentration of deposits, advances, exposures and NPA assets**

Particulars	As at March 31,	
	2022	2021
<b>i) Concentration of public deposits</b>		
Total deposits of twenty largest depositors	N.A	N.A
Percentage of deposits of twenty largest depositors to total deposits of the deposit taking HFC	N.A	N.A
<b>ii) Concentration of Loans &amp; Advances</b>		
Total loans & advances to twenty largest borrowers	12,234.03	3,129.81
Percentage of loans & advances to twenty largest borrowers to Total Advances of the HFC	7.00%	15.63%
<b>iii) Concentration of all Exposure (including off-balance sheet exposure)</b>		
Total Exposures to twenty largest borrowers / Customers	13,358.05	4,753.06
Percentage of Exposures to twenty largest borrowers / Customers to Total Exposure of the HFC on borrowers / Customers	4.19%	11.30%
<b>iv) Concentration of NPAs</b>		
Total Exposures to top ten NPA accounts	-	-



**Godrej Housing Finance Limited**

Notes to the financial statements for the year ended March 31, 2022 (Continued)

(Currency : Indian Rupees in lakhs)

**44. Regulatory disclosures - RBI (Continued)**

44.3 Disclosure of details as required under Master Directions for Housing Finance Companies issued by RBI dated February 17, 2021, DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 are given as under: (Continued)

**44.3.27 Concentration of deposits, advances, exposures and NPA assets (Continued)****v) Sector-wise NPAs**

Sectors	Percentage of NPAs to Total Advances in that sector	
	As at March 31,	
	2022	2021
a. Housing Loans:		
i) Individual	-	-
ii) Builder/Project Loans	-	-
iii) Corporates	-	-
b. Non-Housing Loans:		
i) Individual	-	-
ii) Builder/Project Loans	-	-
iii) Corporates	-	-

**44.3.28 Movement in non-performing assets (NPAs)**

Particulars	As at March 31,	
	2022	2021
(i) Net NPAs to net advances (%)	-	-
(ii) Movement of NPAs (gross)		
(a) Opening balance	-	-
(b) Additions during the year	-	-
(c) Reductions during the year	-	-
(d) Closing balance	-	-
(iii) Movement of net NPAs		
(a) Opening balance	-	-
(b) Additions during the year	-	-
(c) Reductions during the year	-	-
(d) Closing balance	-	-
(iv) Movement of provisions for NPAs (excluding provision on standard assets)		
(a) Opening Balance	-	-
(b) Provisions made during the year	-	-
(c) Write off/write back of excess provision	-	-
(d) Closing balance	-	-

**44.3.29 Overseas Assets**

The Company does not own any overseas assets As at March 31, 2022. (As at March 31, 2021: Nil)





**Godrej Housing Finance Limited**  
Notes to the financial statements for the year ended March 31, 2022 (Continued)

(Currency : Indian Rupees in lakhs)

**44. Regulatory disclosures - RBI (Continued)**

**44.3 Disclosure of details as required under Master Directions for Housing Finance Companies issued by RBI dated February 17, 2021, DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 are given as under: (Continued)**

**44.3.30 Off-balance Sheet SPVs sponsored**

Particulars	As at March 31,	
	2022	2021
Name of the SPV sponsored	NA	NA
Domestic	Nil	Nil
Overseas	Nil	Nil

**44.3.31 Details of customers complaints**

Particulars	As at March 31,	
	2022	2021
i) No. of complaints pending at the beginning of the year	0	0
ii) No. of complaints received during the year	8	4
iii) No. of complaints redressed during the year	8	4
iv) No. of complaints pending at the end of the year	0	0

**44.3.32 Disclosure of principal business criteria**

Particulars	As at March 31,	
	2022	2021
i) Financial assets, in the business of providing finance for housing, to total assets (netted off by intangible assets)	63.55%	58.80%
ii) Housing finance to individuals to total assets (netted off by intangible assets)	63.27%	58.80%

**44.3.33 Disclosure of frauds as per Master Direction - Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016**

There were no cases as fraud reported to NHB during the financial year ended March 31, 2022 (Previous Year: Nil)



## Godrej Housing Finance Limited

Notes to the financial statements for the year ended March 31, 2022 (Continued)

(Currency : Indian Rupees in lakhs)

### 44. Regulatory disclosures - (Continued)

#### 44.3.34 Additional Disclosures

The Company has not granted any loans against collateral of gold jewellery during the year (Previous Year: Nil).

There are no adverse comments during the year on the Company made in writing by the Bank or NHB on regulatory compliances with a specific communication to disclose the same to public (Previous Year: Nil).

The Company does not have any joint ventures and overseas subsidiaries As at March 31, 2022.

The Company has not issued any structured products during the year.

The Company does not conduct any insurance broking / agency business and has not received any fees / brokerage in respect thereof.

No loan extended by the Company has been restructured under moratorium offered under Covid.

No dividend has been declared by the Company.

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

For and on behalf of the Board of Directors  
Godrej Housing Finance Limited



**Pirojsha Godrej**

Director

DIN - 00432983

USA

May 11, 2022

**Kunal Karnani**

Chief Financial Officer

Mumbai

May 11, 2022

**Manish Shah**

Managing Director & CEO

DIN - 06422627

Mumbai

May 11, 2022

**Mili Desai**

Company Secretary

Mumbai

May 11, 2022

