

June 2, 2022

BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai 400 001

BSE Scrip Code: 540709**National Stock Exchange of India Limited**

Exchange Plaza, 5th Floor,
Plot No. C/1, G Block, Bandra Kurla Complex,
Bandra (East), Mumbai 400 051

NSE Scrip Symbol: RHFL

Dear Sir(s),

Sub.: Notice of 14th Annual General Meeting and Annual Report 2021-22

The Annual Report for the financial year 2021-22, including the Notice convening 14th Annual General Meeting of the members of the Company scheduled to be held on Friday, June 24, 2022 at 11:00 A.M. (IST) through Video Conferencing (VC) / Other Audio Visual Means (OAVM) is enclosed.

The Company will provide to its members the facility to cast their vote(s) on all resolutions set out in the Notice by electronic means ('e-voting'). The detailed process to join meeting through VC / OAVM and e-voting, is set out in Notice.

The Annual Report containing the Notice is also uploaded on the Company's website www.reliancehomefinance.com.

Thanking you.

Yours faithfully,

For **Reliance Home Finance Limited**
Parul Jain**Company Secretary & Compliance Officer**

Encl.: As Above.

Reliance Home Finance Limited

Registered & Corporate Office: The Ruby, 11th Floor, North-West Wing, Plot No. 29, Senapati Bapat Marg, Dadar (West), Mumbai 400 028
T +91 22 6838 8100 / F +91 22 6838 8360, E-mail: rhfl.investor@relianceada.com, Website: www.reliancehomefinance.com

Customer Service: T +91 22 4741 6400 / E-mail: customer@reliancehomefinance.com

CIN: L67190MH2008PLC183216

A RELIANCE CAPITAL COMPANY

reLIANCE

**HOME
FINANCE**

Annual Report 2021-22



Padma Vibhushan
Shri Dhirubhai H. Ambani
(28th December, 1932 – 6th July, 2002)
Reliance Group – Founder and Visionary

Reliance Home Finance Limited

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14th Annual General Meeting on Friday, June 24, 2022 at 11:00 A.M. (IST) through Video Conferencing (VC) / Other Audio Visual Means (OAVM).

Reliance Home Finance Limited

Notice

Notice is hereby given that the 14th Annual General Meeting (AGM) of the Members of **Reliance Home Finance Limited** will be held on Friday, June 24, 2022 at 11:00 a.m. (IST) through Video Conferencing (VC) / Other Audio-Visual Means (OAVM), to transact the following business:

Ordinary Business:

1. To consider and adopt the audited financial statement of the Company for the financial year ended March 31, 2022 and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Ashish Turakhia (DIN: 02601110), who retires by rotation under the provisions of the Companies Act, 2013 and being eligible, offers himself for re-appointment.

Special Business:

3. Appointment of Mr. Sudeep Ghoshal as a Director

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended, and the applicable provisions of other laws, rules, regulations and guidelines issued by regulatory authorities from time to time (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and Articles of Association of the Company, Mr. Sudeep Ghoshal (nominated by Reliance Capital Limited) (DIN: 09536193), who was appointed by the Board of Directors as an Additional Director of the Company with effect from March 24, 2022, pursuant to the provisions of Section 161 of the Act and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Act, from a member proposing his candidature for the office of Director and in accordance with the recommendation of the Nomination and Remuneration Committee, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

By Order of the Board of Directors

Parul Jain

Company Secretary & Compliance Officer

Registered Office:

The Ruby, 11th Floor, North-West Wing

Plot No. 29, Senapati Bapat Marg

Dadar (West), Mumbai 400 028

CIN: L67190MH2008PLC183216

Website: www.reliancehomefinance.com

May 6, 2022

Notes:

1. Statement pursuant to Section 102(1) of the Companies Act, 2013 (the 'Act'), in respect of the Special Business to be transacted at the Annual General Meeting (AGM) is annexed hereto.
2. The Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020, April 13, 2020, and May 5, 2022 (collectively referred to as "MCA Circulars") permitted the holding of the "AGM" through Video Conferencing (VC) / Other Audio Visual Means (OAVM), without the physical presence of the Members at a common venue. Accordingly, in compliance with the provisions of the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations') and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
3. Since the AGM is being held through VC / OAVM, physical attendance of members has been dispensed with. **Accordingly, the facility for appointment of proxies will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.**
4. **Re-appointment of Director:**

At the ensuing Annual General Meeting, Mr. Ashish Turakhia, Director of the Company retires by rotation under the provisions of the Companies Act, 2013 (the 'Act') and being eligible, offers himself for re-appointment. The Nomination and Remuneration Committee and the Board of Directors of the Company have recommended the re-appointment.

Mr. Ashish Turakhia, aged 58 years, is a Fellow Member of The Institute of Chartered Accountants of India and The Institute of Company Secretaries of India. He is also a law graduate (LLB) from the University of Mumbai. He has more than 3 decades of experience in Finance, Company Secretarial, Compliance, Corporate Affairs, Corporate Governance & Listing.

He has been appointed as a Non-Executive Director of the Company with effect from July 31, 2021 and is liable to retire by rotation. He has attended all nine Board meetings held after his appointment during the financial year 2021-22.

He is a Member of the Audit Committee, Risk Management Committee, Stakeholders Relationship Committee, Corporate Social Responsibility (CSR) Committee and Wilful Defaulter's Review Committee of the Company.

He holds two shares in the Company and does not have any relationship with other Directors and Key Managerial Personnel of the Company.

He fulfils the Fit and Proper Criteria of Directors as per the requirements of RBI Circular No. RBI/2020-21/73/DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021 on Master Direction – Non-Banking

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Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 (earlier NHB Master Circular no. NHB(ND)/DRS/REG/MC-07/2019 dated July 1, 2019 on "Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016") and has given his declaration in this regard.

He is neither disqualified nor restrained/debarred from holding the office as a Director of the Company by virtue of any SEBI order or any other Authority.

He was paid ₹ 4 lakh in the form of sitting fees. He shall not be paid any remuneration except sitting fees for attending the meetings of the Board or Committees thereof.

The above be treated as the disclosure pursuant to the requirements of Regulation 36(3) of the Listing Regulations and Secretarial Standards on General Meeting. Further details are furnished in the Corporate Governance Report forming part of this Annual Report.

5. In compliance with the aforesaid MCA Circulars and SEBI Circulars dated May 12, 2020 and January 15, 2021 (collectively referred to as "Circulars"), Notice for the AGM along with the Annual Report 2021–22 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company or Central Depository Services (India) Limited (CDSL) / National Securities Depositories Limited (NSDL) ("Depositories"). Members may note that the Notice and Annual Report 2021–22 will also be available on the Company's website at www.reliancehomefinance.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com, respectively, and also on the website of KFin Technologies Limited (KFinTech) at www.kfintech.com.
6. Members whose e-mail address is not registered can register the same in the following manner so that they can receive all communications from the Company electronically:
 - a. Members holding share(s) in physical mode – by registering their e-mail ID on the Company's website at <http://www.reliancehomefinance.com/Registration-of-Shareholdersinformation.aspx>.
 - b. Members holding share(s) in electronic mode – by registering / updating their e-mail address with their respective Depository Participants ("DPs").
7. The Company has engaged the services of KFinTech, the authorised agency for conducting of the AGM electronically and for providing e-voting facility.
8. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
9. Since the AGM is being held through VC / OAVM, the Route Map is not annexed in this Notice.
10. Relevant documents referred to in the accompanying Notice calling the AGM are available on the website of the Company for inspection by the Members. The certificate from the Secretarial Auditors of the Company confirming the compliance of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 with respect to the Company's Employees Stock Option Scheme Plans will also be available for inspection through electronic mode on the website of the Company.
11. Members are advised to refer to the section titled 'Investor Information' provided in this Annual Report.
12. As mandated by SEBI, effective from April 1, 2019, securities of listed companies shall be transferred only in dematerialised form. In view of the above and to avail various benefits of dematerialisation, Members are advised to dematerialise share(s) held by them in physical form.
13. Members are requested to fill in and submit the Feedback Form provided in the 'Investor Relations' section on the Company's website at www.reliancehomefinance.com to aid the Company in its constant endeavor to enhance the standards of service to investors.
14. Instructions for attending the AGM and e-voting are as follows:
 - a. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, from time to time and Regulation 44 of the Listing Regulations, the Company is offering e-voting facility to all Members of the Company. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners (in case of electronic shareholding) maintained by the Depositories as on the cut-off date i.e. Friday, June 17, 2022 only shall be entitled to avail the facility of remote e-voting / e-voting at the AGM. KFinTech will be facilitating remote e-voting to enable the Members to cast their votes electronically. Members can cast their vote online from 10:00 A.M. (IST) on Monday, June 20, 2022 to 5:00 P.M. (IST) on Thursday, June 23, 2022. At the end of remote e-voting period, the facility shall be forthwith blocked.
 - b. Pursuant to SEBI circular No. SEBI/ HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 on "e-voting facility provided by Listed Companies", which is effective from June 9, 2021, e-voting process has been enabled for all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process.
 - c. Individual demat account holders would be able to cast their vote without having to register again with the E-voting Service Provider (ESP) thereby not only

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facilitating seamless authentication but also ease and convenience of participating in e-voting process. Members are advised to update their mobile number and e-mail ID with their DPs to access e-voting facility.

- d. The voting rights of the Members shall be in proportion to the number of share(s) held by them in the equity share capital of the Company as on the cut-off date being Friday, June 17, 2022.

In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.

- e. Any person holding shares in physical form and non-individual shareholders, who become a member of the Company after sending of the Notice and hold shares as of the cut-off date, may obtain the login ID and password by sending a request to KFinTech at praveendmr@kfintech.com. However, if she / he is already registered with KFinTech for remote e-voting, then she / he can use her / his existing User ID and password for casting the e-vote.
- f. In case of Individual Shareholders holding securities in demat mode and who become a member of the Company after sending of the Notice and hold share(s) as of the cut-off date may follow steps mentioned below under "Login method for remote e-voting and joining virtual meeting for Individual shareholders holding securities in demat mode".
- g. The Members who have cast their vote by remote e-voting prior to the AGM may also attend / participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.
- h. The details of the process and manner for remote e-voting and e-AGM are explained herein below:

Part A - E-voting

1. Access to Depositories e-voting system in case of individual shareholders holding shares in demat mode.

Types of shareholder	Login Method
Securities held in demat mode with NSDL	1. User already registered for IDeAS facility: i. Visit URL: https://eservices.nsdl.com ii. Click on the "Beneficial Owner" icon under "Login" under 'IDeAS' section. iii. On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-voting." iv. Click on company name or ESP and you will be re-directed to the ESP's website for casting the vote during the remote e-voting period.
	2. User not registered for IDeAS e-Services i. To register click on link : https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp ii. Select "Register Online for IDeAS" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp iii. Proceed with completing the required fields. iv. Follow steps given in point 1.
	3. Alternatively by directly accessing the e-voting website of NSDL Open URL: https:// www.evoting.nsdl.com/ i. Click on the icon "Login" which is available under 'Shareholder/ Member' section. ii. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen. iii. Post successful authentication, you will be requested to select the name of the Company and the ESP, i.e. KFinTech. iv. On successful selection, you will be redirected to KFinTech e-voting page for casting your vote during the remote e-voting period.

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Types of shareholder	Login Method
Securities held in demat mode with CDSL	1. Existing user who have opted for Easi / Easiest - Visit URL: https://web.cdslindia.com/myeasi/home/login or URL: www.cdslindia.com - Click on New System Myeasi. - Login with your registered user id and password. - The user will see the e-voting Menu. The Menu will have links of ESP i.e. KFintech e-voting portal. - Click on e-voting service provider name to cast your vote.
	2. User not registered for Easi / Easiest - Option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration - Proceed with completing the required fields. - Follow the steps given in point 1.
	3. Alternatively, by directly accessing the e-voting website of CDSL - Visit URL: www.cdslindia.com - Provide your demat Account Number and PAN No. - System will authenticate user by sending OTP on registered Mobile & e-mail as recorded in the demat Account. - After successful authentication, user will be provided with the link for the respective ESP i.e. KFintech where the e-voting is in progress.
Login through Depository Participant Website where demat account is held	- You can also login using the login credentials of your demat account through your DP registered with NSDL / CDSL for e-voting facility. - Once logged-in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-voting feature.

Types of shareholder	Login Method
	Click on options available against company name or ESP – KFintech and you will be redirected to e-voting website of KFintech for casting your vote during the remote e-voting period without any further authentication.
Important note: Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at respective websites. Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.	
Login type	Helpdesk details
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at or contact helpdesk.evoting@cdslindia.com at 022- 23058738 or 022- 23058542-43

2. Access to KFintech e-voting system in case of shareholders holding shares in physical form and non-individual shareholders in demat mode.

- Members whose e-mail IDs are registered with the Company / DPs, will receive an e-mail from KFintech which will include details of e-voting Event Number (EVEN), USER ID and password. They will have to follow the following process:
 - Launch internet browser by typing the URL: <https://emeetings.kfintech.com/>
 - Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx, followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFintech for e-voting, you can use your existing User ID and password for casting the vote.
 - After entering these details appropriately, click on "LOGIN".
 - You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum

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8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, e-mail ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

- v. You need to login again with the new credentials.
- vi. On successful login, the system will prompt you to select the "EVEN" i.e., "Reliance Home Finance Limited- AGM" and click on "Submit"
- vii. On the voting page, enter the number of share(s) (which represents the number of votes) as on the Cut-off Date under "FOR / AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR / AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
- viii. Members holding multiple folios / demat accounts shall choose the voting process separately for each folio/ demat accounts.
- ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
- x. You may then cast your vote by selecting an appropriate option and click on "Submit".
- xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution(s), you will not be allowed to modify your vote. During the voting period, members can login any number of times till they have voted on the Resolution(s).
- xii. Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution / Authority Letter etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to cast its vote through remote e-voting together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer's e-mail id scrutinizeragl@gmail.com with a copy marked to praveendmr@kfintech.com. The scanned image of the above-mentioned documents should be in the naming format "Corporate Name_Even No."
- b. Members whose e-mail IDs are not registered with the Company / DPs, and consequently the Annual Report,

Notice of AGM and e-voting instructions cannot be serviced, will have to follow the following process:

- i. Temporarily get their e-mail address and mobile number provided with KFintech, by sending an e-mail to evoting@kfintech.com.

Members are requested to follow the process as guided to capture the e-mail address and mobile number for sending the soft copy of the notice and e-voting instructions along with the User ID and Password. In case of any queries, member may write to einward.ris@kfintech.com.
- ii. Alternatively, members may send an e-mail request at the e-mail id einward.ris@kfintech.com along with scanned copy of the signed request letter providing the e-mail address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the Annual report, Notice of AGM and the e-voting instructions.
- iii. After receiving the e-voting instructions, please follow all steps above to cast your vote by electronic means.

Part B – Access to join virtual meetings (e-AGM) of the Company on KFintech system to participate in e-AGM and vote thereat.

Instructions for all the shareholders for attending the AGM of the Company through VC / OAVM and e-voting during the meeting.

- i. Members will be provided with a facility to attend the AGM through VC / OAVM platform provided by KFintech. Members may access the same at <https://emeetings.kfintech.com/> by using the e-voting login credentials provided in the e-mail received from the Company / KFintech. After logging in, click on the Video Conference tab and select the EVEN of the Company. Click on the video symbol and accept the meeting etiquettes to join the meeting. Please note that the members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned above.
- ii. Facility for joining AGM through VC / OAVM shall open at least 15 minutes before the time scheduled for the Meeting.
- iii. Members are encouraged to join the Meeting through Laptops / Desktops with Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge, Mozilla Firefox 22.
- iv. Members will be required to grant access to the webcam to enable VC / OAVM. Further, Members connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable

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Wi-Fi or LAN Connection to mitigate any kind of aforesaid difficulties.

- v. As the AGM is being conducted through VC / OAVM, for the smooth conduct of proceedings of the AGM, members are encouraged to express their views / send their queries in advance mentioning their name, demat account number / folio number, e-mail id, mobile number at KFinTech eVoting System - Login. Questions / queries received by the Company till June 23, 2022 (5.00 P.M. IST) shall only be considered and responded during the AGM.
- vi. The members who have not cast their vote through remote e-voting shall be eligible to cast their vote through e-voting system available during the AGM. E-voting during the AGM is integrated with the VC / OAVM platform. The members may click on the voting icon displayed on the screen to cast their votes.
- vii. A member can opt for only single mode of voting i.e., through remote e-voting or voting at the AGM. If a member casts votes by both modes, then voting done through remote e-voting shall prevail and vote at the AGM shall be treated as invalid. Once the vote on a resolution(s) is cast by the member, the member shall not be allowed to change it subsequently.
- viii. Facility of joining the AGM through VC / OAVM shall be available for 1,000 members on first come first serve basis. However, the participation of members holding 2% or more shares, promoters, and Institutional Investors, directors, key managerial personnel, chairpersons of Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Auditors are not restricted on first come first serve basis.
- ix. The members who wish to speak during the meeting may register themselves as speakers for the AGM to express their views.

They can visit and login through the user id and password provided by KFinTech. On successful login, select 'Speaker Registration'. Members shall be provided a 'queue number' before the meeting. The Company reserves the right to restrict the speakers at the AGM to only those members who have registered themselves, depending on the availability of time for the AGM.
- x. In case of any query and / or grievance, in respect of voting by electronic means, members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of <https://evoting.kfintech.com> (KFinTech's Website) or

e-mail at evoting@kfintech.com or call KFinTech's toll free no. 1800 309 4001.

- xi. In case a person has become a member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting, he / she may obtain the User ID and Password in the manner as mentioned below:

- i. If the mobile number of the member is registered against Folio No. / DP ID Client ID, the member may send SMS: MYEPWD

<space> E-Voting Event Number + Folio No. or DP ID Client ID to 9212993399

1. Example for NSDL:

MYEPWD <SPACE> IN12345612345678

2. Example for CDSL:

MYEPWD <SPACE> 1402345612345678

3. Example for Physical:

MYEPWD <SPACE>

XXXX1234567890

- ii. If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.kfintech.com/>, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.

- xii. Members who may require any technical assistance or support before or during the AGM are requested to contact KFinTech at toll free number 1800 309 4001 or write to them at evoting@kfintech.com.

15. The Board of Directors have appointed Mr. Anil Lohia, Partner or in his absence Mr. Khushit Jain, Partner, M/s. Dayal and Lohia, Chartered Accountants as the Scrutiniser to scrutinise the voting process in a fair and transparent manner. The Scrutiniser will submit their report to the Chairman of the Meeting or any person authorised by him after completion of the scrutiny and the results of voting will be announced after the AGM of the Company. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the AGM. The result of the voting will be submitted to the Stock Exchanges, where the shares of the Company are listed and posted on the website of the Company at www.reliancehomefinance.com and also on the website of KFinTech at <https://evoting.kfintech.com>.

Reliance Home Finance Limited

Statement pursuant to Section 102(1) of the Companies Act, 2013 to the accompanying Notice dated May 6, 2022

Item No. 3 Appointment of Mr. Sudeep Ghoshal as a Director.

Mr. Sudeep Ghoshal (nominated by Reliance Capital Limited) was appointed as an Additional Director of the Company, by the Board on the recommendation of the Nomination and Remuneration Committee with effect from March 24, 2022, in accordance with the provisions of Section 161 of the Companies Act, 2013 (the "Act"). Pursuant to the provisions of Section 161 of the Act, Mr. Sudeep Ghoshal holds office upto the date of the ensuing Annual General Meeting.

As required under Section 160 of the Act, the Company has received a notice in writing from a member proposing his candidature for office of Director of the Company. Mr. Sudeep Ghoshal will be liable to retire by rotation in accordance with the provisions of the Act. Mr. Sudeep Ghoshal is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as Director.

He also fulfils the Fit and Proper Criteria of Directors as per the requirements of RBI Circular no. RBI/2020-21/73/DOR.FIN.HFC. CC.No.120/03.10.136/2020-21 dated February 17, 2021 on Master Directions – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 (earlier NHB Master Circular no. NHB(ND)/DRS/REG/MC-07/2019 dated July 1, 2019 on "Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016") and has given his declaration in this regard.

He is neither disqualified nor restrained / debarred from holding the office as a Director of the Company by virtue of any SEBI order or any other Authority.

The details pertaining to Mr. Sudeep Ghoshal are furnished hereunder:

Mr. Sudeep Ghoshal, aged 45 years, a War Veteran and a Corporate Real Estate Services professional with 24 years of overall experience involved in infrastructure development projects, administrative management, integrated security management, logistics in multi-location facilities in various industry segments like IT, ITES and NBFC.

In his current role as Head – Administration & Infrastructure with Reliance Capital, he is providing direction and leadership to the company's Real Estate Strategy, developing & implementing operations management strategies to achieve the business objectives for people and business while managing overall efficiency and profitability.

In his earlier engagements he worked with Accenture as GM – Workplace Solutions and played dual role of city Workplace Lead and as Country Head Logistics. He also worked with Zenta Pvt Ltd., a BPO/ KPO with Operations in India, Philippines and US and was responsible for the Facilities & Services for India locations.

During his tenure with the Indian Army, he worked in inhospitable terrains and extreme climatic conditions. As an Officer Commanding an Infantry Company carried out active battle operations during Kargil War (Operation Vijay) in Batalik Sector.

He is an Alumini from IIM Calcutta and holds a Diploma in Human Resource Management from Welingkar's Institute and completed his graduation from Mumbai University. He is a certified Master Of Corporate Real Estate (MCR) and a Member of Royal Institute Of Chartered Surveyors (MRICS). He is a Member of the Audit Committee and Risk Management Committee of the Company. He is a director on the board of Reliance Commercial Finance Limited.

He is a member of Audit Committee and Stakeholders Relationship Committee of Reliance Commercial Finance Limited. He does not hold any shares in the Company.

He does not have any relationship with other Directors and Key Managerial Personnel of the Company.

He shall not be paid any remuneration except sitting fees for attending the meetings of the Board or Committees thereof.

This statement may also be regarded as a disclosure under Regulation 36(3) of the Listing Regulations and Secretarial Standards on General Meeting. Further details are furnished in the Corporate Governance Report forming part of this Annual Report.

Mr. Sudeep Ghoshal is interested in the resolution set out at Item No. 3 of the Notice in regard to his appointment. The relatives of Mr. Sudeep Ghoshal may be deemed to be interested in the resolution set out at Item No. 3 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors, Key Managerial Personnel and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 of the Notice.

Approval of Members is accordingly sought for appointment of Mr. Sudeep Ghoshal as a Director as set out in the resolution at Item No. 3 of the accompanying Notice.

The Board recommends the Ordinary Resolution set out at Item No. 3 of the accompanying Notice for the approval of the Members.

By Order of the Board of Directors

Parul Jain

Company Secretary & Compliance Officer

Registered Office:

The Ruby, 11th Floor, North-West Wing

Plot No. 29, Senapati Bapat Marg

Dadar (West), Mumbai 400 028

CIN: L67190MH2008PLC183216

Website: www.reliancehomefinance.com

May 6, 2022

Directors' Report

Dear Shareowners,

Your Directors present the 14th Annual Report and the audited financial statement for the financial year ended March 31, 2022.

Financial Performance and State of Company's Affairs

The performance of the Company for the financial year ended March 31, 2022 is summarised below:

Particulars	March 31, 2022	*March 31, 2021
Total revenue	293.50	840.43
Profit before depreciation and tax	(7,694.31)	(2300.25)
Less: Depreciation & Amortisation	212.09	2.64
Profit before tax	(7,906.40)	(2302.89)
Current tax	-	-
Deferred tax / (credit)	(2,466.80)	(782.98)
Net profit after tax	(5,439.60)	(1519.91)
Amount transferred to Special Reserve Fund	-	-

*Previous year figures have been regrouped / reclassified wherever required.

Certain Lenders of the Company (Banks and other Financial Institutions - herein referred to as the "ICA Lenders") had entered into an Inter-Creditor Agreement (ICA) for arriving at the Debt Resolution Plan under the Reserve Bank of India's Prudential Framework for Resolution of Stressed Assets, Directions dated June 7, 2019 ("RBI Directions"). The Lenders pursuant to an independent and transparent process invited Expression of Interest (EOI) and the resolution plans by way of change in management in terms of the RBI Directions. Lenders have selected Authum Investment and Infrastructure Limited ('Authum') as the successful Bidder to acquire the Company and / or all its' assets through a competitive bidding process after several rounds of negotiations between the bidders and the Lenders. Authum's Debt Resolution Plan is approved under RBI Directions.

The ICA Lenders with Bank of Baroda as the Lead Bank had received initial Expression of Interest from over 15 bidders, of which 4 binding bids were shortlisted and the final successful bidder was selected.

The implementation of the Resolution Plan by the successful bidder is subject to approval of non-ICA Lenders, shareholders, regulatory authorities and vacation of existing legal injunctions on the Company. Further, a Meeting of the Debenture Holders of Reliance Home Finance Limited has been called by IDBI Trusteeship Services Ltd. (Debenture Trustee) on May 13, 2022, for consideration and approval of the Resolution Plan alongwith the Distribution Mechanism approved by ICA Lenders on June 19, 2021.

Capital Adequacy Ratio

Your Company's Capital to Risk Assets Ratio (CRAR) calculated in line with the requirements of RBI Circular No. RBI/2020-21/73/ DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021 on Master Direction - Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021 (RBI Directions) (earlier The Housing Finance Companies

(NHB) Directions, 2010), stood at (309.63) per cent, which is below the regulatory minimum requirement of 12 per cent. The Company is under debt resolution and the Company expects the Capital Adequacy Ratio to improve on successful completion of debt resolution plan.

Management Discussion and Analysis

Management Discussion and Analysis Report for the year under review as stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations') and the RBI Directions (earlier Housing Finance Companies - Corporate Governance (National Housing Bank) Directions, 2016), is presented in a separate section forming part of this Annual Report.

Resources and Liquidity

The Company's Net Worth as on March 31, 2022, stood at ₹ (5,481.56) crore. The Company has not raised any amount during the financial year 2021-22 by issuance of any securities.

The Company's debt equity ratio as on March 31, 2022 stood at (2.09):1.

Due to sudden adverse developments in the financial services sector and its adverse impact on the liquidity position of majority of the Non-banking and housing finance companies, the Company was adversely impacted resulting in liquidity mismatch and severe financial stress on account of which it was not in a position to service its dues to the lenders.

Consequent to the aforesaid, certain Lenders of the Company have entered into an ICA for arriving at the debt resolution plan in accordance with RBI Directions.

Further, the Company is prohibited to dispose off, alienate, encumber either directly or indirectly or otherwise part with the possession of any assets, pursuant to Order dated November 20, 2019 passed by the Hon'ble Delhi High Court in the matter of OMP(I) COMM. 420/2/019.

Disclosure regarding Non-Convertible Debentures (NCDs) issued by the Company through public issue and on private placement basis pursuant to the requirements of RBI Directions is as under:

Particulars	No. of NCDs	Amount (₹ in crore)
Total number of non-convertible debentures which have not been claimed by the Investors	Nil	Nil
Total number of non-convertible debentures which have not paid by the Company after the date on which the non-convertible debentures became due for redemption and total amount in respect of such debentures remaining unclaimed or unpaid beyond the date referred to	3,06,09,087	4,770.64

Dividend

During the year under review, the Board of Directors have not recommended any dividend.

Directors' Report

Deposits

The Company has neither accepted nor renewed any fixed deposits during the year. There are no unclaimed deposits, unclaimed / unpaid interest, refunds due to the deposit holders or to be deposited to the Investor Education and Protection Fund as on March 31, 2022.

Particulars of Loans, Guarantees or Investments

The Company is registered as a Housing Finance Company with NHB. Thus, the provision of Section 186 except sub-section (1) of the Companies Act, 2013 (the 'Act') is not applicable to the Company.

Subsidiary and Associate companies

The Company is an associate of Reliance Capital Limited and does not have any subsidiary or associate company.

Directors

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of Independence as prescribed under the Act and the Listing Regulations. In the opinion of the Board, the Independent Directors possess the requisite expertise and experience and are the persons of high integrity and repute. They fulfil the conditions specified in the Act and the Rules made thereunder and are independent of the management.

The details of programme for familiarisation of Independent Directors with the Company, nature of the industry in which the Company operates and related matters are put up on the website of the Company at the link <https://www.reliancehomefinance.com/investor-relations>.

The Company had appointed Mr. Ashish Turakhia as a Director of the Company at 13th Annual General Meeting (AGM) held on September 14, 2021. In terms of the provisions of the Act, he retires by rotation and being eligible, offers himself for re-appointment at the ensuing AGM.

Mr. Sudeep Ghoshal was appointed as an Additional Director (nominated by Reliance Capital Limited) with effect from March 24, 2022. The Company has received the notice in writing from a member proposing his candidature for the office of Director.

Further, based on the written representations received from the Directors as on March 31, 2022 taken on record by the Board of Directors and the legal opinion obtained by the Company, none of the directors are disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

Mr. Sunil Wadikar, Non-Executive Director of the Company ceased to be a Director with effect from January 28, 2022. The Board placed on record its deep sense of appreciation for the guidance and invaluable contribution made by him during his tenure as a Director of the Company.

Key Managerial Personnel

Mr. Prashant Utreja was appointed as the Chief Executive Officer (CEO) of the Company with effect from April 7, 2022.

Mr. Ravindra Sudhalkar ceased to be the CEO with effect from the closure of business hours on March 31, 2022.

Mr. Amit Kumar Jha is the Chief Financial Officer (CFO) and Ms. Parul Jain is the Company Secretary & Compliance Officer of the Company.

Evaluation of Directors, Board and Committees

The Nomination and Remuneration Committee has devised a policy for performance evaluation of the individual Directors, Board and its Committees, which includes criteria for performance evaluation.

Pursuant to the provisions of the Act and Regulation 17(10) of the Listing Regulations and based on the Policy, the Board has carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of the Committees of the Board. The Board performance was evaluated based on inputs received from all the Directors after considering criteria such as Board composition and structure, effectiveness of Board / Committee processes, and information provided to the Board, etc. A separate meeting of the Independent Directors was also held for the evaluation of the performance of non-independent Directors and performance of the Board as a whole and that of the Chairman of the Meeting of the Board.

Pursuant to the Listing Regulations, performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

The Nomination and Remuneration Committee has also reviewed the performance of the individual Directors based on their knowledge, level of preparation and effective participation in meetings, understanding of their role as directors, etc.

Policy on appointment and remuneration for Directors, Key Managerial Personnel and Senior Management Employees

The Nomination and Remuneration Committee of the Board has devised a policy for selection, appointment and remuneration of Directors, Key Managerial Personnel and Senior Management Employees. The Committee has also formulated the criteria for determining qualifications, positive attributes and independence of Directors. The Policy has been put up on the Company's website at <https://www.reliancehomefinance.com/corporate-governance/policies>.

Directors' Responsibility Statement

Pursuant to the requirements under Section 134(5) of the Act with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- i. In the preparation of the annual financial statement for the financial year ended March 31, 2022, the applicable Accounting Standards had been followed along with proper explanation relating to material departures, if any;
- ii. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2022 and of the loss of the Company for the year ended on that date;
- iii. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. The Directors had prepared the annual financial statement for the financial year ended March 31, 2022 on a 'going concern' basis;

Directors' Report

- v. The Directors had laid down proper internal financial controls to be followed by the Company and such financial controls are adequate and are operating effectively. The Company is taking constant steps to further strengthen the same; and
- vi. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Contracts and Arrangements with Related Parties

All contracts / arrangements / transactions entered into / by the Company during the financial year under review with related parties were on an arm's length basis and in the ordinary course of business.

There were no materially significant related party transactions which could have potential conflict with interest of the Company at large.

During the year, the Company has not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of Company on materiality of related party transactions or which is required to be reported in Form AOC – 2 in terms of Section 134(3) (h) read with Section 188 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

All Related Party Transactions were placed before the Audit Committee and also the Board for approval. Prior omnibus approval of the Audit Committee and the Board was obtained for the transactions which were of a repetitive nature. The transactions entered into pursuant to the omnibus approval so granted were reviewed and statements giving details of all related party transactions were placed before the Audit Committee and the Board of Directors on quarterly basis. The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website at the link <https://www.reliancehomefinance.com/corporate-governance/policies>. Your Directors draw attention of the members to Note No.47 to the Financial Statement which sets out related party disclosures pursuant to Ind-AS and Schedule V of the Listing Regulations.

Material Changes and Commitments if any, affecting the financial position of the Company

There were no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year and the date of this Report.

Meetings of the Board

A calendar of Meetings is prepared and circulated in advance to the Directors. During the year, thirteen Board Meetings were held, details of meetings held and attended by each Director are given in the Corporate Governance Report.

Audit Committee

The Audit Committee of the Board consists of Independent Directors viz. Ms. Chhaya Virani, Chairperson, Ms. Rashna Khan, Mr. Sushilkumar Agrawal, Mr. Ashok Ramaswamy and Non-Independent Directors, Mr. Ashish Turakhia and Mr. Sudeep Ghoshal as Members. During the year, all the recommendations made by the Audit Committee were accepted by the Board.

Auditors and Auditors' Report

M/s. Tambi & Jaipurkar, Chartered Accountants were appointed as Statutory Auditors of the Company for a term of 3 (three) consecutive years, at the Annual General Meeting of the

Company held on September 14, 2021 to hold office as Statutory Auditors for a period of three consecutive years i.e. upto the conclusion of the 16th AGM.

As per the requirements of Guidelines dated April 27, 2021, issued by the Reserve Bank of India (RBI) for Appointment of Statutory Central Auditors (SCAs) / Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs), the Company has received a declaration from M/s. Tambi & Jaipurkar confirming their eligibility to act as Statutory Auditors of the Company.

The Notes on Financial Statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The observations and comments given by the Auditors in their Report read together with notes on Financial Statements are self-explanatory and hence do not call for any further comments under Section 134 of the Act.

No fraud has been reported by the Auditors to the Audit Committee or the Board.

Secretarial Audit and Secretarial Compliance Report

Pursuant to the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors had appointed M/s. Aashish K. Bhatt & Associates, Practicing Company Secretaries, to undertake the Secretarial Audit of the Company. There is no qualification, reservation or adverse remarks made in their Secretarial Audit Report. The Audit Report of the Secretarial Auditor is attached as Annexure – A.

Pursuant to circular No. CIR/ CFD/ CMD1/ 27/ 2019 dated February 8, 2019, issued by the Securities and Exchange Board of India (SEBI), the Company has obtained Secretarial Compliance Report, from Practicing Company Secretaries on compliance of all applicable SEBI Regulations and circulars / guidelines issued thereunder and copy of the same shall be submitted with the Stock Exchanges within the prescribed due date.

The observations and comments given by the Secretarial Auditor in their Report are self-explanatory and hence do not call for any further comments under Section 134 of the Act.

Secretarial Standards

During the year under review, the Company has complied with the applicable Secretarial Standards issued by The Institute of Company Secretaries of India.

Maintenance of Cost Records

The Central Government has not specified maintenance of cost records, for any of the products of the Company, under Section 148(1) of the Act.

Annual Return

As required under Section 134(3)(a) of the Act, the Annual Return for the financial year 2021-22 is put up on the Company's website and can be accessed at <https://www.reliancehomefinance.com/investor-relations-Annual Return 2021-22>.

Particulars of Employees and related disclosures

(a) Employees Stock Option Scheme

Employees Stock Option Scheme (ESOS Scheme) was approved and implemented by the Company and Options were granted to the employees in accordance with guidelines applicable to ESOS Scheme.

The Nomination and Remuneration Committee of the Board monitors the Scheme. The existing ESOS Scheme is in compliance

Directors' Report

with the Act read with Rules made thereunder and the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (SEBI Regulations).

A certificate from the Secretarial Auditors of the Company that the ESOS Scheme have been implemented in accordance with the Act and the SEBI Regulations and as per the resolution passed by the members of the Company authorising issuance of the said Options shall be placed before the Members at the ensuing Annual General Meeting. The details as required to be disclosed under SEBI Regulations are put on the Company's website at <https://www.reliancehomefinance.com/investor-relations>.

(b) Other Particulars

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said Rules are provided in the Annual Report, which forms part of this Report.

Disclosures relating to the remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, are also provided in the Annual Report, which forms part of this Report.

However, having regard to the provisions of second proviso to Section 136(1) of the Act, the Annual Report excluding the aforesaid information is being sent to all the members of the Company and others entitled thereto. The said information is available for inspection up to the date of the Meeting on the website of the Company. Any member interested in obtaining the same may write to the Company Secretary and the same will be furnished on request.

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

The Company is a Housing Finance Company and does not involve in any manufacturing activity, most of the information as required under Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 are not applicable. However, the information as applicable has been given in Annexure – B forming part of this Report.

Corporate Governance

The Company has adopted 'Reliance Group – Corporate Governance Policies and Code of Conduct'. The report on Corporate Governance as stipulated under Regulation 34(3) read with Para C of Schedule V of the Listing Regulations and the RBI Directions (earlier Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016) is presented in separate section forming part of this Annual Report.

A Certificate from M/s. Aashish K. Bhatt & Associates, Practicing Company Secretaries, confirming compliance to the conditions of Corporate Governance as stipulated under Para E of Schedule V of the Listing Regulations, is enclosed to this Report.

Ombudspersons & Whistle Blower (Vigil Mechanism)

The Company has formulated an Ombudspersons & Whistle Blower (Vigil Mechanism) Policy to address the genuine concerns, if any, of the Directors and employees of the Company. The policy has been overseen by the Audit Committee. No person

has been denied for direct access to the Chairperson of the Audit Committee. The details of the same have been stated in the Report on Corporate Governance and the policy can be accessed on the Company's website.

Risk Management

The Company has laid down a Risk Management Policy, defining Risk profiles involving Strategic, Technological, Operational, Financial, Credit, Organisational, Legal and Regulatory risks within a well-defined framework. The Risk Management Policy acts as an enabler of growth for the Company by helping its businesses to identify the inherent risks, assess, evaluate and monitor these risks continuously and undertake effective steps to manage these risks.

The Risk Management Committee (RMC) comprises of Ms. Chhaya Virani as Chairperson and Ms. Rashna Khan, Mr. Sushilkumar Agrawal, Mr. Ashok Ramaswamy, Mr. Ashish Turakhia and Mr. Sudeep Ghoshal as Members, the Committee periodically reviews the robustness of the Risk Management Policy. The periodical update on the risk management practices and mitigation plan of the Company are presented to the Audit Committee and Board of Directors. The Audit Committee and Board periodically review such updates and findings and suggest areas where internal controls and risk management practices can be improved. More details on Risk Management indicating development and implementation of Risk Management Policy including identification of elements of risk and their mitigation are covered in Management Discussion and Analysis section, which forms part of this Report.

Asset Liability Committee (ALCO) consisting of senior management executives, monitors liquidity and interest rate risks of the Company. The functioning of ALCO is reviewed by the RMC which meets quarterly and reports to the Board of Directors.

To enable resilient models for working and conducting business during times of uncertainty and crisis, the Company has business continuity plan (BCP) in place since 2013. The Company manages risks and build business continuity plans that allow us to focus on resilience in our day-to-day business operations. The Company has invoked BCP from March 18, 2020 after assessing the magnitude of the impact caused by the COVID-19 and are providing strategic support to ensure continuation of critical activities. The Company has ensured protecting employee's health and safety by implementing work-from-home and at the same time ensuring continuation of business operations. The businesses are greatly adjusting to the changing needs of its employees, customers and suppliers while navigating the financial, operational and cyber security challenges during and post COVID-19.

Compliance with provisions of the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company is committed to uphold and maintain the dignity of women employees and it has in place a policy which provides for protection against sexual harassment of women at work place and for prevention and redressal of such complaints. During the year, no such complaints were received. The Company has also constituted an Internal Complaint Committee under the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013.

Directors' Report

Corporate Social Responsibility

The Company has constituted a Corporate Social Responsibility (CSR) Committee in compliance with the provisions of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. The CSR Committee has formulated a Corporate Social Responsibility Policy (CSR policy). The CSR policy may be accessed on the Company's website at the link: <https://www.reliancehomefinance.com/corporate-governance/policies>.

Presently, the CSR Committee consists of Ms. Chhaya Virani as Chairperson and Mr. Ashok Ramaswamy and Mr. Ashish Turakhia as Members. The disclosures with respect to CSR activities is given in Annexure - C.

During the year 2021-22, the Company is not required to spend on CSR expenditure pursuant to the provisions of Section 135 of the Act.

Order, if any, passed by Regulators or Courts or Tribunals

Following Orders were passed by Regulators or Courts or Tribunals:

- (a) A common Order was passed on June 21, 2021 by the Hon'ble National Company Law Tribunal, Mumbai Bench, in the matter of C.P. No. 138 of 2020, IDBI Trusteeship Services Limited versus Reliance Home Finance Limited and C.P. No. 139 of 2020, IDBI Trusteeship Services Limited versus Reliance Capital Limited & Ors, allowing the Applications filed under Section 71(10) of the Companies Act, 2013 directing redemption of debentures of Debenture Trust. The Company had preferred appeals against the said Orders before the Hon'ble NCLAT, New Delhi. In the matter of Appeals i.e. Company Appeal (AT) No.70 of 2021 and Company Appeal (AT) No.71 of 2021, the Hon'ble Bench on July 9, 2021 was pleased to direct the parties to maintain status quo on the impugned orders dated June 21, 2021 passed by the National Company Law Tribunal, Mumbai Bench. The status quo on the said Order is continued till date.
- (b) In the matter of Commercial Suit (Commercial Suit No. 27568 of 2021) R. K. Mohatta Family Trust versus Reliance Home Finance Limited & Others the Hon'ble Bombay High Court was pleased to pass an order on March 31, 2022 directing that the meeting of the Debenture Holders be called under all the Debenture Trust Deeds within two weeks of the order. Since there prevailed certain rectifications in the order, the order for speaking to the minutes was passed on April 6, 2022. The notice for conducting the meeting of Debenture Holders on May 13, 2022 has already been issued by IDBI Trusteeship Services Limited (Debenture Trustee).
- (c) Pursuant to Order dated November 20, 2019 passed by the Hon'ble Delhi High Court in the matter of OMP(I) COMM. 419/2019 and OMP(I) COMM. 420/2019, the Company is prohibited to dispose off, alienate, encumber either directly or indirectly or otherwise part with the possession of any assets.
- (d) The Company had filed writ petition with the Hon'ble Delhi High Court challenging Punjab National Bank's wrongful action of classifying the Company's account as a 'fraud'. The

Hon'ble Delhi High Court had passed an order restraining Punjab National Bank from taking any coercive action and directed categorization of Company as 'Fraud' be kept in abeyance. Bank of Baroda, State Bank of India, Federal Bank, Indian Bank, Bank of Maharashtra, HDFC Bank, Union Bank of India and Axis Bank Limited had also categorised Company's account as a fraud. The Hon'ble High Court of Delhi also passed similar order(s) and extended the stay on said banks as well.

- (e) SEBI had issued an interim order cum show cause notice dated February 11, 2022 under sections 11 (1), 11 (4) and 11 B (1) of the SEBI Act, 1992 ("SEBI Act") against the Company, its individual promoter and its past key managerial personnel ("Noticees"), and has restrained the Noticees from buying, selling, or dealing in securities, either directly or indirectly, in any manner whatsoever until further orders. Further, Individual Noticees have been restrained from associating themselves with any intermediary registered with SEBI, any listed public company or acting as a director/promoter of any public company which intends to raise money from the public, till further orders. By the said order, the Noticees have been called upon to show cause as to why suitable directions / prohibitions under Section 11 (4) and 11B of the SEBI Act, and penalty under Sections 11 (4A), Section 11 B (2) read with Section 15HA and/or 15HB of the SEBI Act should not be imposed on them. Given that the order is an interim order, no financial implication can be ascertained at such a premature stage. The Company has engaged a legal advisor in the said matter.

Internal Financial Controls and their adequacy

The Company has in place adequate internal financial controls across the organization. The same is subject to review periodically by the internal audit cell for its effectiveness. During the year, such controls were tested and no reportable material weakness in the design or operation were observed.

General

During the year under review there were no reportable events in relation to issue of equity shares with differential rights as to dividend, voting or otherwise, issue of sweat equity shares to the Company's Directors or Employees, proceedings pending under the Insolvency and Bankruptcy Code, 2016 and one-time settlement with any Bank or Financial Institution.

Acknowledgement

Your Directors would like to express their sincere appreciation for the co-operation and assistance received from shareholders, debenture holders, bankers, financial institutions, regulatory bodies and other business constituents during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the commitment displayed by all executives, officers and staff.

For and on behalf of the Board of Directors

Ashish Turakhia Sudeep Ghoshal
Director Director

Mumbai
May 6, 2022

Form No. MR-3 Secretarial Audit Report

For the financial year ended March 31, 2022

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

To,

**The Members,
Reliance Home Finance Limited**

The Ruby, 11th Floor
North-West Wing, Plot No. 29
Senapati Bapat Marg
Dadar (West), Mumbai 400 028

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practices by **Reliance Home Finance Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

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

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2022, according to the provisions of:

- (i) The Companies Act, 2013 (the 'Act') and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
- (iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder for compliance in respect of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings – Not Applicable;
- (v) The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 – Not Applicable;
 - d) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and erstwhile the SEBI (Share Based Employee Benefits) Regulations 2014;
 - e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and erstwhile the SEBI (Issue and Listing of Debt Securities) Regulations 2008;
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client – Not Applicable;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 – Not Applicable;
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 – Not Applicable;

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

- (i) Secretarial Standards issued by the Institute of the Company Secretaries of India pertaining to the General Meetings, Board of Directors and Committee Meetings viz: Audit Committee, Nomination and Remuneration Committee (NRC), Stakeholders Relationship Committee (SRC) and Risk Management Committee (RMC);
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Listing Agreement(s) entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

The Securities and Exchange Board of India ("SEBI") had issued an Interim Order cum Show Cause Notice dated February 11, 2022 under Sections 11 (1), 11 (4) and 11 B (1) of the SEBI Act, 1992 ("SEBI Act") against the Company, its individual promoter Mr. Anil Ambani, Mr. Ravindra Sudhalkar, the then Chief Executive Officer, Mr. Amit Bapna, Past Director and Chief Financial Officer and Mr. Pinkesh Shah, the past Chief Financial Officer of the Company ("Noticees"), which allegedly violated the provisions of the SEBI Act,

Directors' Report

the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices in relation to securities markets) Regulations, 2003. By the interim order, SEBI has restrained the Noticees from buying, selling, or dealing in securities, either directly or indirectly, in any manner whatsoever until further orders. Further, Individual Noticees have been restrained from associating themselves with any intermediary registered with SEBI, any listed public company or acting as a director/promoter of any public company which intends to raise money from the public, till further orders. As informed, the Company has engaged with a legal advisor in the said matter and shall keep the exchange updated as to any developments.

Further, based on the written representations received from the Directors as on March 31, 2022 taken on record by the Board of Directors and the legal opinion obtained by the Company, none of the Directors are disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

I further report that based on the compliance mechanism established by the Company, which has been verified on test checked basis and the Compliance Report submitted to and taken on record by the Board of Directors of the Company, we are of the opinion that the Company has complied with the following laws, as amended, from time to time, applicable specifically to the Company:

1. The National Housing Bank Act (NHB), 1987, The Reserve Bank of India Act (RBI), 1934 and its circulars, Master Directions, notifications and guidelines as prescribed for Housing Finance Companies (HFCs), from time to time, except -
 - (i) Proportion of non-housing loan is more than the proportion of housing loan and its related compliances;
 - (ii) Maintenance of Lending exposure and Borrowing exposure;
 - (iii) Maintenance of Minimum Capital Adequacy Ratio;
 - (iv) Some of the requirements and disclosures pursuant to the RBI Master Directions viz. appointment of chief risk officer, information technology framework.

As informed, the debt resolution process of the Company under circular dated June 7, 2019 issued by the Reserve Bank of India (RBI) on Prudential Framework for Resolution of Stressed Assets is in final stages.

2. The Prevention of Money-Laundering Act, 2002;
3. Insurance Regulatory and Development Authority of India (Registration of Corporate Agents), Regulations, 2015. The Company is in the process of renewal of registration as a Composite Corporate Agent.

Further, as a precautionary measure against "COVID 2019", the audit process has been modified, wherein documents /records etc. were verified in electronic mode, and have relied on the representations received from the Company for its accuracy and authenticity.

I further report that:

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

Adequate notice, agenda and detailed notes have been given to all Directors to schedule the Board Meetings at least seven days in advance / shorter notice of time less than seven days for items of business which were in the nature of 'unpublished price sensitive information' and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

The decisions at Board and Committee Meetings are carried out and recorded in the minutes of the Board of Directors and Committee(s) of the Board accordingly.

I have relied on the representation made by the Company and its Officers for adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, the Company has undertaken following events / action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.:

- (i) Debt Resolution Process:
 - (a) Due to sudden adverse developments in the financial services sector post the IL&FS crisis and its adverse impact on the liquidity position of majority of the Non-banking and housing finance companies, the Company was adversely impacted resulting in liquidity mismatch and severe financial stress on account of which the Company was not in a position to services its dues to the lenders and had occurred defaults in payment of interest and redemption of Non-convertible debentures and term loan;
 - (b) Pursuant thereto, certain lenders of the Company (Banks and other Financial Institutions) have entered into an Inter-Creditor Agreement (ICA) for arriving at the debt resolution plan in accordance with the circular dated June 7, 2019 issued by the Reserve Bank of India (RBI) on Prudential Framework for Resolution of Stressed Assets. Majority of lenders have already executed the ICA dated July 6, 2019 with Bank of Baroda acting as the Lead Lender;
 - (c) Resolution Plan along with the Distribution Mechanism was approved by ICA Lenders on June 19, 2021;
 - (d) ICA Lenders selected Authum Investment and Infrastructure Limited as a successful bidder pursuant to Debt Resolution Process;

Reliance Home Finance Limited

Directors' Report

- (e) A Meeting of the Debenture Holders of the Company has been called by IDBI Trusteeship Services Ltd. (Debenture Trustee) on May 13, 2022, for consideration and approval of the Resolution Plan along with the Distribution Mechanism approved by ICA Lenders.
- (ii) Change in Directors and Key Managerial Personnel;
- (iii) Re-constitution of various committees;
- (iv) Approval from shareholders at Annual General Meeting of the Company held on September 14, 2021 for:
 - (a) Appointment of Mr. Ashish Turakhia as a Director of the Company liable to retire by rotation;
 - (b) Appointment of Statutory Auditors of the Company pursuant to the Guidelines dated April 27, 2021 issued by the Reserve Bank of India for Appointment of Statutory Auditors.

For **Aashish K. Bhatt & Associates**
Practicing Company Secretaries
(ICSI Unique Code S2008MH100200)

Aashish Bhatt
Proprietor

ACS No.: 19639
COP No.: 7023
UDIN: A019639D000276544

Place: Mumbai
Date : May 6, 2022

APPENDIX

Annexure – A

To,
The Members,
Reliance Home Finance Limited

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Aashish K. Bhatt & Associates**
Practicing Company Secretaries
(ICSI Unique Code S2008MH100200)

Aashish Bhatt
Proprietor

ACS No.: 19639
COP No.: 7023
UDIN: A019639D000276544

Place: Mumbai
Date : May 6, 2022

Directors' Report

Annexure – B

Disclosure under Section 134(3)(m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014

(a) Conservation of Energy:

The steps taken or impact on conservation of energy	:	The Company requires energy for its operations and the Company is making all efforts to conserve energy by monitoring energy costs and periodically reviews of the consumption of energy. It also takes appropriate steps to reduce the consumption through efficiency in usage and timely maintenance / installation / upgradation of energy saving devices.
The steps taken by the Company for utilizing alternate sources of energy		
The capital investment on energy conservation equipment		

(b) Technology Absorption, Adoption and Innovation

(i) The efforts made towards technology absorption	:	The Company uses latest technology and equipments into the business. Further the Company is not engaged in any manufacturing activities.
(ii) The benefits derived like product improvement, cost reduction, product development or import substitution		
(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)		
(a) The details of technology imported		
(b) The year of import		
(c) Whether technology been fully absorbed?		
(d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof.		
(iv) The expenditure incurred on Research and development	:	The Company has not spent any amount towards research and developmental activities and has been active in harnessing and tapping the latest and the best technology in the industry.

(c) Total foreign exchange earnings and outgo:

a. Total Foreign Exchange earnings	:	Nil
b. Total Foreign Exchange outgo	:	₹ 49,44,342.03 (66,530.81 USD)

Annual Report on Corporate Social Responsibilities (CSR) Activities

1. Brief outline on CSR Policy of the Company

The Company has a robust CSR Policy at Group level. As per the said policy, all our efforts are focused towards two goals: building a great enterprise for the stakeholders and a great future for our country. Our approach is to interweave social responsibility into the Company's mainstream business functions through translating commitments into policies, which not only drive all employees but influence and mobilize stakeholders, especially partners and suppliers, to embrace responsible business practices in their respective spheres of action. The policy affirms business objectives and strategy along with our commitment to preserve natural resources and augment the growth and development of employees and families, the communities we operate in, suppliers / vendors, and our investors. Through the social policy manual, the Company seeks to engage with all the stakeholders, using it as a reference or guideline for all stakeholders and practitioners.

2. Composition of CSR Committee

Sr. No.	Name of Director	Designation / Nature of Directorship	No. of meetings of CSR Committee held during the year	No. of meetings of CSR Committee attended during the year
1	Ms. Chhaya Virani	Independent Director	-	-
2	Mr. Ashok Ramaswamy *	Independent Director	-	-
3	Mr. Sunil Wadikar **	Non-Executive Director	-	-
4	Mr. Ashish Turakhia ***	Non-Executive Director	-	-

* appointed on February 28, 2022

** ceased on January 28, 2022

*** appointed on July 31, 2021

3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the company

Composition of CSR Committee and CSR policy are placed on our website at <https://www.reliancehomefinance.com/investor-relations>.

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report):

Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

(₹ in crore)

Sr. No.	Financial Year	Amount available for set-off from preceding financial years	Amount required to be set-off for the financial year, if any
		Nil	

6. Average net profit of the company as per Section 135(5)

The Company had incurred average net loss of ₹ 606.25 crore.

7. (a) Two percent of average net profit of the company as per Section 135(5)

Not Applicable.

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil

(c) Amount required to be set off for the financial year, if any: Nil

(d) Total CSR obligation for the financial year (7a+7b-7c): Nil

8. (a) CSR amount spent or unspent for the financial year:

(₹ in crore)

Total Amount Spent for the Financial Year	Amount Unspent			
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)	
	Amount	Date of transfer	Amount	Date of transfer

Not Applicable

Directors' Report

(b) Details of CSR amount spent against ongoing projects for the financial year:

(₹ in crore)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes / No)	Location of the project	Project Duration	Amount allocated for the project	Amount spent in the current financial year	Amount transferred to Unspent CSR Account for the project as per Section 135(6)	Mode of Implementation – Direct (Yes/ No)	Mode of Implementation – Through Implementing Agency
				State	District					Name CSR Registration number
										Nil

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(₹ in crore)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes / No)	Location of the project	Amount spent in the current financial year	Mode of Implementation – Direct (Yes/No)	Mode of Implementation – Through Implementing Agency
				State	District		Name CSR Registration number
							Nil

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Nil

(g) Excess amount for set off, if any:

(₹ in crore)

Sr. No.	Particulars	Amount
(i)	Two percent of average net profit of the Company as per Section 135(5)	Not Applicable
(ii)	Total amount spent for the financial year	
(iii)	Excess amount spent for the financial year [(ii)-(i)]	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	

Reliance Home Finance Limited

Directors' Report

9. (a) Details of Unspent CSR amount for the preceding three financial years:

(₹ in crore)

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135(6)	Amount spent in the reporting Financial Year	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years
				Name of the Fund	Amount	Date of transfer	
1	2020-21	The Company was not required to spend on CSR pursuant to the provisions of Section 135 of the Act.					
2	2019-20	During the year 2019-20, the Company was required to spend an amount of ₹ 3.23 crore on CSR activities. The Company is facing severe financial stress and accordingly the Lenders have entered into an Inter-Creditor Agreement (ICA) in terms of RBI Circular No. DBR.No.BP.BC.45/21.0-4.048/2018-19, dated June 7, 2019 on July 6, 2019. As part of the same, all cash flows of the Company are under direct supervision and control of the Lenders, for the purpose of debt resolution. Further, the Hon'ble Delhi High Court vide its Order dated November 20, 2019, has placed restraint on the Company on incurring expenses other than in ordinary course of business. In view of the aforesaid, the Company has not spent the amount on CSR activities for the year 2019- 20. In terms of the then applicable Section 135(5) of the Act, requisite disclosures have been made by the Company in the Director's Report for FY 2019-20.					
3	2018-19	Not Applicable, as required CSR amount was spent.					

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(₹ in crore)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sr. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project Duration	Total amount allocated for the project	Amount spent on the project in the reporting Financial Year	Cumulative amount spent at the end of reporting Financial Year	Status of the project – Completed / Ongoing
Nil								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details): No capital asset has been created or acquired during the financial year.

- Date of creation or acquisition of the capital asset(s): Not Applicable
 - Amount of CSR spent for creation or acquisition of capital asset: Not Applicable
 - Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address, etc.:
Not Applicable
- Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Not Applicable
 - Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5).
During the year 2021-22, the Company was not required to spend on CSR pursuant to the provisions of Section 135 of the Act.

Chhaya Virani
Chairperson, CSR Committee

Sudeep Ghoshal
Director

May 6, 2022

Management Discussion and Analysis

Forward looking statements

Statements in this Management Discussion and Analysis of Financial Condition and Results of Operations of the Company describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable securities laws and regulations. Forward looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised. The Company assumes no responsibility to publicly amend, modify or revise forward-looking statements, based on any subsequent developments, information or events. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include determination of tariff and such other charges and levies by the regulatory authority, changes in Government regulations, tax laws, economic developments within the country and such other factors globally.

The financial statements have been prepared on a historical cost basis and on the accrual basis and are prepared in accordance with the accounting standards notified under the Companies (Accounting Standard) Rules, 2006, as amended, and other relevant provisions of the Companies Act, 2013 (the 'Act'). The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Act read with the [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The management of Reliance Home Finance Limited ("Reliance Home Finance" or "RHF" or "the Company") has used estimates and judgments relating to the financial statement on a prudent and reasonable basis, in order that the financial statement reflect in a true and fair manner, the state of affairs for the year.

The following discussions on our financial condition and result of operations should be read together with our audited financial statement and the notes to these statements included in the Annual Report.

Unless otherwise specified or the context otherwise requires, all references herein to "we", "us", "our", "the Company", "Reliance", "RHF", "RHFL" or "Reliance Home Finance" are to Reliance Home Finance Limited.

Global Economic Environment

According to International Monetary Fund, World Economic Outlook, January 2022, global growth is expected to moderate from 5.9 per cent in 2021 to 4.4 per cent in 2022, half a percentage point lower for 2022 than in the October World Economic Outlook (WEO), largely reflecting forecast markdowns in the two largest economies. A revised assumption removing the Build Back Better fiscal policy package from the baseline, earlier withdrawal of monetary accommodation, and continued supply shortages produced a downward 1.2 percentage-points revision for the United States. In China, pandemic-induced disruptions related to the zero tolerance COVID-19 policy and protracted financial stress among property developers have induced a 0.8 percentage-point downgrade. Global growth is expected to slow to 3.8 per cent in 2023.

Indian Economic Environment

The Delta variant of COVID-19 struck India in the beginning of 2021-22 marking the onset of the second wave. Although the second wave of the pandemic in April-June 2021 was more severe from a health perspective, the economic impact

was muted compared to the national lockdown of the previous year. The Advanced Estimates of real GDP growth (YoY) in FY 2021-22 at 9.2 per cent confirm the sustained momentum of GDP growth since the second wave. The economy in the current year has recovered 101.6 per cent of the pre-pandemic output of FY 2019-20. This is supported by strong rebound seen in several high frequency indicators in Q3 FY 2021-22 and rapid progress in vaccination coverage.

On the supply side, while agriculture continues to lend unwavering support to economic recovery, manufacturing and construction exhibited a sharp rebound to recover more than 100 per cent of corresponding pre-pandemic output levels. These developments clearly reflect uptick in consumer and investor sentiment, release of pent-up demand, especially in construction supported by growing public capex and housing cycle upturn.

On the demand side, the recovery has been broad based. While investment and exports have achieved more than full recovery of corresponding pre-pandemic FY 2019-20 levels, private consumption has also improved to recover 97.8 per cent of corresponding pre-pandemic levels and stands fully recovered in H2 of FY 2021-22. These estimates confirm strengthening of economic recovery on the back of rising capex in public sector, increasing resilience of India's exports, investment cycle uptick and improved consumption levels. Growth in income coupled with improved mobility and e-commerce augurs well for higher levels of employment. The growth in Government final consumption expenditure at constant (2011-12) prices is estimated at 7.6 per cent in 2021-22 (1st advance estimates), as compared to 3.6 per cent in 2020-21 (1st revised estimates).

Investment, as measured by Gross Fixed Capital Formation (GFCF) is expected to see strong growth of 15 per cent in 2021-22 and achieve full recovery of pre-pandemic level. Government's policy thrust on quickening virtuous cycle of growth via capex and infrastructure spending has increased capital formation in the economy lifting the investment to GDP ratio to about 29.6 per cent in 2021-22, the highest in seven years.

The credit growth had been declining since 2019. The credit growth was 5.3 per cent at beginning of April 2021 and started to increase since then but was still modest and stood at 7.3 per cent as on December 17, 2021. However, the credit growth has picked up sharply in December to 9.2 per cent as on December 31, 2021. In 2021-22, the risk capital (i.e. money raised from capital markets) has so far been more important than the banks in providing finance to the revival.

On a YoY basis, non-food bank credit registered a growth of 9.3 per cent in December 2021 as compared to 6.6 per cent a year ago. Credit to agriculture and allied activities continued to perform well, registering a robust growth of 14.5 per cent in December 2021 as compared to 7.7 per cent in December 2020. Credit growth to industry improved noticeably to 7.6 per cent in December 2021 from 0.4 per cent in December 2020. Size-wise, credit to medium industries registered high double-digit growth of 86.5 per cent in December 2021 as compared to 17.1 per cent last year. Credit growth to micro and small industries accelerated to 20.5 per cent in December 2021 from 1.3 per cent a year ago. Credit to large industries recorded a growth of 1.3 per cent in December 2021 against a contraction of 0.5 per cent a year ago.

Reliance Home Finance

Reliance Home Finance Limited (RHFL), an associate of Reliance Capital Limited, provides a wide range of loan solutions like Affordable housing, home loans, LAP, Construction finance. RHFL

Management Discussion and Analysis

also provides property solutions' services that help customers find their dream homes / property along with financing.

As a result of the current scenario and liquidity constraints, the Company has brought down the distribution network to 27 branches catering to more than 100 locations, through a "hub and spoke" model, across the country, serving over 20,561 client accounts to achieve the objective of strategically expanding the market reach while developing operational efficiencies. RHFL also has a digital portal to source loans from the salaried segment, thereby catering to the need of technology driven millennials, while also cutting down costs. While, this helps in speedy & hassle – free sanction for the borrower, it also helps the Company by automating processes like e-KYC, customer service and account updation.

Product Portfolio

Over the period, we have developed our expertise in Home Loan and Affordable Housing segment which caters to the Self-employed & Salaried Individuals and is one of the key focus areas for the Company. We have also developed the capabilities over time and fulfil the contemporary needs of the Non – housing loan clients majorly the Loan against Property segment. The Company also offers construction finance loans to real estate developers involved in building homes.

Financials

As of March 31, 2022, the Assets Under Management (including securitised portfolio) was ₹ 11,857 crore as against ₹ 13,275 crore as on March 31, 2021. The Total Income for the year ended March 31, 2022, was at ₹ 293 crore, as against ₹ 840 crore for the previous year. As on March 31, 2022, the outstanding loan book was ₹ 12,352 crore as against ₹ 13,325 crore for the previous year. The business reported a net loss of ₹ 5,440 crore for the year ended March 31, 2022 as against net loss of ₹ 1,520 crore in the previous year.

Key financial ratios: Debt Equity Ratio: (2.09), Net Profit Margin (%) : (1,853) %. The Interest Coverage Ratio, Debtors Turnover, Inventory Turnover, Current Ratio and Operating Profit Margin (%) are not applicable.

Due to sudden adverse developments in the financial services sector and its adverse impact on the liquidity position of majority of the Non-banking and housing finance companies, the Company was adversely impacted resulting in liquidity mismatch and severe financial stress on account of which it was not in a position to service its dues to the lenders.

Consequent to the aforesaid, certain lenders (herein referred to as the "ICA Lenders") of the Company have separately entered into an Inter-Creditor Agreement (ICA) for the resolution of debt in accordance with the circular dated June 7, 2019 issued by the Reserve Bank of India on Prudential Framework for Resolution of Stressed Assets ("RBI Directions"), and have approved the Resolution Plan in terms of RBI Directions.

ICA Lenders have selected Authum Investment and Infrastructure Limited's (Authum) resolution plans as successful resolutions plan to acquire the Company and / or all its' assets through a competitive bidding process after several rounds of negotiations between the bidders and the Lenders. The implementation of the resolution plan by the successful bidder is subject to approval of non-ICA Lenders, shareholders, regulatory authorities and, vacation of existing legal injunctions on the Company. certain Lenders of the Company have entered into an ICA for

arriving at the debt resolution plan in accordance with RBI Directions. A Meeting of the Debenture Holders of Reliance Home Finance Limited has been called by IDBI Trusteeship Services Ltd. (Debenture Trustee) on May 13, 2022, for consideration and approval of the Resolution Plan alongwith the Distribution Mechanism approved by ICA Lenders on June 19, 2021.

Further, the Company is prohibited to dispose off, alienate, encumber either directly or indirectly or otherwise part with the possession of any assets, pursuant to Order dated November 20, 2019 passed by the Hon'ble Delhi High Court in the matter of OMP(I) COMM. 420/2/019.

Risks and Concerns

RHFL is exposed to specific risks that are specific to its businesses and the environment within which it operates, including market risk, competition risk, credit risk, liquidity and interest rate risk, human resource risk, operational risk, information security risks, regulatory risk and macro-economic risks.

Market risk

The Company has also raised funds through issue of Market Linked Debentures, whose returns are linked to relevant underlying market instruments or indices. RHFL continuously monitors market exposure for both equity and debt and, in appropriate cases, also uses various derivative instruments as a hedging mechanism to limit volatility.

Competition risk

The housing finance sector is becoming increasingly competitive and the Company's growth will depend on its ability to compete effectively. The Company's main competitors are other HFCs, Banks and Non-Banking Financial Companies (NBFCs). The Company's strong brand image, wide distribution network, diversified product offering and quality of management, place it in a strong position to deal with competition effectively.

Credit risk

Credit risk is a risk arising out of default or failure on the part of borrowers in meeting their financial obligations towards repayment of loans. Thus, credit risk is a loss as a result of non-recovery of funds lent both on principal and interest counts. This risk is comprehensively addressed both at the strategic level and at the client level. There is a robust governance framework with risk oversight being provided by the Risk Management Committee.

Stringent standards have been stipulated for customer identification and evaluation of credit proposals. Critical underwriting activities are automated. Comprehensive product program guidelines have been developed to suit various products requirements and appropriate delegation and deviation grids have been put in place. Each credit proposal is evaluated on various lending parameters both in qualitative and quantitative terms. Proper security, industry norms and ceilings have been prescribed to ensure diversifying risks and to avoid concentration risk. Cross references to credit bureau data are made to assess the credit behaviour of the prospective customers. Any early signal of default is addressed on priority to minimise / prevent credit loss. Regular portfolio risk analysis is done extensively on various financial and policy parameters for making required changes in the credit policy as a proactive approach to risk management. The Indian housing finance industry is highly competitive and the Company may compete directly with large HFCs and large public

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and private sector banks, which have larger retail customer bases, larger branch networks and greater access to capital than the Company. Large HFCs and Indian banks have made significant investments in retail credit in recent periods and currently have a larger market share in the retail home loan credit segment as compared to medium sized HFCs. If the Company is unable to compete with such large HFCs and Banks, by reason of its lesser experience in retail Home Loans or otherwise, its business, results of operations and financial condition could be affected to some extent. With the experience and market knowledge, the Company has gained over the years in the housing finance business and is well placed to be the preferred provider of housing finance in coming years.

Liquidity and Interest Rate risk

The Company is exposed to liquidity risk principally, as a result of lending and investment for periods which may differ from those of its funding sources. RHFL's treasury team actively manages asset liability positions in accordance with the overall guidelines laid down by NHB in the Asset Liability Management (ALM) framework. The success of the Company's business depends significantly on interest income from its operations. It is exposed to interest rate risk, both because of lending at fixed interest rates and for reset periods which may differ from those of its funding sources. Interest rates are highly sensitive to many factors beyond the Company's control, including the monetary policies of the RBI, deregulation of the financial sector in India, domestic and international economic and political conditions and inflation. As a result, interest rates in India have historically experienced a relatively high degree of volatility.

The Company seeks to match its interest rate positions of assets and liabilities to minimise interest rate risk. However, there can be no assurance that significant interest rate movements will not have an adverse effect on its financial position. With the growth of the Company's business, it will become increasingly reliant on funding from the debt capital markets and commercial borrowings. The market for such funds is competitive and the Company's ability to obtain funds at competitive rates will depend on various factors including its credit ratings. There can be no guarantee that the Company will be able to raise debt on competitive terms, in the required quantum and in a cost-effective manner. Any failure to do so may adversely impact the Company's business, its future financial performance. The Company is also hedged to some extent against this risk through the variable interest clause in its advances portfolio.

Human resource risk

The Company's success depends largely upon the quality and competence of its management team and key personnel. Attracting and retaining talented professionals is therefore a key element of the Company's strategy and a significant source of competitive advantage. Since the Company is undergoing a Resolution Process, Retention and Monetary Engagement of the management team and key personnel is dependent on the concurrence of the Lenders. It has been highlighted to the Lenders regarding the Human Resource Risk at various forum. While the Company has a salary and incentive structure designed to encourage employee retention, a failure to attract and retain talented professionals, or the resignation or loss of key management personnel, may have an impact on the Company's business, its future financial performance and the results of its operations. There is high risk of the exit of management team and key personnel.

Operational risk

The Company may encounter operational and control difficulties when commencing businesses in new markets. The rapid development and establishment of financial services businesses in new markets may raise unanticipated operational or control risks. Such risks could have a materially adverse effect on the Company's financial position and the results of its operations.

The operations of the Company have been extensively automated which minimises the operational risk arising out of human errors and omissions. A robust system of internal controls is practiced by RHFL to ensure that all its assets are safeguarded and protected against loss from unauthorised use or disposition and all its transactions are authorised, recorded and reported correctly. The Audit Committee of Board periodically reviews the adequacy of our internal controls. The Company has implemented SAP systems across functions. With this initiative, along with other key systems and checks and balances established, we believe that our overall control environment has been enhanced. The Company is relentlessly focused on quality parameters and has a dedicated quality team to proactively identify and address operational issues. The mandate of the quality team is also to work closely with various business teams to bring about operational efficiencies and effectiveness through Six Sigma initiatives. It is pertinent to note that Reliance Home Finance has obtained an ISO 9001:2008 certification and is amongst the few companies in the industry to be ISO certified.

Information security risk

RHFL has robust Information Security Risk monitoring systems and tools to guard and protect sensitive customer data and guard against potential hackers and viruses. The Information Security team is governed by the Information Security Risk Management Committee. Robust governance, controls and sophisticated technology is adopted across lines of business to ward off cyber threats and protect information residing within the Company.

Information Security has been brought under the Enterprise Risk Management Framework to enhance data protection and ward off cyber risks effectively, thereby making our overall Risk, Control and Governance framework more robust.

Regulatory risk

As an entity in the financial services sector, the Company is subject to regulations by Indian governmental authorities, including the RBI and the NHB. Government's and Regulator's laws and regulations impose numerous requirements on the Company, including asset classifications and prescribed levels of capital adequacy liquid assets. There may be future changes in the regulatory system or in the enforcement of the laws and regulations that could adversely affect the Company's performance.

Macro-economic risk

Any slowdown in economic growth in India could cause the business of the Company to suffer. Any slowdown in the Indian economy, and in the demand for housing and infrastructure, could adversely affect the Company's business. Similarly, any sustained volatility in global commodity prices, including a significant increase in the prices of oil and petroleum products, could once again spark off a new inflationary cycle, thereby curtailing the purchasing power of the consumers. RHFL manages these risks by maintaining a conservative financial profile and following prudent business and risk management practices.

Management Discussion and Analysis

Internal Control

The Company has in place independent internal audit function which continuously evaluates the adequacy of, and compliance with, policies, plans, regulatory and statutory requirements. The same is subject to review periodically by the internal audit cell for its effectiveness.

The Company uses information technology extensively in its operations for ensuring effective controls besides economy. It also helps the Company in providing accurate MIS and prompt information / services to its customers and other stakeholders. The Company has implemented enhanced level of Information System Security controls with monitoring systems to address technology risks.

The Company is taking constant steps to further strengthen its credit policy and make it broader, well defined and robust and to extend the scope of Internal Auditors to commensurate with the size and nature of Company's business and operations. Also, pursuant to the qualifications in the Auditors' Report for 2018-19, the Company has discontinued fresh sanctioning and disbursement under the General-Purpose Corporate Loan product since May 2019.

Opportunities

- Affordable housing finance is estimated to be a ₹ 6 lakh crore business opportunity by 2022, by when the Government seeks to achieve housing for all citizens. This may lead to deeper market opportunity
- Government's focus on the infrastructure and financial push
- Extensive distribution reach and strong brand recognition

Challenges

- However, there is enormous demand for low – cost housing finance options within the lower income groups, but demand remains unfulfilled due to constraints like difficulty in assessing the repaying capacity of the customers having uneven income streams, inability in assessing repaying capacity of customers, etc.
- Several new players are entering the sector thus leading to stiff competition which may lead to downward pressure on the pricing. This may impact the profitability for the players in the years ahead
- Supply constraints in the affordable housing space

- Inflationary pressures, slowdown in policy making and reduction in household savings in financial products

Human Resources

Due to the ongoing financial crunch, the liquidity scenario and subdued business activity, the Company has experienced a decline in the workforce. The Company has a dedicated team of 137 employees as on March 31, 2022, who have been contributing to the progress and growth of the Company. The Company also invests in professional development and providing career development opportunities for its employees. The Company has a leadership competency framework which identifies the potential leaders on a regular basis and as a result of which most of the senior management has grown within the organization.

Corporate Social Responsibility (CSR)

During the year 2021-22, the Company was not required to spend on CSR pursuant to the provisions of Section 135 of the Act.

During earlier years, Reliance Home Finance Limited contributed through the non-profit centre(s) engaged in the provision of health care, safety and education, skill development, animal welfare and promotion of cultural heritage. The Company initiated projects in the areas of promoting preventive healthcare, education and rural development in Maharashtra. The following organisations were being supported:

- The Kokilaben Dhirubhai Ambani Hospital provides quality healthcare and contributes in a very significant manner towards supporting the poor and the needy, especially those below the poverty line.
- ICT Academy: It is an initiative of the Government of India in collaboration with the State Governments and industries. The Academy is a not-for-profit society, and a joint venture under the Public-Private-Partnership (PPP) model.
- Animals Matter to Me (AMTM): Was established in 2010 in Mumbai, Maharashtra, to help the street dogs and cats who had no-one else to care for them. Over 50,000 strays roamed the city, with the numbers growing alarmingly due to a lack of sterilisation programmes to control the population.
- My Home India, a Mumbai based organization who works for the cause of cultural integration, to support the event, NEST Fest 2018 (North East Student Festival).

Corporate Governance Report

Corporate governance philosophy

Reliance Home Finance follows the highest standards of corporate governance principles and best practices by adopting the "Reliance Group – Corporate Governance Policies and Code of Conduct" as is the norm for all constituent companies in the Group. These policies prescribe a set of systems and processes guided by the core principles of transparency, disclosure, accountability, compliances, ethical conduct and the commitment to promote the interests of all stakeholders. The policies and the code are reviewed periodically to ensure their continuing relevance, effectiveness and responsiveness to the needs of our stakeholders.

Governance policies and practices

The Company has formulated a number of policies and introduced several governance practices to comply with the applicable statutory and regulatory requirements, with most of them introduced long before they were made mandatory.

A. Values and commitments

We have set out and adopted a policy document on 'Values and Commitments' of Reliance Home Finance. We believe that any business conduct can be ethical only when it rests on the nine core values viz. honesty, integrity, respect, fairness, purposefulness, trust, responsibility, citizenship and caring.

B. Code of ethics

Our policy document on 'Code of Ethics' demands that our employees conduct the business with impeccable integrity and by excluding any consideration of personal profit or advantage.

C. Business policies

Our 'Business Policies' cover a comprehensive range of issues such as fair market practices, inside information, financial records and accounting integrity, external communication, work ethics, personal conduct, policy on prevention of sexual harassment, health, safety, environment and quality.

D. Separation of the chairman's supervisory role from executive management

In line with best global practices, we have adopted the policy to ensure that the Chairman of the meetings of the Board shall be a non-executive director.

E. Policy on prohibition of insider trading

This document contains the policy on prohibiting trading in the securities of the Company, based on insider or privileged information.

F. Policy on prevention of sexual harassment

Our policy on prevention of sexual harassment aims at promoting a productive work environment and protects individual rights against sexual harassment.

G. Ombudspersons & Whistle Blower (Vigil Mechanism) policy

Our Ombudspersons & Whistle Blower (Vigil Mechanism) policy encourages disclosure in good faith of any wrongful conduct on a matter of general concern and protects the whistle blower from any adverse personnel action. The vigil mechanism has been overseen by the Audit Committee.

It is affirmed that no person has been denied direct access to the Chairperson of the Audit Committee.

H. Policy

The Company is committed to achieving excellence in environmental performance, preservation and promotion of clean environment. These are the fundamental concern in all our business activities.

I. Risk management

Our risk management procedures ensure that the management controls various business related risks through means of a properly defined framework.

J. Boardroom practices

a. Chairman

The Board has separated the Chairman's role from that of an executive in managing day-to-day business affairs as the Board and Committee Meetings of the Company are chaired by non-executive directors.

b. Board charter

The Company has a comprehensive charter which sets out clear and transparent guidelines on matters relating to the composition of the Board, the scope and function of the Board and its Committees, etc.

c. Board committees

Pursuant to the provisions of the Companies Act, 2013 (the 'Act'), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and applicable guidelines and directions issued by the National Housing Bank (NHB) / Reserve Bank of India (RBI), from time to time, the Board had constituted the Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility (CSR) Committee, Risk Management Committee, IT Strategy Committee and Wilful Defaulters Review Committee.

d. Selection of independent directors

Considering the requirement of skill sets on the Board, eminent people having an independent standing in their respective field / profession, and who can effectively contribute to the Company's business and policy decisions are considered by the Nomination and Remuneration Committee, for appointment, as Independent Directors on the Board. The Committee, *inter-alia*, considers qualification, positive attributes, area of expertise, their independence and number of directorships and memberships held in various committees of other companies by such persons. The Board considers the Committee's recommendation and takes appropriate decision.

Every Independent Director, at the first meeting of the Board in which she / he participates as a Director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect her / his status as an Independent Director, provides a declaration that she / he meets with the criteria of independence as provided under law.

e. Tenure of independent directors

Tenure of independent directors on the Board of the Company shall not exceed the time period as per provisions of the Act and the Listing Regulations, as amended, from time to time.

f. Independent director's interaction with stakeholders

Members of the Stakeholders Relationship Committee interact with stakeholders on their suggestions and queries, if any, which are forwarded to the Company Secretary.

g. Familiarisation of board members

The Board members are periodically given formal orientation and training with respect to the Company's vision, strategic direction, core values including ethics, corporate governance practices, financial matters and business operations. The Directors are facilitated to get familiar with the Company's functions at the operational levels. Periodic presentations are made at the Board and Committee Meetings, on business and performance updates of the Company, business strategy and risks involved. The Board members are also provided with the necessary documents, reports and internal policies to enable them to familiarise with the Company's procedures and practices.

Periodic updates for members are also given out on relevant statutory changes and on important issues impacting the Company's business environment.

The details of programs for familiarisation of Independent Directors is put on the website of the Company at the link: <https://www.reliancehomefinance.com/investor-relations>.

h. Meeting of independent directors with operating team

The independent directors of the Company meet in executive sessions with the various operating teams as and when they deem necessary. These discussions may include topics such as operating policies and procedures, risk management strategies, measures to improve efficiencies, performance and compensation, strategic issues for Board consideration, flow of information to directors, management progression and succession and others, as the independent directors may determine. During these executive sessions, the independent directors have access to members of management and other advisors, as the independent directors may determine and deem fit.

i. Commitment of directors

The meeting dates for the entire financial year are scheduled in the beginning of the year and an annual calendar of meetings of the Board, its Committees and Shareholders' is circulated to the Directors. This enables the Directors to plan their commitments and facilitates attendance at the meetings of the Board, its Committees and Shareholders'.

K. Role of the Company Secretary in Governance Process

The Company Secretary plays a key role in ensuring that the Board procedures are followed and regularly reviewed. The Company Secretary ensures that all

relevant information, details and documents are made available to the Directors and senior management for effective decision making at the meetings. The Company Secretary is primarily responsible, to assist the Board in the conduct of affairs of the Company, to ensure compliance with applicable statutory requirements and Secretarial Standards, to provide guidance to Directors and to facilitate convening of meetings. She interfaces between the management and regulatory authorities for governance matters. All the Directors of the Company have access to the advice and services of the Company Secretary.

L. Independent Statutory Auditors

The Company's accounts are audited by independent audit firm M/s. Tambi & Jaipurkar, Chartered Accountants.

M. Compliance with the Listing Regulations

During the year, the Company is compliant with the mandatory requirements of the Listing Regulations.

We present our report on compliance of governance conditions specified in the Listing Regulations as follows:

I. Board of Directors

1. Board composition – Board strength and representation

As on March 31, 2022, the Board comprised of six directors. The composition and category of directors on the Board of the Company are as under:

Category	Name of Directors and DIN
Independent Directors	Ms. Chhaya Virani (DIN: 06953556) Ms. Rashna Khan (DIN: 06928148) Mr. Sushilkumar Agrawal (DIN: 00400892) Mr. Ashok Ramaswamy (DIN: 00233663)
Non-Executive and Non- Independent Director	Mr. Ashish Turakhia (DIN: 02601110) (Appointed on July 31, 2021) Mr. Sudeep Ghoshal (DIN: 09536193) (Appointed on March 24, 2022)

Notes:

- None of the directors have any business relationship with the Company.
- None of the directors have received any loans and advances from the Company during the financial year.
- None of the directors are related to any other director.

All the Independent Directors of the Company furnish a declaration at the time of their appointment and also annually that they meet the criteria of independence as provided under law. The Board reviews the same and is of the opinion, that the Independent Directors fulfill the conditions specified in the Act and the Listing Regulations and are independent of the management.

Corporate Governance Report

2. Conduct of Board proceedings

The day-to-day business is conducted by the executives of the Company under the direction of the Board. The Board holds minimum four meetings every year to review and discuss the performance of the Company, its future plans, strategies and other pertinent issues relating to the Company.

The Board performs the following specific functions in addition to overseeing the business and the management:

- Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans; setting performance objectives; monitoring implementation and corporate performance; and overseeing major capital expenditures, acquisitions and divestments.
- Monitoring the effectiveness of the Company's governance practices and making changes as needed.
- Selecting, compensating, monitoring and when necessary, replacing key executives and overseeing succession planning.
- Aligning key executive and Board remuneration with the long term interests of the Company and its shareholders.
- Ensuring a transparent Board nomination process with the diversity of thought, experience, knowledge, perspective and gender in the Board.

- Monitoring and managing potential conflicts of interest of management, board members and shareholders, including misuse of corporate assets and abuse in related party transactions.
- Ensuring the integrity of the Company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.
- Overseeing the process of disclosure and communications.
- Monitoring and reviewing Board Evaluation Framework.

3. Board meetings

The Board held 13 meetings during the financial year 2021-22 on April 19, 2021, May 7, 2021, June 21, 2021, June 26, 2021, July 31, 2021, October 19, 2021, November 11, 2021, December 21, 2021, January 5, 2022, January 24, 2022, February 28, 2022, March 5, 2022 and March 24, 2022. The maximum time gap between any two meetings during the year under review was 79 days and the minimum gap was 4 days.

The Board periodically reviews compliance reports of all laws applicable to the Company.

4. Attendance of directors

Attendance of the Directors at the Board and Committee meetings held during the financial year 2021-22 and the last Annual General Meeting (AGM) held on September 14, 2021 were as under:

Board and Committee meetings of the Company	Attendance at the last AGM held on September 14, 2021	Board Meeting attended / held	Audit Committee attended / held	Stakeholders Relationship Committee attended / held	Nomination and Remuneration Committee attended / held	Risk Management Committee attended / held
Total number of meetings held		13	4	1	1	4
Directors Attendance						
Ms. Chhaya Virani	Present	13 of 13	4 of 4	1 of 1	1 of 1	4 of 4
Ms. Rashna Khan	Present	13 of 13	4 of 4	N.A.	1 of 1	4 of 4
Mr. Sushilkumar Agrawal	Present	12 of 13	4 of 4	N.A.	1 of 1	4 of 4
Mr. Ashok Ramaswamy	Present	13 of 13	4 of 4	N.A.	N.A.	4 of 4
Mr. Ashok Karnavat *	N.A.	0 of 2	0 of 1	N.A.	N.A.	0 of 1
Mr. Sunil Wadikar **	Present	10 of 10	4 of 4	1 of 1	N.A.	4 of 4
Mr. Ashish Turakhia ***	Present	9 of 9	N.A.	1 of 1	N.A.	N.A.
Mr. Sudeep Ghoshal ****	N.A.	1 of 1	N.A.	N.A.	N.A.	N.A.

* ceased on May 31, 2021

** ceased on January 28, 2022

*** appointed on July 31, 2021

**** appointed on March 24, 2022

Reliance Home Finance Limited

Corporate Governance Report

4.1. The details of directorships (calculated as per provisions of Section 165 of the Act), committee chairmanships and memberships held by the Directors as on March 31, 2022 were as under:

Name of Director	Number of directorship (including RHFL)	Committee(s) Chairmanship / Membership (including RHFL)	
		Member-ship	Chairman-ship
Ms. Chhaya Virani	7	8	2
Ms. Rashna Khan	2	2	-
Mr. Sushilkumar Agrawal	13	9	4
Mr. Ashok Ramaswamy	2	1	-
Mr. Ashok Karnavat *	12	10	1
Mr. Sunil Wadikar **	7	3	-
Mr. Ashish Turakhia ***	1	2	-
Mr. Sudeep Ghoshal ****	2	1	-

* ceased on May 31, 2021

** ceased on January 28, 2022

*** appointed on July 31, 2021

**** appointed on March 24, 2022

Notes:

- None of the directors hold directorships in more than twenty companies of which directorship in public companies does not exceed ten in line with the provisions of Section 165 of the Act.
- None of the directors hold membership of more than ten committees of board, nor, is a chairman of more than five committees across board of all listed entities.
- No director holds directorship in more than seven listed entities.
- None of the director has been appointed as an Alternate Director for Independent Director.
- The information provided above pertains to the following committees in accordance with the provisions of Regulation 26(1)(b) of the Listing Regulations: (i) Audit Committee; and (ii) Stakeholders Relationship Committee.
- The committee membership and chairmanship above excludes membership and chairmanship in private companies, foreign companies, high value debt listed entities and Section 8 companies.
- Membership of committees includes chairmanship, if any.

The Company's Independent Directors meet at least once in every financial year without the attendance of Non-Independent Directors and Management Personnel. The same was held on March 24, 2022.

5. Resignation of Independent Directors:

Due to sad demise, Mr. Ashok Karnavat ceased to be an Independent Director of the Company on May 31, 2021.

6. Details of Directors

The abbreviate resumes of all the Directors are furnished hereunder:

Ms. Chhaya Virani, 67 years, graduated from Mumbai University with a bachelors' degree in Arts. She also acquired a bachelors' degree in legislative laws from the Government Law College in 1976. She is a partner in M/s. ALMT Legal Advocates and Solicitors.

She is the Chairperson of Audit Committee, Risk Management Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility (CSR) Committee and a Member of Wilful Defaulter's Review Committee of the Company.

She is a director on the board of Reliance General Insurance Company Limited, Reliance Capital Pension Fund Limited, Reliance Corporate Advisory Services Limited, Reliance Power Limited, Rosa Power Supply Company Limited and Sasan Power Limited.

She is a member of audit committee of Reliance General Insurance Company Limited, Reliance Capital Pension Fund Limited, Reliance Power Limited, Sasan Power Limited and Rosa Power Supply Company Limited and a member of stakeholders relationship committee of Reliance Power Limited.

She does not hold any share in the Company as of March 31, 2022.

Ms. Rashna Khan, 58 years, graduated from Government Law College Mumbai (University of Bombay) and qualified as a Solicitor with the Bombay Incorporated Law Society and Law Society London. She has worked with Mulla & Mulla & Craigie Blunt & Caroe, Advocates and Solicitors and with Dhruve Liladhar & Co., Advocates and Solicitors, in various capacities before she became partner of Mulla & Mulla & Craigie Blunt & Caroe, Advocates and Solicitors, since the year 2009. She specialises in the field of civil litigation including attending matters in the High Court, Supreme Court, Company Law Board, Income Tax Tribunal, Arbitration, Customs, Excise and Service Tax Appellate Tribunal, National Company Law Tribunal, Opinion and documentation work.

She is the Chairperson of IT Strategy Committee and a Member of Audit Committee, Risk Management Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee of the Company.

She is also on the board of Reliance Commercial Finance Limited.

She is the chairperson of stakeholders relationship committee and member of audit committee of Reliance Commercial Finance Limited.

She does not hold any share in the Company as of March 31, 2022.

Mr. Ashok Ramaswamy, 72 years, a former Civil Servant with over 40 years experience in the areas of Financial Control and Management, General Administration including

Corporate Governance Report

Vigilance administration, procurement, information technology and sector regulation. His sector experience is in Rail transportation, communications, anti-corruption and telecom regulation. He retired as a Secretary level official from Govt. of India and subsequently was appointed as Member, of the sector regulator for telecom.

He holds Masters Degree in Science, Management and Public Administration and in the early part of the career was intimately involved in application of information technology to computer aided management information system design and implementation.

Most positions held by him required deep comprehension in the subject and knowledge on allied areas and tested analytical and inferential skills.

He is a Member of Audit Committee, Risk Management Committee and Corporate Social Responsibility (CSR) Committee of the Company.

He is also on the board of Reliance Power Limited and a member of audit committee and stakeholders relationship committee of Reliance Power Limited.

He does not hold any share in the Company as of March 31, 2022.

Mr. Sushilkumar Agrawal, 73 years, is a practicing Chartered Accountant and the Senior Most Partner in M/s. N. D. Kapur & Co., Chartered Accountants. He has over the years developed special expertise in the Banking and Financial Services Industry. He has experience in servicing large and medium sized clients in the areas of Internal Audit, Concurrent Audits, IT Advisory, Taxation, Risk Management and Management Consultancy.

He is a Certified Independent Director in many companies including Pranavaditya Spinning Mills Limited and Margo Finance Limited. He is also a Trustee in many Public Trusts engaged in the field of Social, Environment, Education and Health.

He is the Chairman of Wilful Defaulter's Review Committee and a Member of Audit Committee, Risk Management Committee and Nomination and Remuneration Committee of the Company.

He is also a director on the board of Pranavaditya Spinning Mills Limited, Margo Finance Limited, Reliance Financial Advisory Services Private Limited, Reliance MediaWorks Limited, Reliance Broadcast Network Limited, Reliance Commercial Finance Limited, Reliance Wealth Management Limited, Globesecure Technologies Limited, Goldengadre Financial Services Limited, Ana Cyber Forensic Private Limited, WK UP Enterprises Private Limited and Reliance Health Insurance Limited.

He is chairman of audit committee and stakeholders relationship committee of Pranavaditya Spinning Mills Limited and chairman of audit committee of Reliance MediaWorks Limited, Reliance Commercial Finance Limited and Reliance Health Insurance Limited. He is also member of audit committee of Reliance Broadcast Network Limited, Margo Finance Limited and Reliance Financial Advisory Services Limited and member of stakeholders relationship committee of Reliance MediaWorks Limited and Margo Finance Limited.

He holds one share in the Company as of March 31, 2022.

Mr. Ashish Turakhia, 58 years, is a Fellow Member of The Institute of Chartered Accountants of India and The Institute of Company Secretaries of India. He is also a law graduate (LLB) from the University of Mumbai.

He has more than 3 decades of experience in Finance, Company Secretarial, Compliance, Corporate Affairs, Corporate Governance & Listing. He is a Member of Audit Committee, Risk Management Committee, Stakeholders Relationship Committee, Corporate Social Responsibility (CSR) Committee and Wilful Defaulter's Review Committee of the Company.

He holds two shares in the Company as of March 31, 2022.

Mr. Sudeep Ghoshal, aged 45 years, a War Veteran and a Corporate Real Estate Services professional with 24 years of overall experience involved in infrastructure development projects, administrative management, integrated security management, logistics in multi-location facilities in various industry segments like IT, ITES and NBFC.

In his current role with Reliance Capital one of India's leading financial services company he is providing direction and leadership to the company's Real Estate Strategy, developing & implementing operations management strategies to achieve the Business objectives for people and Business while managing overall efficiency and profitability.

In his earlier engagements he worked with Accenture as GM - Workplace Solutions and played dual role of city Workplace Lead and as Country Head Logistics. He also worked with Zenta Pvt Ltd a BPO/ KPO with Operations in India, Philippines and US and was responsible for the Facilities & Services for India locations.

During tenure with the Indian Army, worked in inhospitable terrains and extreme climatic conditions. As an Officer Commanding an Infantry Company carried out active battle operations during Kargil War (Operation Vijay) in Batalik Sector.

He is an Alumini from IIM Calcutta and holds a Diploma in Human Resource Management from Welingkar's Institute and completed his graduation from Mumbai University. He is a certified Master Of Corporate Real Estate (MCR) and a Member of Royal Institute Of Chartered Surveyors (MRICS).

He is a Member of Audit Committee and Risk Management Committee of the Company. He is also on the board of Reliance Commercial Finance Limited.

He is a member of audit committee and stakeholders relationship committee of Reliance Commercial Finance Limited.

He does not hold any share in the Company as of March 31, 2022.

7. Core Skills / Expertise / Competencies available with the Board

The Board comprises of highly qualified members who possess required skills, expertise and competence that allow them to make effective contributions to the Board and its Committees.

The core skills / expertise / competencies required in the Board in the context of the Company's businesses and sectors functioning effectively as identified by the Board of Directors of the Company are tabulated below:

Corporate Governance Report

Name of the Director	Area of Expertise
Ms. Chhaya Virani	- Leadership / Operational experience - Strategic Planning - Sector / Industry Knowledge & Experience, Research & Development and Innovation - Financial, Regulatory / Legal & Risk Management - Corporate Governance
Ms. Rashna Khan	- Leadership / Operational experience - Strategic Planning - Sector / Industry Knowledge & Experience, Research & Development and Innovation - Technology - Financial, Regulatory / Legal & Risk Management - Corporate Governance
Mr. Sushilkumar Agrawal	- Leadership / Operational experience - Strategic Planning - Sector / Industry Knowledge & Experience, Research & Development and Innovation - Financial, Regulatory / Legal & Risk Management - Corporate Governance
Mr. Ashok Ramaswamy	- Leadership / Operational experience - Strategic Planning - Sector / Industry Knowledge & Experience, Research & Development and Innovation - Financial, Regulatory / Legal & Risk Management - Corporate Governance
Mr. Ashish Turakhia	- Leadership / Operational experience - Strategic Planning - Sector / Industry Knowledge & Experience, Research & Development and Innovation - Technology - Financial, Regulatory / Legal & Risk Management - Corporate Governance
Mr. Sudeep Ghoshal	- Leadership / Operational experience - Strategic Planning - Sector / Industry Knowledge & Experience, Research & Development and Innovation - Technology - Financial, Regulatory / Legal & Risk Management - Corporate Governance

8. Directorships in other listed entities

The details of directorships held by the Directors in other entities whose securities are listed as on March 31, 2022 are as follows:

Name of Director	Name of listed entities	Category
Ms. Chhaya Virani	Reliance General Insurance Company Limited	Non-Executive and Independent Director
	Reliance Power Limited	Non-Executive and Independent Director
Ms. Rashna Khan	Reliance Commercial Finance Limited	Non-Executive and Independent Director
Mr. Sushilkumar Agrawal	Margo Finance Limited	Non-Executive and Non-Independent Director
	Pranavaditya Spinning Mills Limited	Non-Executive and Independent Director
	Reliance Commercial Finance Limited	Non-Executive and Independent Director
Mr. Ashish Turakhia *	-	-
Mr. Sudeep Ghoshal **	Reliance Commercial Finance Limited	Non-Executive and Non-Independent Director

* appointed on July 31, 2021

** appointed on March 24, 2022

9. Insurance coverage

The Company is an associate company of Reliance Capital Limited. Directors & Officers Liability Insurance policy obtained by Reliance Capital Limited, covers any legal action that might be initiated against directors / officers of the Company.

II. Audit Committee

The Company has an Audit Committee. The composition and terms of reference of Audit Committee are in compliance with the provisions of Section 177 of the Companies Act, 2013, Listing Regulations, the Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 (earlier the Housing Finance Companies – Corporate Governance (NHB) Directions, 2016) and other applicable laws. The Committee was re-constituted during the year and presently comprises of four independent non-executive directors and two non-independent non-executive director of the Company viz. Ms. Chhaya Virani as Chairperson, Ms. Rashna Khan, Mr. Sushilkumar Agrawal, Mr. Ashok Ramaswamy, Mr. Ashish Turakhia and Mr. Sudeep Ghoshal as Members. All the Members of the Committee possess financial / accounting expertise / exposure.

The Audit Committee, *inter-alia*, advises the management on the areas where systems, processes, measures for

Corporate Governance Report

controlling and monitoring revenue assurance, internal audit and risk management can be improved.

The terms of reference, *inter-alia*, comprises the following:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - a. matters required to be included in the Directors' Responsibility Statement to be included in the Boards' report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
 - b. changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgment by management.
 - d. significant adjustments made in the financial statements arising out of audit findings.
 - e. compliance with listing and other legal requirements relating to financial statements.
 - f. disclosure of any related party transactions.
 - g. modified opinion(s) in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance and effectiveness of audit process;
8. Subject to and conditional upon the approval of the Board of Directors, approval of Related Party Transactions (RPTs) or subsequent modifications thereto. Such approval can be in the form of omnibus approval of RPT subject to conditions not inconsistent with the conditions specified in Regulation 23(2) and Regulation 23(3) of the Listing Regulations;
9. Subject to review by the Board of Directors, review on quarterly basis of RPTs entered into by the Company pursuant to each omnibus approval given pursuant to (8) above;
10. Scrutiny of inter-corporate loans and investments;

11. Valuation of undertakings or assets of the Company, wherever it is necessary;
12. Review the Company's established system and processes of internal financial controls and risk management systems;
13. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
14. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
15. Discussion with internal auditors of any significant findings and follow up there on;
16. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
17. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
18. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
19. To review the functioning of the Whistle Blower mechanism;
20. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
21. Review of compliances as per the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, at least once in a financial year and shall also verify that the systems for internal control are adequate and are operating effectively; and
22. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
23. Consider and comment on rationale, cost benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders.

Explanation (i): The term "related party transactions" shall have the same meaning as provided in Regulation 23 of the Listing Regulations.

The Audit Committee is also authorised to:

1. Investigate any activity within its terms of reference;
2. Obtain outside legal or other professional advice;
3. Have full access to information contained in the records of the Company;
4. Secure attendance of outsiders with relevant expertise, if it considers necessary;
5. Call for comments from the auditors about internal controls systems and the scope of audit, including the observations of the auditors;
6. Review financial statements before submission to the Board; and

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7. Discuss any related issues with the internal and statutory auditors and the management of the Company.

The Audit Committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses;
5. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee; and
6. Statement of deviations:
 - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Listing Regulations; and
 - (b) annual statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice in terms of Regulation 32(7) of the Listing Regulations.

Meetings of the Audit Committee held during 2021-22

The Audit Committee held its meetings on May 7, 2021, July 31, 2021, November 11, 2021 and January 24, 2022. The maximum and minimum time gap between any two meetings, during the year under review was 102 days and 73 days, respectively. The details of attendance of Committee members are given in this Report.

The Chairperson of the Audit Committee was present at the last Annual General Meeting of the Company.

The Audit Committee considered all the points in terms of its reference at periodic intervals.

The Company Secretary acts as the Secretary to the Audit Committee.

III. Nomination and Remuneration Committee

The Company has a Nomination and Remuneration Committee. The composition and terms of reference of Nomination and Remuneration Committee are in compliance with the provisions of Section 178 of the Companies Act, 2013, Listing Regulations, the Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 (earlier the Housing Finance Companies – Corporate Governance (NHB) Directions, 2016) and other applicable laws. The Committee was re-constituted during the year and presently comprises of Ms. Chhaya Virani as Chairperson and Ms. Rashna Khan and Mr. Sushilkumar Agrawal as Members.

The Chairperson of the Nomination and Remuneration Committee was present at the last Annual General Meeting of the Company.

The Company Secretary acts as the Secretary to the Nomination and Remuneration Committee.

The terms of reference, *inter-alia*, comprises the following:

1. To follow the process for selection and appointment of new directors and succession plans;

2. Recommend to the Board from time to time, a compensation structure for Directors and the senior management personnel;
3. Identifying persons who are qualified to be appointed as Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend their appointment and / or removal to the Board;
4. Formulation of the criteria for evaluation of performance of Independent Directors, the Board and the Committee(s) thereof;
5. To assess whether to extend or continue the term of appointment of the Independent Directors, on the basis of the report of performance evaluation of Independent Directors;
6. Devising a policy on Board diversity;
7. Performing functions relating to all share based employees benefits;
8. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees; and
9. Recommending to the Board, all remunerations, in whatever form, payable to Senior Management of the Company.

Policy on appointment and remuneration for Directors, Key Managerial Personnel and Senior Management Employees has been provided on the website of the Company.

10. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - a. use the services of an external agencies, if required;
 - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - c. consider the time commitments of the candidates

The Board has carried out the evaluation of the Board of Directors during the year in terms of the criteria laid down by the Nomination and Remuneration Committee, details of which have been covered in the Director's Report forming part of this Annual Report.

Meetings of the Nomination and Remuneration Committee held during 2021-22

The Nomination and Remuneration Committee held its meeting on March 24, 2022. The details of attendance of Committee members are given in this Report.

Criteria for making payments to non-executive directors

The remuneration to non-executive directors is benchmarked with the relevant market, performance oriented, balanced between financial and sectoral market, based on comparative scales, aligned to corporate goals, role assumed and number of meetings attended.

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The Company has not paid any remuneration to its Directors other than sitting fees for attending the meeting of the Board and Committee(s). Pursuant to the limits approved by the Board, all non-executive directors were paid sitting fees of ₹ 40,000 (excluding goods and services tax) for attending each meeting of the Board and its Committee(s). No remuneration by way of commission to the non-executive directors. The Company has so far not issued any stock options to its non-executive directors. There were no other pecuniary relationships or transactions of non-executive directors vis-à-vis the Company.

Employee Stock Option Scheme

Employee Stock Option Scheme (the "Scheme") has been implemented by the Company to the eligible employees based on specified criteria.

The Scheme is in compliance with the requirements of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

IV. Stakeholders Relationship Committee

The Company has a Stakeholders Relationship Committee. The composition and terms of reference of Stakeholders Relationship Committee are in compliance with the provisions of Section 178 of the Companies Act, 2013, Listing Regulations and other applicable laws. The Committee was re-constituted during the year and presently comprises of two

independent non-executive directors and one non-executive director of the Company viz. Ms. Chhaya Virani as Chairperson, Ms. Rashna Khan and Mr. Ashish Turakhia as Members.

The terms of reference, *inter-alia*, comprises the following:

- Resolving the grievances of the security holders of the Company including complaints related to transfer / transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new / duplicate certificates, general meetings, etc.;
- Reviewing the measures taken for effective exercise of voting rights by shareholders;
- Reviewing the service standards adopted by the Company in respect of various services being rendered by the Registrar & Transfer Agent; and
- Review the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholders of the Company.

The Stakeholders Relationship Committee held its meeting on November 11, 2021. The details of attendance of Committee members are given in this Report.

The Chairperson of the Stakeholders Relationship Committee was present at the last Annual General Meeting of the Company.

The Company Secretary acts as the Secretary to the Stakeholders Relationship Committee.

Shareholders' Grievances Attended

Received from	Received during		Redressed during		Pending as on	
	2021-2022	2020-2021	2021-2022	2020-2021	31.03.2022	31.03.2021
SEBI	24	31	24	31	Nil	Nil
Stock Exchanges	32	49	32	49	Nil	Nil
NSDL / CDSL	2	-	2	-	Nil	Nil
Direct from shareholders	467	131	467	131	Nil	Nil
Total	525	211	525	211	Nil	Nil

Analysis of Grievances

	2021 - 2022		2020 - 2021	
	Numbers	%	Numbers	%
Non-receipt of debenture / share certificates	167	31.81	85	40.28
Non-receipt of annual report	24	4.57	4	1.90
Non-receipt of redemption / interest of NCDs	68	12.95	81	38.39
Others	266	50.67	41	19.43
Total	525	100	21	100

There was no complaint pending as on March 31, 2022.

Notes:

- The number of shareholders is 8,53,215 as on March 31, 2022 and 8,35,236 as on March 31, 2021.
- Investors queries / grievances are normally attended within a period of 3 days from the date of receipt thereof, except in cases involving external agencies or compliance with longer procedural requirements specified by the authorities concerned.

V. Compliance Officer

Ms. Parul Jain, Company Secretary is the Compliance Officer for complying with the requirements of various provisions of Law, Rules, Regulations applicable to the Company including Listing Regulations and the Uniform Listing Agreements executed with the Stock Exchanges.

VI. Corporate Social Responsibility (CSR) Committee

The Company has a Corporate Social Responsibility (CSR) Committee (CSR Committee). The composition and terms of reference of CSR Committee are in compliance with the provisions of Section 135 of the Companies Act, 2013 and other applicable laws. The Committee was re-constituted during the year and presently comprises of two independent non-executive director and one non-independent non-executive director of the Company viz. Ms. Chhaya Virani as Chairperson, Mr. Ashok Ramaswamy and Mr. Ashish Turakhia as Members. The Committee's prime responsibility is to assist the Board in discharging its social responsibilities by way of formulating and monitoring implementation of the framework of 'Corporate Social Responsibility Policy'.

The CSR Committee has formulated a CSR policy indicating the activities to be undertaken by the Company. During the year, no meeting of the CSR Committee was held.

The Company Secretary acts as the Secretary to the CSR Committee.

VII. Risk Management Committee

The Company has a Risk Management Committee. The composition and terms of reference of Risk Management Committee is in compliance with the provisions of the Listing Regulations and the Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 (earlier the Housing Finance Companies – Corporate Governance (NHB) Directions, 2016) and other applicable laws. The Committee was re-constituted during the year and presently comprises of Ms. Chhaya Virani as Chairperson and Ms. Rashna Khan, Mr. Sushilkumar Agrawal, Mr. Ashok Ramaswamy, Mr. Ashish Turakhia and Mr. Sudeep Ghoshal as Members.

The Committee is authorised to discharge its responsibilities as follows:

1. Overseeing and approving the risk management, internal compliance and control policies and procedures of the Company;
2. Overseeing the design and implementation of the risk management and internal control systems (including reporting and internal audit systems), in conjunction with existing business processes and systems, to manage the Company's material business risks;
3. Review and monitor the risk management plan, cyber security and related risks;
4. Setting reporting guidelines for management;
5. Establishing policies for the monitoring and evaluation of risk management systems to assess the effectiveness of those systems in minimizing risks that may impact adversely on the business objectives of the Company;
6. Oversight of internal systems to evaluate compliance with corporate policies;
7. Providing guidance to the Board on making the Company's risk management policies.
8. Formulating a detailed risk management policy which shall include:
 - a. A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - b. Measures for risk mitigation including systems and processes for internal control of identified risks.
 - c. Business continuity plan.
9. Ensuring that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
10. Monitoring and overseeing implementation of the risk management policy, including evaluating the adequacy of risk management systems;
11. Periodically reviewing the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
12. Keeping the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
13. Reviewing the appointment, removal and terms of remuneration of the Chief Risk Officer (if any).
14. Coordinate Committee activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the Board of Directors.

Meetings of the Risk Management Committee held during 2021-22

During the year, the Risk Management Committee held its meetings on May 7, 2021, July 31, 2021, November 11, 2021 and January 24, 2022. The details of attendance of Committee members are given in this Report.

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VIII. IT Strategy Committee

The Company has a IT Strategy Committee. The composition and terms of reference of IT Strategy Committee is as per NHB/ND/DRS/Policy Circular No. 90/2017-18 dated June 15, 2018. The Committee presently comprises of Ms. Rashna Khan, an Independent Director as Chairperson and Mr. Prashant Utreja, Chief Executive Officer and Mr. Rakesh Khosla, Head-Information Technology as Members.

IX. Wilful Defaulter's Review Committee

The Company has a Wilful Defaulter's Review Committee. The composition and terms of reference of the Committee is in terms of the guidelines on Wilful Defaulters issued by RBI Circular No. RBI/2020-21/73/ DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021 on Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 (earlier NHB circular no. NHB (ND)/DRS/Policy Circular No.74/2015-16 dated December 31, 2015). The Committee presently comprises of Mr. Sushilkumar Agrawal, an Independent Director as Chairman and Ms. Chhaya Virani, Mr. Ashish Turakhia, Directors and Mr. Prashant Utreja, Chief Executive Officer as Members. Presentations to the Committee are made by Mr. Lalit Bisht – Head – Collections & Collections Legal, for their review, as and when required.

The minutes of the meetings of all the Committee(s) of the Board of Directors are placed before the Board.

During the year, the Board has accepted all the recommendations of all the Committee(s).

X. General Body Meetings

A. Annual General Meetings

The Company held its last three Annual General Meetings (AGM) as under:

Financial Year	Date and Time	Venue	Whether Special Resolution passed or not
2020-21	September 14, 2021 at 4:30 p.m.	Meeting was held through Video Conferencing (VC) / Other Audio Visual Means (OAVM)	No.
2019-20	June 23, 2020 at 4:00 p.m.	Meeting was held through Video Conferencing (VC) / Other Audio Visual Means (OAVM)	No.
2018-19	September 30, 2019 at 2:30 p.m.	Rama & Sundri Watumull Auditorium Vidyasagar, Principal K. M. Kundnani Chowk, 124, Dinshaw Wachha Road, Churchgate, Mumbai 400 020	Yes, Re-appointment of Mr. Ravindra Sudhalkar as an Executive Director, Alteration of Memorandum of Association, Issue of equity shares by conversion of debt, Private Placement of Non-Convertible Debentures and / or other Debt Securities for refinancing of existing debt.

B. Extra-Ordinary General Meeting

During the year, there was no Extra-Ordinary General Meeting held by the Company.

XI. Postal Ballot

The Company had not conducted any business conducted through Postal Ballot during the financial year 2021-22.

None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing of a special resolution through postal ballot.

XII. Details of Utilisation

During the year, the Company has not raised any funds through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of the Listing Regulations.

XIII. Means of communication

a. **Quarterly Results:** Quarterly results, in ordinary course, are published in The Financial Express (English) newspaper circulating in substantially the whole of

India and in Navshakti (Marathi) newspaper and are also posted on the Company's website.

- b. **Media Releases and Presentations:** Official media releases are sent to the Stock Exchanges before their release to the media for wider dissemination. Presentations made to media, analysts, institutional investors, etc., if any, are posted on the Company's website.
- c. **Website:** The Company's website contains a separate dedicated section 'Investor Relations'. It contains comprehensive database of information of interest to our investors including the financial results and Annual Report of the Company, any price sensitive information disclosed to the regulatory authorities from time to time, business activities and the services rendered / facilities extended by the Company to our investors, in a user friendly manner. The basic information about

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the Company is provided on the Company's website and the same is updated regularly.

- d. **Annual Report:** The Annual Report containing, *inter-alia*, Notice of Annual General Meeting, Audited Financial Statement, Directors' Report, Auditors' Report and other important information is circulated to members and others entitled thereto. The Management Discussion and Analysis Report and Corporate Governance Report forms part of the Annual Report and are displayed on the Company's website.

The Companies Act, 2013 read with the Rules made thereunder and the Listing Regulations facilitate the service of documents to members through electronic means. In compliance with the various relaxations provided by SEBI and MCA, the Company has e-mailed the soft copies of the Annual Report to all those members whose e-mail IDs were available with its Registrar and Transfer Agent or Depositories and urged those members to register their e-mail IDs to receive the said communication.

- e. **NSE Electronic Application Processing System (NEAPS) and New Digital Exchange Platform:** The NEAPS and New Digital Exchange Platform are web-based systems designed by NSE for corporates. The shareholding pattern, corporate governance report, corporate announcement, media release, if any, results, annual report, etc. are filed electronically on the respective platforms, as applicable.
- f. **BSE Corporate Compliance & Listing Centre (the 'Listing Centre'):** The Listing Centre is a web-based application designed by BSE for corporates. The shareholding pattern, corporate governance report, corporate announcement, media release, if any, results, annual report, etc. are filed electronically on the Listing Centre.
- g. **Unique Investor Helpdesk:** Exclusively for investor servicing, the Company has set up a Unique Investor Helpdesk with multiple access modes as under:
Toll free no. (India): 1800 309 4001
Fax: +91 40 6716 1791
E-mail: rhflinvestor@kfintech.com
- h. **Designated E-mail Id:** The Company has also designated e-mail id: rhfl.investor@relianceada.com exclusively for investor servicing.
- i. **SEBI Complaints Redressal System (SCORES):** The investors' complaints are also being processed through the centralised web-based complaint redressal system. The salient features of SCORES are availability of centralised data base of the complaints, uploading online action taken reports by the Company. Through SCORES the investors can view online, the action taken and current status of the complaints. In its efforts to improve ease of doing business, SEBI has launched a mobile app "SEBI SCORES", making it easier for investors to lodge their grievances with SEBI, as they can now access SCORES at their convenience of a smart phone.

IV. Management Discussion and Analysis

A Management Discussion and Analysis Report forms part of this Annual Report and includes discussions on various matters specified under Regulation 34(2), Schedule V of the Listing Regulations and the Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 (earlier the Housing Finance Companies – Corporate Governance (NHB) Directions, 2016) .

XV. Subsidiaries

The Company does not have any material non-listed subsidiary company. Hence is not required to have a Policy for determining material subsidiaries.

XVI. Disclosures

- a. There has been no non-compliance by the Company and no penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other Statutory Authority during the last three financial years except for the delay in publication of financial results for the year ended March 31, 2019 due to the situations beyond the control of the Company and penalties imposed by NHB for contravention of certain provisions of the NHB Act, 1987, The Housing Finance Companies (NHB) Directions, 2010 and circulars issued thereunder.

b. Related party transactions

During the financial year 2021-22, no transactions of material nature had been entered into by the Company that may have a potential conflict with interest of the Company. The details of related party transactions are disclosed in Notes to Financial Statement. The policy on related party transactions is put on the website of the Company at the link: <https://www.reliancehomefinance.com/investor-relations>.

c. Accounting treatment

In the preparation of Financial Statement, the Company has followed the Companies (Indian Accounting Standards) Rules, 2015 ('Ind AS') prescribed under Section 133 of the Act and other recognised accounting practices and policies. The Accounting Policies followed by the Company to the extent relevant, are set out elsewhere in this Annual Report.

d. Risk management

The Company has laid down a Risk Management Policy, defining Risk profiles involving Strategic, Technological, Operational, Financial, Credit, Organisational, Legal and Regulatory risks within a well-defined framework. The Risk Management Policy acts as an enabler of growth for the Company by helping its businesses to identify the inherent risks, assess, evaluate and monitor these risks continuously and undertake effective steps to manage these risks. Ms. Chhaya Virani acts as Chairperson and Ms. Rashna Khan, Mr. Sushilkumar Agrawal, Mr. Ashok Ramaswamy, Mr. Ashish Turakhia and Mr. Sudeep Ghoshal are members of the Risk Management Committee (RMC). The Committee periodically reviews the robustness of the Risk Management Policy. The periodical update on the risk management practices and mitigation plan of the Company are presented to the Audit Committee and Board of Directors. The Audit

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Committee and Board periodically review such updates and findings and suggest areas where internal controls and risk management practices can be improved.

Asset Liability Committee (ALCO) consisting of senior management executives, monitors liquidity and interest rate risks of the Company. The functioning of ALCO is reviewed by the RMC which meets on quarterly basis and reports to the Board of Directors.

e. **Policy Guidelines on "Know Your Customer" Norms and Anti – Money Laundering Measures**

In keeping with specific requirements for Housing Finance Companies, the Company has also formulated the Policy Guidelines on "Know Your Customer" Norms and Anti – Money Laundering Measures and the same has been posted on the Company's website.

f. **Code of Conduct**

The Company has adopted the Code of Conduct for directors and senior management. The Code has been circulated to all the members of the Board and senior management and the same has been posted on the Company's website. The Board members and senior management have affirmed their compliance with the Code and a declaration signed by the Chief Executive Officer of the Company is given below:

"It is hereby declared that the Company has obtained from all members of the Board and senior management personnel affirmation that they have complied with the Code of Conduct for Directors and Senior Management of the Company for the year 2021–22."

Prashant Utreja
Chief Executive Officer

g. **CEO / CFO certification**

Mr. Prashant Utreja, Chief Executive Officer and Mr. Amit Kumar Jha, Chief Financial Officer of the Company have provided certification for the financial year 2021–22 on financial reporting and internal controls to the Board as required under Regulation 17(8) of the Listing Regulations.

h. **Certificate from Company Secretary in Practice**

Pursuant to the provisions of the Schedule V of the Listing Regulations, the Company has obtained a certificate from M/s. Aashish K. Bhatt & Associates, Practicing Company Secretaries confirming that none of the Directors of the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority. The copy of the same forms part of this Annual Report.

i. **Review of Directors' Responsibility Statement**

The Board in its report has confirmed that the Financial Statements for the year ended March 31, 2022 have been prepared as per applicable Accounting Standards and policies and that sufficient care has been taken for maintaining adequate accounting records.

XVII. Policy on prohibition of insider trading

The Company has formulated the "Reliance Home Finance Limited – Code of Practices and Procedures and Code of Conduct to Regulate, Monitor and Report trading in securities and fair disclosure of Unpublished Price Sensitive Information" (Code) in accordance with the guidelines specified under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended, from time to time. The Board has appointed Ms. Parul Jain, Company Secretary as the Compliance Officer under the Code responsible for complying with the procedures, monitoring adherence to the rules for the preservation of price sensitive information, pre-clearance of trade, monitoring of trades and implementation of the Code under the overall supervision of the Board. The Company's Code, *inter-alia*, prohibits purchase and / or sale of securities of the Company by an insider, while in possession of unpublished price sensitive information in relation to the Company and also during certain prohibited periods. The Company's Code is available on the website of the Company.

Pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Trading Window for dealing in the securities of the Company by the designated persons shall remain closed during the period from end of every quarter / year till the expiry of 48 hours from the declaration of quarterly / yearly financial results of the Company.

XVIII. Compliance of Regulation 34(3) and Para F of Schedule V of the Listing Regulations

The equity shares were allotted and transferred to "Reliance Home Finance Limited – Unclaimed Suspense Account" pursuant to the Scheme of Arrangement between Reliance Capital Limited and Reliance Home Finance Limited. As per Regulation 34(3) and Para F of Schedule V of the Listing Regulations, the details in respect of equity shares lying in "Reliance Home Finance Limited – Unclaimed Suspense Account" were as follows:

Particulars	No. of shareholders	No. of shares
(i) Aggregate number of shareholders and the outstanding shares in the suspense account lying at April 1, 2021	52,134	1,98,614
(ii) Number of shareholders who approached listed entity for transfer of shares from suspense account during April 1, 2021 to March 31, 2022	-	-

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Particulars	No. of shareholders	No. of shares
(iii) Number of shareholders to whom shares were transferred from suspense account during April 1, 2021 to March 31, 2022	-	-
(iv) Aggregate number of shareholders and the outstanding shares in the suspense account lying at March 31, 2022	52,134	1,98,614

The voting rights on the shares outstanding in the "Reliance Home Finance Limited – Unclaimed Suspense Account" as on March 31, 2022 shall remain frozen till the rightful owner of such shares claims the share(s).

Wherever shareholders have claimed the share(s), after proper verifications, the share certificates were dispatched to them or share(s) were credited to the respective beneficiary account.

XIX. Fees to Statutory Auditors

The details of fees paid to Statutory Auditors by the Company for the financial year 2021-22 are as follows:

(₹ in crore)

Nature of Service	2021-22
Statutory Audit Fees (including limited review fees)	0.19
Certification Fees	0.16
Total	0.35

XX. Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

As reported by the Internal Complaint Committee, the details of Complaints are as under:

Sr. No.	Particulars	Details
1.	Number of complaints filed during the financial year	Nil
2.	Number of complaints disposed off during the financial year	Nil
3.	Number of complaints pending as on end of the financial year	Nil

XXI. Compliance with non-mandatory requirements

1. The Board

The Company have adopted a policy to ensure that the Chairman of the meetings of the Board shall be a non-executive director as the Board and Committee Meetings are chaired by non-executive director.

2. Reporting of Internal Auditor

The Internal Auditor reports directly to the Audit Committee of the Company.

XXII. General shareholder information

The mandatory and various additional information of interest to investors are voluntarily furnished in a separate section on investor information in this Annual Report.

Certificate from Company Secretary in Practice on corporate governance

Certificate from Company Secretary in Practice on compliance of Regulation 34(3) of the Listing Regulations and provisions of RBI Directions relating to corporate governance is published in this Annual Report.

Review of governance practices

We have in this Report attempted to present the governance practices and principles being followed at Reliance Home Finance, as evolved over a period and as best suited to the needs of our business and stakeholders.

Our disclosures and governance practices are continually revisited, reviewed and revised to respond to the dynamic needs of our business and ensure that our standards are at par with the globally recognised practices of governance, so as to meet the expectations of all our stakeholders.

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Compliance of Corporate Governance requirements specified in Regulations 17 to 27 and Regulation 46(2)(b) to (i) of the Listing Regulations

Sr. No.	Particulars	Regulation	Compliance Status	Compliance Observed
1.	Board of Directors	17	Yes	- Composition and appointment of Directors - Meetings and Quorum - Review of compliance reports and compliance certificate - Plans for orderly succession for appointments - Code of Conduct - Fees / compensation to Non-Executive Directors - Minimum information to be placed before the Board - Compliance Certificate - Risk assessment and management - Performance evaluation of Independent Directors - Recommendation of the Board for each item of Special Business
2.	Maximum number of Directorship	17A	Yes	Directorship in listed entities
3.	Audit Committee	18	Yes	- Composition - Meeting and Quorum of the Committee - Chairperson present at the Annual General Meeting - Role of the Committee
4.	Nomination and Remuneration Committee	19	Yes	- Composition - Meeting and Quorum of the Committee - Chairperson present at the Annual General Meeting - Role of the Committee
5.	Stakeholders Relationship Committee	20	Yes	- Composition - Meeting and Quorum of the Committee - Chairperson present at the Annual General Meeting - Role of the Committee
6.	Risk Management Committee	21	Yes	- Composition - Meeting and Quorum of the Committee - Role of the Committee
7.	Vigil Mechanism	22	Yes	- Review of Vigil Mechanism for Directors and employees - Direct access to Chairperson of Audit Committee
8.	Related Party Transactions	23	Yes	- Policy of Materiality of Related Party Transactions and dealing with Related Party Transactions - Approval including omnibus approval of Audit Committee and the Board - Review of Related Party Transactions - No material Related Party Transactions
9.	Secretarial Audit	24A	Yes	- Secretarial Audit of the Company - Annual Secretarial Compliance Report
10.	Obligations with respect to Independent Directors	25	Yes	- No alternate director for Independent Directors - Maximum Directorship and tenure - Meetings of Independent Directors - Cessation and appointment of Independent Directors - Familiarisation of Independent Directors - Declaration by Independent Directors - Directors and Officer's Insurance
11.	Obligations with respect to employees including Senior Management, Key Managerial Personnel, Directors and Promoters	26	Yes	- Memberships / Chairmanships in Committees - Affirmation on compliance of Code of Conduct by Directors and Senior Management - Disclosure of shareholding by Non-Executive Directors - Disclosures by Senior Management about potential conflicts of interest - No agreement with regard to compensation or profit sharing in connection with dealings in securities of the Company by Key Managerial Personnel, Director and Promoter
12.	Other Corporate Governance requirements	27	Yes	- Compliance with discretionary requirements - Filing of compliance report on Corporate Governance
13.	Website	46(2)(b) to (i)	Yes	- Terms and conditions for appointment of Independent Directors - Composition of various Committees of the Board of Directors - Code of Conduct of Board of Directors and Senior Management - Details of establishment of Vigil Mechanism / Whistle-blower policy - Criteria of making payment to Non-Executive Director - Policy on dealing with Related Party Transactions - Details of familiarisation programmes imparted to Independent Directors

Reliance Home Finance Limited

Certificate on Corporate Governance by Practicing Company Secretary

To,

The Members

Reliance Home Finance Limited

The Ruby, 11th Floor, North-West Wing
Plot No. 29, Senapati Bapat Marg
Dadar (West), Mumbai 400 028

I have examined the compliance of conditions of Corporate Governance by Reliance Home Finance Limited ('the Company') for the year ended March 31, 2022, as per the relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the SEBI Listing Regulations, 2015") as referred to in Regulation 15(2) of the SEBI Listing Regulations, 2015 and pursuant to the requirements of RBI Circular No. RBI/2020-21/73/ DOR.FIN.HFC. CC.No.120/03.10.136/2020-21 dated February 17, 2021 on Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 (earlier Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016) ("the RBI Directions") for the period from April 1, 2021 to March 31, 2022.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management and my examination was limited to procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015 and the RBI Directions.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

This Certificate is issued solely for the purposes of complying with the aforesaid Regulations and should not be used by any other person or for any other purpose.

For Aashish K. Bhatt & Associates

Practicing Company Secretaries

(ICSI Unique Code S2008MH100200)

Aashish K. Bhatt

Proprietor

ACS No.: 19639, COP No.: 7023

UDIN: A019639D000277371

Date : May 6, 2022

Place : Mumbai

Certificate of Non-Disqualification of Directors

(Pursuant to Regulation 34(3) and Schedule V Para C Sub clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members

Reliance Home Finance Limited

The Ruby, 11th Floor, North-West Wing

Plot No. 29, Senapati Bapat Marg

Dadar (West), Mumbai 400 028

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Reliance Home Finance Limited having CIN L67190MH2008PLC183216 and having registered office at The Ruby, 11th Floor, North-West Wing, Plot No. 29, Senapati Bapat Marg, Dadar (West), Mumbai 400 028 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers and further, based on the written representations received from the Directors as on March 31, 2022 taken on record by the Board of Directors and the legal opinion obtained by the Company, none of the directors are disqualified as on March 31, 2022 from being appointed as a Director in terms of Section 164(2) of the Companies Act, 2013 ('the Act'). I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2022 have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company	Date of Cessation
1.	Ms. Chhaya Virani	06953556	01.04.2019	-
2.	Ms. Rashna Khan	06928148	02.05.2019	-
3.	Mr. Sushilkumar Agrawal	00400892	23.01.2020	-
4.	Mr. Ashok Ramaswamy	00233663	31.05.2019	-
5.	Mr. Sunil Wadikar	07238445	23.06.2020	28.01.2022
6.	Mr. Ashish Turakhia	02601110	31.07.2021	-
7.	Mr. Sudeep Ghoshal	09536193	24.03.2022	-

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This Certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Aashish K. Bhatt & Associates

Practicing Company Secretaries

(ICSI Unique Code S2008MH100200)

Aashish K. Bhatt

Proprietor

ACS No.: 19639, COP No.: 7023

UDIN: A019639D000277380

Place: Mumbai

Date: May 6, 2022

Investor Information

GENERAL SHAREHOLDER INFORMATION

Important points

Share Transfer System

All transfer, transmission or transposition of securities, are conducted in accordance with the provisions of Regulation 40 and Schedule VII of the Listing Regulations read together with SEBI Circular no. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/236 dated December 2, 2020.

As mandated by SEBI, with effect from April 1, 2019, request for transfer of securities shall not be processed unless the securities are held in dematerialized form with a depository except for transmission and transposition of securities.

Members are advised to dematerialise securities in the Company to facilitate transfer of securities.

SEBI vide circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 on Issuance of Securities in dematerialized form in case of Investor Service Requests and Amendment in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2022 vide Gazette Notification no. SEBI/LADNRO/GN/2022/66 dated January 24, 2022, it has been decided that listed companies shall henceforth issue the securities in dematerialised form only while processing the service request for Issue of duplicate securities certificate; Claim from Unclaimed Suspense Account; Renewal / Exchange of securities certificate; Endorsement; Sub-division/Splitting of securities certificate; Consolidation of securities certificates/folios; Transmission and Transposition.

The securities holder/claimant shall submit duly filled up Form ISR-4 (to be hosted on the website of the Issuer Companies and the Registrar and Transfer Agent (RTA)). The RTA / Issuer Companies shall verify and process the service requests, issue a 'Letter of confirmation' in lieu of physical securities certificate(s), to the securities shall be valid for a period of 120 days within which the securities holder/claimant shall make a request to the Depository Participant for dematerialising the said securities. The RTA / Issuer Companies shall issue a reminder after the end of 45 days and 90 days from the date of issuance of Letter of Confirmation, informing the securities holder/claimant to submit the demat request as above and in case no such request has been received by the RTA / Issuer Company within the aforesaid period, they shall credit the securities to the Suspense Escrow Demat Account of the Company.

Further, holding securities in dematerialised form is also beneficial to the investors in the following manner:

- A safe and convenient way to hold securities;
- Elimination of risk(s) associated with physical certificates such as bad delivery, fake securities, delays, thefts, etc;
- Immediate transfer of securities;
- No stamp duty on electronic transfer of securities;
- Reduction in transaction cost;
- Reduction in paperwork involved in transfer of securities;
- No odd lot problem, even one share can be traded;
- Availability of nomination facility;
- Ease in effecting change of address/bank account details as change with Depository Participants (DPs) gets registered with all companies in which investor holds securities electronically eliminating the need to correspond with each of them separately;

- Easier transmission of securities as the same done by DPs for all securities in demat account; and
- Automatic credit into demat account of shares, arising out of bonus/split/consolidation/merger/ etc.
- Convenient method of consolidation of folios/ accounts;
- Holding investments in Equity, Debt Instruments, Government securities, Mutual Fund Units, etc. in a single account;
- Ease of pledging of securities; and
- Ease in monitoring of portfolio.

SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021 has mandated all shareholders :

- (i) To furnish the details of PAN, e-mail address, mobile number, bank account details, KYC details and nomination by holders of physical securities; and
- (ii) In case of failure to provide required documents and details as per the aforesaid SEBI circular, all folios of such shareholders shall be frozen on or after April 1, 2023 by the RTA and the shareholders will not be eligible to lodge grievance or avail service request from the RTA and not eligible for receipt of dividend in physical mode.

In view of the above, Members holding securities in physical mode are:

- a. required to submit their Permanent Account Number (PAN), bank account details, KYC details to the Company / KFin Technologies Limited ("KFinTech"), Registrar and Transfer Agent of the Company at einward.ris@kfinetech.com, if not registered with the Company as mandated by SEBI.
- b. advised to register / update their e-mail address and mobile numbers with the Company / KFinTech for receiving all communications from the Company electronically, and to register the nomination details in respect of their shareholding in the Company. Nomination Form (SH-13) is put on the Company's website and can be accessed at link <https://www.reliancehomefinance.com/investor-relations>.

Members holding shares in dematerialised mode are also:

- a. requested to submit their PAN and bank account details to their respective DPs with whom they are maintaining their demat accounts.
- b. advised to contact their respective DPs for registering the nomination and
- c. register/update their e-mail address and mobile numbers with their respective DPs for receiving all communications from the Company electronically.

SEBI vide its circular no. SEBI/HO/MIRSD/DOS3/CIR/P/2019/30 dated February 11, 2019, with a view to address the difficulties in transfer of shares, faced by non-residents and foreign nationals, has decided to grant relaxations to non-residents from the requirement to furnish PAN and permit them to transfer equity shares held by them in listed entities to their immediate relatives subject to the following conditions:

- a. The relaxation shall only be available for transfers executed after January 1, 2016.
- b. The relaxation shall only be available to non-commercial transactions, i.e. transfer by way of gift among immediate relatives.
- c. The non-resident shall provide copy of an alternate valid document to ascertain identity as well as the non-resident status.

Investor Information

Non-Resident Indian Members are requested to inform Kfintech, the Company's Registrar and Transfer Agent immediately on the change in the residential status on return to India for permanent settlement.

Hold securities in consolidated form

Investors holding securities in multiple folios are requested to consolidate their holdings in single folio. Holding of securities in one folio enables holders to monitor the same with ease.

Link for updating PAN / Bank Details is provided on the website of the Company

Electronic Payment Services

Investors should avail the Electronic Payment Services for payment of dividend as the same reduces risk attached to physical dividend warrants. Some of the advantages of payment through electronic credit services are as under:

- Avoidance of frequent visits to banks for depositing the physical instruments.
- Prompt credit to the bank account of the investor through electronic clearing.
- Fraudulent encashment of warrants is avoided.
- Exposure to delays / loss in postal service avoided.
- As there can be no loss in transit of warrants, issue of duplicate warrants is avoided. Printing of bank account numbers, names and addresses of bank branches on dividend warrants provide protection against fraudulent encashment of dividend warrants. Members are requested to provide the same to the Company's RTA, Kfintech for incorporation on their dividend warrants.

Register for SMS alert facility

Investor should register with their DPs for the SMS alert facility. Both Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) alert investors through SMS of the debits and credits in their demat account.

To intimate mobile number

Shareholders are requested to intimate their mobile number and changes therein, if any, to Kfintech, if shares are held in physical form or to their DP if the holding is in electronic form, to receive communications on corporate actions and other information of the Company.

Submit nomination form and avoid transmission hassle

Nomination helps nominees to get the securities transmitted in their favour without any hassles. Investors should get the nomination registered with the Company in case of physical holding.

The Nomination Form may be downloaded from the Company's website under the section 'Investor Relations' under the tab 'Investor Information' – Download Forms. However, if securities are held in dematerialised form, nomination has to be registered with the concerned DPs directly, as per the form prescribed by them.

Deal only with SEBI registered intermediaries

Investors should deal with SEBI registered intermediaries so that in case of deficiency of services, investor may take up the matter with SEBI.

Corporate benefits in electronic form

Investor holding shares in physical form should opt for corporate benefits like bonus/split/consolidation/merger/etc. in electronic

form by providing their demat account details to the Company's RTA.

Register e-mail address

Investors should register their e-mail address with the Company/DPs. This will help them in receiving all communication from the Company electronically at their e-mail address. This also avoids delay in receiving communications from the Company. Prescribed form for registration may please be downloaded from the Company's website.

Course of action for revalidation of dividend warrant for previous years

Shareholders may write to the Company's RTA, furnishing the particulars of the dividend not received, and quoting the folio number/DP ID and Client ID particulars (in case of dematerialised shares), as the case may be and provide bank details along with cancelled cheque bearing the name of the shareholder for updation of bank details and payment of unpaid dividend. The RTA would request the concerned shareholder to execute an indemnity before processing the request. As per the circular dated April 20, 2018 issued by SEBI, the unencashed dividend can be remitted by electronic transfer only and no duplicate dividend warrants will be issued by the Company.

The shareholders are advised to register their bank details with the Company/RTA or their DPs, as the case may be, to claim unencashed dividend from the Company.

Facility for a Basic Services Demat Account (BSDA)

SEBI has stated that all the depository participants shall make available a BSDA for the shareholders unless otherwise opted for regular demat account with (a) No Annual Maintenance charges if the value of holding is up to ₹ 50,000/- and (b) Annual Maintenance charges not exceeding ₹ 100/- for value of holding from ₹ 50,001 to ₹ 2,00,000/- (Refer Circular CIR/ MRD/DP/22/2012 dated August 27, 2012 and Circular CIR/ MRD/DP/20/2015 dated December 11, 2015).

Annual General Meeting

The 14th Annual General Meeting (AGM) will be held on Friday, June 24, 2022 at 11:00 A.M. (IST) through Video Conferencing (VC) / Other Audio Visual Means (OAVM).

E-voting

The Members can cast their vote online through remote e-voting from 10:00 A.M. (IST) on Monday, June 20, 2022 to 5:00 P.M. (IST) on Thursday, June 23, 2022. Further, the e-voting facility shall also be made available to the shareholders present at the meeting through Video Conferencing and have not cast their vote on resolution through remote e-voting.

The Members who have cast their votes by remote e-voting prior to the Meeting may also attend the Meeting but shall not be entitled to cast their votes again at the Meeting.

The Members shall refer to the detailed procedure on remote e-voting are given in the Notice and the e-voting instruction slip. Pursuant to Circular No. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020, effective from June 9, 2021, SEBI has revised the procedure for e-voting facilities to be provided by listed entities for individual shareholders holding security demat form. Members are requested to follow the procedure / instructions provided in the Notes to Notice for the Annual General Meeting pursuant to the aforesaid circular.

Reliance Home Finance Limited

Investor Information

Financial year of the Company

The financial year of the Company is from April 1 to March 31 each year.

Website

The Company's website www.reliancehomefinance.com contains a separate dedicated section called 'Investor Relations'. It contains comprehensive database of information of interest to our investors including the financial results, annual reports, dividend declared, any price sensitive information disclosed to the regulatory authorities from time to time, business activities and the services rendered / facilities extended to our investors.

Dedicated e-mail id for investors

For the convenience of our investors, the Company has designated an e-mail id i.e. rhfl.investor@relianceada.com for investors.

Registrar and Transfer Agent (RTA)

KFin Technologies Limited

Unit: Reliance Home Finance Limited

Selenium Building, Tower – B

Plot No. 31 & 32, Financial District, Nanakramguda

Hyderabad 500 032

Toll free no. (India): 1800 345 4001

Fax: +40 6716 1791

E-mail: einward.ris@kfintech.com

Website: www.kfintech.com

Dividend announcements

The Board of Directors of the Company have not recommended any dividend for the financial year 2021-22.

Shareholding Pattern

Category of shareholders	As on 31.03.2022		As on 31.03.2021	
	Number of Shares	%	Number of Shares	%
(A) Shareholding of promoter and promoter group				
(i) Indian	24 04 84 799	49.58	24 04 84 799	49.58
(ii) Foreign	-	-	-	-
Total shareholding of promoter and promoter group	24 04 84 799	49.58	24 04 84 799	49.58
(B) Public shareholding				
(i) Institutions	1 82 13 632	3.75	1 84 83 462	3.81
(ii) Non-institutions	22 63 60 387	46.67	22 60 90 557	46.61
Total public shareholding	24 45 74 019	50.42	24 45 74 019	50.42
(C) Shares held by custodians and against which depository receipts have been issued	-	-	-	-
Grand Total (A)+(B)+(C)	48 50 58 818	100	48 50 58 818	100

Distribution of Shareholding

Number of shares	Number of shareholders as on 31.03.2022		Total shares as on 31.03.2022		Number of shareholders as on 31.03.2021		Total shares as on 31.03.2021	
	Number	%	Number	%	Number	%	Number	%
Upto 500	8 13 110	95.30	2 66 33 515	5.49	8 03 044	96.15	2 40 21 619	5.06
501 to 5000	34 170	4.00	5 52 61 765	11.39	26 550	3.18	4 33 79 105	9.07
5001 to 100000	5 759	0.67	9 46 18 499	19.51	5 415	0.65	9 42 72 989	19.40
Above 100000	176	0.02	30 85 45 039	63.61	227	0.03	32 33 85 105	66.46
Total	8 53 215	100.00	48 50 58 818	100.00	8 35 236	100.00	48 50 58 818	100.00

Dematerialisation of shares and Liquidity

The Company had admitted its shares to the depository system of NSDL and CDSL for dematerialisation. The International Securities Identification Number (ISIN) allotted to the Company is INE217K01011. The equity shares of the Company are compulsorily traded in dematerialised form as mandated by SEBI.

Status of dematerialisation of shares

As on March 31, 2022, 99.18 per cent of the Company's shares are held in dematerialised form.

Legal Proceedings

There are certain pending cases relating to disputes over title to shares, in which the Company is made a party. These cases are however not material in nature.

Investor Information

Equity History

Sr. No.	Date	Particulars	Price per equity share (₹)	No. of shares	Cumulative Total
1.	05-06-2008	Shares issued upon Incorporation	10	10 000	10 000
2.	26-06-2008	Issued to holding company	10	99 90 000	1 00 00 000
3.	26-02-2010	Rights Issue	10	2 00 00 000	3 00 00 000
4.	29-01-2013	Bonus Issue	-	3 29 10 000	6 58 20 000
5.	26-10-2016	Preferential Issue	40	2 50 00 000	9 08 20 000
6.	06-12-2016	Preferential Issue	40	2 50 00 000	11 58 20 000
7.	04-09-2017	Rights Issue	32	11 65 49 188	23 23 69 188
8.	07-09-2017	Allotment pursuant to Scheme of Arrangement	-	25 26 89 630	48 50 58 818

Credit Rating

Rating Agency	Type of Instrument	Rating as on March 31, 2022
CARE Ratings Limited	Long Term Debt Programme	CARE D
	Principal Protected Market Linked Debentures	CARE PP-MLD D
	Subordinated Debt	CARE D
	Upper Tier-II NCDs	CARE D
	Non-Convertible Debentures – Public Issue	CARE D
	Upper Tier II Bonds – Public Issue	CARE D
Brickwork Ratings India Private Limited	Long Term Secured NCD	BWR D
	Principal Protected Market Linked Debentures	BWR PP-MLD D
	Unsecured Subordinated Tier II NCD	BWR D
	Long Term Unsecured Upper Tier-II NCD	BWR D
	Long Term Secured NCD – Public Issue	BWR D
	Public Issue of Long Term Unsecured Upper Tier II NCD	BWR D
ICRA Limited	Commercial Paper	BWR D
	Commercial Paper	[ICRA] D

There is no revision in the Credit Ratings since September 18, 2019.

Stock Price and Volume

2021-22	BSE Limited			National Stock Exchange of India Limited		
	High (₹)	Low (₹)	Volume Nos.	High (₹)	Low (₹)	Volume Nos.
April, 2021	3.12	2.25	8160 251	3.00	2.25	2 68 21 825
May, 2021	2.97	2.48	2 90 46 540	2.95	2.45	7 16 86 701
June, 2021	6.90	2.95	7 66 07 092	6.65	2.95	5 06 73 317
July, 2021	6.40	4.12	1 73 35 356	6.40	4.05	4 00 86 007
August, 2021	4.63	2.88	51 69 032	4.60	2.90	1 41 47 035
September, 2021	5.29	3.62	78 82 732	5.25	3.65	2 06 03 261
October, 2021	4.60	3.74	65 95 363	4.55	3.75	2 12 74 122
November, 2021	4.16	3.44	77 16 177	4.20	3.45	1 52 09 037
December, 2021	5.34	3.44	2 65 36 433	5.30	3.45	6 18 26 786
January, 2022	6.86	5.04	2 79 38 940	6.75	5.05	5 15 23 009
February, 2022	5.48	3.40	52 63 800	5.45	3.45	1 39 56 571
March, 2022	5.17	3.65	93 68 483	5.15	3.65	1 87 14 868

[Source: This information is compiled from the data available on the websites of BSE and NSE]

Stock exchange listings

The Company's equity shares are actively traded on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE), the Indian Stock Exchanges.

Listing on stock exchanges

Equity shares

BSE Limited

Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai 400 001

Website: www.bseindia.com

National Stock Exchange of India Limited

Exchange Plaza, 5th Floor, Plot No. C/1, G Block

Bandra Kurla Complex, Bandra (East), Mumbai 400 051

Website: www.nseindia.com

Stock codes

BSE Limited : 540709

National Stock Exchange of India Limited : RHFL

ISIN for equity shares : INE217K01011

Reliance Home Finance Limited

Investor Information

Commodity price risk or foreign exchange risk and hedging activities

The Company does not have any un-hedged exposure to commodity price risks and foreign exchange risk. The Company hedges its interest rate risk on market linked debentures by taking positions in futures and options.

Debt securities

The Non-Convertible Debentures (NCDs) issued through Public Issue are listed on BSE and NSE. NCDs issued on Private Placement basis are listed on BSE.

Debenture Trustee

IDBI Trusteeship Services Limited

Asian Building, Ground Floor, 17 R Kamani Marg

Ballard Estate, Mumbai 400 001

Website: www.idbitrustee.com

Catalyst Trusteeship Limited

GDA House, Plot No. 85, Bhusari Colony (Right)

Paud Road, Pune 411 038

Website: www.catalysttrustee.com

Payment of annual listing and depository fees for the financial year 2022-23

The Company is in the process of making payment to the Stock Exchanges and Depositories.

Share price performance in comparison to broad based indices- Sensex BSE and Nifty NSE

	RHFL %	Sensex BSE %	Nifty NSE %
FY 2021-22	60.42	18.30	18.88
2 years	413.33	98.75	103.13
3 years	(86.61)	51.45	50.25

Key financial reporting dates for the financial year 2022-23

Unaudited results for the first quarter ended June 30, 2022	: On or before August 14, 2022
Unaudited results for the second quarter / half - year ended September 30, 2022	: On or before November 14, 2022
Unaudited results for the third quarter / nine months ended December 31, 2022	: On or before February 14, 2023
Audited results for the financial year 2022-23	: On or before May 30, 2023

Depository services

For guidance on depository services, shareholders may write to the Company's RTA or National Securities Depository Limited, Trade World, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013, website: www.nsdl.co.in or Central Depository Services (India) Limited, Unit No. A-2501, A Wing, Marathon Futurex, 25th Floor, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (E), Mumbai 400 013, website: www.cdslindia.com.

Reconciliation of share capital audit

The Securities and Exchange Board of India has directed that all issuer companies shall submit a report reconciling the total shares held in both the depositories, viz. NSDL and CDSL and in physical form with the total issued / paid-up capital. The said report, duly certified by a qualified chartered accountant is submitted to the stock exchanges where the securities of the Company are listed within 30 days of the end of each quarter and the certificate is also placed before the Board of Directors of the Company.

Investors' correspondence may be addressed to the Registrar and Transfer Agent of the Company

Shareholders / Investors are requested to forward documents related to share transfer, dematerialisation requests (through their respective Depository Participant) and other related correspondence directly to KFinTech at the below mentioned address for speedy response:

KFin Technologies Limited

Unit: Reliance Home Finance Limited

Selenium Building, Tower - B

Plot No. 31 & 32

Financial District, Nanakramguda

Hyderabad 500 032, Telangana

E-mail : einward.ris@kfintech.com

Website: www.kfintech.com

Shareholders / Investors may send the above correspondence at the following address

Queries relating to Financial Statement of the Company may be addressed to:

Chief Financial Officer

Reliance Home Finance Limited

The Ruby, 11th Floor, North-West Wing

Plot No. 29, Senapati Bapat Marg

Dadar (West), Mumbai 400 028

Tel.: +91 22 6838 8100; Fax: +91 22 6838 8360

E-mail: rhfl.investor@relianceada.com

Correspondence on investor services may be addressed to:

Company Secretary & Compliance Officer

Reliance Home Finance Limited

The Ruby, 11th Floor, North-West Wing

Plot No. 29, Senapati Bapat Marg

Dadar (West), Mumbai 400 028

Tel.: +91 22 6838 8100; Fax: +91 22 6838 8360

E-mail: rhfl.investor@relianceada.com

Plant Locations

The Company is engaged in the home finance business and as such has no plant.

Independent Auditor's Report

To,
The Members of
Reliance Home Finance Limited
Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Reliance Home Finance Limited ("the Company"), which comprise the Balance sheet as at March 31, 2022, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as 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 Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the 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 audit opinion on the Ind AS financial statements.

Emphasis of matter

I. Going concern

We draw attention to Note 18(d) to the Statement which states that the certain lenders of the Company (Banks and other Financial Institutions) have entered into an Inter-Creditor Agreement (ICA) for arriving at the debt resolution plan in accordance with the circular dated June 7, 2019 issued by the Reserve Bank of India (RBI) on Prudential Framework for Resolution of Stressed Assets with Bank of Baroda acting as the lead lender (Lead Bank). We are further informed that Lead Bank and ICA lenders had invited Expression of Interest through newspaper advertisement and through the Lead Bank website. The ICA Lenders has evaluated the bids received and selected Authum Investment & Infrastructure Ltd (Authum) as the final bidder as on June 19, 2021. Upon approval of Authum's bid by the ICA lenders, the resolution plan has been presented to the Company along with the fund distribution mechanism and has also placed it before the Board of Directors who took note of the same. The implementation of the resolution plan of the successful bidder is subject to approval of non-ICA Lenders, debenture holders, shareholders, regulatory authorities and, vacation of existing legal injunctions on the Company. In one of the matter the Hon'ble Bombay High Court has passed an order on March 31, 2022 directing that the meeting of the Debenture Holders be called under the Debenture Trust Deeds within two weeks of the order. On the basis of order received from Hon'ble Court, IDBI Trusteeship Service Limited (Debenture Trustee) has called for a meeting which is to be held on May 13, 2022 of all the debenture holders to vote on the ICA approved resolution plan.

The Company has defaulted in payment of borrowings obligations total amounting to ₹ 10,122.93 crores as on March 31, 2022 and the asset cover has also fallen below hundred percent of outstanding debentures amounting to ₹ 5,967 crores. The Company's ability to meet its obligation dependent on material uncertain events including restructuring of loan portfolio, implementation of Resolution Plan by Inter Creditor Agreement for the resolution of its debt under the ICA as stated above and revival of housing finance business.

In view of steps taken by the Company and the expected approval of ICA resolution plan by debenture holders, non-ICA Lenders, shareholders, regulatory authorities and its implementation, the statement of Ind AS financial statement of the Company have been prepared by the management on a going concern basis. Our opinion is not modified in respect of this matter.

- II.** We draw attention to Note 46 of the Statement on the material shift in primary business of the Company from Housing Finance to Non-Housing Finance which comprise more than 84.38% of total loan portfolio raising concern about Company continuing as a Housing Finance Company. Further, we draw attention to Note no 5 of Notes to the Financial Statement during the year GPCL loan has been fully impaired and provided for in the financial statements.
- III.** SEBI had issued an interim order cum show cause notice dated February 11, 2022 under sections 11 (1), 11 (4) and 11 B (1) of the SEBI Act, 1992 ("SEBI Act") against the Company, its individual promoter and its past key managerial personnel ("Noticees"), and has restrained the Noticees from buying, selling, or dealing in securities, either directly or indirectly, in any manner whatsoever until further orders. Further, Individual Noticees have been restrained from associating themselves with any

Independent Auditor's Report

intermediary registered with SEBI, any listed public company or acting as a director/promoter of any public company which intends to raise money from the public, till further orders. In view of the Management the order is an interim order and no financial implication can be ascertained at such a premature stage. The Company has engaged with a legal advisor in the said matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Ind AS financial statements.

Key audit matters	How our audit addressed the Key audit measures
1. Valuation of Market Linked Debentures: (as described in Note 17 and Note 37(b) of the Ind AS Financial Statements) The Company has outstanding balance of Market Linked Debentures (MLD) as on March 31, 2022 is ₹ 323.57 crores. These MLDs are economically hedged with Exchange instruments like Nifty, Bank Nifty & Stock Options. The Company has done an internal valuation of the outstanding MLD using internal valuation techniques. Internal valuation of MLDs is significant to overall financial statements and its valuation involves management judgement. Any significant variation in the estimate could lead to material misstatement in the financial statements and hence it is considered as a key audit matter.	Our audit procedure included an assessment of valuation methodologies, inputs, and assumptions used by management in determining fair valuation of MLDs. We have assessed and reviewed that the fair value of MLD is in compliance with IND AS. The Company's valuation has also been compared and verified with independent sources and externally available market valuation data for sample cases.
2. Deferred Tax Assets : The Company has recognized Deferred Tax Assets on unused tax losses amounting to ₹ 2,466.80 Crores as on March 31, 2022. As required under Ind AS 12-Income Taxes, A deferred tax asset shall be recognised for the carry forward of unused tax losses or tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses or tax credits can be utilised. The criteria for recognising deferred tax assets arising from the carry forward of unused tax losses and arising from deductible temporary differences are the same. However, the existence of unused tax losses is evidencing that future taxable profit may not be available.. Therefore, when an entity has a history of recent losses, the entity recognises a deferred tax asset arising from unused tax losses or tax credits only to the extent that the entity has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available in future against which the unused tax losses or unused tax credits can be utilised by the entity. Availability of sufficient taxable profit require significant management judgement, therefore, it has been considered as Key Audit Matter.	Ind AS 12 requires the Management to consider the following criteria in assessing the probability that taxable profit will be available against which the unused tax losses or unused tax credits can be utilized: - whether it is probable that the entity will have taxable profits before the unused tax losses or unused tax credits expire; - whether the unused tax losses result from identifiable causes which are unlikely to recur; and - whether tax planning opportunities are available to the entity that will create taxable profit in the period in which the unused tax losses or unused tax credits can be utilized. - Whether the Company has sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity, which will result in taxable amounts against which the unused tax losses or unused tax credits can be utilised before they expire. The management recognized the deferred tax asset on unused tax losses after due assessment of the above criterions which also includes various steps taken by the management and considering the ongoing debt resolution process which is at final stages and there is potential scope for the company to utilize the Deferred Tax Assets which will be depending on nature of final resolution plan and its implementation and if it continues to be a going concern and continuing its business as a housing finance company.

Independent Auditor's Report

Key audit matters	How our audit addressed the Key audit measures
3. Recognition and measurement of impairment relating to loans and advances to customers involves significant management judgement. (as described in Note 38 of the Ind AS Financial Statements) As per Ind AS 109 credit loss assessment is now based on Expected Credit Loss (ECL) model and applicable to the Company. The Impairment loss provision is computed based on management estimates including the historical default and loss ratios. Management exercises judgement in determining the quantum of loss based on a range of factors. The most significant areas involving significant management estimates are: • Loan staging criteria • Calculation of probability of default / Loss given default/Exposure at default. • Consideration of probability weighted scenarios and forward looking macro-economic factors. Ind AS 109 requires an entity to determine Expected Credit Loss (ECL) amount on a probability weighted basis. There is a large increase in the data inputs required for the computation of ECL. This increases the risk of completeness and accuracy of the data that has been used as a basis of significant assumptions in the model.	Our audit procedure included evaluation of appropriateness of the impairment principles based on the requirements of Ind AS 109 considering our business understanding and industry practice and managements judgement in the determination of ECL • Understood Company's processes, systems and controls implemented relating to impairment allowance process including governance controls over the development and implementation of the ECL model; • Test checked the design and implementation of key internal financial controls over loan impairment process used to calculate the impairment charge and test checked management review controls over measurement of impairment allowances and disclosures in the financial statements; • Performed substantive procedures over validating completeness and accuracy of the data and reasonableness of assumptions used in the model;

Other Information

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

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

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and the circulars, guidelines and directions issued by the National Housing Board and Reserve Bank of India from time to time ("Guidelines"). 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 the 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Independent Auditor's Report

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

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

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 Ind AS financial statements for the financial 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 the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
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 including the Statement of Other Comprehensive income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;

Independent Auditor's Report

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) In our opinion, the Company has not paid/provided for managerial remuneration in accordance with the provisions of Section 197 read with Schedule V to the Act, hence this clause is not applicable to the Company.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 49 to the Ind AS 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, during the year 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) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b) The management has represented that, to the best of its knowledge and belief, during the year, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clauses (a) and (b) contain any material misstatement.
 - v. No dividend has been declared or paid during the year by the Company.

Other Matter

The comparative Ind AS Financial Statements of the Company for the year ended March 2021 were audited by Previous Auditor who expressed a modified opinion vide their Audit report dated May 7, 2021 on those Ind AS Financial Statements. Our Opinion is not modified in respect of the same.

For **Tambi & Jaipurkar**

Chartered Accountants

Firm's Registration Number: 115954W

CA Garima Agarwal

Partner

Membership Number: 160944

Place: Mumbai

Date: May 6, 2022

UDIN:22160944AINLCD6161

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **Reliance Home Finance Limited** of even date)

- i. (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
(B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a program of physical verification of Property, Plant and Equipment every year which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, the Property, Plant and Equipment were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records of the Company examined by us, the title deeds of the immovable properties as disclosed in Note 11 on property, plant and equipment to the financial statements are held in the name of the Company as at the balance sheet date.
- (d) The Company has not revalued its Property, Plant and Equipment or intangible assets during the year.
- (e) Based on the information and explanations furnished to us, no proceedings have been initiated or are pending against the company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the Rules made thereunder
- ii. (a) The Company does not have any inventory and hence reporting under clause 3(ii)(a) of the Order is not applicable.
- (b) The Company has not been sanctioned any working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- iii. (a) The Company is a Housing Finance Company and hence reporting under clause 3(iii)(a) of the order is not applicable.
- (b) As per the information and explanation made to us the Company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans and guarantees during the year that are prejudicial to the company's interest and hence, reporting under clause 3(iii)(b) of the order is not applicable.
- (c) As per the information and explanation made to us, the Company has not granted any loans or advances in the nature of loans during the year and hence reporting under clause 3(iii)(c) of the order is not applicable.
- (d) As per the information and explanation made to us, the Company has not granted any loans or advances in the nature of loans during the year, hence reporting under clause 3(iii)(d) of the order is not applicable.
- (e) The Company is a Housing Finance Company and hence reporting under clause 3(iii)(e) of the order is not applicable.
- (f) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3 (iii)(f) is not applicable.
- iv. The Company has complied with the applicable provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed thereunder to the extent notified.
- vi. The maintenance of cost records has not been specified by the Central Government under subsection (1) of Section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.
- vii. According to the information and explanations given to us and records examined by us, in respect of statutory dues:
 - (a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Income Tax, Cess and other material statutory dues applicable to it with the appropriate authorities. There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Income Tax, Cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

Annexure 1 to the Independent Auditor's Report on the Financial Statement

(b) The Following dues of Income tax have not been deposited as on March 31, 2022 on account of disputes are given below:

Name of the Statute	Nature of dues	Amount under dispute (₹ in Crore)	Amount paid (₹ in Crore)	Period to which it relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	0.48	0.12	Assessment Year 2018-19	CIT(Appeals)

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

ix. (a) According to the records of the Company examined by us and the information and explanation given to us, the Company has defaulted in repayment of loans or other borrowings or in the payment of interest to below mention lenders as at the balance sheet date:

Particulars	Amount of Default as at the Balance Sheet Date (₹ in crore)		Period of Default (Days)	
	Principal	Interest*	Principal	Interest
1. Term Loans from Banks and Financial Institutions				
Andhra Bank	128.97	26.68	1,009	882
Axis Bank Ltd	38.16	9.90	973	913
Bank of Bahrain and Kuwait	7.50	1.98	763	882
Bank of Baroda	490.00	114.83	1,000	882
Bank of India	200.00	57.19	1,005	882
Canara Bank	210.00	58.47	836	882
Dena Bank	356.44	109.48	1,008	882
HDFC Bank Ltd	46.67	10.23	913	882
ICICI Bank	-	17.40	-	882
Indian Bank	90.00	28.19	860	882
Karnataka Bank	20.00	4.37	915	882
Punjab & Sind Bank	420.00	115.24	922	882
Punjab National Bank	80.00	27.59	821	882
State Bank of Bikaner and Jaipur	40.00	17.01	913	882
State Bank of Hyderabad	20.00	8.51	924	882
State Bank of Patiala	40.00	16.93	743	882
Syndicate Bank	200.00	73.91	549	882
The Federal Bank Ltd.	100.00	34.63	958	882
The Jammu and Kashmir Bank Limited	60.00	13.68	876	882
UCO Bank	150.00	43.23	1,054	882
United Bank of India	175.00	39.63	1,005	882
Vijaya Bank	75.00	19.27	843	882
2. Cash Credit from Banks and Financial Institutions				
Axis Bank Ltd	40.00	0.35	972	1,278
Bank of Baroda	9.74	14.93	779	1,247
Canara Bank	40.48	16.96	835	1,247

Reliance Home Finance Limited

Annexure 1 to the Independent Auditor's Report on the Financial Statement

Particulars	Amount of Default as at the Balance Sheet Date (₹ in crore)		Period of Default (Days)	
	Principal	Interest*	Principal	Interest
Name of the lenders				
Punjab & Sind Bank	100.00	25.99	677	1,247
The Jammu and Kashmir Bank Limited	50.00	15.69	852	882
The Lakshmi Vilas Bank	50.00	20.82	1,035	882
3. Commercial Paper				
Axis Bank Ltd	124.00	22.74	836	821
Yes Bank	360.00	83.98	927	913
4. Non-Convertible Debentures	3,452.96	1,632.40	Refer Note	
5. Inter Corporate Deposit				
Always Remember Properties Private Ltd	200.00	65.80	952	952

Note:

The Company is prohibited to dispose off, alienate, encumber either directly or indirectly or otherwise part with the possession of any assets except in the ordinary course of business such as payment of salary and statutory dues, vide Order dated November 20, 2019 passed by the Hon'ble Delhi High Court. Consequently, the interest and principal amounts in relation to various series of debentures have remained unpaid for a period ranging between 365 to 948 days.

*Including accrued interest

- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority
- (c) According to the records of the Company examined by us and the information and explanation given to us, no term loans were raised by the company during the year.
- (d) On an overall examination of the financial statements of the Company, no funds raised on short term basis during the year.
- (e) On an overall examination of the financial statements of the Company, During the year the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiary, joint venture and associate companies and hence reporting under clause 3(ix)(f) of the Order is not applicable.
- x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause (x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi. (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of Section 143 of the Act has been filed in Form ADT-4 as prescribed under the Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- (c) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, and as represented to us by the management, no whistle- blower complaints have been received during the year by the Company. Accordingly, the reporting under Clause (xi)(c) of the Order is not applicable to the Company.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

Annexure 1 to the Independent Auditor's Report on the Financial Statement

- xiv. a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business,
b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date and provided to us by the management, in determining the nature, timing and extent of our audit procedures.
- xv. In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors, and hence provisions of Section 192 of the Act are not applicable to the Company.
- xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.
(b) The Company has conducted Housing Finance activities with a valid Certificate of Registration (CoR) from National Housing Bank (NHB) as defined under Section 29A of the National Housing Bank Act, 1987.
(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India, and accordingly reporting under clause 3(xvi)(c) of the Order is not applicable.
(d) As per the information made available to us there is One core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016)
- xvii. The Company has incurred cash losses of ₹ 979.50 Crores in the financial year 2021- 22 and Cash Loss of ₹ 762.15 crore in the immediately preceding financial year 2020-21.
- xviii. During the year there was a change in auditors of the company as the tenure of the previous auditors had completed as per the RBI circular Ref no DoS.Co.Arg/SEC.01.08.91.001/2021-22. As per no objection certificate there is no concern raised by previous auditor.
- xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, the Company's ability to meet its obligation will depend on expected approval of ICA resolution plan by non-ICA Lenders, shareholders, regulatory authorities and vacation of existing legal injunctions on the Company and its implementation.
We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. The provisions of Section 135 of the Act are not applicable to the Company during the year. Accordingly, the reporting under Clause (xx)(a) and (xx)(b) of the Order is not applicable to the Company.

For **Tambi & Jaipurkar**

Chartered Accountants

Firm's Registration Number: 115954W

CA Garima Agarwal

Partner

Membership Number: 160944

Place: Mumbai

Date: May 6, 2022

UDIN:22160944AINLCD6161

Reliance Home Finance Limited

Annexure 2 to the Independent Auditor's Report on the Financial Statement

Annexure 2 to Independent Auditor's Report

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 Reliance Home Finance Limited ("the Company") as of 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 the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these 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") and the Standards on Auditing as specified under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these 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 with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statement included obtaining an understanding of internal financial controls with reference to these 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls With Reference to these Financial Statements

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

Inherent Limitations of Internal Financial Controls With Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to these financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial 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, the Company has, in all material respects, 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 internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For **Tambi & Jaipurkar**

Chartered Accountants

Firm's Registration Number: 115954W

CA Garima Agarwal

Partner

Membership Number: 160944

Place: Mumbai

Date: May 6, 2022

UDIN:22160944AINLCD6161

Auditor's Additional Report

Auditor's Additional Report pursuant to the requirements of Master Direction Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021.

To,
The Board of the Directors
Reliance Home Finance Limited
The Ruby, 11th Floor, North-West Wing,
Plot No. 29, Senapati Bapat Marg,
Dadar (West), Mumbai-400028.

1. This report is issued pursuant to the requirements of Paragraph 69 of the Master Direction Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 (the "Directions") on matters mentioned in Paragraph 70 and 71 of the Directions.
2. We have audited the financial statements of Reliance Home Finance Limited (hereinafter referred to as the "Company") comprising Balance Sheet as at March 31, 2022 and the related Statement of Profit and Loss and Cash Flow Statement for the year ended on that date, on which we have issued unmodified opinion in our audit report dated May 6, 2022.

Management's Responsibility for the Financial Statements

3. 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 the Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 the 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors are also responsible for overseeing the Company's financial reporting process.
4. The Management is also responsible for compliance with Master Direction Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 and guidelines applicable to Housing Finance Companies, as amended from time to time, and for providing all the required information in stipulated time period to the National Housing Bank (NHB).

Auditor's Responsibility

5. Pursuant to the requirements of the Directions referred to in paragraph 1 above it is our responsibility to examine the audited books and records of the Company for the year ended March 31, 2022 and report on the matters specified in the Directions to the extent applicable to the Company.
6. We conducted our examination in accordance with the 'Guidance Note on reports or Certificates for Special Purposes' 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.
7. 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.

Opinion

8. Based on our examination of the audited books and records of the Company for the year ended March 31, 2022 as produced for our examinations and the information and explanations given to us we report that:
- 8.1 The Company is engaged in the business of providing finance for housing and has initially obtained a certificate of registration (COR) no. 02.0069.09 dated January 06, 2009 in the name of Reliance Homes Finance Private Limited and pursuant to name change, the same has been reissued with COR no. 04.0074.09 dated April 27, 2009 in the name of Reliance Home Finance Private Limited and further pursuant to name change the same has been reissued with COR no. 07.0101.12 dated July 16, 2012 in the name of Reliance Home Finance Limited by the NHB, New Delhi, under section 29A of the NHB Act.
- 8.2 The Company is not meeting the required Net Owned Fund requirement as prescribed under Section 29A of the NHB Act due to accumulated losses.

Reliance Home Finance Limited

Auditor's Additional Report

- 8.3 For the F.Y 2021-22, the company is not liable to transfer any amount as specified in Section 29C of the National Housing Bank Act, 1987 as the company has incurred losses during the year.
- 8.4 The Board of Directors of the Company has passed a resolution in its Board meeting held on , May 7, 2021 for non-acceptance of public deposits;
- 8.5 The Company has not accepted any public deposits during the year ended March 31, 2022;
- 8.6 The total borrowings of the Company as on 31st March 2022 is exceeding the limits prescribed under paragraph 27.2 of the directions due to negative net owned funds as on 31st March 2022;
- 8.7 The Company has adopted Ind AS accounting framework, as notified Under Section 133 of the Companies Act, 2013 ("The Act") by the Ministry of Corporate Affairs (MCA) w.e.f. April 1, 2018. The Financial Statements for the year ended March 31, 2022 has been prepared by the management considering accounting methodology and principles mentioned in applicable Ind AS. The Company presents its Balance Sheet in order of liquidity in compliance with the Division III of Schedule III to the Act. The Company has complied with the requirement mentioned under respective Ind AS on income recognition, provisioning and asset classification in preparing financial statements.

NHB's Policy Circular No. NHB(ND)/DRS/Policy Circular No. 89/2017-18 dated June 14, 2018 requires Housing Finance Companies to continue to follow the extant provisions of National Housing Bank Act 1987 and Housing Finance Companies (NHB) Directions 2010 require various disclosure on income recognition, provisioning and asset classification and to provide adequate disclosures in the notes to accounts. Accordingly, the Company has provided disclosure in the notes to accounts in accordance with the aforesaid guidelines and as per Accounting Standard prescribed under Section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended (Indian GAAP).

Agreement No	Loan Type	Sanctioned Date	Sanctioned Amount	Final Appraisal (Security value)	Loan to value (LTV) Ratio		
					LTV on Sanctioned Date	LTV as on 31/03/22	As per NHB norms
RLHLAHM000133367	Non Housing	31/07/2009	1,05,72,894	1,15,02,000	91.92	88.62	75
RHHLPUN000010187	Housing	31/08/2011	80,49,303	1,05,62,800	76.20	77.81	75
RHLFKRT000070566	Non Housing	15/05/2018	1,78,81,818	1,26,00,000	141.92	75.97	75
RHHLHYD000057659	Housing	14/08/2017	47,40,000	58,93,000	80.43	78.99	80

The Company has complied with loan to value ratio (LTV ratio) requirement as mentioned in prudential norms except for the following case:

The Company has complied with the prudential norms on disclosure in balance sheet, investment in real estate, exposure to capital market and engagement of broker, and concentration of credit/ investments as at March 31, 2022 as specified in NHB Directions.

(Also refer Para 8.13 and 8.14 below)

- 8.8 The Company has correctly arrived at and disclosed the capital to risk assets ratio (CRAR) in the Schedule II return submitted to the NHB for the year ended March 31, 2022 However such ratio is not in compliance with the minimum CRAR prescribed in NHB Directions due to negative Net Owned Fund.
- 8.9 The Schedule II return for the year ended March 31, 2022 has been furnished to the NHB as specified in the NHB Directions. The half yearly return of September 2021 has been filed within the stipulated time period as specified in the NHB Directions.
- 8.10 The Company has filed Schedule III - Return on Statutory Liquid Assets for the year ended March 31, 2022 as specified in the NHB Directions. Schedule III return of the June quarter was filed on 27th July 2021, the return of September quarter was filed on 14th October, 2021. Schedule IV return of December 2021 quarter was filed on 15th January, 2022.
- 8.11 The Company has not opened any new branches/offices and has closed 1 branch/office during the year;
- 8.12 The Company has not granted any loan against its own shares and for purchase of gold in any form and hence it is in compliance with provisions contained in paragraph 38 and 38A of the NHB Directions; and
- 8.13 As per para 32(1) of the Master Circular- The Housing Finance Companies (NHB) Directions, 2010 issued by the National Housing Bank (NHB) vide its notification no. NHB (ND)/DRS/REG/MC-01/2018 dated July 02, 2018, no Housing Finance Company shall lend to any single group of borrowers exceeding 25 percent of its owned funds. The loans sanctioned in earlier year were sanctioned in compliance with the directions as prescribed by NHB regulations. However, owing to the huge losses on account of ECL (Expected Credit Loss) provisioning in F.Y 2021-22, the NOF (Net Owned Funds) of the Company has turned negative. Hence the regulatory lending exposure norm for single and group borrowers has breached.

Auditor's Additional Report

8.14 There had been a material shift in primary business of the Company during earlier years from Housing Finance to Non-Housing Finance which comprises more than 50% of total loan portfolio raising concern about Company continuing as a Housing Finance Company, Which is yet to be corrected.

The Company is under a debt resolution process and post successful completion of resolution the management is hopeful of meeting the Principal Business Criteria (PBC).

Restrictions on Use

9. Our obligations in respect of this report are entirely separate from, and our responsibility and liability is in no way changed by any other role we may have (or may have had) as auditors of the Company or otherwise. Nothing in this report, nor anything said or done in the course of or in connection with the services that are the subject of this report, will extend any duty of care we may have in our capacity as auditors of the Company.
10. This report is issued pursuant to our obligations under Directions to submit a report on additional matters as stated in the above Directions, to the Board of Directors of the Company and should not be used for any other purpose. Tambi & Jaipurkar, Chartered Accountants neither accepts nor assumes any duty or liability for any other purpose or to any other party to whom our report is shown or into whose hands it may come without our prior consent in writing.

For **Tambi & Jaipurkar**

Firm Reg No.: 115954W

CA Garima Agarwal

Partner

Membership Number: 160944

Place: Mumbai

Date: May 06, 2022

UDIN: 22160944AINOPP1933

Reliance Home Finance Limited

Balance Sheet as at March 31, 2022

Particulars	Note No.	(₹ in crore)	
		As at March 31, 2022	As at March 31, 2021
ASSETS			
Financial assets			
Cash and cash equivalents	2	2,628.38	973.62
Bank balance other than cash and cash equivalents above	3	332.59	336.20
Receivables			
(I) Trade receivables	4A	-	-
(II) Other receivables	4B	-	-
Loans	5	3,108.31	10,787.34
Investments	6	160.78	1,007.44
Other financial assets	7	133.22	223.60
Non-financial assets			
Current tax assets (Net)	8	41.54	52.47
Deferred tax assets (Net)	9	3,595.21	1,128.49
Investment property	10	4.22	4.30
Property, plant and equipment	11	42.29	43.01
Intangible assets under development	13	0.07	-
Goodwill	12	-	209.96
Other intangible assets	13	1.19	2.06
Other non-financial assets	14	96.53	129.51
Total assets		10,144.33	14,898.00
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Derivative financial instruments	15	0.04	16.60
Payables			
(I) Trade payables	16A		
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
(II) Other payables	16B		
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		0.84	0.82
Debt securities	17	6,019.30	5,973.59
Borrowings (Other than debt securities)	18	5,897.81	6,206.52
Subordinated liabilities	19	797.35	796.29
Other financial liabilities	20	2,850.37	1,784.27
Non-financial liabilities			
Provisions	21	36.12	37.91
Other non-financial liabilities	22	34.90	134.96
EQUITY			
Equity share capital	23	485.06	485.06
Other equity	24	(5,977.46)	(538.02)
Total equity		(5,492.40)	(52.96)
Total liabilities and equity		10,144.33	14,898.00
Significant Accounting Policies	1		

The accompanying notes are integral part of these financial statements.

As per our report of even date attached

For Tambi & Jaipurkar

Chartered Accountants

Firm Registration No. 115954W

CA Garima Agarwal

Partner

Membership Number : 160944

For and on behalf of the Board of Directors

Directors

Chhaya Virani
Rashna Khan
Sushilkumar Agrawal
Ashok Ramaswamy
Ashish Turakhia
Sudeep Ghoshal

Chief Executive Officer
Chief Financial Officer
Company Secretary & Compliance Officer

Prashant Utreja
Amit Kumar Jha
Parul Jain

Mumbai

Dated: May 6, 2022

Mumbai

Dated: May 6, 2022

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

(₹ in crore)

Particulars	Note No.	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from operations			
Interest income	25	276.79	788.76
Fees and commission income	26	8.00	7.08
Other operating income	27	5.89	7.42
Total revenue from operations		290.68	803.27
Other income	28	2.82	37.16
Total income		293.50	840.43
Expenses			
Finance costs	29	1,185.09	1,219.57
Employee benefits expenses	30	16.65	36.20
Depreciation, amortisation and impairment	10, 11 & 13	212.09	2.64
Impairment of financial instruments	31	6,705.93	1,816.30
Others expenses	32	80.14	68.62
Total expenses		8,199.90	3,143.32
Profit/(loss) before tax		(7,906.40)	(2,302.89)
Income tax expense:			
– Current tax	35	-	-
– Deferred tax	35	(2,466.80)	(782.98)
Total tax expense		(2,466.80)	(782.98)
Profit for the year		(5,439.60)	(1,519.91)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
– Remeasurements of post-employment benefit obligations		0.22	0.30
– Income tax relating to these items		(0.07)	(0.10)
Other comprehensive income for the year		0.15	0.20
Total comprehensive income for the year		(5,439.45)	(1,519.71)
Earnings per equity share			
– Basic (₹)		(112.15)	(31.33)
– Diluted (₹)		(112.15)	(31.33)

Significant Accounting Policies

The accompanying notes are integral part of these financial statements.

1

As per our report of even date attached

For Tambi & Jaipurkar
Chartered Accountants

Firm Registration No. 115954W

CA Garima Agarwal

Partner

Membership Number : 160944

For and on behalf of the Board of Directors

Directors

{ Chhaya Virani
Rashna Khan
Sushilkumar Agrawal
Ashok Ramaswamy
Ashish Turakhia
Sudeep Ghoshal

Chief Executive Officer

Chief Financial Officer

Company Secretary & Compliance Officer

Prashant Utreja

Amit Kumar Jha

Parul Jain

Mumbai

Dated: May 6, 2022

Mumbai

Dated: May 6, 2022

Statement of Changes in Equity for the year ended March 31, 2022

A. Equity share capital				(₹ in crore)	
Particulars	Number	Amount			
As at March 31, 2021	485,058,818	485.06			
Shares issued during the year	-	-			
As at March 31, 2022	485,058,818	485.06			
B. Other equity				(₹ in crore)	
Particulars	Reserves and surplus			Total other equity	
	Securities premium	Debenture redemption reserve	Statutory reserve fund	Surplus/(deficit) in the Statement of profit and loss	Employee stock option scheme
As at March 31, 2020	660.34	436.72	143.94	(270.95)	11.64
As at March 31, 2020	660.34	436.72	143.94	(270.95)	11.64
Profit for the year ended March 31, 2021				(1,519.91)	
Other comprehensive income	-	-	-	0.20	-
Other comprehensive income	-	-	-	0.20	-
Total comprehensive income for the year	-	-	-	(1,519.71)	-
Transactions with owners in their capacity as owners:					
- Security Preimum	-	-	-	-	-
- Share issue expenses routed through reserves	-	-	-	-	-
- Employee stock option scheme:					
Stock option expense for the year	-	-	-	-	-
- Dividend paid	-	-	-	-	-
- Dividend distribution tax	-	-	-	-	-
- Transfers to:					
Statutory reserve fund	-	-	-	-	-
Debenture redemption reserve	-	-	-	-	-
As at March 31, 2021	660.34	436.72	143.94	(1,790.65)	11.64
As at March 31, 2021	660.34	436.72	143.94	(1,790.65)	11.64
Profit for the year ended March 31, 2022				(5,439.60)	
Other comprehensive income	-	-	-	0.15	-
Other comprehensive income	-	-	-	0.15	-
Total comprehensive income for the year	-	-	-	(5,439.45)	-
Transactions with owners in their capacity as owners:					
- Security Preimum	-	-	-	-	-
- Employee stock option scheme:	-	-	-	-	-

Statement of Changes in Equity for the year ended March 31, 2022

B. Other equity	(₹ in crore)				
	Reserves and surplus				Total other equity
Particulars	Securities premium	Debenture redemption reserve	Statutory reserve fund	Surplus/(deficit) in the Statement of profit and loss	Employee stock option scheme
Changes during the year	-	-	-	-	-
Stock option expense for the year	-	-	-	-	-
- Dividends paid	-	-	-	-	-
- Dividend distribution tax	-	-	-	-	-
- Transfers to:	-	-	-	-	-
Statutory reserve fund	-	-	-	-	-
Debenture redemption reserve	-	-	-	-	-
As at March 31, 2022	660.34	436.72	143.94	(7,230.10)	11.64
					(5,977.46)

1

Significant Accounting Policies

The accompanying notes are integral part of these financial statements.

As per our report of even date attached
For Tambi & Jaipurkar
Chartered Accountants
Firm Registration No. 115954W

CA Garima Agarwal
Partner
Membership Number : 160944

Mumbai
Dated: May 6, 2022

For and on behalf of the Board of Directors

Directors	Chhaya Virani Rashna Khan Sushilkumar Agrawal Ashok Ramaswamy Ashish Turakhia Sudeep Ghoshal
Chief Executive Officer Chief Financial Officer Company Secretary & Compliance Officer	Prashant Utreja Amit Kumar Jha Parul Jain

Mumbai
Dated: May 6, 2022

Reliance Home Finance Limited

Cash Flow Statement for the year ended March 31, 2022

Particulars	(₹ in crore)	
	As at March 31, 2022	As at March 31, 2021
CASH FLOW FROM OPERATING ACTIVITIES :		
Profit/(Loss) before tax:	(7,906.40)	(2,302.89)
Adjustments :		
Depreciation and amortisation	212.09	2.64
Expected Credit Loss	6,705.93	1,531.56
Other Comprehensive Income	0.22	(0.30)
Provision on repossessed asset	1.94	7.10
Bad Debts Written off	-	6.25
Bad Debts Recovery	(5.89)	-
Discount on Commercial Papers	43.73	43.75
Amortised Brokerage Commission TL	1.07	0.69
Provision for Gratuity	(0.07)	(0.90)
Provision on Other expenses	7.02	0.33
Intt Preference shares capital classified as liabilities	2.48	2.48
Interest Income -IndAS	5.27	(81.67)
PTC Borrowings - expense	125.78	162.91
Interest on Investment	(6.57)	4.02
Finance Charges	1,012.02	1,009.74
Profit on Sale of Investments	(1.58)	(35.64)
Interest on Income Tax Refund	(0.89)	(0.74)
Loss on closure of Secu account	0.04	(0.05)
Profit on sale of Fixed assets	(0.11)	(0.10)
Interest income on Investments	(81.55)	(25.26)
Operating profit before working capital changes	114.53	323.92
Adjustments for (increase)/ decrease in operating assets:		
Fixed Deposits with Banks	(1,767.12)	(664.54)
Loans	973.10	2,452.77
Other financial assets	90.37	(24.21)
Other Non financial assets	32.99	38.87
Trade payables	0.02	1.47
Other Non Financial Liabilities	(100.06)	112.28
Provisions	(1.79)	13.46
Other financial liabilities	50.53	814.91
Cash generated from operations	(721.96)	2,745.02
Less : Income taxes paid (net of refunds)	(10.04)	0.86
Net cash inflow / (outflow) from operating activities	(597.39)	3,068.08
CASH FLOW FROM INVESTING ACTIVITIES :		
Interest Received on Investments	-	-
Sales proceeds from disposal of property, plant and equipments	0.12	4.31
Purchase of investment measured at FVTPL	(30.61)	(1,560.60)
Purchase of investment measured at FVOCI	(2.63)	(2.73)
Sale of investment measured at FVOCI	-	-
Sale of investment measured at FVTPL	881.87	
Purchase of property, plant and equipments	(0.45)	(0.72)
Net cash inflow / (outflow) from investing activities	848.30	(1,559.75)
CASH FLOW FROM FINANCING ACTIVITIES :		
MLD Hedge position	(16.56)	5.86
Proceeds from borrowings other than debt securities	84.56	95.18
Repayment from borrowings other than debt securities	(393.88)	(411.88)
Fair valuation changes in MLD	41.03	50.27

Cash Flow Statement for the year ended March 31, 2022

Particulars	(₹ in crore)	
	As at March 31, 2022	As at March 31, 2021
Interest and Processing Fees Paid	(125.78)	(1,156.73)
Discount on Commercial Papers	43.73	43.73
Net cash inflow / (outflow) from financing activities	(366.90)	(1,373.56)
NET INCREASE/(DECREASE) IN CASH AND BANK BALANCES	(115.99)	134.77
Add : Cash and cash equivalents at beginning of the year	170.38	35.61
Cash and cash equivalents at end of the year	54.39	170.38

Notes:

- a) The previous year's figures have been regrouped and reclassified wherever necessary.
b) Cash and cash equivalents include cash in hand and bank balance.

Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented. (₹ in crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Equity	423.00	423.00
Debt securities	5,236.81	5,212.33
Borrowings	1,818.29	2,209.66
Net debt	7,478.09	7,844.99

Particulars	Equity	Debt securities*	Borrowings	Total
Net debt as at March 31, 2020	423.00	5,156.20	3,639.35	9,218.56
Cash flows				
Interest paid	-	-	(1,112.99)	(1,112.99)
Fair value adjustments	-	56.13	-	56.13
Proceeds / Repayment	-	-	(316.70)	(316.70)
Net debt as at March 31, 2021	423.00	5,212.33	2,209.66	7,844.99
Cash flows				
Interest paid	-	-	(82.05)	(82.05)
Fair value adjustments	-	24.48	-	24.48
Proceeds / Repayment	-	-	(309.32)	(309.32)
Net debt as at March 31, 2022	423.00	5,236.81	1,818.29	7,478.09

*Interest paid on Debt securities includes interest of Subordinated liabilities

Significant Accounting Policies 1

The accompanying notes are integral part of these financial statements.

As per our report of even date attached

For Tambi & Jaipurkar

Chartered Accountants

Firm Registration No. 115954W

CA Garima Agarwal

Partner

Membership Number : 160944

For and on behalf of the Board of Directors

Directors

Chhaya Virani
Rashna Khan
Sushilkumar Agrawal
Ashok Ramaswamy
Ashish Turakhia
Sudeep Ghoshal

Chief Executive Officer

Chief Financial Officer

Company Secretary & Compliance Officer

Prashant Utreja

Amit Kumar Jha

Parul Jain

Mumbai

Dated: May 6, 2022

Mumbai

Dated: May 6, 2022

Reliance Home Finance Limited

Notes to the Financial Statement for the year ended March 31, 2022

Corporate information

Reliance Home Finance Limited ('the Company') was incorporated on June 5, 2008 with Registrar of Companies, Maharashtra at Mumbai. The Company is principally engaged in housing finance business in India and is registered with National Housing Bank ('NHB') as a housing finance company (HFC) without accepting public deposits, as defined under Section 29A of the National Housing Bank Act, 1987.

1 Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a. Basis of preparation

(i) Compliance

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The Company complies in all material respects, with the prudential norms relating to income recognition, asset classification and other matters, specified in the Directions issued by RBI Circular No. RBI/2020-21/73/ DOR. FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021 on Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 (earlier Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016), except for in case of provisioning for bad and doubtful debts for which ECL has been provided as per IND AS requirements.

(ii) Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known / materialised.

(iii) The Company presents its Balance Sheet in order of liquidity in compliance with the division III of Schedule III to the Act.

b. Foreign currency translation

(i) Functional and presentation currency

Items included in financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is Reliance Home Finance Limited's functional and presentation currency.

(ii) Translation and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the statement of profit and loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on nonmonetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in the statement of profit and loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income.

c. Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset.

At initial recognition, the Company measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in the statement of profit and loss. Immediately after initial recognition, an expected credit loss allowance (ECL) is recognised for financial assets measured at amortised cost and investments in debt instruments measured at FVPL, which results in an accounting loss being recognised in the statement of profit and loss when an asset is newly originated. When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the entity recognises the difference as follows:

Notes to the Financial Statement for the year ended March 31, 2022

- i) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognised as a gain or loss.
- ii) In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortised over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realised through settlement.

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

d. Financial assets

(i) Classification and subsequent measurement

The Company has applied Ind AS 109 and classifies its financial assets in the following measurement categories:

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

The classification requirements for debt and equity instruments are described below:

Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds.

Classification and subsequent measurement of debt instruments depend on:

- (i) the Company's business model for managing the asset; and
- (ii) the cash flow characteristics of the asset.

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

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ('SPPI'), and that are not designated at FVPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured. Interest income from these financial assets is recognised using the effective interest rate method.

Fair value through other comprehensive income: Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVPL, are measured at fair value through other comprehensive income. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instrument's amortised cost 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 profit or loss. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

Fair value through the statement of profit and loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through the statement of profit and loss. A gain or loss on a debt investment that is subsequently measured at fair value through the statement of profit and loss and is not part of a hedging relationship is recognised in the statement of profit and loss in the period in which it arises, unless it arises from debt instruments that were designated at fair value or which are not held for trading. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

Fair value option for financial assets: The Company may also irrevocably designate financial assets at fair value through profit and loss if doing so significantly reduces or eliminates an accounting mismatch created by assets and liabilities being measured on different basis.

Business model: The business model reflects how the Company manages the assets in order to generate cash flows. That is, whether the Company's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVPL. Factors considered by the Company in determining the business model for a Group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated. Securities held for trading are held principally for the purpose of selling in the near term or are part of a portfolio of financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. These securities are classified in the 'other' business model and measured at FVTPL.

SPPI: Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Company assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the 'SPPI test'). In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit and loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Company reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and none occurred during the period.

Interest income

Interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets, except for:

- a) Purchased or originated credit impaired (POCI) financial assets, for which the original credit-adjusted effective interest rate is applied to the amortised cost of the financial asset.
- b) Financial assets that are not 'POCI' but have subsequently become credit-impaired (or 'stage 3'), for which interest revenue is calculated by applying the effective interest rate to their amortised cost (i.e. net of the expected credit loss provision).

The effective interest rate is the rate that exactly 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 asset (i.e. its amortised cost before any impairment allowance) or to the amortised cost of a financial liability. The calculation does not consider expected credit losses and includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the effective interest rate, such as origination fees. For POCI financial assets – assets that are credit-impaired at initial recognition – the Company calculates the credit-adjusted effective interest rate, which is calculated based on the amortised cost of the financial asset instead of its gross carrying amount and incorporates the impact of expected credit losses in estimated future cash flows.

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the de-recognition of the investment.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in net gain/loss on fair value changes in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Gains and losses on equity investments at FVPL are included in the statement of profit and loss.

(ii) Impairment

The Company assesses on a forward looking basis the expected credit losses (ECL) associated with its debt instruments carried at amortised cost and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts. The Company recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The measurement of the ECL allowance is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior (e.g. the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in note 36, which also sets out key sensitivities of the ECL to changes in these elements.

A number of significant judgements are also required in applying the accounting requirements for measuring ECL detailed information about the judgements and estimates made by the Company in the above areas is set out in note 36.

(iii) Modification of loans

The Company sometimes renegotiates or otherwise modifies the contractual cash flows of loans to customers. When this happens, the Company assesses whether or not the new terms are substantially different to the original terms. The Company does this by considering, among others, the following factors:

Notes to the Financial Statement for the year ended March 31, 2022

- If the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flows to amounts the borrower is expected to be able to pay.
- Whether any substantial new terms are introduced, such as a profit share/equity-based return that substantially affects the risk profile of the loan.
- Significant extension of the loan term when the borrower is not in financial difficulty.
- Significant change in the interest rate.
- Insertion of collateral, other security or credit enhancements that significantly affect the credit risk associated with the loan.

If the terms are substantially different, the Company de-recognises the original financial asset and recognises a 'new' asset at fair value and recalculates a new effective interest rate for the asset. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purposes, including for the purpose of determining whether a significant increase in credit risk has occurred. However, the Company also assesses whether the new financial asset recognised is deemed to be credit-impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor being unable to make the originally agreed payments. Differences in the carrying amount are also recognised in profit or loss as a gain or loss on de-recognition.

If the terms are not substantially different, the renegotiation or modification does not result in de-recognition, and the Company recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognises a modification gain or loss in the statement of profit and loss. The new gross carrying amount is recalculated by discounting the modified cash flows at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

(iv) Derecognition other than on a modification

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either (i) the Company transfers substantially all the risks and rewards of ownership, or (ii) the Company neither transfers nor retains substantially all the risks and rewards of ownership and the Company has not retained control. The Company directly reduces the gross carrying amount of a financial asset when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof.

The Company enters into transactions where it retains the contractual rights to receive cash flows from assets but assumes a contractual obligation to pay those cash flows to other entities and transfers substantially all of the risks and rewards. These transactions are accounted for as 'pass through' transfers that result in de-recognition if the Company:

- Has no obligation to make payments unless it collects equivalent amounts from the assets;
- Is prohibited from selling or pledging the assets; and
- Has an obligation to remit any cash it collects from the assets without material delay.

Collateral (shares and bonds) furnished by the Company under standard repurchase agreements and securities lending and borrowing transactions are not de-recognised because the Company retains substantially all the risks and rewards on the basis of the predetermined repurchase price, and the criteria for de-recognition are therefore not met. This also applies to certain securitization transactions in which the Company retains a subordinated residual interest.

e. Financial liabilities

(i) Classification and subsequent measurement

In both the current and prior period, financial liabilities are classified as subsequently measured at amortised cost, except for:

- Financial liabilities at fair value through profit or loss: this classification is applied to derivatives, financial liabilities held for trading and other financial liabilities designated as such at initial recognition. Gains or losses on financial liabilities designated at fair value through profit or loss are presented partially in other comprehensive income (the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability, which is determined as the amount that is not attributable to changes in market conditions that give rise to market risk) and partially profit or loss (the remaining amount of change in the fair value of the liability). This is unless such a presentation would create, or enlarge, an accounting mismatch, in which case the gains and losses attributable to changes in the credit risk of the liability are also presented in profit or loss;
- Financial liabilities arising from the transfer of financial assets which did not qualify for de-recognition, whereby a financial liability is recognised for the consideration received for the transfer. In subsequent periods, the Company recognises any expense incurred on the financial liability; and
- Financial guarantee contracts and loan commitments.

Market linked debentures (MLDs)

The Company has issued certain non-convertible debentures, the rate of interest on which is linked to performance of specified indices over the period of the debentures. The Company has opted to designate the entire hybrid contract at

FVTPL as the embedded derivative significantly modifies the cash flows that otherwise would be required by the contract. Further, the embedded derivative is not closely related to the financial liability host contract. The Company hedges its interest rate risk on MLD by taking positions in future & options based on specified indices. Any gain / loss on these hedge positions is recognised in Statement of Profit and Loss.

(ii) Derecognition

Financial liabilities are derecognised when they are extinguished i.e. when the obligation specified in the contract is discharged, cancelled or expired.

The exchange between the Company and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of the terms of existing financial liabilities, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. In addition, other qualitative factors, such as the currency that the instrument is denominated in, changes in the type of interest rate, new conversion features attached to the instrument and change in covenants are also taken into consideration. If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

f. Financial guarantee contracts and loan commitments

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument.

Financial guarantee contracts are initially measured at fair value and subsequently measured at the higher of:

- The amount of the loss allowances and
- The premium received on initial recognition less income recognised in accordance with the principles of Ind AS 115.

Loan commitments provided by the Company are measured as the amount of the loss allowance.

For loan commitments and financial guarantee contracts, the loss allowance is recognised as a provision. However, for contracts that include both a loan and an undrawn commitment and the Company cannot separately identify the expected credit losses on the undrawn commitment component from those on the loan component, the expected credit losses on the undrawn commitment are recognised together with the loss allowance for the loan. To the extent that the combined expected credit losses exceed the gross carrying amount of the loan, the expected credit losses are recognised as a provision.

g. Repossessed collateral

Repossession collateral represents financial and non-financial assets acquired by the Company in settlement of overdue loans. The assets are initially recognised at fair value when acquired and included in premises and equipment, other non-financial assets, investment properties or inventories within other assets depending on their nature and the Company's intention in respect of recovery of these assets, and are subsequently re-measured and accounted for in accordance with the accounting policies for these categories of assets.

h. Derivatives and hedging activities

Derivatives are initially recognised at fair value on the date on which the derivative contract is entered into and are subsequently re-measured at fair value. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

The method of recognizing the resulting fair value gain or loss depends on whether the derivative is designated and qualifies as a hedging instrument, and if so, the nature of the item being hedged.

Derivatives that are not designated as hedges

The Company enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss and are included in other gains/ (losses).

i. Revenue Recognition

In accordance with the principles of Ind AS 115, revenue is measured at fair value of the consideration received or receivable. Revenue is recognised when (or as) the Company satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

When (or as) a performance obligation is satisfied, the Company recognises as revenue the amount of the transaction price (excluding estimates of variable consideration) that is allocated to that performance obligation.

The Company applies the five-step approach for recognition of revenue:

- Identification of contract(s) with customers;
- Identification of the separate performance obligations in the contract;

Notes to the Financial Statement for the year ended March 31, 2022

- Determination of transaction price;
- Allocation of transaction price to the separate performance obligations; and
- Recognition of revenue when (or as) each performance obligation is satisfied.

Investment income consists of dividends and interest receivable for the year, realised gains and losses on debt securities classified as fair value through other comprehensive income, and realised and unrealised gains and losses on investments designated at fair value through profit or loss investments. Dividend on equity securities are recorded on ex-dividend date. Interest income is recognised as it accrues, taking into account the effective yield on the investment.

A gain or loss on investment is only realised on disposal or transfer, and is difference between the proceeds received, net of transaction costs, and its original cost or amortised cost, as appropriate.

Unrealised gains and losses, arising on investments which have not been derecognised as a result of disposal or transfer, represent the difference between the carrying value at the year end and carrying value at the previous year end or purchase value during the year, less previously recognised unrealised gains and losses in respect of disposals made during the year.

(i) Interest income

Interest income is recognised using the effective interest rate. The Company is providing moratorium to customers seeking moratorium on account of COVID-19 situation in-line with the Board Approved policy of the Company. The accumulated interest during the moratorium period of the borrowers to whom moratorium is offered is capitalized unless the borrower requests otherwise. The capitalized amount of interest is added to the loan outstanding at the end of the moratorium period.

(ii) Dividend income

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

(iii) Fees, charges and other additional interest income

Fees (including processing fees), charges and other additional interest income and expenses that are integral to the effective interest rate on a financial asset or liability are included in the effective interest rate.

Fees, charges and additional interest income on delayed EMI / Pre – EMI that are not integral to the effective interest rate are recognised on receipt basis over the life of the instrument.

(iv) Income from direct assignment/securitisation

In case of securitisation of loans, such assets are recognised in books.

In case of assignment of loans, Excess interest spread (EIS) income is recognised as the present value of the total interest receivable is recognised as an income upfront.

(v) Servicing fee income

Servicing fees received is accounted for based on the underlying deal structure of the transaction as per the agreement.

(vi) Income from trading in derivatives

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into, and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the statement of profit and loss immediately.

Brokerage and other payments made in connection with the acquisition of derivatives are added to the cost of acquisition.

j. Income Tax

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

Current Taxes

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred Taxes

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither

accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

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

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

k. Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other 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 other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

l. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in liabilities in the balance sheet.

m. Leases

As a lessee

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or 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.

As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

n. Non-Current Assets (or disposal groups) held for sale

Assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the asset (or disposal group) is recognised at the date of de-recognition.

Non-current Assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Notes to the Financial Statement for the year ended March 31, 2022

Non-current Assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

o. Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 1, 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation methods, estimated useful lives & residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives or, in the case of certain leased furniture, fittings and equipment, the shorter lease term as follows:

The estimated useful lives for the different types of assets are:

Asset	Useful Life
Furniture and fixtures	10 years
Office equipment	5 years
Computers	3 years
Vehicles	8 years
Buildings	60 years
Plant & machinery	8 years
Data processing machineries	3 years
Vehicles	8 years

The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Company will obtain ownership at the end of the lease term.

The useful lives have been determined based on technical evaluation done by the management's expert which are higher than those specified by Schedule II to the Act, in order to reflect the actual usage of the assets. The residual values are not more than 5 per cent of the original cost of the asset.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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

p. Intangible assets

(i) Goodwill

Goodwill on acquisitions of business is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or Groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or Groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, which in our case are the operating segments.

(ii) Other intangibles

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

Expenditure incurred on acquisition / development of intangible assets which are not put / ready to use at the reporting date is disclosed under intangible assets under development. The Company amortises intangible assets on a straight-line basis over the useful lives of the assets commencing from the month in which the asset is first put to use. The Company provides pro-rata depreciation from the day the asset is put to use.

The estimated useful lives for the different types of assets are:

Asset	Useful Life
Computer software/Licensing cost	3 years

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of intangible assets recognised as at April 1, 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

q. Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment properties are depreciated using the straight-line method over their estimated useful lives. Investment properties generally have a useful life of 60 years. The useful life has been determined based on technical evaluation performed by the experts.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its investment properties recognised as at April 1, 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of investment properties.

r. Off-setting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

s. Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other borrowing costs are expensed in the period in which they are incurred.

t. Provisions

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

u. Employee benefits

(i) Short-term obligations

Liabilities for salaries and wages, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

Notes to the Financial Statement for the year ended March 31, 2022

(ii) Post-employment obligations

The Company operates the following post-employment schemes:

- (a) Gratuity;
- (b) Superannuation fund; and
- (c) Provident fund.

Defined benefit plans

Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The estimated future payments which are denominated in a currency other than INR, are discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined contribution plans

Superannuation fund

Contribution to Superannuation Fund, a defined contribution scheme, is made at pre-determined rates to the Superannuation Fund with Life Insurance Corporation of India and is charged to the Statement of Profit and loss. There are no other obligations other than the contribution payable to the Superannuation Fund.

Provident fund

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(iii) Other long-term employee benefit obligations

Leave encashment

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the statement of profit and loss.

Phantom Shares

As a long-term incentive plan to employees, the Company has initiated Phantom Stock Option Plan which are cash settlement rights where the employees are entitled to get cash compensation based on agreed formulae. The employees are entitled to receive cash payment equivalent to appreciation in the value over the defined base price of the shares. The present value of the obligation under such plan is determined based on actuarial valuation.v. Share-based payments

Employee Stock Option Scheme (ESOS)

The employees of the Company are entitled for grant of stock options (equity shares), based on the eligibility criteria set in the ESOS of the Company. The fair value of options granted under ESOS is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined reference to the fair value of the options granted excluding the impact of any service conditions.

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

Reliance Home Finance Limited

Notes to the Financial Statement for the year ended March 31, 2022

v. Contributed Equity

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in other equity as a deduction, net of tax, from the proceeds.

Treasury shares are presented as a deduction from equity and no gain or loss is recognised on the purchase, sale, issue or cancellation of such shares.

w. Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

x. Earnings per share

i) Basic earnings per share

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

ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

y. Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest crore as per the requirements of Schedule III to the Act, unless otherwise stated.

2 Cash and cash equivalents

(₹ in crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Cash on hand	0.06	0.17
Balances with banks:		
In current accounts	54.35	170.21
Fixed Deposits with banks (with maturity less than 3 months)	2,573.97	803.24
Total	2,628.38	973.62

3 Bank balance other than cash and cash equivalents above

(₹ in crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Fixed Deposits with banks (with maturity more than 3 months)		
– Credit enhancement towards Securitisation/Direct Assignment	332.59	332.59
– Other Fixed deposit under lien	-	3.61
– Free Fixed Deposits	-	-
– Kept as deposits for Issuing Bank Guarantee	-	-
Total	332.59	336.20

Notes:

In respect of balances with Banks in Fixed Deposit accounts above includes:

- (a) ₹ 332.59 crore (March 31, 2021 – ₹ 332.59 crore) kept as credit enhancement towards securitisation transaction.
- (b) NIL (March 31, 2021 – ₹ 3.61 crore) kept as margin money deposits for Market Linked Debentures.
- (c) NIL (March 31, 2021 – NIL) kept as deposit with bank for issuing of Bank Guarantee & Term Loan.

4 A Trade receivables

(₹ in crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Receivables considered good – Secured	-	-
Receivables considered good – Unsecured	-	-
Total	-	-

Notes to the Financial Statement for the year ended March 31, 2022
4 B Other receivables (₹ in crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Receivables considered good – Secured	-	-
Receivables considered good – Unsecured	-	-
Total	-	-

5 Loans (₹ in crore)

Particulars	As at March 31, 2022	As at March 31, 2021
At amortised cost		
(A) Loans		
Corporate bodies	9660.04	9,734.59
Small business loans	1133.46	1,536.79
Residential mortgages	1558.52	2,053.73
Total (A) – Gross	12,352.02	13,325.11
(Less): Impairment loss allowance/Expected Credit Loss	(9,243.71)	(2,537.78)
Total (A) – Net	3,108.31	10,787.34
Secured by tangible assets and intangible assets	12,331.70	13,304.79
Unsecured	20.32	20.32
Total (B) – Gross	12,352.02	13,325.11
(Less): Impairment loss allowance/Expected Credit Loss	(9,243.71)	(2,537.78)
Total (B) – Net	3,108.31	10,787.34
Loans in India		
– Public sector	-	-
– Others	12,352.02	13,325.11
Loans outside India	-	-
Total (C) – Gross	12,352.02	13,325.11
(Less): Impairment loss allowance/Expected Credit Loss	(9,243.71)	(2,537.78)
Total (C) – Net	3,108.31	10,787.34

Notes:

- There has been a significant increase in impairment loss allowance / Expected credit loss for the financial year 2021–22 (₹ 9,243.71 crore) as compared to financial year 2020–21 (₹ 2,537.78 crore). The impact is mainly on account of 100% impairment of loans advanced under General Purpose Corporate Loans (GPCL) product.
- Secured Loans and Other Credit Facilities given to customers are secured / partly secured by :
 - Equitable mortgage of property and / or
 - Pledge of shares / debentures, units, other securities, assignment of life insurance policies and/ or
 - Hypothecation of assets and / or
 - Company guarantees and / or
 - Personal guarantees and / or
 - Charge on Current Assets
- An analysis of changes in gross carrying amount and corresponding expected credit loss in relation to the lending is as follows.

Corporate bodies

a) Credit quality of assets

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the company's internal grading system and policies on whether ECL allowances are calculated on an individual or collective basis.

Internal rating grade	As at March 31, 2022			As at March 31, 2021		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Performing						
High grade	95.24	15.83	-	111.07	181.81	15.27
Standard grade	-	-	-	-	-	-
Sub-standard grade	-	-	-	-	-	-
Past due but not impaired	-	-	-	-	-	-
Non-performing						
Individually impaired	-	-	9,548.97	9,548.97	-	9,537.51
Total	95.24	15.83	9,548.97	9,660.04	181.81	9,537.51

b) Analysis of changes in the gross carrying amount of term loans

Particulars	As at March 31, 2022			As at March 31, 2021		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Opening balance	181.81	15.27	9,537.51	9,734.59	1,005.32	2,946.71
New assets originated or purchased	-	-	-	-	-	-
Assets derecognised or repaid	(97.11)	(14.11)	(7.88)	(831.44)	(2,943.01)	(103.69)
Transfers to Stage 1	10.54	-	-	10.54	7.93	-
Transfers to Stage 2	-	14.67	-	14.67	11.57	-
Transfers to Stage 3	-	-	19.34	19.34	-	4,079.07
Amounts written off	-	-	-	-	-	-
Closing balance	95.24	15.83	9,548.97	9,660.04	181.81	9,537.51

c) Reconciliation of ECL balance

Particulars	As at March 31, 2022			As at March 31, 2021		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Opening balance	1.04	1.18	2,415.70	2,417.92	9.16	532.28
New assets originated or purchased	-	-	-	-	-	-
Assets derecognised or repaid	(0.51)	(1.07)	6,707.23	6,705.64	(8.19)	936.88
Transfers to Stage 1	0.08	-	-	0.08	0.07	-
Transfers to Stage 2	-	1.22	-	1.22	-	-
Transfers to Stage 3	-	-	1.76	1.76	-	946.54
Amounts written off	-	-	-	-	-	-
Closing balance	0.61	1.33	9,124.69	9,126.62	1.04	2,415.70

Notes to the Financial Statement for the year ended March 31, 2022

2 Small business lending

a) Credit quality of assets

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system and policies on whether ECL allowances are calculated on an individual or collective basis.

Internal rating grade	As at March 31, 2022			As at March 31, 2021		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Performing						
High grade	479.80	101.07		911.78	121.30	
Standard grade	-	-	-	-	-	-
Sub-standard grade	-	-	-	-	-	-
Past due but not impaired	-	-	-	-	-	-
Non-performing						
Individually impaired	-	-	552.59	-	-	503.71
Total	479.80	101.07	552.59	911.78	121.30	503.71

(₹ in crore)

b) Analysis of changes in the gross carrying amount of term loans

Particulars	As at March 31, 2022			As at March 31, 2021		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Opening balance	911.78	121.30	503.71	1,300.07	270.66	276.75
New assets originated or purchased	-	-	-	-	-	-
Assets derecognised or repaid	(470.44)	(90.96)	(56.99)	(489.99)	(234.89)	9.37
Transfers to Stage 1	38.46	-	-	101.70	-	-
Transfers to Stage 2	-	70.73	-	-	85.53	-
Transfers to Stage 3	-	-	105.87	-	-	217.59
Amounts written off	-	-	-	-	-	-
Closing balance	479.80	101.07	552.59	911.78	121.30	503.71

(₹ in crore)

c) Reconciliation of ECL balance

Particulars	As at March 31, 2022			As at March 31, 2021		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Opening balance	14.06	12.06	50.61	12.25	21.07	24.19
New assets originated or purchased	-	-	-	-	-	-
Assets derecognised or repaid	(9.97)	(9.72)	(5.52)	(2.77)	(17.02)	5.65
Transfers to Stage 1	0.83	-	-	4.58	-	-
Transfers to Stage 2	-	6.76	-	-	8.00	-
Transfers to Stage 3	-	-	12.58	-	-	20.77
Amounts written off	-	-	-	-	-	-
Closing balance	4.93	9.10	57.67	14.06	12.06	50.61

(₹ in crore)

Residential mortgages

a) Credit quality of assets

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system and policies on whether ECL allowances are calculated on an individual or collective basis.

Internal rating grade	As at March 31, 2022			Total	As at March 31, 2021			Total
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
Performing								
High grade	1,099.99	119.03	-	1,219.02	1,629.79	140.92	-	1,770.71
Standard grade	-	-	-	-	-	-	-	-
Sub-standard grade	-	-	-	-	-	-	-	-
Past due but not impaired	-	-	-	-	-	-	-	-
Non- performing								
Individually impaired	-	-	339.50	339.50	-	-	283.02	283.02
Total	1,099.99	119.03	339.50	1,558.52	1,629.79	140.92	283.02	2,053.73

b) Analysis of changes in the gross carrying amount of term loans

Particulars	Year ended March 31, 2022			Total	As at March 31, 2021			Total
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
Opening balance	1,629.79	140.92	283.02	2,053.73	2,302.47	177.26	119.48	2,599.21
New assets originated or purchased	-	-	-	-	-	-	-	-
Assets derecognised or repaid	(576.96)	(98.16)	(35.60)	(710.71)	(720.22)	(139.10)	(15.46)	(874.78)
Transfers to Stage 1	47.16	-	-	47.16	47.53	-	-	47.53
Transfers to Stage 2	-	76.26	-	76.26	-	102.76	-	102.76
Transfers to Stage 3	-	-	92.07	92.07	-	-	179.01	179.01
Amounts written off	-	-	-	-	-	-	-	-
Closing balance	1,099.99	119.03	339.50	1,558.52	1,629.79	140.92	283.02	2,053.73

c) Reconciliation of ECL balance

Particulars	Year ended March 31, 2022			Total	As at March 31, 2021			Total
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
Opening balance	4.11	12.03	26.98	43.12	2.50	12.71	11.48	26.69
New assets originated or purchased	-	-	-	-	-	-	-	-
Assets derecognised or repaid	(1.55)	(8.43)	(3.17)	(13.15)	1.30	(9.41)	(1.25)	(9.35)
Transfers to Stage 1	0.31	-	-	0.31	0.31	-	-	0.31
Transfers to Stage 2	-	6.74	-	6.74	-	8.73	-	8.73
Transfers to Stage 3	-	-	8.35	8.35	-	-	16.75	16.75
Amounts written off	-	-	-	-	-	-	-	-
Closing balance	2.88	10.34	32.17	45.39	4.11	12.03	26.98	43.12

Notes to the Financial Statement for the year ended March 31, 2022

6	Investments			(₹ in crore)
	Particulars	At amortised cost	At fair value through profit and Loss	Total
	As at March 31, 2022			
	Investment in Pass through certificates and security receipts			
	- Unquoted fully paid-up			
	RHF Indian Receivable Trust I Sept 30, 2016	0.22	-	0.22
	RHF Indian Receivable Trust II Mar 24, 2017	0.38	-	0.38
	RHF Indian Receivable Trust II Oct 31, 2018	2.43	-	2.43
	RHF Indian Receivable Trust II Jan 23, 2019	0.54	-	0.54
	RHF Indian Receivable Trust III Feb 22, 2019	3.30	-	3.30
	Investment in mutual fund			
	- Quoted, fully paid-up			
	*Reliance Credit Risk Fund - Direct Plan - Growth Plan	-	9.04	9.04
	*Reliance Floating Rate Fund - Direct Plan Growth Plan - Growth Option	-	10.36	10.36
	*Reliance Strategic Debt Fund - Direct Plan - Growth Option	-	-	-
	*Kotak Low Duration Fund	-	3.43	3.43
	Baroda Liquid Fund	-	-	-
	#Nippon India Liquid Fund-Direct Plan Growth Plan - Growth Option	-	126.47	126.47
	Kotak Liquid Fund	-	-	-
	*HDFC Banking And PSU Debt Fund	-	4.62	4.62
	Total (A) - Gross	6.87	153.91	160.78
	(Less): Impairment loss allowance	-	-	-
	Total (A) - Net	6.87	153.91	160.78
	Investments outside India	-	-	-
	Investments in India	6.87	153.91	160.78
	Total (B) - Gross	6.87	153.91	160.78
	(Less): Impairment loss allowance	-	-	-
	Total (B) - Net	6.87	153.91	160.78

*Mutual funds outstanding as on March 31, 2022 are pledged with broker for margin requirement.

#Investment has been made as a credit enhancement against PTC transactions.

	Particulars	At amortised cost	At fair value through profit or Loss	Total
	As at March 31, 2021			
	Investment in Pass through certificates and security receipts			
	- Unquoted, fully paid up			
	RHF Indian Receivable Trust I Sept 30, 2016	0.29	-	0.29
	RHF Indian Receivable Trust II Mar 24, 2017	0.49	-	0.49
	RHF Indian Receivable Trust II Oct 31, 2018	3.15	-	3.15
	RHF Indian Receivable Trust II Jan 23, 2019	0.92	-	0.92
	RHF Indian Receivable Trust III Feb 22, 2019	4.63	-	4.63
	Investment in mutual fund			
	- Quoted, fully paid-up			
	*Reliance Credit Risk Fund - Direct Plan - Growth Plan	-	7.97	7.36
	*Reliance Floating Rate Fund - Direct Plan Growth Plan - Growth Option	-	9.88	9.02
	*Reliance Strategic Debt Fund - Direct Plan - Growth Option	-	-	5.31
	*Kotak Low Duration Fund	-	3.27	3.05
	Baroda Liquid Fund	-	850.21	345.61
	#Nippon India Liquid Fund-Direct Plan Growth Plan - Growth Option	-	122.21	53.56
	Kotak Liquid Fund	-	-	510.55
	*HDFC Banking And PSU Debt Fund	-	4.40	4.06
	Total (A) - Gross	9.50	997.95	1,007.44
	(Less): Impairment loss allowance	-	-	-
	Total (A) - Net	9.50	997.95	1,007.44
	Investments outside India	-	-	-
	Investments in India	9.50	997.95	1,007.44
	Total (B) - Gross	9.50	997.95	1,007.44
	(Less): Impairment loss allowance	-	-	-
	Total (B) - Net	9.50	997.95	1,007.44

*Mutual funds outstanding as on 31st March, 2021 are pledged with broker for margin requirement.

#Investment has been made as a credit enhancement against PTC transactions.

Market value of investments in unquoted mutual funds represents the repurchase price of the units issued by the mutual funds.

Reliance Home Finance Limited

Notes to the Financial Statement for the year ended March 31, 2022

7	Other financial assets	(₹ in crore)	
	Particulars	As at March 31, 2022	As at March 31, 2021
	Interest accrued on loans	11.71	32.33
	Interest accrued on investments	0.19	0.20
	Interest accrued on fixed deposits	1.68	4.88
	Sundry Advances	50.54	45.26
	Receivable on assignment of loans	68.46	140.31
	Deposits - Considered good	0.64	0.63
	Total	133.22	223.60
8	Current tax assets (net)	(₹ in crore)	
	Particulars	As at March 31, 2022	As at March 31, 2021
	Income tax paid in advance	41.54	52.47
	Total	41.54	52.47
9	Deferred tax assets (net)	(₹ in crore)	
	Particulars	As at March 31, 2022	As at March 31, 2021
	Deferred tax assets		
	Disallowance under the Income Tax Act, 1961		
	Tax Losses Carried forward	621.74	199.29
	Expected Credit Loss/other provisions	2,884.04	850.01
	MAT credit entitlement	-	104.76
	Other adjustments including other comprehensive income	104.60	26.60
	Total deferred tax assets	3,610.37	1,180.67
	Deferred tax liabilities		
	Related to tangible and intangible assets	(6.03)	(48.52)
	Unamortised expenditure	(9.13)	(8.60)
	Other adjustments	-	4.95
	Total deferred tax liabilities	(15.16)	(52.18)
	Net deferred tax assets / (liabilities)	3,595.21	1,128.49
10	Investment property	(₹ in crore)	
	Particulars	As at March 31, 2022	As at March 31, 2021
	Gross carrying amount		
	Opening gross carrying amount / Deemed cost	4.58	4.58
	Additions		
	Closing gross carrying amount	4.58	4.58
	Accumulated depreciation		
	Opening accumulated depreciation	0.29	0.21
	Depreciation charge	0.08	0.08
	Closing accumulated depreciation	0.36	0.29
	Net carrying amount	4.22	4.30
	Fair valuation	(₹ in crore)	
	Particulars	As at March 31, 2022	As at March 31, 2021
	Investment properties	3.70	4.42

Estimation of fair value

The Company obtains independent valuations for its investment properties. The best evidence of fair value is current prices in an active market for similar properties.

Notes to the Financial Statement for the year ended March 31, 2022

11	Property, plant and equipment					(₹ in crore)
		Own Assets				Total
Particulars	Buildings	Data processing machineries	Furniture and fixtures	Office Equipments		
Year ended March 31, 2021						
Gross carrying amount						
Opening gross carrying amount	48.06	3.31	2.88	0.32	54.57	
Additions	-	0.08	0.12	0.01	0.21	
Disposals and transfers	-	1.71	0.45	0.19	2.35	
Closing gross carrying amount	48.06	1.69	2.55	0.14	52.43	
Accumulated depreciation						
Opening accumulated depreciation	4.65	2.61	2.35	0.12	9.73	
Depreciation charge during the year	0.84	0.53	0.09	0.04	1.50	
Disposals and transfers	-	1.60	0.13	0.08	1.81	
Closing accumulated depreciation	5.48	1.55	2.32	0.08	9.42	
Net carrying amount as at March 31, 2021	42.57	0.14	0.23	0.06	43.01	
Year ended March 31, 2022						
Gross carrying amount						
Opening gross carrying amount	48.06	1.69	2.55	0.14	52.44	
Additions	-	0.32	-	0.01	0.33	
Disposals and transfers	-	0.49	-	0.01	0.50	
Closing gross carrying amount	48.06	1.52	2.55	0.14	52.27	
Accumulated depreciation						
Opening accumulated depreciation	5.48	1.55	2.32	0.08	9.42	
Depreciation charge during the year	0.84	0.13	0.07	0.03	1.05	
Disposals and transfers	-	0.49	-	0.01	0.50	
Closing accumulated depreciation	6.32	1.18	2.38	0.10	9.98	
Net carrying amount as at March 31, 2022	41.74	0.33	0.18	0.04	42.29	

12	Goodwill					(₹ in crore)
Particulars		Goodwill on business acquisition				
Year ended March 31, 2021						
Gross carrying amount						
Opening gross carrying amount		209.96				
Additions		-				
Less: Impairment for goodwill		-				
Balance as at March 31, 2021		209.96				
Year ended March 31, 2022						
Gross carrying amount						
Opening gross carrying amount		209.96				
Additions		-				
Less: Impairment for goodwill		209.96				
Balance as at March 31, 2022		-				

Reliance Home Finance Limited

Notes to the Financial Statement for the year ended March 31, 2022

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Other intangible assets		(₹ in crore)
Particulars	Computer softwares/ Licensing cost	Intangible assets under development
Year ended March 31, 2021		
Gross carrying amount		
Opening gross carrying amount	6.72	0.53
Additions	0.51	-
Disposals and transfers	1.86	0.53
Closing gross carrying amount	5.36	-
Accumulated amortisation		
Opening accumulated amortisation	4.10	-
Amortisation during the year	1.06	-
Disposals and transfers	1.86	-
Closing accumulated depreciation	3.30	-
Net carrying amount as at March 31, 2021	2.06	-
Year ended March 31, 2022		
Gross carrying amount		
Opening gross carrying amount	5.36	-
Additions	0.12	0.16
Disposals and transfers	-	0.09
Closing gross carrying amount	5.49	0.07
Accumulated amortisation		
Opening accumulated amortisation	3.30	-
Amortisation during the year	1.00	-
Disposals and transfers	-	-
Closing accumulated depreciation	4.30	-
Net carrying amount as at March 31, 2022	1.19	0.07
Intangible assets under development ageing schedule for March 2022		
		(₹ in crore)
Intangible assets under development	Amount in Intangible Assets Under Development for a period of	
	Less than 1 year	1-2 years
		2-3 years
		More than 3 years
Projects in progress	0.07	-
Projects temporarily suspended	-	-

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Other non-financial asset		(₹ in crore)
Particulars	As at March 31, 2022	As at March 31, 2021
Capital advances	13.53	13.53
Prepaid expenses	7.73	0.71
Balance with GST & Service tax authorities	9.10	6.96
Stock of Acquired Properties (Secured)	160.11	173.32
Less : Provision for impairment	(93.93)	(65.01)
Total	96.53	129.51

Notes to the Financial Statement for the year ended March 31, 2022

15 Derivative financial instruments

The Company enters into derivatives for risk management purposes. Derivatives held for risk management purposes include hedges that either meet the hedge accounting requirements or hedges that are economic hedges, but the Company has elected not to apply hedge accounting requirements.

The table below shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts.

The notional amounts indicate the value of transactions outstanding at the year end and are not indicative of either the market risk or credit risk.

Particulars	(₹ in crore)	
	As at March 31, 2022	As at March 31, 2021
Index Linked derivative-assets/(liabilities)	0.04	16.60
Total	0.04	16.60

The Company is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are foreign currency risk and interest rate risk.

16A Trade payable

Particulars	(₹ in crore)	
	As at March 31, 2022	As at March 31, 2021
- Total outstanding dues of micro enterprises and small enterprises	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
Total	-	-

16B Other payable

Particulars	(₹ in crore)	
	As at March 31, 2022	As at March 31, 2021
- Total outstanding dues of micro enterprises and small enterprises	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	0.84	0.82
Total	0.84	0.82

Trade Payables ageing schedule for March 2022

Particulars	Outstanding for following periods from due date of payment					Total
	0-3 Months	3-6 Months	6months - 1 Year	1 - 3 Year	3 - 5 Year	
MSME	-	-	-	-	-	-
Others	-	-	-	0.84	-	0.84
Disputed dues MSME	-	-	-	-	-	-
Disputed dues others	-	-	-	-	-	-

Disclosure of amounts payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance Sheet date.

17 Debt securities

Particulars	(₹ in crore)	
	As at March 31, 2022	As at March 31, 2021
At amortised cost		
Debentures - Secured		
- Non Convertible Debentures	5,695.73	5,691.05
Subtotal	5,695.73	5,691.05
At fair value through profit and loss - Secured		
- 0% Market linked debentures	323.57	282.54
Subtotal	323.57	282.54
Total (A)	6,019.30	5,973.59
Debt securities in India	6,019.30	5,973.59
Debt securities outside India	-	-
Total (B)	6,019.30	5,973.59

Reliance Home Finance Limited

Notes to the Financial Statement for the year ended March 31, 2022

(a) Security clause, maturity profile & rate of interest in respect of Secured Non-Convertible Debentures

Listed Secured Redeemable Non-Convertible Debentures ("Secured NCDs") of the Company aggregating to ₹ 5,967 crore* are secured by way of first pari-passu legal mortgage and charge on the Company's immovable property and additional pari-passu charge by way of hypothecation on the present and future book debts / receivables, outstanding money (loan book), receivable claims of the Company with other secured lenders, except those book debts and receivables charged / to be charged in favour of National Housing Bank for refinance availed / to be availed from them. The asset cover has fallen below hundred percent of outstanding debentures and adequate steps are being taken by the Company as explained in Note 18(d) in Notes to the financial statement for the year ended March 31, 2022.

* Gross amount i.e. without considering the impact of unamortised expenses.

(b) Maturity Profile of Non-Convertible Debentures are as set out below:

Particulars	Rate	Maturity Date	(₹ in crore)	
			As at March 31, 2022	As at March 31, 2021
F Series B NCD - 12 (SEC)	9.48%	27-04-2025	0.99	0.99
F Series B NCD - 21 (SEC)	9.35%	05-07-2023	24.89	24.82
F Series B NCD - 22 (SEC)	9.35%	05-07-2023	4.99	4.98
F Series B NCD - 23 (SEC)	9.52%	26-07-2023	14.97	14.92
F Series B NCD - 26-1 (SEC)	9.90%	28-03-2024	1.69	1.66
F Series B NCD - 27 (SEC)	9.80%	15-05-2024	14.98	14.94
F Series B NCD - 30 (SEC)	9.75%	16-10-2019	10.00	10.00
F Series B NCD - 32 (SEC)	9.05%	26-03-2020	15.00	15.00
F Series B NCD - 33 (SEC)	9.15%	25-03-2022	19.99	19.99
F Series B NCD - 36 (SEC)	9.15%	22-09-2025	14.99	14.96
F Series B NCD - 37 (SEC)	8.82%	28-10-2022	20.00	20.00
F Series B NCD - 39 (SEC)	8.80%	15-12-2020	25.02	25.00
F Series B NCD - 4 (SEC)	10.00%	08-12-2022	1.00	1.00
F Series B NCD - 40 (SEC)	9.00%	08-03-2021	50.00	50.00
F Series B NCD - 41 (SEC)	9.00%	16-03-2021	10.00	10.00
F Series B NCD - 42 (SEC)	8.83%	11-04-2023	39.93	39.91
F Series B NCD - 43 (SEC)	8.81%	26-04-2023	24.96	24.95
F Series B NCD - 44 (SEC)	8.81%	05-05-2023	14.99	14.98
F Series B NCD - 45 (SEC)	8.95%	16-05-2025	24.90	24.88
F Series B NCD - 46-III (A) (SEC)	8.81%	24-06-2021	24.99	24.99
F Series B NCD - 46-IV (B) (SEC)	8.81%	23-06-2023	9.99	9.97
F Series B NCD - 46-IV (C) (SEC)	8.81%	23-06-2023	19.97	19.94
F Series B NCD - 48 (SEC)	8.90%	22-07-2021	49.98	49.98
F Series B NCD - 51 (SEC)	8.35%	03-10-2019	30.00	30.00
F Series B NCD - 52 (SEC)	8.80%	04-10-2023	10.00	10.00
F Series B NCD - 53 (SEC)	8.35%	17-10-2019	25.00	25.00
F Series B NCD - 54 (SEC)	8.75%	26-10-2021	20.00	20.00
F Series B NCD - 55 (SEC)	8.85%	27-10-2023	20.00	20.00
F Series B NCD - 57 (SEC)	8.64%	25-05-2020	100.00	100.00
F Series B NCD - 58 (SEC)	0.00%	29-05-2020	100.00	100.00
F Series B NCD - 59 (SEC)	8.50%	07-05-2027	20.00	20.00

Notes to the Financial Statement for the year ended March 31, 2022

(₹ in crore)				
Particulars	Rate	Maturity Date	As at March 31, 2022	As at March 31, 2021
F Series B NCD – 60 (SEC)	8.25%	08-05-2020	20.00	20.00
F Series B NCD – 61 (SEC)	8.65%	30-08-2024	25.00	25.00
F Series B NCD – 62 (SEC)	0.00%	15-09-2020	20.00	20.00
F Series B NCD – 63 (SEC) Type 1	8.88%	11-10-2024	487.17	488.47
F Series B NCD – 63 (SEC) Type 2	8.98%	13-10-2027	492.32	490.32
F Series B NCD – 64 (SEC)	0.00%	06-04-2021	25.00	25.00
F Series B NCD – 65 (SEC)	8.60%	10-01-2023	30.00	30.00
F Series B NCD – 66 (SEC)	0.00%	15-04-2021	14.00	14.00
F Series B NCD – 67 (SEC)	8.93%	09-03-2028	800.00	800.00
F Series B NCD – 68 (SEC)	9.10%	28-06-2019	400.00	400.00
RHFL – IA	8.70%	02-01-2020	813.00	812.00
RHFL – IB	8.90%	02-01-2020	1,055.63	1,054.64
RHFL – IIA	8.90%	02-01-2022	165.98	165.58
RHFL – IIB	9.05%	02-01-2022	333.01	332.94
RHFL – IIIA	9.00%	02-01-2027	12.75	12.72
RHFL – IIIB	9.15%	02-01-2027	238.65	237.51
Grand Total			5695.73	5691.05

(c) Maturity profile of Market-linked Debentures are as set out below:

(₹ in crore)				
Particulars	Rate	Maturity Date	As at March 31, 2022	As at March 31, 2021
MLD – M21/I	0.00%	09-Sep-19	1.00	1.00
MLD – M22/I	0.00%	30-Sep-19	12.00	12.00
MLD – M24	0.00%	30-Jul-18	14.00	14.00
MLD – M29	0.00%	02-Jul-18	6.66	6.66
MLD – M31/I	0.00%	30-Jul-19	3.14	3.14
MLD – M31/II	0.00%	30-Jul-19	5.24	5.24
MLD – M32	0.00%	07-Oct-19	3.14	3.14
MLD – M33	0.00%	20-Oct-18	3.99	3.99
MLD – M34	0.00%	29-Aug-18	2.15	2.15
MLD – M35	0.00%	01-Oct-18	14.50	14.50
MLD – M36	0.00%	28-Aug-17	7.69	7.69
MLD – M37	0.00%	26-Oct-17	50.75	50.75
MLD – M38	0.00%	02-Dec-19	40.95	35.43
MLD – M39	0.00%	12-Oct-20	22.85	20.16
MLD – M40	0.00%	13-Dec-27	35.09	26.45
MLD – M41	0.00%	08-Mar-22	75.35	57.96
MLD – M42	0.00%	06-Dec-22	25.08	18.29
Grand Total			323.57	282.54

(d) Including overdue of ₹ 3,452.96 crore

Reliance Home Finance Limited

Notes to the Financial Statement for the year ended March 31, 2022

18 Borrowings (other than debt securities) (₹ in crore)

Particulars	As at March 31, 2022	As at March 31, 2021
At amortised cost		
Secured		
From banks		
Cash credit	418.17	377.95
Loans	3,442.36	3,441.14
Inter corporate deposits	200.00	200.00
Pass through Certificates	1,246.56	1,640.44
Unsecured		
Commercial paper*	590.72	546.98
Total (A)	5,897.81	6,206.52
Borrowings in India	5,897.81	6,206.52
Borrowings outside India	-	-
Total (B)	5,897.81	6,206.52

- a. Term loans from banks includes ₹ 3,442.96 crore* (Previous year ₹ 3,442.96 crore*), secured by pari-passu first charge by hypothecation of all the standard book debts and receivables of the Company, both present and future, except for those book debts and receivables charged / to be charged in favour of National Housing Bank for refinance availed / to be availed, if any, from them. The asset cover has fallen below hundred percent of outstanding secured term loans and adequate steps are being taken by the Company as explained in 18 (d).

* Gross amount i.e. without considering the impact of unamortised expenses.

- b. Cash Credit facility of ₹ 416.38 crore (Previous year ₹ 378.11 crore), are secured by pari-passu first charge by hypothecation of all the standard book debts and receivables of the Company, both present and future, except for those book debts and receivables charged / to be charged in favour of National Housing Bank for refinance availed / to be availed, if any, from them. The asset cover has fallen below hundred percent of outstanding Cash Credit facilities and adequate steps are being taken by the Company as explained in 18 (d).
- c. Commercial papers maximum amount outstanding during the year was ₹ 484 crore (March 31, 2021 – ₹ 484 crore).
- d. Due to sudden adverse developments in the financial services sector post the IL&FS crisis and its adverse impact on the liquidity position of majority of the Non-banking and housing finance companies, the Company was adversely impacted resulting in liquidity mismatch and severe financial stress on account of which it was not in a position to services its dues to the lenders.

Pursuant thereto, certain lenders of the Company (Banks and other Financial Institutions) have entered into an Inter-Creditor Agreement (ICA) for arriving at the debt resolution plan in accordance with the circular dated June 7, 2019 issued by the Reserve Bank of India (RBI) on Prudential Framework for Resolution of Stressed Assets. Majority of our lenders have already executed the ICA dated July 6, 2019 with Bank of Baroda acting as the Lead Lender. The Lead Bank and the lenders forming part of ICA have appointed resolution advisors, cashflow monitoring agency, forensic auditor, valuers and legal counsel. Bank of Baroda as the Lead Lender and on behalf of the ICA lenders has as part of the debt resolution process has invited Expression of Interest (EOI) and bids from interested bidders vide newspaper advertisement dated July 29, 2020 and through the Lead Bank's website. 19 investors' initially, had expressed interest through submission of EOIs. The ICA lenders have evaluated, voted upon and selected Authum Investment & Infrastructure Limited (Authum) as the final bidder on June 19, 2021. Upon approval of Authum's bid by the ICA lenders, the same has been presented to the Company along with the distribution mechanism. The Company has shared the final resolution plan along with the distribution mechanism with the Debenture Trustees to call for the Debenture Holder's meet and seek approval on the resolution plan along with the distribution mechanism. The Company has informed the stock exchanges that Authum's debt resolution plan is approved under the RBI Directions by the ICA lenders and the implementation of the resolution plan by the successful bidder is subject to approval of non-ICA Lenders, shareholders, regulatory authorities and, vacation of existing legal injunctions on the Company. In view of the resolution process being in the final stages, the accounts of the Company have been prepared on Going Concern Basis. As informed, a Meeting of the Debenture Holders of Reliance Home Finance Limited has been called by IDBI Trusteeship Services Ltd. (Debenture Trustee) on May 13, 2022, for consideration and approval of the Resolution Plan alongwith the Distribution Mechanism approved by ICA Lenders on June 19, 2021.

Further, the Company is prohibited to dispose off, alienate, encumber either directly or indirectly or otherwise part with the possession of any assets, pursuant to Order dated November 20, 2019 passed by the Hon'ble Delhi High Court in the matter of OMP(I) COMM. 420/2019.

e. Maturity profile of Secured Term Loans from banks are as set out below: (₹ in crore)

Particulars	2022-23	2023-24	Total
Term Loan from Banks (8.25%-17.00%)	3,426.30	16.66	3,442.96

- f. Including overdues borrowing of ₹ 2,947.74 crore and ICD of ₹ 200 crore.

Notes to the Financial Statement for the year ended March 31, 2022

19 Subordinated liabilities		(₹ in crore)	
Particulars	As at March 31, 2022	As at March 31, 2021	
At Amortised Cost			
Preference shares other than those qualified as Equity			
- 3,10,35,980 8% Cumulative Non-Convertible Redeemable Preference Shares Of ₹10/- Each Fully Paid Up	31.04	31.04	
Tier II Unsecured Non Convertible Debentures	766.32	765.25	
Total	797.35	796.29	
In India	797.35	796.29	
Outside India	-	-	
Total	797.35	796.29	

Unsecured NCDs amounting to ₹ 768.71 crore* (Previous year ₹ 768.71 crore*) are in respect to Tier II Subordinate Debts.

* Gross amount i.e. without considering the impact of unamortised expenses.

Maturity profile of Tier II Unsecured Non Convertible Debentures are as set out below: (₹ in crore)

Particulars	Rate	Maturity Date	As at March 31, 2022	As at March 31, 2021
F Series T NCD-01 (UNSEC)	10.60%	18-09-2022	0.99	0.99
F Series T NCD-02 (UNSEC)	10.60%	18-09-2022	4.97	4.96
F Series T NCD-03 (UNSEC)	10.40%	21-09-2022	14.89	14.84
F Series T NCD-04 (UNSEC)	10.40%	24-09-2022	14.89	14.84
F Series T NCD-05 (UNSEC)	10.40%	24-09-2022	4.50	4.50
F Series T NCD-06 (UNSEC)	10.60%	18-09-2022	1.98	1.98
F Series T NCD-07 (UNSEC)	10.40%	04-10-2022	14.96	14.94
F Series T NCD-08 (UNSEC)	10.33%	10-10-2022	19.87	19.81
F Series T NCD-09 (UNSEC)	10.33%	10-10-2022	9.94	9.91
F Series T NCD-10 (UNSEC)	10.33%	18-10-2022	9.94	9.91
F Series T NCD-11 (UNSEC)	10.33%	26-11-2022	4.89	4.77
F Series T NCD-12 (UNSEC)	10.00%	07-02-2023	14.91	14.71
F Series T NCD-14 (UNSEC)	9.50%	29-05-2023	24.59	24.59
F Series T NCD-15A (UNSEC)	9.50%	09-06-2025	10.07	9.94
F Series T NCD-15B (UNSEC)	9.50%	09-06-2025	10.07	9.94
F Series T NCD-16 (UNSEC)	9.50%	12-06-2025	10.09	9.88
F Series T NCD-17 (UNSEC)	9.50%	13-06-2025	10.07	9.94
F Series T NCD-18 (UNSEC)	9.50%	29-06-2025	10.08	9.94
F Series T NCD-19 (UNSEC)	9.50%	01-07-2025	10.00	10.00
F Series T NCD-20 (UNSEC)	9.25%	03-07-2025	20.09	19.89
F Series T NCD-21 (UNSEC)	9.50%	21-08-2025	10.00	10.00
F Series T NCD-22 (UNSEC)	9.25%	23-08-2025	7.05	6.96
F Series T NCD-23 (UNSEC)	9.45%	15-09-2022	9.99	9.98
F Series T NCD-24 (UNSEC)	9.00%	21-01-2026	15.07	14.95
F Series T NCD-25 (UNSEC)	9.00%	10-02-2026	3.01	2.99
F Series T NCD-26 (UNSEC)	8.75%	23-11-2026	4.99	5.00
F Series T NCD-27 (UNSEC)	9.00%	25-11-2026	49.56	49.81
F Series T NCD-28 (UNSEC)	9.00%	07-12-2026	9.91	9.98
RHFL - IVA	9.25%	02-01-2032	249.57	249.80
RHFL - IVB	9.40%	02-01-2032	185.38	185.51
Total			766.32	765.25

Reliance Home Finance Limited

Notes to the Financial Statement for the year ended March 31, 2022

20	Other financial liabilities		(₹ in crore)		
	Particulars	As at March 31, 2022	As at March 31, 2021		
	Interest Payable on Preference share capital	9.93	7.45		
	Interest accrued but not due on borrowings	64.78	1,863.33		
	Interest due but not paid on borrowings	2,748.02	-		
	Collateral deposit from customers	0.02	0.06		
	Other liabilities	1.37	1.42		
	Securitisation/Assignment payable	26.25	(88.00)		
	Total	2,850.37	1,784.27		
21	Provisions		(₹ in crore)		
	Particulars	As at March 31, 2022	As at March 31, 2021		
	Provision for Employees Benefits				
	- Leave Encashment	-	-		
	- Gratuity	0.01	0.08		
	Provisions on Expenses	36.11	37.83		
	Total	36.12	37.91		
22	Other non-financial liabilities		(₹ in crore)		
	Particulars	As at March 31, 2022	As at March 31, 2021		
	Advance from Customers	34.49	134.13		
	Statutory dues including provident fund and tax deducted at source	0.41	0.83		
	Total	34.90	134.96		
23	Equity share capital		(₹ in crore)		
	Particulars	As at March 31, 2022		As at March 31, 2021	
		Number	Amount	Number	Amount
a)	Authorised:				
	Equity shares of ₹ 10 each	70 00 00 000	700	70 00 00 000	700
	Preference shares of ₹ 10 each*	10 00 00 000	100	10 00 00 000	100
	Total	80 00 00 000	800	80 00 00 000	800
	*[Refer Note no. 19]				
b)	Issued, subscribed & fully paid-up:				
	Equity shares of ₹ 10 each	48 50 58 818	485.06	48 50 58 818	485.06
	Total	48 50 58 818	485.06	48 50 58 818	485.06
c)	Equity shares held by holding company: Not Applicable.				
d)	Shares in the Company held by each shareholder holding more than 5 per cent:				
	Name of the equity shareholder	As at March 31, 2022		As at March 31, 2021	
		Number	% holding	Number	% holding
	Reliance Capital Limited	23 23 69 188	47.91	23 23 69 188	47.91
	Name of the preference shareholder	As at March 31, 2022		As at March 31, 2021	
		Number	% holding	Number	% holding
	Mr. Sunil Bhandari, Mr. Vishal Rathi & BDG Advisors Private Limited as members of BDG Associates	3 10 35 886	99.99	3 10 35 886	99.99

Notes to the Financial Statement for the year ended March 31, 2022
e) Rights, Preferences and Restrictions:
i) In respect of Equity shares:

The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.

ii) In respect of Preference shares*:

3,10,35,980, 8% Cumulative Non-Convertible Redeemable Preference Shares having a par value of ₹ 10 per share shall be redeemed at par after 5 years from the date of allotment i.e. August 9, 2017 or unless otherwise agreed between the Company and preference shareholders.

*[Refer Note No.19]

f) Pursuant to the Scheme of Arrangement between India Debt Management Private Limited ("IDMPL") and the Company and their respective Shareholders, 3,10,35,980 fully paid-up 8% Cumulative Non-Convertible Redeemable Preference Shares were issued and allotted to the equity shareholders of IDMPL on August 9, 2017 without payment being received in cash

g) Pursuant to the Scheme of Arrangement between Reliance Capital Limited ("RCap") and the Company and their respective Shareholders and Creditors:

i) 11,65,49,188 fully paid-up equity shares were issued and allotted to the holding company viz. RCap on September 4, 2017 on rights basis at a premium of ₹ 22 per share amounting to ₹ 372.96 crore;

ii) 25,26,89,630 fully paid-up equity shares were issued and allotted to the shareholders of RCap in the ratio of 1:1 on September 7, 2017 without payment being received in cash;

h) Out of the above shares 3,29,10,000 equity shares were allotted as fully paid-up bonus shares to its existing shareholders in the financial year 2012-13.

i) The Company has not declared dividend on Preference shares since September 18, 2018.

j) The Company has not bought back any shares during the period of last 5 financial years.

k) Reconciliation of number of shares outstanding:

	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	Amount (₹ in crore)	No. of Shares	Amount (₹ in crore)
Equity Shares				
Opening Balance	48 50 58 818	485.06	48 50 58 818	485.06
Addition during the year	-	-	-	-
Closing Balance	48 50 58 818	485.06	48 50 58 818	485.06
Preference Shares				
Opening Balance	3 10 35 980	31.04	3 10 35 980	31.04
Addition during the year	-	-	-	-
Closing Balance	3 10 35 980	31.04	3 10 35 980	31.04

l) For employee stock option scheme Refer Note No. 44.

m) As on March 31, 2022, the Company has not:

- i) issued any shares where calls are unpaid; and
- ii) forfeited any shares.

n) Shareholding of promoter / promoter group:

Shares held by promoters and promoter group entities at the end of the year

Sr. no.	Name	No. of shares	% of total shares	% change during the year
1	Reliance Capital Limited	23 23 69 188	47.91	-
2	Reliance Inceptum Private Limited	23 964	0.00	-
3	Reliance Infrastructure Consulting & Engineers Private Limited	29 75 633	0.61	-
4	CLE Private Limited	32 50 000	0.67	-

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Notes to the Financial Statement for the year ended March 31, 2022

Sr. no.	Name	No. of shares	% of total shares	% change during the year
5	Reliance Infrastructure Management Private Limited	7 00 000	0.14	-
6	Reliance Innoventures Private Limited	0	0.00	-
7	Smt. Kokila D. Ambani	5 45 157	0.11	-
8	Mr. Anil D. Ambani	2 73 891	0.06	-
9	Ms. Tina A. Ambani	2 63 474	0.05	-
10	Mr. Jai Anmol A. Ambani	83 487	0.02	-
11	Mr. Jai Anshul A. Ambani	5	0.00	-

24 Other equity (₹ in crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Debenture redemption reserve*		
Opening balance	436.72	436.72
Add: Amount transferred from Statement of Profit and loss	-	-
Add/(Less) : Changes during the year		
Closing balance	436.72	436.72
Securities premium account		
Opening balance	660.34	660.34
Ass: Issued during the year		
Add/(Less) : Changes during the year	-	-
Closing balance	660.34	660.34
Special reserve fund#		
Opening balance	143.94	143.94
Add: Amount transferred from Statement of Profit and loss	-	-
Add/(Less) : Changes during the year		
Closing balance	143.94	143.94
Surplus/(deficit) in the statement of profit and loss		
Opening balance	(1,790.65)	(270.95)
Add: Amount transferred from Statement of Profit and loss	(5,439.45)	(1,519.71)
Add: Pursuant to Scheme of Arrangement (Refer Note No. 43(a))		
Less: Dividend	-	-
Less: Tax on dividend	-	-
Less: Transfer to special reserve	-	-
Less: Transfer to statutory reserve fund		
Less: Transfer to debenture reserve fund	-	-
Add/(Less) : Changes during the year	-	-
Closing balance	(7,230.10)	(1,790.65)
Share based options outstanding account		
Opening balance	11.64	11.64
Add/(Less) : Changes during the year	-	-
Closing balance	11.64	11.64
Total	(5,977.46)	(538.02)

* Created pursuant to the Companies (Share capital and debentures) Rules, 2014.

Created pursuant to section 29C of the National Housing Bank Act, 1987.

Notes to the Financial Statement for the year ended March 31, 2022
Nature and purpose of reserve
a. Securities premium

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

b. Debenture redemption reserve

The Company being a housing finance company registered with the National Housing Bank, is not required to transfer to DRR in respect of debentures in terms of Rule 18(7) of the Companies (Share Capital and Debentures) Rules, 2014.

c. Special reserve

The special reserve created as per Section 29C of the NHB Act, 1987, qualifies for deduction as specified u/s 36(1)(viii) of the Income Tax Act, 1961 and accordingly Company has been availing tax benefits for such transfer. An amount equivalent to 20% of the profits is transferred to special reserve fund as per Prudential Norms of NHB.

d. Employee stock option scheme

The Employee stock option scheme is used to recognise the grant date fair value of options issued to employees under share based.

25 Interest income (₹ in crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
On financial assets measured at amortised costs:		
Interest on loans	188.68	767.52
Interest on deposits with banks	81.55	25.26
On financial assets measured at FVTPL:		
Interest income from investments	6.57	(4.02)
Total	276.79	788.76

26 Fees and commission income (₹ in crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Servicing Fees	3.30	1.18
Other Operating Charges	4.70	5.90
Brokerage Commission on Property Solution	-	-
Total	8.00	7.08

27 Other operating income (₹ in crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Bad Debts Recovered	5.89	7.42
Total	5.89	7.42

28 Other income (₹ in crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Profit on sale of investments	1.58	35.64
Interest on income tax refund	0.89	0.74
Miscellaneous income	0.24	0.47
Profit on sale of Fixed assets	0.11	0.31
Total	2.82	37.16

Reliance Home Finance Limited

Notes to the Financial Statement for the year ended March 31, 2022

29	Finance costs	(₹ in crore)	
	Particulars	Year ended March 31, 2022	Year ended March 31, 2021
	On financial liabilities measured at amortised cost:		
	Interest on borrowings	581.74	614.99
	Interest on Non convertible debentures	588.19	587.75
	Interest on Preference shares	2.48	2.48
	Other finance charges	-	-
	On financial liabilities measured at fair value:		
	Interest on Non convertible debentures	12.68	14.34
	Total	1,185.09	1,219.57
30	Employee benefits expenses	(₹ in crore)	
	Particulars	Year ended March 31, 2022	Year ended March 31, 2021
	Salaries and wages	14.58	33.74
	Contribution to provident and other funds	1.37	1.74
	Share based payments to employees	-	-
	Staff welfare expenses	0.71	0.72
	Total	16.65	36.20
31	Impairment on financial instruments	(₹ in crore)	
	Particulars	Year ended March 31, 2022	Year ended March 31, 2021
	On financial instruments measured at amortised cost:		
	Expected credit loss(net of provision)	6,705.93	1,810.05
	Investments writttern off	-	-
	Bad Debts writttern off	-	6.25
	Total	6,705.93	1,816.30
32	Other expenses	(₹ in crore)	
	Particulars	Year ended March 31, 2022	Year ended March 31, 2021
	Auditor's Remuneration	0.35	0.42
	Bank Charges	0.25	0.26
	Credit Cost	-	0.02
	Collection Cost	5.43	3.76
	Corporate Social Responsibility Expenditures	-	-
	Directors' Sitting Fees	0.57	0.32
	Legal & Professional Fees	43.96	29.56
	Loss on Sale of Fixed Asset	-	0.41
	Marketing Expenses	0.21	0.13
	Management Expenses	8.46	8.08
	Miscellaneous Expenses	0.06	0.10
	Postage,Telegram & Telephone	0.46	0.47

Notes to the Financial Statement for the year ended March 31, 2022

(₹ in crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Provision for stock of acquired assets	1.94	7.10
Printing and Stationary	0.85	1.77
Rates and Taxes	0.80	1.52
Repairs & Maintenance-Others	12.84	10.82
Travelling & Conveyance	0.63	0.27
Sundry balance written off	0.00	0.85
Rent	3.34	2.75
Total	80.14	68.62

33 Breakup of Auditors' remuneration

(₹ in crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Statutory Audit fees (including limited review fees)	0.19	0.19
Certification Fees	0.16	0.23
Total	0.35	0.42

Other than this, there was out of pocket expense of ₹ 0.01 crore which we had paid to the auditors for FY 2021-22.

34 Contribution for corporate social responsibility (CSR)

During the year 2021-22 and 2020-21, the Company was not required to spend on CSR pursuant to the provisions of Section 135 of the Act.

35 Income tax
a) Component of income tax expenses

(₹ in crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Current tax	-	-
Adjustment in respect of current income tax of prior years		
Deferred tax	(2,466.80)	(782.98)
Total	(2,466.80)	(782.98)

b) Reconciliation of the total tax charge

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended March 31, 2022 and March 31, 2021 is, as follows:

(₹ in crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Accounting profit before tax	(7,906.40)	(2,302.90)
Tax at India's statutory income tax rate of 31.20% (previous year 34.94%)	(2,466.80)	(804.72)
Tax effect of the amount which are not taxable in calculating taxable income :		
- Others	0.00	21.74
Income tax expense at effective tax rate	(2,466.80)	(782.98)
Effective tax rate	31.20%	34.00%

Reliance Home Finance Limited

Notes to the Financial Statement for the year ended March 31, 2022

c) Movement in Deferred tax assets/liabilities

The balance comprises temporary differences attributable to the below items and corresponding movement in deferred tax assets / liabilities:

As at March 31, 2022

(₹ in crore)

Particulars	As at March 31, 2021	Charged/ (credited) to profit and loss	Charged/ (credited) to OCI	Year ended March 31, 2022
Deferred tax liability :				
Property, plant and equipment	(48.52)	42.49	-	(6.03)
Unamortised expenditure	(8.60)	(0.53)	-	(9.13)
Other Adjustments	4.95	(4.95)	-	-
	<u>(52.18)</u>	<u>37.02</u>	<u>-</u>	<u>(15.16)</u>
Deferred tax asset :				
Disallowance under the Income Tax Act, 1961	-	-	-	-
Tax losses carried forward	199.29	422.45	-	621.74
Provision for NPA/diminution in the value of Assets	850.01	2,034.03	-	2,884.04
Mat credit entitlement	104.76	(104.76)	-	-
Other Adjustments	26.44	(7.64)	-	18.80
Other Comprehensive Items	0.17	85.64	-	85.81
	<u>1,180.67</u>	<u>2,429.71</u>	<u>-</u>	<u>3,610.37</u>
Net deferred tax asset/liability	<u>1,128.49</u>	<u>2,466.72</u>	<u>-</u>	<u>3,595.21</u>

d) Significant estimates

The Company has recognised deferred tax assets for the carry forward of unused tax losses to the extent that it is probable that the future taxable profit will be available against which the unused tax losses can be utilised.

Notes to the Financial Statement for the year ended March 31, 2022

36 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	
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months
Financial assets					
Cash and cash equivalents	2,628.38	-	2,628.38	973.62	-
Bank balance other than cash and cash equivalents above	-	332.59	332.59	-	336.20
Receivables	-	-	-	-	-
(I) Trade receivables	-	-	-	-	-
(II) Other receivables	-	-	-	-	-
Loans	205.12	2,903.19	3,108.31	740.55	10,046.79
Investments	-	160.78	160.78	-	1,007.44
Other financial assets	64.76	68.46	133.22	83.29	140.31
					223.60
Non-financial assets					
Current tax assets (Net)	41.54	-	41.54	52.47	-
Deferred tax assets (Net)	-	3,595.21	3,595.21	-	1,128.49
Investment property	-	4.22	4.22	-	4.30
Property, plant and equipment	-	42.29	42.29	-	43.02
Intangible assets under development	0.07	-	0.07	-	-
Goodwill	-	-	-	-	209.96
Other intangible assets	-	1.19	1.19	-	2.06
Other non-financial assets	96.53	-	96.53	129.51	129.51
Total assets	3,036.40	7,107.94	10,144.33	1,979.43	12,918.57
					14,898.00
Financial liabilities					
Debt securities	3,590.01	2,429.29	6,019.30	3,454.85	2,518.74
Borrowings (Other than debt securities)	4,634.59	1,263.22	5,897.81	4,181.82	2,024.70
Subordinated liabilities	126.72	670.63	797.35	-	796.29
Other financial liabilities	2,850.35	0.02	2,850.37	1,784.20	0.06
Non-financial Liabilities	-	-	-	-	-
Provisions	36.12	-	36.12	37.91	-
Other non-financial liabilities	34.90	-	34.90	134.96	-
Total liabilities	11,273.56	4,363.18	15,636.73	9,611.16	5,339.80
Net	(8,237.16)	2,744.76	(5,492.41)	(7,631.73)	7,578.76
					(52.96)

Reliance Home Finance Limited

Notes to the Financial Statement for the year ended March 31, 2022

37 Fair value measurement

a) Financial instruments by category

(₹ in crore)

Particulars	As at March 31, 2022		As at March 31, 2021	
	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial assets				
Cash and cash equivalents	-	2,628.38	-	973.62
Bank balance other than cash and cash equivalents above	-	332.59	-	336.20
Other receivables		-		-
Loans	-	3,108.31	-	10,787.34
Investments	153.91	6.87	997.95	9.50
Other financial assets	-	133.22	-	223.60
Total financial assets	153.91	6,209.38	997.95	12,330.25
Financial liabilities				
Derivative financial instruments	0.04	-	16.60	-
Payables				
(I) Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	-
(II) Other payables				
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	0.84	-	0.82
Debt securities	323.57	5,695.73	282.54	5,691.05
Borrowings (Other than debt securities)	-	5,897.81	-	6,206.52
Subordinated liabilities	-	797.35	-	796.29
Other financial liabilities	-	2,850.37	-	1,784.27
Total financial liabilities	323.61	15,242.10	299.13	14,478.94

b) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the Ind AS. An explanation of each level follows underneath the table.

As at March 31, 2022

(₹ in crore)

Assets and liabilities measured at fair value - recurring fair value measurements	Level 1	Level 2	Level 3	Total
Financial assets				
Financial investments at FVTPL				
- Debentures and bonds	-	-	-	-
- Mutual funds	153.91	-	-	153.91
Total financial assets	153.91	-	-	153.91
Financial liabilities				
Debentures	-	323.57	-	323.57
Derivatives not designated as hedges				
- Options	-	0.04	-	0.04
Total financial liabilities	-	323.61	-	323.61

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Reliance Home Finance Limited

Notes to the Financial Statement for the year ended March 31, 2022

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade and other receivables, Investments, financial assets measured at amortised cost	Aging analysis	Probability Prediction Modelling techniques
Liquidity risk	Debt securities, Borrowings (other than debts), subordinated liabilities, policy liabilities	Rolling cash flow forecasts	Availability of committed credit lines, borrowing facilities, Asset liability measurement
Market exchange Interest rate	Long term borrowings at variable rate	Sensitivity analysis	
Operational Risk	Due to failure of Internal process, systems, people and external risk arising out of Legal Frauds, customer complaints etc.	Frauds reported to Regulator and litigations due to unsolved customer complaints	Fraud Containment Measures

Committees

In order to bring collective knowledge in decision making, the Company has undertaken a Committee approach to deal with the major risk arising in the organisation as under:

Risk Management Committee of Board

The Company has a Risk Management Committee. The Committee comprises of Board of Directors of the Company. The composition and terms of reference of Risk Management Committee is in compliance with the provisions of the Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 (earlier the Housing Finance Companies – Corporate Governance (NHB) Directions, 2016) and other applicable laws.

The Committee is authorised to discharge its responsibilities as follows:

- Overseeing and approving the risk management, internal compliance and control policies and procedures of the Company;
- Overseeing the design and implementation of the risk management and internal control systems (including reporting and internal audit systems), in conjunction with existing business processes and systems, to manage the Company's material business risks;
- Review and monitor the risk management plan, cyber security and related risks;
- Setting reporting guidelines for management;
- Establishing policies for the monitoring and evaluation of risk management systems to assess the effectiveness of those systems in minimizing risks that may impact adversely on the business objectives of the Company;
- Oversight of internal systems to evaluate compliance with corporate policies;
- Providing guidance to the Board on making the Company's risk management policies.
- Formulating a detailed risk management policy which shall include:
 - A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - Measures for risk mitigation including systems and processes for internal control of identified risks.
 - Business continuity plan.
- Ensuring that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- Monitoring and overseeing implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- Periodically reviewing the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- Keeping the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- Reviewing the appointment, removal and terms of remuneration of the Chief Risk Officer (if any).
- Coordinate Committee activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the Board of Directors.

Notes to the Financial Statement for the year ended March 31, 2022

Internal Committee:

Credit Risk Management Committee (CRMC), Operation Risk Management Committee (ORMC) and Information Security Risk Management Committee (ISRMC)

Company has an Internal Credit Risk Management Committee, Operation Risk Management Committee and Information Security Risk Management Committee whose major function include review of Product Policies, assessment of risks in the company and suggesting control / mitigation measures thereof, protecting information by mitigating information risks.

1) Credit risk management

Credit risk is the risk of suffering financial loss, should any of the company's customers, clients or market counterparties fail to fulfil their contractual obligations to the company. Credit risk arises mainly from loans and advances, and loan commitments arising from such lending activities.

Credit risk is the single largest risk for the company's business; management therefore carefully manages its exposure to credit risk. The credit risk management and control are centralised in a credit risk management team which reports regularly to the Board of Directors.

• **Loans and advances (incl. loan commitments and guarantees)**

The estimation of credit exposure for risk management purposes is complex and requires the use of models, as the exposure varies with changes in market conditions, expected cash flows and the passage of time. The assessment of credit risk of a portfolio of assets entails further estimations as to the likelihood of defaults occurring, of the associated loss ratios and of default correlations between counterparties. The company measures credit risk using Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD). This is similar to the approach used for the purposes of measuring Expected Credit Loss (ECL) under Ind AS 109.

2) Expected credit loss measurement

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

A financial instrument that is not credit-impaired on initial recognition is classified in 'Stage 1' and has its credit risk continuously monitored by the company.

If a significant increase in credit risk ('SICR') since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit-impaired.

If the financial instrument is credit-impaired, the financial instrument is then moved to 'Stage 3'.

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

3) Significant increase in credit risk (SICR)

The approach provides a principle based framework to compute expected credit losses (ECL). It requires an entity to evaluate the credit risk in a financial asset as on each reporting date. In case, there is no significant increase in credit risk, asset is classified as a Stage 1 asset and an amount equal to 12-month expected credit losses is provided for. However, in case there is a significant increase in credit risk, the asset is classified as a Stage 2 asset and the entity is required to provide for an amount equal to the lifetime expected credit losses. Already impaired assets are classified as Stage 3 assets and the entity is required to provide for an amount equal to the lifetime expected credit losses.

As mentioned above, under IND AS 109 all assets are further classified into three stages based on the change in credit risk since inception. These three stages are described below:

Stage 1 includes financial instruments that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date. For these assets, 12-month expected credit losses ('ECL') are recognized.

Stage 2 includes financial instruments that have had a significant increase in credit risk since initial recognition (unless they have low credit risk at the reporting date) but that do not have objective evidence of impairment. For these assets, lifetime ECL are recognized.

Stage 3 includes financial assets that have objective evidence of impairment at the reporting date. For these assets, lifetime ECL is recognized.

Staging can be done basis qualitative and quantitative criteria with DPD as a backstop arrangement.

Quantitative criteria:

Financial instruments that have had a significant increase in credit risk since initial recognition to where DPD status is greater than 30 DPD and less than or equal to 90 DPD (unless they have low credit risk at the reporting date) but that do not have objective evidence of NPA. For these assets, lifetime ECL are recognized. Lifetime ECL are the expected credit losses that result from all possible default events over the expected life of the financial instrument.

These thresholds have been determined separately for Home Loan, LAP, Construction finance and Other products by assessing how the Lifetime PD moves prior to an instrument becoming delinquent. The Lifetime PD movements on instruments which do

Reliance Home Finance Limited

Notes to the Financial Statement for the year ended March 31, 2022

not subsequently become delinquent have also been assessed, to identify the "natural" movement in Lifetime PD which is not considered indicative of a significant increase in credit risk.

Qualitative criteria:

For Construction Finance portfolios, if the borrower meets one or more of the following criteria:

- Delay in project due to approval issue
- Slow down in unit sales
- Slow down in collections from customers

The assessment of SICR incorporates forward-looking information and is performed on a quarterly basis at a portfolio level for all Retail & Construction Finance instruments held by the company.

The above approach is quantitatively modelled using following formula

$$ECL = \text{Probability of default (PD)} \times \text{Exposure at default (EAD)} \times \text{Loss given default (LGD)}$$

This model defines these parameters based on historical data and suitable regulatory assumptions.

- Probability of default: It defines the probability of a borrower to default in its commitment over a time of the asset. In IND AS 109 context, PD is calculated for two time horizon. 12 Months PD and life time PD. •12 Months PD: likelihood of default in 12 months for an asset •Life time PD: likelihood of default in the lifetime of an asset
- Exposure At default: It is the total amount of an asset the entity is exposed to at the time of default. EAD is defined based on the characteristics of the asset. Here EAD can be considered as principal plus accrued interest. EAD can be alternatively arrived at by discounting contractual cash flows with EIR. For current computations, we are following the first definition of principal plus accrued interest that is slightly more conservative approach. For example in a loan portfolio, EAD is dependent on the outstanding exposure of an asset, sanctioned amount of a loan and credit conversion factor for non-funded exposures. Amortization schedule may be considered for EAD in future, though for the purpose of this project EAD does not consider amortization schedule which is on a conservative basis.
- Loss Given Default (LGD): It is the part of an asset that is lost provided the asset default. The recovery rate is derived as a ratio of discounted value of recovery cash flows (incorporating the recovery time) to total exposure amount at the time of default. Recovery rate is calculated for each segment separately. Loss given default is computed as (1 - recovery rate) in percentage terms. LGD is measured in a way that reflects the time value of money. This means that cash shortfalls associated with default are required to be discounted back to the default date. However note that for LGD, the historical data points will be subsequently retained to ensure the data richness that is important for LGD computations. Thus all defaults from 2012 onwards are considered.

4) Definition of default and credit-impaired assets

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

Quantitative criteria

An account is classified as a default if it's DPD > 90 i.e. the account has failed to make its contractual payments for more than 90 days.

Qualitative criteria

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

- The borrower is in long-term forbearance
- The borrower is deceased
- The borrower is insolvent
- The borrower committed Fraud
- The borrower is in breach of financial covenant(s)
- An active market for that financial asset has disappeared because of financial difficulties
- Concessions have been made by the lender relating to the borrower's financial difficulty
- It is becoming probable that the borrower will enter bankruptcy
- Financial assets are purchased or originated at a deep discount that reflects the incurred credit losses.

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

Notes to the Financial Statement for the year ended March 31, 2022

5) ECL Model Development process

a) Segmentation

As discussed previously the first step in the model development process is segmentation / pooling. This is especially important to treat similar type of loans reflecting homogeneous risk characteristics in a consistent manner. The segmentation scheme is based on the amount of data available and historic performance. It was observed that the entire portfolio had sufficient population distribution under Affordable Housing (AH), Housing Loan (HL), Loan against Property (LAP) & Construction Finance (CF). Due to insufficient number of accounts on SME, MF & Infra portfolios they are merged into a single sub portfolio "Others" post discussion with management. However, going forward depending upon availability of data, size of the portfolio the segmentation can be reviewed.

It is observed that the even though Construction Finance has a relatively small number of accounts compared to the other major portfolios it has the highest share in terms of sanctioned amount amongst all the other portfolios. This indicates that the average ticket size under CF is substantially bigger compared to other portfolios. Affordable Housing has the largest share in terms of the number of accounts and the lowest in terms of sanctioned amount among the large. Meanwhile, SME, Infra & MF combined constitute the smallest pool ("Others") with the least number of accounts and combined sanctioned amount.

b) Staging & Historical Default Rates

In order to compute the probability of default a snapshot approach was adopted in order to observe the transition of accounts into different "pools" on a yearly basis (Jan to Jan, year-on-year). Year on year delinquent and non- delinquent information at account level for the period of 2012-2018 was used for analyzing transition of accounts into defined DPD (days-past-due) buckets. These DPD buckets are defined as:

Stage Classification	DPD Buckets
Stage 1	Bucket 0 (DPD 0)
	Bucket 1 (DPD 1-30)
Stage 2	Bucket 2 (DPD 31-60)
	Bucket 3 (DPD 61-90)
Stage 3	Bucket 4 (DPD 90+)

Upon observing the yearly default rates across the years, it was noted that these rate varied randomly against macro-economic variables due to fewer number of data points as well as defaults, while there was been no drastic change in macroeconomic conditions over the last few years. Considering this, we have computed forward looking PD basis weighted average of last 4 years default rate in the ratio 1:2:3:4, with 4 being assigned to the most recent year. Going ahead, with sufficient data points available, other approaches can be tested. Hence in order to compute the Point-in-Time (PiT) PDs as expected in IFRS 9 standard a weighted average of the probability of defaults were taken for the last 4 years with higher weights for more recent years.

c) Lifetime Probability of Default (PD)

Remaining Maturity

The remaining maturity is calculated initially by comparing maturity date with reporting date which forms the basis of probability of default over the lifetime of assets.

Note that if an account has already matured before the reporting date then the remaining life is assumed to be 1 year to ensure that the computation is on conservative side to avoid negative tenure coming into picture.

Lifetime PD

Lifetime PD is the probability of a default when assessed over the entire lifetime of a financial asset. It is also referred as cumulative PD.

For all the portfolios, using the projected 12 Months PD and Long term Default rates, lifetime PD is calculated using survival logic for each asset type and each pool for the remaining lifetime of the assets.

The underlying assumption of this method is that it considers the same macroeconomic scenario for following year as that of first year. Hence, marginal PD for all the following years will be same as that of first year. Also the PD has been computed at borrower level and not facility level. In case a borrower has multiple facilities, we have taken DPD status of the latest facility of the borrower in order to compute the transition matrix.

We have taken for the Lifetime PD maturity up to 10 years for AH, HL, LAP, Others and 6 years for CF on the basis historical observations.

d) Exposure at default (EAD)

Exposure at default is the total value an entity is exposed to when a loan defaults. It is the predicted amount of exposure that an entity may be exposed to when a debtor defaults on a loan. The outstanding principal and accrued interest reported as of the reporting date for computation of ECL is used as the EAD for all the portfolios. This is a conservative approach

Reliance Home Finance Limited

Notes to the Financial Statement for the year ended March 31, 2022

compared to the one where amortization schedule is used to arrive at EAD. Also prepayment is not considered, which is again a conservative approach. Any form of cash collateral would be directly adjusted to EAD. Also securitization considered under loan book and ECL is calculated as per procedure laid down in this document.

e) Loss given default (LGD)

Historical recovery has been considered to calculate Loss Given Default (LGD). For all closed NPA cases (fully recovered, fully written off, partial write off) which defaulted between January 2012 and March 2021 are considered while arriving at historical LGD. The computation was done base on the time value recovery on sale of the underlying collaterals in these NPA Assets. The assumptions taken by the management includes the discounted recovery value is based on Customer IRR. Recovery has been computed for 60 months from the date of NPA basis analysis done on historical recovery data. We have capped the discounted recovery to the EAD as of NPA date.

f) ECL computation

The Final ECL computation is done based on the weighted multiplies on the lifetime PD value, Exposure at default and the historical loss given default values. However prudent additional provision are made in stressed accounts where the management had seen deterioration in the security values.

6) Credit risk exposure

a) Maximum exposure to credit risk – Financial instruments subject to impairment

The following table contains an analysis of the credit risk exposure of loan assets for which an ECL allowance is recognised. The gross carrying amount of financial assets below also represents the Company's maximum exposure to credit risk on these assets.

						(₹ in crore)
Particulars	2022			Purchased credit-impaired	Total	2021
	Stage 1 12-months ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL			Total
Product						
Affordable Home	788.70	77.15	126.72	-	992.56	1,246.85
Home Loan	561.21	70.73	202.86	-	834.80	1,161.01
Loan Against Property	360.35	70.80	269.90	-	701.04	913.19
Construction finance	133.20	13.82	228.26	-	375.28	562.89
Other loans	0.83	0.35	9,447.14	-	9,448.33	9,441.16
Gross carrying amount	1,844.30	232.84	10,274.88	-	12,352.02	13,325.12
Less :Loss allowance	33.53	16.79	9193.39	-	9,243.71	2,537.78
Carrying amount	1,810.77	216.05	1,081.49	-	3,108.31	10,787.34

7) Collateral and other credit enhancements

The Company employs a range of policies and practices to mitigate credit risk. The most common of these is accepting collateral for funds advanced. The Company has internal policies on the acceptability of specific classes of collateral or credit risk mitigation.

The Company prepares a valuation of the collateral obtained as part of the loan origination process. The principal collateral types for loans and advances are:

- Mortgages over residential properties;
- Charges over business assets such as premises, inventory and accounts receivable; and
- Longer-term finance and lending to corporate entities are generally secured.

The Company closely monitors collateral held for financial assets considered to be credit-impaired, as it becomes more likely that the Company will take possession of collateral to mitigate potential credit losses. Financial assets that are credit-impaired and related collateral held in order to mitigate potential losses are shown below:

					(₹ in crore)
Particulars	Gross exposure	Impairment allowance	Carrying amount	Fair value of collateral held	
Credit-impaired assets					
Loans to individuals:	2,321.93	79.99	2,241.93	10,125.87	
Loans to others	10,030.09	9,163.71	866.38	19,788.36	
Total credit-impaired assets	12,352.02	9,243.71	3,108.31	29,914.23	

Notes to the Financial Statement for the year ended March 31, 2022

The following table shows the distribution of LTV ratios for the Company's mortgage credit-impaired portfolio:

		(₹ in crore)
Mortgage portfolio - LTV distribution	Credit-impaired (Gross carrying amount)	
Lower than 50%		2,266.63
50 to 60%		527.22
60 to 70%		427.05
70 to 80%		274.01
80 to 90%		274.79
90 to 100%		108.77
Higher than 100%		8473.53
Total		12,352.02

8) Loss allowance

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

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

The following tables explain the changes in the loss allowance between the beginning and the end of the annual period due to these factors:

						(₹ in crore)
Particulars	Stage 1	Stage 2	Stage 3	Purchased credit-impaired	Total	
	12-months ECL	Lifetime ECL	Lifetime ECL			
Loss allowance as at April 1, 2021	19.22	25.27	2,493.29	-	2,537.78	
Movements with P&L impact						
Transfers:						
Transfers from Stage 1 to Stage 2	13.42	0.00	0.00	-	13.42	
Transfers from Stage 1 to Stage 3	12.93	0.00	0.00	-	12.93	
Transfers from Stage 2 to Stage 1	0.00	0.97	0.00	-	0.97	
Transfers from Stage 2 to Stage 3	0.00	9.77	0.00	-	9.77	
Transfer from Stage 3 to Stage 1	0.00	0.00	0.26	-	0.26	
Transfers from Stage 3 to Stage 2	0.00	0.00	1.30	-	1.30	
No change in Stage	7.18	6.04	9,191.84	-	9,205.06	
New financial assets originated or purchased	0.00	0.00	0.00	-	0.00	
Loss allowance as at March 31, 2022	33.53	16.79	9,193.39	-	9,243.71	
Total net P&L charge during the period	33.53	16.79	9,193.39	-	9,243.71	
Other movements with no P&L impact						
Financial assets derecognised during the period	14.31	(8.48)	6,700.10	-	6,705.93	
Loss allowance as at March 31, 2022	33.53	16.79	9,193.39	-	9,243.71	

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Notes to the Financial Statement for the year ended March 31, 2022

The following table further explains changes in the gross carrying amount of the mortgage portfolio to help explain their significance to the changes in the loss allowance for the same portfolio as discussed above:

(₹ in crore)

Particulars	Stage 1 12-months ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit- impaired	Total
Gross carrying amount as at April 1, 2021	2,723.09	277.57	10,324.46	-	13,325.12
<i>Transfers:</i>					
Transfer from Stage 1 to Stage 2	146.42	-	-	-	146.42
Transfer from Stage 1 to Stage 3	119.52	-	-	-	119.52
Transfer from Stage 2 to Stage 1	-	59.81	-	-	59.81
Transfer from Stage 2 to Stage 3	-	98.71	-	-	98.71
Transfer from Stage 3 to Stage 1	-	-	36.45	-	36.45
Transfer from Stage 3 to Stage 2	-	-	15.27	-	15.27
No change in Stage	1,578.35	74.32	10,223.16	-	11,875.83
New financial assets originated or purchased	-	-	-	-	-
Gross carrying amount as at March 31, 2022	1,844.30	232.84	10,274.88	-	12,352.02

The total amount of expected credit losses at initial recognition for purchased or originated credit-impaired financial assets recognised during the year was ₹ 9244 crore.

9) Write-off policy

The company writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include (i) ceasing enforcement activity and (ii) where the company's recovery method is foreclosing on collateral and the value of the collateral is such that there is no reasonable expectation of recovering in full.

10) Modification of financial assets

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

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

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

The company continues to monitor if there is a subsequent significant increase in credit risk in relation to such assets through the use of specific models for modified assets.

39 Liquidity risk and funding management

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

ALCO committee monitors rolling forecasts of the Company liquidity position (comprising of the undrawn facilities), maturities of the financial assets (both loan and investment) and cash / cash equivalents. In addition, the company's liquidity management policy involves projecting cash flows in major timeframe buckets and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans. Also behavioural analysis of the pre-payments of loan assets is undertaken based on past statistical occurrences and incorporated in the cash flow projections. The ALCO committee is also appraised of the sensitivity variables that effects the projected cash flows and the best & worst case scenarios are appraised for any change in these variables.

Notes to the Financial Statement for the year ended March 31, 2022
a) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

(₹ in crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Floating rate		
– Expiring within one year (bank overdraft and other facilities)	23.62	69.99

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time in INR.

b) Analysis of financial assets and liabilities by remaining contractual maturities

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities as at March 31. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

As at March 31, 2022	(₹ in crore)					
Contractual maturities of assets and liabilities	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
Financial assets						
Cash and cash equivalents	-	2628.38	-	-	-	2,628.38
Bank balance other than cash and cash equivalents above	-	-	-	-	332.59	332.59
Derivative financial instruments	-	-	-	-	-	-
Receivables	-	-	-	-	-	-
Loans	-	51.77	153.34	2,519.96	383.23	3,108.31
Investments	-	-	-	-	160.78	160.78
Other financial assets	-	58.01	6.75	41.05	27.42	133.22
Total financial assets	-	2,738.16	160.09	2,561.01	904.03	6,363.29
Financial liabilities						
Derivative financial instruments						
Payables	-	0.04	-	-	-	0.04
(I) Trade payables						-
(i) total outstanding dues of micro enterprises and small enterprises						-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
(II) Other payables	-	0.84	-	-	-	0.84
(i) total outstanding dues of micro enterprises and small enterprises						-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Debt securities	-	3,465.79	124.21	1,058.98	1,370.31	6,019.30
Borrowings (Other than debt securities)	-	4,137.77	496.83	639.91	623.31	5,897.81
Subordinated liabilities	-	-	126.72	204.36	466.27	797.35
Other financial liabilities	-	2,850.34	-	-	0.03	2,850.37
Total financial liabilities	-	10,454.78	747.76	1,903.25	2,459.92	15,565.71
Net	-	(7,716.62)	(587.67)	657.76	(1,555.89)	(9,202.42)

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Notes to the Financial Statement for the year ended March 31, 2022

As at March 31, 2021	(₹ in crore)					
Contractual maturities of assets and liabilities	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
Financial assets						
Cash and cash equivalents	-	973.62	-	-	-	973.62
Bank balance other than cash and cash equivalents above	-	-	3.61	-	332.59	336.20
Derivative financial instruments	-	-	-	-	-	-
Receivables	-	-	-	-	-	-
Loans	-	193.44	547.11	8,081.31	1,965.48	10,787.34
Investments	-	997.95	-	-	9.50	1,007.44
Other financial assets	-	62.04	26.04	55.56	79.95	223.59
Total financial assets	-	2,227.04	576.76	8,136.87	2,387.52	13,328.19
Financial liabilities						
Derivative financial instruments	-	16.60	-	-	-	16.60
Payables						-
(I) Trade payables						-
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
(II) Other payables						-
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	0.82	-	-	-	0.82
Debt securities	-	2,846.42	608.43	905.39	1,613.35	5,973.59
Borrowings (Other than debt securities)	-	3,455.26	726.56	1,160.03	864.67	6,206.52
Subordinated liabilities	-	-	-	266.80	529.49	796.29
Other financial liabilities	-	1,143.72	633.04	-	7.51	1,784.27
Total financial liabilities	-	7,462.81	1,968.02	2,332.21	3,015.03	14,778.08
Net	-	(5,235.77)	(1,391.26)	5,804.66	(627.52)	(1,449.89)

1) Market Risk

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

2) Cash flow and fair value interest rate risk

The company's main interest rate risk arises from long-term borrowings with variable rates, which expose the company to cash flow interest rate risk. The company policy is to hedge its interest rate risk by means of disbursing only floating rate loans and any increase in borrowing cost is subsequently passed on to the loan customers.

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

3) Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

(₹ in crore)		
Particulars	As at March 31, 2022	As at March 31, 2021
Variable rate borrowing	5,430.67	5,795.34
Fixed rate borrowing	7,283.80	7,234.33
Total Borrowing	12,714.46	13,029.66

Notes to the Financial Statement for the year ended March 31, 2022

As at the end of the reporting period, the Company had the following variable rate borrowings outstanding:

Particulars	As at March 31, 2022	As at March 31, 2021
Variable rate Borrowing	43%	44%
Fixed rate Borrowing	57%	56%
Total Borrowing	100%	100%

An analysis by maturities is provided in the percentage of total loans shows the proportion of loans that are currently at variable rates in relation to the total amount of borrowings.

40 Transfer of financial assets – Securitisation
Transferred financial assets that are not derecognised in their entirety

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

(₹ in crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Securitisations		
Carrying amount of transferred assets measured at amortised cost	1,267.15	1,663.07
Carrying amount of associated liabilities (Borrowings – measured at amortised cost)	1,246.56	1,640.44
Fair value of assets	1,267.15	1,663.07
Fair value of associated liabilities	1,246.56	1,640.44

41. Disclosure pursuant to the requirements of RBI Circular No. RBI/2020-21/73/ DOR.FIN.HFC. CC.No.120/03.10.136/2020-21 dated February 17, 2021 on Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 (earlier Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016)
(i) Schedule to the Balance Sheet

(₹ in crore)

Particulars	Amount outstanding	Amount overdue
Liabilities side		
(1) Loans and advances availed by the HFC inclusive of interest accrued thereon but not paid:	15,195.86	10,091.51
(a) Debentures : Secured	7,403.81	4,890.10
: Unsecured	963.96	195.25
(other than falling within the meaning of public deposits*)		
(b) Deferred Credits	-	-
(c) Term Loans	4,291.31	3,796.09
(d) Inter-corporate loans and borrowing (Refer note 1 below)	234.39	234.39
(e) Commercial Paper	590.73	590.73
(f) Public Deposits	-	-
(g) Other Loans (specify nature) (Refer note 2 below)	1,711.67	384.95
(2) Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):	-	-
(a) In the form of Unsecured debentures	-	-
(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-
(c) Other public deposits	-	-

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Notes to the Financial Statement for the year ended March 31, 2022

(₹ in crore)

Assets side	Amount outstanding
(3) Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:	12,352.02
(a) Secured	12,331.70
(b) Unsecured	20.32
(4) Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities	Not Applicable
(i) Lease assets including lease rentals under sundry debtors	-
(a) Financial lease	-
(b) Operating lease	-
(ii) Stock on hire including hire charges under sundry debtors	-
(a) Assets on hire	-
(b) Repossessed Assets	-
(iii) Other loans counting towards asset financing activities	-
(a) Loans where assets have been repossessed	-
(b) Loans other than (a) above	-
(5) Break-up of Investments	
<u>Current Investments</u>	
1. <u>Quoted</u>	
(i) Shares	-
(a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others (please specify)	-
2. <u>Unquoted</u>	
(i) Shares	-
(a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others (Refer note 3 below)	6.87
<u>Long Term investments</u>	
1. <u>Quoted</u>	
(i) Share	-
(a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	153.91
(iv) Government Securities	-
(v) Others (please specify)	-
2. <u>Unquoted</u>	
(i) Shares	-
(a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others (please specify)	-

Notes to the Financial Statement for the year ended March 31, 2022

(₹ in crore)

(6) Borrower group-wise classification of assets financed as in (3) and (4) above: (Refer Note 4 below)

Category	Amount net of provisions		Total
	Secured	Unsecured	
1. Related Parties			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
2. Other than related parties	3,089.82	18.49	3,108.31
Total	3,089.82	18.49	3,108.31

(7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :

Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties		
(a) Subsidiaries	-	-
(b) Companies in the same group	-	-
(c) Other related parties	-	-
2. Other than related parties	-	-
Total	-	-

(8) Other information (Refer Note 5 below)

(₹ in crore)

Particulars	Amount
(i) Gross Non-Performing Assets	
(a) Related parties	-
(b) Other than related parties	10,441.06
(ii) Net Non-Performing Assets	
(a) Related parties	-
(b) Other than related parties	1,222.53
(iii) Assets acquired in satisfaction of debt	-

Notes:

1. Always Remember Properties Private Limited has filed suit against the Company and the same is under litigation process, hence Interest Accrual on ICD has been stopped from January 2021 and same is disclosed as contingent liabilities.
2. Other Loans includes Cash Credit and Borrowing through Pass Through Certificate.
3. Current Investment includes Investment in Pass through certificates and security receipts.
4. Borrower group-wise classification of assets financed are disclosed as per IND AS provision.
5. The Company has implemented the Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances as per RBI circular RBI/2021-2022/125 dated November 12, 2021 and hence the impact of the same has been considered in the Gross NPA and Net NPA calculation.
6. Amount Outstanding for borrowing indicates Principal and Interest outstanding.

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Notes to the Financial Statement for the year ended March 31, 2022

(ii) Principal Business Criteria as on March 31, 2022

Housing Finance Company – Para 4.1.17 of NBFC –HFC (Reserve Bank) Directions, 2021

Criteria-I	Particulars	%	Limit
A.	Financial Assets / Total Assets (net of Intangible Assets) (I/IV)	51.87%	> 50%
B.	Income from Financial Assets / Gross Income (V/VI)	69.02%	> 50%
Criteria-II	Particulars	%	Limit
C.	Housing Finance / Total Assets (net of Intangible Assets) (VII/IV)	29.41%	≥ 60%
D.	Housing Finance for Individual / Total Assets (net of Intangible Assets) (VIII/IV)	23.76%	≥ 50%

₹ in lakh

Sl. No.	Particulars	
I.	Financial Assets (Refer Note-1 below)	3,40,231.76
II.	Total Assets	10,14,433.53
III.	Intangible Assets (All Intangible Assets)	3,58,563.44
IV.	Total Assets (net of Intangible Assets)	6,55,870.09
V.	Income from financial assets (Refer Note-2 below)	20,256.84
VI.	Gross Income	29,350.38
VII.	Housing Finance	1,92,907.53
VIII.	Housing Finance for Individual	1,55,852.18

Notes:

- Cash/Bank Balance and Investments in fixed deposits cannot be treated as "financial assets".
- Interest income on fixed deposits cannot be treated as "income from financial assets".

"Housing Finance" shall mean financing, for purchase/ construction/reconstruction/ renovation/ repairs of residential dwelling units, which includes- (Refer Note-1 below)

Housing Finance for Individuals:		₹ in lakh
A	a) Loans to individuals or group of individuals including co-operative societies for construction/ purchase of new dwelling units.	82,785.79
	b) Loans to individuals or group of individuals for purchase of old dwelling units	72,969.65
	c) Loans to individuals or group of individuals for purchasing old/ new dwelling units by mortgaging existing dwelling units.	-
	d) Loans to individuals for purchase of plots for construction of residential dwelling units provided a declaration is obtained from the borrower that he intends to construct a house on the plot within a period of three years from the date of availing of the loan.	-
	e) Loans to individuals or group of individuals for renovation/ reconstruction of existing dwelling units.	96.74
TOTAL (A)		1,55,852.18

Notes to the Financial Statement for the year ended March 31, 2022

Housing Finance other than those for Individual:		₹ in lakh
B	f) Lending to public agencies including state housing boards for construction of residential dwelling units.	-
	g) Loans to corporates/ Government agencies for employee housing.	-
	h) Loans for construction of educational, health, social, cultural or other institutions/ centres, which are part of housing projects and which are necessary for the development of settlements or townships (Refer Note-2 below).	-
	i) Loans for construction meant for improving the conditions in slum areas, for which credit may be extended directly to the slum-dwellers on the guarantee of the Central Government, or indirectly to them through the State Governments.	-
	j) Loans given for slum improvement schemes to be implemented by Slum Clearance Boards and other public agencies.	-
	k) Lending to builders for construction of residential dwelling units.*	37,055.35
TOTAL (B)		37,055.35
C	Total "Housing Finance" (A + B)	1,92,907.53

Notes:

1. Refer Para 4.1.1.6 of NBFC- HFC (RBI) Directions, 2021. Further, All other loans including those given for furnishing dwelling units, loans given against mortgage of property for any purpose other than buying/ construction of a new dwelling unit/s or renovation of the existing dwelling unit/s as mentioned above, will be treated as non-housing loans and will not be falling under the definition of "Housing Finance".
2. Integrated housing project comprising some commercial spaces (e.g. shopping complex, school, etc.) can be treated as residential housing, provided that the commercial area in the residential housing project does not exceed 10 per cent of the total Floor Space Index (FSI) of the project.

Particulars	₹ in lakh
Financial Assets	6,36,329.05
Non-Financial Assets	3,78,104.48
Total Assets	10,14,433.53
Cash and Bank Balances	2,96,097.29
A Cash & Cash Equivalents	2,62,838.32
(i) cash in hand	6.30
(ii) Balance in Bank (current Account)	5,435.16
(iii) Short-term Deposits (upto 3 months)	2,57,396.86
(iv) Cheque or Draft in hand	-
B Bank Balances Other than Cash and Cash Equivalents	33,258.97
(i) Term deposits (Original maturity more than 3 months)	-
(ii) Earmark Balances with banks:	33,258.97
(a) Credit enhancement towards Securitisation/Direct Assign	33,258.97
(b) Other Fixed deposit under lien	-

Reliance Home Finance Limited

Notes to the Financial Statement for the year ended March 31, 2022

Particulars		₹ in lakh
Intangible Assets		3,58,563.44
(i) Computer Software		118.79
(ii) Deferred Tax Assets (DTA) – As per Financial		3,59,521.40
(iii) Deferred Revenue Expenditure (DRE)		(1,083.78)
(iv) Goodwill & other Intangible Asset		7.03
Particulars	Income for PBC	₹ in lakh
I. Income from Operations		29,226.00
A Interest Income		27,679.42
(a) Interest on Loans	Financial	18,868.21
(b) Interest income from investments	Non-Financial	656.69
(c) Interest on term deposits (Fixed Deposits)	Non-Financial	8,154.52
(d) Other interest Income		–
B Income from Mutual Fund		–
C Dividend Income		–
D Rental Income		–
E Fees and Commission Income	Financial	800.03
F Net Gain on Fair Value Change		–
G Profit on Sale of Investments	Non-Financial	157.95
H Profit on Sale of Investments in Properties		–
I Other Income from Operations:		588.60
(a) Bad Debts Recovered	Financial	588.60
II. Other Income		124.38
A Miscellaneous income	Non-Financial	24.42
B Interest on income tax refund	Non-Financial	88.79
C Profit on sale of Fixed Asset	Non-Financial	11.17
TOTAL INCOME / GROSS INCOME (I +II)		29,350.38
Income from Financial Assets	Financial	20,256.84

*Includes the construction finance portfolio falling under the individual category as well.

(iv) Registration obtained from other financial sector regulators

Particulars	Registration Number
National Housing Bank	07.0101.12
Insurance Regulatory and Development Authority	CA0578

(v) Ratings assigned by rating agencies and migration of ratings as on March 31, 2022

Rating agency	Borrowings type	Rating
A. NCDs issued on Private Placement basis:		
Brickwork Ratings India Private Limited	Long Term NCDs ₹ 3,000 crore	BWR D
Brickwork Ratings India Private Limited	Tier II Unsecured Debt ₹ 400 crore	BWR D
Brickwork Ratings India Private Limited	Long Term Upper Tier II NCD Private Placement ₹ 100 crore	BWR D
Brickwork Ratings India Private Limited	Market linked Debentures ₹ 100 crore	BWR PP-MLD D

Notes to the Financial Statement for the year ended March 31, 2022

Rating agency	Borrowings type	Rating
CARE Ratings Limited	Long Term Debt ₹ 8,139.99 crore	CARE D
CARE Ratings Limited	Tier II Unsecured Debt ₹ 333 crore	CARE D
CARE Ratings Limited	Market linked Debentures ₹ 200 crore	CARE PP MLD D
CARE Ratings Limited	Long Term Upper Tier II NCD Private Placement ₹ 100 crore	CARE D
B. NCDs issued through Public Issue:		
Brickwork Ratings India Private Limited	Long Term NCDs for Public Issue ₹ 2,618.27 crore	BWR D
Brickwork Ratings India Private Limited	Long Term Upper Tier II NCDs Public Issue ₹ 435.71 crore	BWR D
CARE Ratings Limited	Long Term NCDs for Public Issue ₹ 2,618.27 crore	CARE D
CARE Ratings Limited	Long Term Upper Tier II NCD Public Issue ₹ 435.71 crore	CARE D
C. Commercial Paper:		
ICRA Limited	Short-term Debt CP ₹ 1,200 crore	[ICRA] D
Brickwork Ratings India Private Limited	Short-term Debt CP ₹ 700 crore	BWR D

There is no revision in the credit rating since September 18, 2019.

(vi) Penalties by NHB or any other Regulators

During the year no penalty has been imposed on the Company by any Regulators.

(vii) Joint ventures and overseas subsidiaries

Items	As at March 31, 2022	As at March 31, 2021
Area, country of operation	India	India
Joint venture partners with regard to Joint ventures and Overseas subsidiaries	None	None

(viii) Related Party Transactions

- Details of all material transactions with related parties has been given in Note No. 47 of the financial statements.
- Policy on dealing with Related Party Transactions

The transactions between the Company and related parties shall be entered into with prior approval of the Audit Committee and the Board of Directors of the Company, in compliance with the applicable provisions of the Companies Act, Listing Regulations and other applicable laws. The Policy on Related Party Transactions as approved by the Board is uploaded on the Company's website at the link <https://www.reliancehomefinance.com/corporate-governance/policies>.

42 Disclosure pursuant to the requirements of RBI Circular No. RBI/2020-21/73/ DOR.FIN.HFC. CC.No.120/03.10.136/2020-21 dated February 17, 2021 on Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 (earlier Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016)

The following disclosures have been given in terms the requirements of RBI Circular No. RBI/2020-21/73/ DOR.FIN.HFC. CC.No.120/03.10.136/2020-21 dated February 17, 2021 on Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 (earlier Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016) and the same have been prepared in accordance with Accounting Standards prescribed under section 133 of the Companies Act, read with the Companies (Accounting Standards) Rules, 2006, as amended (Indian GAAP). These figures are not traceable in the Financial Statements as at March 31, 2022, the differences are arising as the disclosures are made as per the regulatory requirements viz-a-viz, the Financial statements are prepared as per IND AS as prescribed under section 133 of the Companies Act 2013.

Comparative numbers in these disclosures have been provided as per the Audited Financial Statements as at and for the year ended March 31, 2022.

1 Regulatory Capital

(₹ in crore)

Capital to risk assets ratio (CRAR):	As at March 31, 2022	As at March 31, 2021
Tier I capital	(9,293.80)	(1,727.61)
Tier II capital	-	-
Total capital	(9,293.80)	(1,727.61)

Reliance Home Finance Limited

Notes to the Financial Statement for the year ended March 31, 2022

(₹ in crore)

Ratio	Numerator	Denominator	As at March 31, 2022	As at March 31, 2021	% Variance	Reason for variance (if above 25%)
Capital to risk-weighted assets ratio (CRAR)	(9,293.80)	3,001.58	(309.63%)	(13.91%)	(295.72%)	As a result of accumulated business losses
Tier I CRAR	(9,293.80)	3,001.58	(309.63%)	(13.91%)	(295.72%)	As a result of accumulated business losses
Tier II CRAR	617.92	3,001.58				-
Liquidity Coverage Ratio	Not Applicable					
Amount of subordinated debt considered as Tier II capital *			561.71	628.31		
Amount raised by issue of perpetual debt instruments			-	-		

* Includes Upper Tier II Capital as per NHB circular No. NHB(ND)/DRS/Pol-No-23/2008 dated April 24, 2008.

Note:

- I. Unsecured Non Convertible Debentures Subordinate Tier II series of ₹ 768.71 crore, for which discounted value is ₹ 561.71 crore.
- II. Tier II capital has been excluded in the computation of Total Capital as Tier II Capital should not be greater than 50% of Tier I Capital as per regulatory norms which in the case of the Company is negative (₹ 9,293.80 crore).
- III. Detailed Breakup of Tier II Capital is as below: (₹ in crore)

Preference shares (other than those compulsorily convertible into equity)	31.04
General provisions and loss reserves	25.17
Subordinated debt	561.71
Total Tier II Capital	<u>617.92</u>

After considering Tier II Capital in total Capital, the CRAR of the Company will be **(289.05%)**.

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

(₹ in crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	103.94	103.94
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	40.01	40.01
Total	<u>143.95</u>	<u>143.95</u>
Addition / Appropriation / Withdrawal during the year		
Add :		
a) Amount transferred u/s 29C of the NHB Act, 1987	-	-
b) Amount of Special Reserve u/s 36(1)(viii) of the Income Tax Act, 1961 taken into account for the purpose of Statutory Reserve u/s. 29C of the NHB Act, 1987.	-	-
Less :		
a) Amount appropriated from Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
b) Amount withdrawn from Special Reserve u/s 36(1)(viii) of the Income Tax Act, 1961 which has been taken into account for the purpose of provision u/s 29C of the NHB Act, 1987	-	-

Notes to the Financial Statement for the year ended March 31, 2022

(₹ in crore)		
Particulars	As at March 31, 2022	As at March 31, 2021
Balance at the end of the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	103.94	103.94
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	40.01	40.01
Total	143.95	143.95
3 Investments		(₹ in crore)
Particulars	As at March 31, 2022	As at March 31, 2021
1) Value of Investments		
i) Gross Value of Investments		
a) In India	153.91	997.95
b) Outside India	-	-
ii) Provisions for Depreciation		
a) In India	-	-
b) Outside India	-	-
iii) Net Value of Investments		
a) In India	153.91	997.95
b) Outside India	-	-
2) Movement of provisions held towards depreciation of investments		
i) Opening Balance	-	-
ii) Add: Provisions made during the year/ Transfer pursuant to Scheme of Arrangement	-	-
iii) Less: Write-off / write-back of excess provisions during the year	-	-
iv) Closing balance	-	-
4 Derivatives		
i) Forward Rate Agreement (FRA) / Interest Rate Swap (IRS)		(₹ in crore)
Particulars	As at March 31, 2022	As at March 31, 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	-	-
(V) The fair value of the swap book	-	-
ii) Exchange Traded Interest Rate (IR) Derivative		(₹ in crore)
Particulars	As at March 31, 2022	
(I) Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument-wise)*		-
(II) Notional principal amount of exchange traded IR derivatives outstanding as on March 31, 2022		-
(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"		-

*Intra-day transaction considered on gross basis and not net

Derivatives expiring considered as being traded to arrive at notional principal traded

Reliance Home Finance Limited

Notes to the Financial Statement for the year ended March 31, 2022

iii) Disclosures on Risk Exposure in Derivatives

A. Qualitative Disclosure

The Company has Board approved risk management policy for capital market exposure including derivatives contract trading. Trading in derivatives are primarily for the Market Linked Debentures (MLD) portfolio. Risk Management Team independently calculate sensitivities and revalues portfolio on daily basis and ensures that risk limits are adhered on daily basis. Market risk limits have been established at portfolio level.

The Company has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law/ accounting standards there are no foreseeable losses on such long term contracts (including derivative contracts) has been made in the books of accounts (Refer "Significant Accounting Policy" point 1)

B. Quantitative Disclosure

(₹ in crore)

Particulars	Currency Derivatives	Interest Rate Derivatives
(i) Derivatives (Notional Principal Amount)	-	-
(a) Traded during the year	-	-
(b) Outstanding as on March 31, 2022	-	-
(ii) Marked to Market Positions	-	-
(a) Assets (+)^	-	-
(b) Liability (-)	-	-
(iii) Credit Exposure	-	-
(iv) Unhedged Exposures	-	-

^ Long Position in Derivatives considered under Assets

5(a) Disclosures relating to Securitisation

(₹ in crore)

Sr.No	Particulars	2021-22	2020-21
1.	No. of SPVs sponsored by the Company for Securitisation Transactions (Nos.)	15	15
2.	Total amount of securitised assets as per books of the SPVs sponsored by the Company	1,301.21	1,762.20
3.	Total amount of exposures retained by the Company to comply with Minimum Retention Requirement (MRR) as on the date of balance sheet		
a)	Off-balance sheet exposures towards Credit Enhancements		
•	First loss	-	-
•	Others	-	-
b)	On-balance sheet exposures towards Credit Enhancements		
•	First loss	332.59	332.59
•	Others	109.66	109.65
4.	Amount of exposures to securitisation transactions other than Minimum Retention Requirement (MRR)		
a)	Off-balance sheet exposures towards Credit Enhancements		
i)	Exposure to own securitizations	-	-
•	First loss	-	-
•	Others	-	-
ii)	Exposure to third party securitizations	-	-
•	First loss	-	-
•	Others	-	-
b)	On-balance sheet exposures towards Credit Enhancements		
i)	Exposure to own securitizations	-	-
•	First loss	-	-
•	Others	-	-
ii)	Exposure to third party securitizations	-	-
•	First loss	-	-
•	Others	-	-

Notes to the Financial Statement for the year ended March 31, 2022
5(b) Disclosures relating to Assignment

		(₹ in crore)	
Sr. No.	Particulars	2021-22	2020-21
1.	No. of Direct Assignments (Nos.)	42	42
2.	Total amount of assigned assets as per books of the Assignor	1,209.04	1,665.00
3.	Total amount of exposures retained by the Company to comply with Minimum Retention Requirement (MRR) as on the date of balance sheet		
a)	Off-balance sheet exposures towards Credit Enhancements		
	• First loss	-	-
	• Others	-	-
b)	On-balance sheet exposures towards Credit Enhancements		
	• First loss	-	-
	• Others (Refer Note below)	202.35	273.78
4	Amount of exposures to securitisation transactions other than Minimum Retention Requirement (MRR)		
a)	Off-balance sheet exposures towards Credit Enhancements		
i)	Exposure to own securitizations		
	• First loss	-	-
	• Others	-	-
ii)	Exposure to third party securitizations		
	• First loss	-	-
	• Others	-	-
b)	On-balance sheet exposures towards Credit Enhancements		
i)	Exposure to own securitisations		
	• First loss	-	-
	• Others	3.93	7.49
ii)	Exposure to third party securitisations		
	• First loss	-	-
	• Others	-	-

Notes:- Minimum Retention Requirement (MRR) exposure includes Pass through Certificate Exposure of ₹ 22.85 crore and Direct Assignment Exposure of ₹ 250.93 crore (FY 2020-21).

The comparable number for FY 2021-22 stands at Pass through Certificate Exposure of ₹ 17 crore and Direct Assignment Exposure of ₹ 185.35 crore.

6 Details of Financial Assets Sold to Securitisation/ Reconstruction Company for Assets Reconstruction		(₹ in crore)	
Particulars	2021-22	2020-21	
(i) No. of accounts	-	-	
(ii) Aggregate value (net of provisions) of accounts sold to SC / RC	-	-	
(iii) Aggregate consideration	-	-	
(iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-	
(v) Aggregate gain / (loss) over net book value	-	-	

7 Details of Assignment transactions undertaken by the Company		(₹ in crore)	
Particulars	2021-22	2020-21	
(i) No. of accounts	-	-	
(ii) Aggregate value (net of provisions) of accounts assigned	-	-	
(iii) Aggregate consideration (Including MRR)	-	-	
(iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-	
(v) Aggregate gain / loss over net book value	-	-	

Reliance Home Finance Limited

Notes to the Financial Statement for the year ended March 31, 2022

8(a) Details of Non Performing Financial Assets Purchased (₹ in crore)

Particulars	2021-22	2020-21
1 (i) No. of accounts Purchased During the year	-	-
(ii) Aggregate Outstanding	-	-
2 (i) Of these, number of accounts restructured during the year	-	-
(ii) Aggregate outstanding	-	-

8(b) Details of Non Performing Financial Assets Sold (₹ in crore)

Particulars	2021-22	2020-21
(i) No. of accounts Sold During the year	-	-
(ii) Aggregate Outstanding	-	-
(iii) Aggregate consideration received	-	-

9 Asset Liabilities Management Maturity pattern of certain items of asset and liabilities (At Book Value) (₹ in crore)

Particulars	1 day to 7 days	8 days to 14 days	15 days to 30/31 days	Over 1 months & up to 2 months	Over 2 months & up to 3 months	Over 3 months & up to 6 months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Liabilities											
Borrowings from Bank	3,237.96	-	-	50.00	210.15	156.82	141.74	16.66	-	-	3,813.33
	(2,601.59)	-	-	(50.00)	(219.89)	(206.66)	(251.42)	(497.11)	-	-	(3,826.67)
Market Borrowings	4,136.96	-	-	-	-	96.55	139.50	775.00	473.12	1,798.26	7,419.38
	(3,552.42)	-	(14.00)	-	(25.00)	(50.00)	(558.52)	(447.75)	(719.30)	(2,115.38)	(7,482.37)
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
Assets											
Loans and advances	8.11	19.17	11.29	38.34	38.25	111.21	204.78	173.80	8,223.93	676.25	9,505.13
	(7.77)	(25.74)	(19.62)	(52.14)	(60.54)	(150.62)	(311.67)	(472.29)	(8,174.83)	(858.40)	(10,133.63)
Investments	-	-	0.04	0.03	153.95	0.10	0.22	-	-	6.45	160.78
	-	-	(0.04)	(0.04)	(997.99)	(0.12)	(0.26)	(1.15)	(1.34)	(6.50)	(1,007.44)
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-

Notes :

- All unquoted equity shares have been included in 'Over 5 years'. The maturity pattern has been prepared in line with various regulations issued by NHB from time to time, best practices and based upon best estimate of the management with regard to the timing of various cashflows.
- The classification of Assets and Liabilities into current and non-current is carried out based on their residual maturity profile as per requirement of Schedule III to the Companies Act, 2013. The above maturity pattern of assets and liabilities has been prepared by the Company after taking into consideration guidelines for assets-liabilities management (ALM) system in housing finance companies issued by NHB, best practices and best estimate of the Assets-Liability Committee / Management with regard to the timing of various cash flows and estimate of foreclosure of the loans expected in next one year, which has been relied upon by the auditors.
- Loans and advances under Assets include the principal outstanding as per IGAAP.

Notes to the Financial Statement for the year ended March 31, 2022
10 Exposures
(a) Exposure to Real Estate

(₹ in crore)

Category	As at March 31, 2022	As at March 31, 2021
a. Direct Exposure		
i. Residential Mortgage Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented (Out of above, Individual Housing loans upto ₹ 15 lakhs – Current year – ₹ 265.45 crore (Previous year – ₹ 410.18 crore)	765.54	1031.13
ii. Commercial Real Estate Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure shall also include non-fund based limits	772.00	1136.64
iii. Investments in Mortgage Backed Securities (MBS) and other securitised exposures –		
a) Residential	6.87	9.50
b) Commercial Real Estate	-	-
b. Indirect Exposure Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-
Total Exposure to Real Estate Sector	1,544.41	2,177.27

Notes :

- For the exposure to real estate only loans secured by way of mortgage / hypothecation of housing properties, commercial properties and land are considered.
- In computing the above information, certain estimates, assumptions and adjustments have been made by the Management which have been relied upon by the auditors.
- The numbers mentioned are on IGAAP basis for comparative analysis.

(b) Exposure to Capital Market

(₹ in crore)

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

11 Details of Financing of the Parent Company Product

There are no parent Company products which are financed by the Company during the year.

Reliance Home Finance Limited

Notes to the Financial Statement for the year ended March 31, 2022

12 Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the Company

All the loans were sanctioned in compliance with the directions as prescribed by NHB regulations. Owing to the huge losses on account of increased ECL (Expected Credit Loss) provisioning in FY 2021-22, the NOF (Net Owned Funds) of the Company has turned negative. Hence the lending exposure for single and group borrowers has breached as per the regulatory norms.

13 Unsecured Advances (₹ in crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Advances against Securities of Intangible Assets	-	-
Total Advances against Securities of Intangible Assets	-	-

14 Exposure to group companies engaged in real estate business (₹ in crore)

Sr. No.	Particulars	Amount	% of owned fund
(i)	Exposure to any single entity in a group engaged in real estate business	NIL	NIL
(ii)	Exposure to all entities in a group engaged in real estate business	NIL	NIL

15 Group Structure

The Company is an associate of Reliance Capital Limited and does not have any subsidiary or associate company.

16 Remuneration of Directors (₹ in crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Directors' Sitting Fees	0.47	0.30
Total Directors' Sitting Fees	0.47	0.30

17 Net Profit or Loss for the period, prior period items and changes in accounting policies

Particulars	As at March 31, 2022	As at March 31, 2021
During the year there is no changes in the accounting policies and no prior period items	-	-

43 Additional Disclosures

Disclosure pursuant to the requirements of RBI Circular No. RBI/2020-21/73/ DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021 on Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 (earlier Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016), as applicable to the Company.

1. Provisions and Contingencies (₹ in crore)

Particulars	As at March 31, 2022	As at March 31, 2021
a) Provision for depreciation on Investments	-	-
b) Provision made towards Income tax	-	-
c) Provision for NPA & Doubtful Debts	9,186.28	2,469.75
d) Provision for Standard Assets		
- Teaser Loan		
- Commercial Real Estate	0.86	6.91
- Commercial Real Estate –Residential Housing	5.75	14.65
- Other Standard Assets	8.99	7.82
e) Other Provisions and Contingencies (with details)		
- Provision for Repossessed assets	93.93	65.01
- Others Provision	-	-

Notes to the Financial Statement for the year ended March 31, 2022

2. Break up of Loans & Advances and Provision Thereon

(₹ in crore)

Particulars	Housing		Non Housing	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Standard Assets				
a) Total Outstanding Amount	686.59	1,182.44	271.11	428.88
b) Provisions made	10.81	22.43	4.80	6.95
Sub-Standard Assets				
a) Total Outstanding Amount	119.16	200.54	57.80	3,269.13
b) Provisions made	13.87	20.67	5.45	948.48
Doubtful Assets – Category-I				
a) Total Outstanding Amount	115.89	178.66	3,232.00	4,565.20
b) Provisions made	13.39	23.41	3,961.56	1,380.12
Doubtful Assets – Category-II				
a) Total Outstanding Amount	168.85	14.84	4,545.57	294.89
b) Provisions made	23.59	1.71	5,069.62	95.30
Doubtful Assets – Category-III				
a) Total Outstanding Amount	13.43	0.02	294.23	0.48
b) Provisions made	1.65	-	97.09	0.05
Loss Assets				
a) Total Outstanding Amount	0.02	-	0.48	-
b) Provisions made	0.00	-	0.06	-
Total				
a) Total Outstanding Amount	1,103.93	1,576.49	8,401.19	8,558.58
b) Provisions made	63.30	68.22	9,138.59	2,430.90

3. Exposure

a) Concentration of Loans & Advances

(₹ in crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Total Advances to twenty largest borrowers*	4,166.50	4,166.50
Percentage of Advances to twenty largest borrowers to Total Advances of the Company	43.83%	41.12%
*Total Principal O/s has been considered for arriving at the total advances to twenty largest borrowers		

b) Concentration of all Exposures

(₹ in crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Total Exposure to twenty largest borrowers*	4,902.25	4,881.04
Percentage of Exposures to twenty largest borrowers to Total Exposure of the Company	44.22%	42.34%
*Total Principal plus interest O/s has been considered for arriving at the total exposure to twenty largest borrowers		

c) Concentration of NPAs

(₹ in crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Total Exposure to top ten NPA accounts	2,538.63	2,553.94

Reliance Home Finance Limited

Notes to the Financial Statement for the year ended March 31, 2022

d) Sector-wise NPAs

Particulars	Percentage of NPAs to total advances in that sector	
	2021-22	2020-21
Housing		
Individual	25.73%	13.78%
Builder Loans – Residential projects	65.87%	44.11%
Loans to Corporates – Residential projects #	-	-
Others	-	-
Non Housing		
For mortgage/property/home equity loans	37.72%	25.50%
Loans to Corporates – Non Residential projects #	37.81%	36.01%
Loans to Corporates – Others #	99.99%	98.83%

Corporate means all other loans other than Individual

e) Movements of NPA

(₹ in crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Net NPAs to Net Advances (%)	41.03%	79.25%
Movement of NPAs (Gross)		
(a) Opening Balance	8,535.44	5,112.43
(b) Additions during the year/ Pursuant to Scheme of Arrangement	2,002.38	3,431.13
(c) Reductions during the year	(43.85)	(8.12)
(d) Closing balance	10,493.97	8,535.44
Movement of Net NPAs		
(a) Opening Balance	6,770.29	4,312.51
(b) Additions during the year/ Pursuant to Scheme of Arrangement	(5,452.12)	2,465.74
(c) Reductions during the year	(42.73)	(7.96)
(d) Closing balance	1,275.44	6,770.29
Movement of provisions for NPAs		
(a) Opening Balance	1,765.15	799.92
(b) Additions during the year/ Pursuant to Scheme of Arrangement	7,454.50	965.39
(c) Write-off/write-back of excess provisions	(1.12)	(0.15)
(d) Closing balance	9,218.53	1,765.15

Gross Non Performing Assets and Net Non Performing Assets given above excluding bonds & debentures.

Previous year numbers (FY 2021) are as per IGAAP. Current year numbers (FY 2022) are as per IndAS.

4. Overseas Assets (for those with joint Ventures and Subsidiaries abroad)

There are no Overseas Assets.

5. Off- balance Sheet SPVs sponsored (which are required to be consolidated as per accounting norms)

There are no Off-balance Sheet SPVs sponsored by the Company which are required to be consolidated as per accounting norms.

6. Customer Complaints (as certified by the management)

Particulars	As at March 31, 2022	As at March 31, 2021
(a) No. of complaints pending at the beginning of the year	21	16
(b) No. of complaints received during the year	134	595
(c) No. of complaints redressed during the year	153	590
(d) No. of complaints pending at the end of the year	2	21

44 Employees Stock Option Scheme ("ESOS / Scheme")

The Company had formulated 'Reliance Home Finance Limited – Employee Stock Option Scheme' ("ESOS" / "Scheme") which covers eligible employees of the Company, its subsidiaries and holding company. The vesting of the options is from expiry of one year till four years as per Scheme. Each Option entitles the holder thereof to apply for and be allotted / transferred one Equity Share of the Company upon payment of the exercise price during the exercise period.

Notes to the Financial Statement for the year ended March 31, 2022

Details of ESOS are as under:

Date of Grant	Nil
Price of Underlying Stock (₹)	Nil
Exercise / Strike Price (₹)	Nil

The fair value of the options granted was estimated on the date of grant using the Black Scholes Model with the following assumptions:

Date of Grant	Nil
Risk Free Interest Rate	Nil
Expected Dividend Yield	Nil
Expected Life (years)	Nil
Expected Volatility	Nil
Weighted Average Fair Value (₹)	Nil

Particulars	No. of Stock Options as on March 31, 2022
Outstanding at the beginning of the year	1,60,24,684
Granted	Nil
Exercised	Nil
Lapsed / Forfeited / Surrendered	Nil
Outstanding at the end of the year	1,60,24,684
Exercisable at end of the year	-

45 Employee benefits

a) Defined contribution plan

Contribution to defined contribution plans, recognised as expense for the year is as under: (₹ in crore)

Particulars	2021-22	2020-21
Employer's contribution to provident fund	1.06	1.27
Employer's contribution to superannuation fund	-	-
Employer's contribution to pension scheme	-	-
Total	1.06	1.27

b) Defined Benefit plans

The following table summarise the components of the net employee benefit expenses recognized in the Statement of Profit and Loss, the fund status and amount recognised in the balance sheet for the gratuity benefit plan. The said information is based on certificates provided by the actuary.

(₹ in crore)		
Particulars	Gratuity benefit funded	
	2021-22	2020-21
I Table showing change in Present Value of Defined Benefit Obligation:		
Liability at the beginning of the period	2.38	2.90
Interest Cost	0.15	0.18
Current Service Cost	0.29	0.41
Liability Transferred In/ Acquisitions	-	0.00
(Liability Transferred Out/ Divestments)	(0.04)	(0.12)
Benefit paid from the fund	(0.54)	(0.84)
Liability Transferred in / Acquisitions	-	-
Actuarial (gain)/loss on obligations –Due to change in Demographic Assumptions	(0.00)	-
Actuarial (gain)/loss on obligations –Due to change in Financial Assumptions	(0.11)	(0.06)
Actuarial (gain)/loss on obligations –Due to Experience	0.37	(0.09)
Present value of defined benefit obligation at the end of the period	2.49	2.38

Reliance Home Finance Limited

Notes to the Financial Statement for the year ended March 31, 2022

(₹ in crore)

Particulars	Gratuity benefit funded					
	2021-22	2020-21				
II Changes in the fair Value of Plan Assets and the reconciliation thereof:						
Fair Value of Plan Assets at the beginning of the period	2.29	1.92				
Interest income	0.15	0.12				
Contributions by the Employer	0.59	1.06				
Assets Transferred in/Acquisitions	-	0.00				
(Assets Transferred Out/ Divestments)	(0.04)	(0.12)				
Benefit paid from the fund	(0.54)	(0.84)				
Return on Plan Assets, excluding interest income	0.03	0.16				
Fair value of Plan Assets at the end of the period	2.48	2.29				
III Amount recognised in the Balance Sheet						
Present value of benefit obligation at the end of the period	(2.49)	(2.38)				
Fair Value of Plan Assets at the end of the period	2.48	2.29				
Funded status (Surplus/ (deficit))	(0.01)	(0.08)				
Net (liability)/asset recognised in Balance sheet	(0.01)	(0.08)				
IV Expenses recognised in the Statement of Profit and Loss Account						
Current Service Cost	0.29	0.41				
Net Interest Cost	0.01	0.06				
Expected return on Plan Assets	-	-				
Net Actuarial (gain)/loss to be recognized	-	-				
Expense recognised	0.30	0.47				
V Expenses Recognized in the Other Comprehensive Income (OCI)						
Actuarial (Gains)/Loans on Obligation For the period	0.26	(0.14)				
Return on Plan Assets, excluding interest Income	(0.03)	(0.16)				
Change in Asset Ceiling	-	-				
Net (Income)/Expenses For the Period Recognized in OCI	0.22	(0.30)				
VI Balance sheet Reconciliation						
Opening Net Liability	0.08	0.98				
Expenses Recognized in Statement of Profit or Loss	0.30	0.47				
Expenses Recognized in OCI	0.22	(0.30)				
Net Liability/(Asset) Transfer In	-	-				
Net (Liability)/Asset Transfer Out	-	-				
(Employer's Contribution)	(0.59)	(1.06)				
Net Liability/(Assets) recognised in Balance Sheet	0.01	0.08				
VII Category of Assets Funded						
Insurance Fund	-	-				
VIII Assumptions						
Discount Rate	6.33%	6.04%				
Rate of return on Plan Assets	6.33%	6.04%				
Salary Escalation Rate	6.00%	6.00%				
(₹ in crore)						
IX Particulars of the amounts for the year and previous years	Gratuity for the year ended March 31, 2022					
	2022	2021	2020	2019	2018	2017
Present value of benefit obligation	2.49	2.38	2.90	3.63	3.70	3.81
Fair value of plan assets	2.48	2.29	1.92	1.90	2.36	3.83
Excess of obligation over plan assets	0.01	0.08	0.98	1.73	1.34	(0.02)

Notes to the Financial Statement for the year ended March 31, 2022

(₹ in crore)

Particulars of the amounts for the year and previous years	Gratuity for the year ended March 31, 2022					
	2022	2021	2020	2019	2018	2017
X Experience Adjustment						
Experience adjustment on Plan Assets Gain/ (Loss)	0.03	0.16	(0.08)	(0.06)	0.12	0.15
Experience adjustment on Plan Liabilities(Gain)/Loss	0.37	(0.09)	(0.46)	(0.67)	(0.59)	0.02

(₹ in crore)

Particulars		Gratuity benefit funded	
		2021-22	2020-21
XI Maturity Analysis of the Benefit Payments: From the Fund			
Projected benefits payable in future years from the date of reporting			
1 st Following Year		0.23	0.11
2 nd Following Year		0.22	0.13
3 rd Following Year		0.13	0.30
4 th Following Year		0.29	0.13
5 th Following Year		0.45	0.25
Sum of Years 6 to 10		0.93	0.90
Sum of Years 11 and above		2.14	2.51

(₹ in crore)

Particulars		Gratuity benefit funded	
		2021-22	2020-21
XII Sensitivity Analysis [refer note (iii)]			
Projected benefit obligation on Current Assumptions		2.49	2.38
Delta Effect of +1% Change in Rate of Discounting		(0.16)	(0.18)
Delta Effect of -1% Change in Rate of Discounting		0.18	0.20
Delta Effect of +1% Change in Rate of Salary Increase		0.18	0.20
Delta Effect of -1% Change in Rate of Salary Increase		(0.16)	(0.18)
Delta Effect of +1% Change in Rate of Employee Turnover		0.01	(0.00)
Delta Effect of -1% Change in Rate of Employee Turnover		(0.01)	0.00

Notes:

- i) The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.
- ii) General Descriptions of significant defined plans:
 - a) Gratuity Plan
Gratuity is payable to all eligible employees of the Company on superannuation, death and permanent disablement, in terms of the provisions of the Payment of Gratuity Act 1972 or as per the Company's Scheme whichever is more beneficial.
- iii) The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end reporting period, while holding all other assumptions constant.
The sensitivity analysis presented above may not be representative of the actual change in the projected 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 projected 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 projected benefit obligation as recognised in the balance sheet.
- iv) **Characteristics of defined benefit plan**
The entity has a defined benefit gratuity plan in India (funded). The entity's defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund.
The fund is managed by a trust which is governed by the Board of Trustees. The Board of Trustees are responsible for the administration of the plan assets and for the definition of the investment strategy.

Reliance Home Finance Limited

Notes to the Financial Statement for the year ended March 31, 2022

v) Risks associated with defined benefit plan 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 securities, rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

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

Investment Risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to the market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of the Income Tax Rules, 1962, this generally reduces ALM risk.

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.

Concentration Risk: Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

Other Employee Benefits – Phantom Stock

I. Details of Option granted, forfeited and exercised

	2021-22	2020-21
Outstanding as at Beginning of the year	36,400	58,920
Granted	-	-
Exercised	-	-
Lapsed/ Forfeited/ Surrendered	-	22,520
Outstanding as at end of the year	36,400	36,400
Exercisable as at end of the year	36,400	36,400

II. Terms and conditions of the Scheme

Date of grant

Details of vesting schedule and condition	Phantom stock granted under the scheme would vest within not less than 1 year and not more than 5 years from the last date of vesting of such Phantom stock option. Vesting of Phantom stock option would be subject to continued employment with the company and the Phantom stock option would vest on passage of time
Appreciation as per Phantom stock option	Excess of fair market of share on the date of exercise determined in terms of Phantom stock option scheme over the base price.
Exercise Period	In case of continuation of employment : Vested Phantom stock option can be exercised any time Upto 3 years from the date of last vesting of Phantom stock options and In case of cessation of employment : Different periods depending on kind of cessation as per provision of the Phantom stock option scheme
Settlement of Phantom Stock Option	Within 90 days from the date of exercise by cash

III. Fair value of the Option granted was estimated on the date of grant based on the following assumptions

Discount rate	6.96% per annum.
Expected life	4 Years

IV. The Company's liability toward the Phantom stock option is accounted for on the basis of an independent actuarial valuation done at the year end. As per the valuation the liability for the year is ₹ Nil (Previous year Nil) which is debited to Statement of profit and loss account and the liability is shown in the Balance sheet under the head Other current liabilities and clubbed under Other payables.

46 Segment reporting

The Company is mainly engaged in the housing finance business and all other activities revolve around the main business of the Company. Further, all activities are conducted within India and as such there is no separate reportable segment, as per the Ind AS 108 – "Operating Segments" specified under Section 133 of the Act. The proportion of non-housing loan is more than the proportion of housing loan. The debt resolution process of the Company under circular dated June 7, 2019 issued by the Reserve Bank of India (RBI) on Prudential Framework for Resolution of Stressed Assets is in final stages. The Company post finalization and implementation of the final debt resolution plan, will increase the housing loan portfolio and is confident of the achieving the same in due course. Further, during the year the General Purpose Corporate Loan (GPCL) has been fully impaired and provided for in the financial statements.

Notes to the Financial Statement for the year ended March 31, 2022

47 Related party disclosures

A. List of Related Parties and their relationship

i) Major Investing Party

Reliance Capital Limited

ii) Subsidiaries of Major Investing Party

- 1 Reliance Capital Pension Fund Limited
- 2 Reliance General Insurance Company Limited
- 3 Reliance Nippon Life Insurance Company Limited
- 4 Reliance Health Insurance Limited
- 5 Reliance Commercial Finance Limited
- 6 Reliance Securities Limited
- 7 Reliance Commodities Limited
- 8 Reliance Financial Limited
- 9 Reliance Wealth Management Limited
- 10 Reliance Money Solutions Private Limited
- 11 Reliance Money Precious Metals Private Limited
- 12 Reliance Exchangenext Limited
- 13 Reliance Corporate Advisory Services Limited
- 14 Gullfoss Enterprises Private Limited
- 15 Reliance Underwater Systems Private Limited
- 16 Quant Capital Private Limited
- 17 Quant Broking Private Limited
- 18 Quant Securities Private Limited
- 19 Quant Investment Services Private Limited

iii) Key Management Personnel

Mr. Ravindra Sudhalkar	Chief Executive Officer (upto closure of business hours on March 31, 2022)
Mr. Amit Kumar Jha	Chief Financial Officer (w.e.f. July 1, 2021)
Mr. Vijesh B Thota	Chief Financial Officer (upto June 30, 2021)
Ms. Parul Jain	Company Secretary & Compliance Officer

B. Transactions during the year and balance outstanding with related parties:

(₹ in crore)			
Particulars	Major Investing Party	Subsidiaries of Major Investing Party	Total
With Reliance Capital Limited			
Equity Share Capital			
a) Issued during the year	-	-	-
	-	(-)	(-)
b) Matured /Redeemed during the year	-	-	-
	(-)	(-)	(-)
c) Balance as at March 31, 2022	232.37	-	232.37
	(232.37)	(-)	(232.37)
Security Premium Received on Issue of Equity Share			
a) Received during the year	-	-	-
	-	(-)	-
b) Matured /Redeemed during the year	-	-	-
	(-)	(-)	(-)
c) Balance as at March 31, 2022	661.59	-	661.59
	(661.59)	(-)	(661.59)
Expenses			
Management Fees	6.00	-	6.00
	(6.00)	(-)	(6.00)
With Reliance Commercial Finance Limited			
Expenses			
Other Reimbursements	-	1.31	1.31
	(-)	(1.84)	(1.84)

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Notes to the Financial Statement for the year ended March 31, 2022

Particulars	Major Investing Party	Subsidiaries of Major Investing Party	(₹ in crore) Total
With Reliance General Insurance Company Limited			
Non Convertible Debentures –Secured			
Redeemed during the Year	-	-	-
	(-)	(-)	(-)
Balance as at March 31, 2022	-	65.00	65.00
	(-)	(65.00)	(65.00)
Expenses			
Insurance Premium paid	-	0.47	0.47
	(-)	(0.05)	(0.05)
With Reliance Nippon Life Insurance Company Limited			
Expenses			
Term Insurance Premium	-	1.12	1.12
	(-)	(1.06)	(1.06)
With Reliance Corporate Advisory Services Limited			
Non Convertible Debentures –Secured			
Issued during the Year	-	-	-
	(-)	(-)	(-)
Balance as at March 31, 2022	-	81.55	81.55
	(-)	(81.55)	(81.55)
With Reliance Securities Limited			
Expenses			
Brokerage Paid	-	3.10	3.10
	(-)	(1.59)	(1.59)
Commission Paid	-	-	-
	(-)	(-)	(-)
Rent & Maintenance	-	0.25	0.25
	(-)	(-)	(-)
Income			
Margin Money Receivable	-	-	-
	(-)	(-)	(-)
With Reliance Financial Limited			
Non Convertible Debentures –Secured			
Issued during the year	-	-	-
	(-)	(-)	(-)
Redeemed during the Year	-	-	-
	(-)	(-)	(-)
Balance as at March 31, 2022	-	1.25	1.25
	(-)	(1.25)	(1.25)

Employee Benefit Expenses for the year 2021-22 includes ₹ 2.63 crore to Mr. Ravindra Sudhalkar, ₹ 0.36 crore to Mr. Amit Kumar Jha, ₹ 0.34 crore to Ms. Parul Jain and ₹ 0.15 crore to Mr. Vijesh B Thota. Corresponding figures for the year 2020-21 were ₹ 2.65 crore to Mr. Ravindra Sudhalkar, ₹ 0.54 crore to Mr. Vijesh B Thota and ₹ 0.28 crore to Ms. Parul Jain.

Notes:

- Figures in bracket indicate previous year figures.
- The current year and previous year figures are excluding GST/service tax.
- Expenses incurred towards public utilities services such as telephone and electricity charges have not been considered for related party transaction.
- The above disclosed transactions entered during the period of existence of related party relationship. The balances and transactions are not disclosed before existence of related party relationship and after cessation of related party relationship.
- For transactions occurred pursuant to the Scheme of Arrangement, please refer Note No. 51.

Notes to the Financial Statement for the year ended March 31, 2022
48 Basic and diluted earnings per share

The computation of earnings per share is set out below:

	(₹ in crore)	
Particulars	2021-22	2020-21
Amounts used as the numerators		
Net Profit after tax	(5,439.60)	(1,519.91)
Net Profit attributable to equity shareholders	(5,439.60)	(1,519.91)
Weighted average number of equity shares (for Basic earnings per share)	48,50,58,818	48,50,58,818
Weighted average number of equity shares (for Dilutes earnings per share)	48,50,58,818	48,50,58,818
Basic earnings per share of face value ₹ 10 each (In ₹)	(112.15)	(31.33)
Diluted earnings per share of face value ₹ 10 each (In ₹)	(112.15)	(31.33)

49 Contingent Liabilities and Commitments (As Certified by the Management)

(₹ in crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Contingent Liabilities		
i) Guarantees to Banks and Financial Institutions on behalf of third parties	0.25	0.25
ii) Claims against the Company not acknowledge as debt	3.34	3.34
iii) Income-tax disputed by the company and under CIT appeal (net of amount paid)	0.36	0.36
iv) Interest on ICD	34.90	6.21
Commitments		
v) Estimated amount of contracts remaining to be executed on capital account (net of advances)	8.27	8.27
vi) Undrawn Committed Credit lines (Undisbursed amount of housing loans/ other loans sanctioned)	83.77	246.55

50 Scheme of Arrangement between the Company and India Debt Management Private Limited

The Board of Directors of the Company at their meeting held on June 20, 2016 has considered and approved a Scheme of Arrangement between the Company and India Debt Management Private Limited ("the Demerged Company" or "IDMPL") and their Shareholders. The Scheme of Arrangement under Sections 391 to 394 of the Companies Act, 1956 ("the Scheme") for demerger of Credit Business of IDMPL into the Company has been sanctioned by the National Company Law Tribunal, Mumbai Bench vide Order dated April 5, 2017. The Scheme has become effective on April 21, 2017 upon filing with the Registrar of Companies, Maharashtra at Mumbai with effect from March 31, 2016 i.e. Appointed Date. Pursuant to the Scheme, the Company has issued and allotted 3,10,35,980 8% Cumulative Non-Convertible Redeemable Preference Shares to the equity shareholders of IDMPL on August 9, 2017.

51 Scheme of Arrangement between the Company and Reliance Capital Limited

The Board of Directors of the Company at their meeting held on October 28, 2016 has considered and approved a Scheme of Arrangement between the Company and its holding company viz. Reliance Capital Limited ("the Demerged Company" or "RCap") and their respective Shareholders and Creditors. The Scheme of Arrangement under Sections 391 to 394 of the Companies Act, 1956 (the 'Scheme') for demerger of Real Estate Lending Business of RCap into the Company has been sanctioned by the National Company Law Tribunal, Mumbai Bench vide Order dated August 10, 2017. The Scheme has become effective on September 5, 2017 upon filing with the Registrar of Companies, Maharashtra at Mumbai with effect from April 1, 2017 i.e. Appointed Date.

Pursuant to the Scheme, the Real Estate Lending Business of RCap has been transferred to the Company. Hence, in accordance with the Scheme:

- (i) On Scheme becoming effective with effect from Appointed Date, the Company has recorded all the assets and liabilities as appearing in the books of the Demerged Undertaking of RCap related to Real Estate Lending Business at their respective book value as on Appointed Date. The following assets and liabilities pertaining to the Demerged Undertaking of RCap were transferred to RHFL and shares of the Company were issued to the shareholders of RCap.

Particulars	(₹ in crore)
Assets	
Fixed assets	8.17
Loans and advances including accrued interest (Net of Provision ₹ 1.36 crore)	654.82
- Corporate loans	615.00
- Other HL loans-Standard	31.60

Reliance Home Finance Limited

Notes to the Financial Statement for the year ended March 31, 2022

Particulars	(₹ in crore)
- Other HL loans-NPA (Net of provision ₹ 1,36,26,497)	2.74
Other assets - Interest receivable	5.48
Assets repossessed under SARFAESI Act (Net of Provision ₹ 0.69 crore)	0.84
Total Assets	663.83
Liabilities	
Share Capital	
- Issue of 25,26,89,630 equity shares @ ₹ 10	252.69
Borrowings	590.12
- CP	590.12
Total Liabilities	842.81
Goodwill on Merger	178.98

- (ii) The Company has issued and allotted 11,65,49,188 equity shares of ₹10 each at a premium of ₹22 per equity share to its holding company viz. RCap on September 4, 2017 on rights basis.
- (iii) The Company has issued and allotted 25,26,89,630 equity shares of ₹10 each to the shareholders of RCap in the ratio of 1:1 on September 7, 2017.
- (iv) The Assets and Liabilities of ₹ 663 crore and ₹ 590 crore, respectively, were transferred as on the Appointed Date and have been recorded at their respective book values. The excess of consideration paid by the Company over the net assets acquired by the Company has been accounted as Goodwill, which is being amortised over a period of ten years.

52 Outstanding Future & Options as on March 31, 2022

Name of Option	No. of contracts	Units	
		Long	Short
Futures	-	-	-
	(2,589.00)	(17,17,235.00)	-
Put Options	378.00	300.00	18,600.00
	(1,034.00)	(300.00)	(77,250.00)
Call Options	-	-	-
	(599.00)	-	(44,925.00)

Figures in bracket indicate previous year figures.

- 53** During the year, no fraud on the Company is identified and same has been reported to the National Housing Bank (NHB).
- 54** The Company being a housing finance company registered with the National Housing Bank, is not required to transfer to Debenture Redemption Reserve in respect of debentures in terms of Rule 18(7) of the Companies (Share Capital and Debentures) Rules, 2014.
- 55** The Company is exposed to certain risks relating to its ongoing business operations. The primary risks are managed using index linked derivative instruments. All long-term contracts (including derivative contracts) are assessed by the Company for material foreseeable losses periodically. At the year end, the Company has reviewed and ensured that adequate provision as required under any law/ accounting standards for material foreseeable losses on such long-term contracts (including derivative contracts) has been made in the books of accounts.
- 56** Previous year figures have been regrouped/reclassified wherever necessary.

As per our report of even date attached

For Tambi & Jaipurkar

Chartered Accountants

Firm Registration No. 115954W

CA Garima Agarwal

Partner

Membership Number : 160944

For and on behalf of the Board of Directors

Directors

Chhaya Virani
Rashna Khan
Sushilkumar Agrawal
Ashok Ramaswamy
Ashish Turakhia
Sudeep Ghoshal

Chief Executive Officer

Chief Financial Officer

Company Secretary & Compliance Officer

Prashant Utreja

Amit Kumar Jha

Parul Jain

Mumbai

Dated: May 6, 2022

Mumbai

Dated: May 6, 2022

