

## Notice to the Members of Godrej Housing Finance Limited

NOTICE is hereby given that the 3<sup>rd</sup> (Third) Annual General Meeting of the Members of Godrej Housing Finance Limited (“the Company”), is scheduled to be held on Thursday, June 17, 2021, at 3:00 p.m. at shorter notice, at the Registered Office of the Company at 3<sup>rd</sup> Floor, Godrej One, Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai – 400 079 to transact the following business:

### ORDINARY BUSINESS:

1. To review, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2021 along with the Report(s) of the Board of Directors and the Auditors thereon;
2. To appoint a Director in place of Mr. Manish Anant Shah (DIN: 06422627), who retires by rotation and being eligible, has offered himself for re-appointment;

### SPECIAL BUSINESS:

3. Appointment of Mrs. Rosemary Sebastian (DIN: 07938489) as Independent Director of the Company:

To consider and, if thought fit, to pass with or without modification(s) the following Resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 149, 152 and other applicable provisions of the Companies Act, 2013 (“the Act”) read with Schedule IV to the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the “Fit & Proper” person criteria as specified by the Reserve Bank of India (“RBI”) and all other applicable laws, acts, rules, regulations, guidelines, circulars, directions and notifications, Mrs. Rosemary Sebastian (DIN: 07938489) who was appointed as an Additional Director in the category of Independent Director of the Company and who holds office upto the date of the 3<sup>rd</sup> Annual General Meeting, be and is hereby appointed as an Independent Director of the Company, for a period of 5 (Five) years and shall not be liable to retire by rotation.”

4. Appointment of Mrs. Usha Sangwan (DIN: 02609263) as Independent Director of the Company:

To consider and, if thought fit, to pass with or without modification(s) the following Resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 149, 152 and any other applicable provisions of the Companies Act, 2013 (“the Act”) read with Schedule IV to the

Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the "Fit & Proper" person criteria as specified by the Reserve Bank of India ("RBI") and all other applicable laws, acts, rules, regulations, guidelines, circulars, directions and notifications, Mrs. Usha Sangwan (DIN: 02609263) who was appointed as an Additional Director in the category of Independent Director of the Company and who holds office up to the date of 3<sup>rd</sup> Annual General Meeting, be and is hereby appointed as an Independent Director of the Company, for a period of 5 (Five) years and shall not be liable to retire by rotation."

**5. Increase in the Borrowing limits of the Company under Section 180 (1) (c) of Companies Act, 2013**

To consider and, if thought fit, to pass with or without modification(s) the following Resolution as a **Special Resolution**:

**"RESOLVED THAT** in supersession of all the earlier resolutions passed in this regard and pursuant to provisions of Sections 180(1)(c) and other applicable provisions of the Companies Act, 2013 read with Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the directions/notifications/circulars prescribed by the Reserve Bank of India and National Housing Bank, and such other rules, regulations, guidelines, directions, notifications and acts, as may be applicable to the Company from time to time, the consent of the Members of the Company, be and is hereby accorded to the Board of Directors (hereinafter referred to as the "Board" which term shall be deemed to include Borrowing & Investment Committee constituted by the Board of Directors of the Company or person(s), authorised to exercise the powers conferred on the Board of Directors by this resolution), to borrow such sums of money (including by way of debt issuance of Tier II capital, perpetual bond, secured or unsecured, term loan(s)/ guarantee(s)/lines of credit/inter corporate deposit(s)/convertible or non-convertible instrument(s) or securities/commercial paper(s)/working capital facilities and/or in any other form from time to time as may be required for the purpose of business of the Company), in excess of the aggregate of Paid up Share Capital of the Company, Free Reserves, that is to say, reserves not set apart for any specific purpose, and Securities Premium Account subject to the condition that the total amount of such borrowing(s) outstanding at any given point of time together with the money already borrowed (apart from temporary loans obtained by the Company from its Bankers/ other entities in ordinary course of business) shall not at any time exceed the limit of Rs. 2750,00,00,000 (Rupees Two Thousand Seven Hundred and Fifty Crores only).

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to undertake all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, expedient, proper or desirable to give full effect to the aforesaid resolution including but not limited to delegate any powers to any officials of the Company conferred upon the Board by this resolution and to settle all questions / doubts / queries / difficulties that may arise in this regard, at any stage without being required to seek any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution."

**6. Authorizing the Board to sell, lease, dispose off or create charge etc over the assets of the Company to secure the credit/loan facilities to be availed by the Company, under Section 180 (1) (a) of Companies Act, 2013**

To consider and, if thought fit, to pass with or without modification(s) the following Resolution as a **Special Resolution**:

**“RESOLVED THAT** in supersession to all the earlier resolutions passed in this regard and pursuant to provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 and such other rules, regulations, guidelines, directions, notifications and acts, as may be applicable to the Company from time to time, the consent of the Members be and is accorded to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include Borrowing & Investment Committee constituted by the Board of Directors of the Company or person(s), authorised to exercise the powers conferred on the Board of Directors by this resolution), to provide/furnish such security(ies) to bank(s)/lender(s)/financial institution(s)/debenture/security trustee(s) for availing various credit/loan facility(ies), as may be required, from time to time, on both the movable and immovable property(ies) of the Company for an aggregate amount not exceeding a sum of Rs. 2750,00,00,000 (Rupees Two Thousand Seven Hundred and Fifty Crores only).

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to undertake all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, expedient, proper or desirable to give full effect to the aforesaid resolution including but not limited to delegate any powers to any officials of the Company conferred upon the Board by this resolution and to settle all questions / doubts / queries / difficulties that may arise in this regard, at any stage without being required to seek any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

**7. Issue of Non-Convertible Debentures on Private Placement Basis**

To consider and, if thought fit, to pass with or without modification(s) the following Resolution as a **Special Resolution**:

**“RESOLVED THAT** in supersession of all the earlier resolutions passed in this regard and pursuant to the provisions of Section 42, 71, 179, 180(1)(c) and other applicable provisions of the Companies Act, 2013 (“the Act”) read with applicable rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) the provisions of the Memorandum and the Articles of Association of the Company, the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Debt Regulation), Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 and such other rules, regulations, guidelines, directions, notifications and acts, as may be applicable to the Company from time to time; the consent of the members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board” which term

shall be deemed to include Borrowing & Investment Committee constituted by the Board of Directors of the Company or person(s), authorised to exercise the powers conferred on the Board of Directors by this resolution), to create/offer/issue/allot up to such number of non-convertible debentures (NCDs), under private placement, in one or more modes or combinations thereof and in one or more series or tranches, with or without security, such that the aggregate principal amount of such NCDs does not exceed Rs. 1000,00,00,000 (Rupees One Thousand Crores only), during the period of one year from the date of shareholders' approval for issue of NCDs.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to undertake all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, expedient, proper or desirable to give full effect to the aforesaid resolution including but not limited to delegate any powers to any officials of the Company conferred upon the Board by this resolution and to settle all questions / doubts / queries / difficulties that may arise in this regard, at any stage without being required to seek any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution."

**8. Revision in remuneration of Mr. Manish Anant Shah (DIN: 06422627) Managing Director & CEO of the Company**

To consider and, if thought fit, to pass with or without modification(s) the following Resolution as a **Special Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 196, 197, 198 and Schedule V of Companies Act, 2013 ("the Act") read with the Companies (Appointment and Remuneration to Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and in accordance with the recommendation of the Nomination and Remuneration Committee, consent of the members be and is hereby accorded for revision in the remuneration of Mr. Manish Anant Shah (DIN:- 06422627), Managing Director & Chief Executive Officer (CEO) of the Company w.e.f. from April 1, 2021 to March 31, 2022 as per the details furnished in the Explanatory Statement attached to this Notice.

**RESOLVED FURTHER THAT** other terms and conditions of appointment of Mr Manish Anant Shah as Managing Director & CEO as approved earlier by the members of the Company shall remain unchanged.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to undertake all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, expedient, proper or desirable to give full effect to the aforesaid resolution including but not limited to delegate any powers to any officials of the Company conferred upon the Board by this resolution and to settle all questions / doubts / queries / difficulties that may arise in this regard, at any stage without being required to seek any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution."

**9. Partial modification of resolution passed for further issue of 0.01% Compulsory Convertible Preference Shares (0.01% CCPS) on right basis**

To consider and, if thought fit, to pass with or without modification(s) the following Resolution as **Special Resolution**:

**“RESOLVED THAT** in partial modification of the Special Resolution passed by the Members of the Company at the Annual General Meeting held on October 8, 2020 in connection with offer, issue and allotment of 5,00,00,000 (Five Crore) 0.01% Compulsorily Convertible Preference Shares (0.01% CCPS) of Rs. 10/- (Rupees Ten Only) each for cash at par aggregating Rs. 50,00,00,000/0 (Rupees Fifty Crores only) on Rights basis, consent of the members of the Company be and is hereby accorded for alteration of clause (b) of the terms and conditions thereof, as under:

(b) Issue Price: The 0.01% CCPS of face value of Rs. 10/- (Rupees Ten only) each will be issued at a premium not exceeding Rs. 20/- (Rupees Twenty only) per share.

**“RESOLVED FURTHER THAT** the Board be and is hereby authorised to undertake all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, expedient, proper or desirable to give full effect to the aforesaid resolution including but not limited to delegate any powers to any officials of the Company conferred upon the Board by this resolution and to settle all questions / doubts / queries / difficulties that may arise in this regard, at any stage without being required to seek any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

**10. Increase in Authorised Share Capital of the Company**

To consider and, if thought fit, to pass with or without modification(s) the following Resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to provisions of Section 61 read with Section 64 and other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) and the Rules framed there under, the consent of the members of the Company be and is hereby accorded to increase the Authorized Share Capital of the Company from existing Rs. 200,00,00,000/- (Rupees Two Hundred Crore only) divided into 1,50,00,000 (One Crore Fifty Lakh) Equity Shares of Face Value of Rs. 10/- (Rupees Ten Only) each and 18,50,00,000 (Eighteen Crore Fifty Lakh) Preference Shares of Face Value of Rs. 10/- (Rupees Ten Only) each to Rs. 850,00,00,000/- (Rupees Eight Hundred and Fifty Crores only) divided into into 66,50,00,000 (Sixty-six Crores Fifty Lakhs) Equity Shares of Face Value of Rs. 10/- (Rupees Ten Only) each and 18,50,00,000 (Eighteen Crores Fifty Lakhs) Preference Shares of Face Value of Rs. 10/- (Rupees Ten Only) each, by creation of 65,00,00,000 (Sixty-five Crores) new Equity Shares of Face Value of Rs. 10/- (Rupees Ten Only) each.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to undertake all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, expedient, proper or desirable to give full effect to the aforesaid resolution including but not limited to delegate any powers to any officials of the Company conferred upon the Board by this resolution and to settle all questions / doubts / queries / difficulties that may arise in this regard, at any stage without being required to seek any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution."

#### **11. Alteration of Capital clause of Memorandum of Association of the Company**

To consider and, if thought fit, to pass with or without modification(s) the following Resolution as a **Special Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 13 and other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) and the Rules framed there under, consequent upon increase in Authorised Share Capital of the Company from Rs. 200,00,00,000/- (Rupees Two Hundred Crore only) to Rs. 850,00,00,000/- (Rupees Eight Hundred and Fifty Crores only) as aforesaid, the existing 5<sup>th</sup> Clause of the Memorandum of Association of the Company be altered by substitution of the same with the following new Clause V:

*5<sup>th</sup> "The Authorised Share Capital of the Company is Rs. 850,00,00,000/- (Rupees Eight Hundred and Fifty Crores only) divided into 66,50,00,000 (Sixty-six Crores Fifty Lakhs) Equity Shares of Face Value of Rs. 10/- (Rupees Ten Only) each and 18,50,00,000 (Eighteen Crores Fifty Lakhs) Preference Shares of Face Value of Rs. 10/- (Rupees Ten Only) each."*

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to undertake all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, expedient, proper or desirable to give full effect to the aforesaid resolution including but not limited to delegate any powers to any officials of the Company conferred upon the Board by this resolution and to settle all questions / doubts / queries / difficulties that may arise in this regard, at any stage without being required to seek any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution."

#### **12. Alteration of Articles of Association of the Company**

To consider and, if thought fit, to pass with or without modification(s) the following Resolution as a **Special Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 14 of the Companies Act, 2013, and other applicable provisions read with the rules and regulations made there under (including any amendment, re-enactment or statutory modification thereof) the consent of the members be and is hereby accorded for alteration of the Articles of Association of the Company by adoption of the new set of Articles of Association in substitution for, and to the entire exclusion, of the existing Articles of Association of the Company.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to undertake all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, expedient, proper or desirable to give full effect to the aforesaid resolution including but not limited to delegate any powers to any officials of the Company conferred upon the Board by this resolution and to settle all questions / doubts / queries / difficulties that may arise in this regard, at any stage without being required to seek any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution."

**Place:** Mumbai  
**Date:** June 15, 2021

**By Order of the Board of Directors  
For Godrej Housing Finance Limited**



A handwritten signature in blue ink, appearing to read "Manish", with a horizontal line underneath.

**Manish Anant Shah  
Managing Director & CEO  
DIN: 06422627**

**Registered Office:**  
Godrej One, Pirojshanagar,  
Eastern Express Highway,  
Vikhroli (East),  
Mumbai 400 079.  
**CIN: U65100MH2018PLC315359**

**Tel No.: +91 22 25195200**

## Notes:

1. Body Corporate, a member of the Company, entitled to appoint their authorised representatives to attend the AGM. Accordingly, corporate members are requested to e-mail a certified copy of the Board Resolution/Power of Attorney authorizing their representative to attend and vote on their behalf at the Meeting to [mili.desai.godrejhf.com](mailto:mili.desai.godrejhf.com) from their e-mail ID registered with the Company.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. Proxies, in order to be effective, must be received at the Registered Office/Corporate Office of the Company not less than FORTY-EIGHT HOURS before the AGM.
3. Members/Proxies should bring the enclosed Attendance Slip duly filled in for attending the Meeting. Members holding shares in demat/electronic form are requested to write their Client ID and DP ID.
4. in the attendance slip and deliver duly signed attendance slip at the entrance of the meeting area.
5. In case of joint holders attending the Meeting, if any, only such joint holder who is higher in the order of names will be entitled to vote
6. Route map for reaching the AGM Venue is enclosed herewith.
7. The Explanatory Statement pursuant to Section 102 of the Act in respect of special businesses as set out in the NOTICE is annexed hereto.
8. The Registrar and Share Transfer Agents of the Company are Kfin Technologies Private Limited having their office at Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032, Telangana, Tel. No.: 67162222, Fax: 23001153, Email id: [venu.sp@kfintech.com](mailto:venu.sp@kfintech.com).
9. In compliance with Circulars issued by the MCA and owing to the difficulties involved in dispatching of physical copies, the NOTICE of AGM is being sent in electronic mode to Members whose e-mail address(es) are registered with the Company or the Depository Participant(s) and no physical copies will be dispatched to the Members. Therefore, Members are requested and encouraged to register/update their email addresses, with their Depository Participants.
10. The Notice of AGM is available on the website of the Company at [www.godrejhf.com](http://www.godrejhf.com).
11. The Registers and relevant documents required to be kept open for inspection in connection with the resolutions proposed in the Notice, will be made available for inspection by the Members during the AGM.
12. The Resolutions shall be deemed to be passed on the date of the Meeting i.e. on Thursday, June 17, 2021, subject to receipt of the requisite number of votes in favour of the respective Resolution.
13. Manner of Voting during the AGM shall be through show of hands, unless a poll is demanded. Since the number of Members in the Company is less than 50, in case any poll is required during the meeting, it would be done through show of hands.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013**

**Item No. 3 & 4**

The Board of Directors of the Company at their meeting scheduled on January 28, 2021, had appointed Mrs. Rosemary Sebastian (DIN: 07938489) and Mrs. Usha Sangwan (DIN: 02609263) as Additional Directors in the capacity of Independent Director for a term of five (5) consecutive years with effect from January 28, 2021, not liable to retire by rotation, subject to consent by the Members of the Company at the ensuing Annual General Meeting (AGM). Accordingly, the respective appointment of Mrs. Rosemary Sebastian and Mrs. Usha Sangwan, Independent Directors of the Company, is required to be approved by the members at the ensuing Annual General Meeting of the Company.

The Nomination & Remuneration Committee and the Board of Directors have reviewed and confirmed that Mrs. Rosemary Sebastian and Mrs. Usha Sangwan respectively meet the Fit & Proper person criteria as well as criteria of independence under Section 149 the Companies Act, 2013. The Company has also received consent from Mrs. Rosemary Sebastian and Mrs. Usha Sangwan respectively in terms of section 152 of the Companies Act, 2013 and a declaration that they are not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and that they meet the criteria of Independence as prescribed under Section 149 (6) of the Companies Act, 2013.

The relevant documents with respect to the said matter will be available for inspection by the Members at the Registered office of the Company during its business hours on all working days.

Considering the rich and vast experience of Mrs. Rosemary Sebastian and Mrs. Usha Sangwan, your Board believes that their appointment as Independent Directors on the Board will strength to the Company. The brief profile of Mrs. Rosemary Sebastian and Mrs. Usha Sangwan in pursuance of the provisions of the Secretarial Standards-2 are furnished in **Annexure I**.

Pursuant to the provisions of the Companies Act, 2013 an Additional director appointed by the Board shall hold office only upto the ensuing Annual General Meeting and the appointment of an Independent director is required to be approved the shareholders of the Company. Accordingly, the approval of the shareholders is being sought.

None of the Directors except Mrs. Rosemary Sebastian and Mrs. Usha Sangwan respectively and none of the Key Managerial Personnel, along with their respective relatives are in any way, concerned or interested, financially or otherwise, in the said resolution vide Serial No. 3 and 4 of the Notice.

The Board of Directors accordingly recommends the Ordinary Resolution set out vide Serial No. 3 and 4 of the Notice for the approval of the Members.

### **Item No. 5**

The members at the 2<sup>nd</sup> Annual General Meeting of the Company held on October 8, 2020, had accorded their approval to the Board of Directors of the Company to borrow funds for the Company, in excess of the aggregate of its Paid up Capital, Free Reserves and Securities Premium Account from time to time, up to an aggregate amount not exceeding Rs. 1850 crores.

The members are requested to note that considering the Company's future business plans, growth potential, expansion of the Company's loan portfolio, augmenting financial resources to meet the requirement of additional funds for the coming years to support the meaningful enhancement of scale of operations, and to facilitate an active borrowing program to allow the Company to access funds from various lenders at the most competitive rates, the Board of Directors of the Company at their meeting held on June 15, 2021, has proposed to increase overall borrowing limits of the Company from Rs. 1850 Crores to Rs. 2750 Crores, subject to the approval of the Members of the Company under Section 180(1)(c) of the Companies Act, 2013.

Members are requested to note that in terms of Section 180(1)(c) of the Act, prior approval of the members of the company by way of special resolution is required to empower the Board of Directors to borrow monies together with the monies already borrowed, in excess of the aggregate of its paid-up share capital, free reserves and securities premium account.

Accordingly, it is proposed to seek the approval of the Members of the Company in terms of Section 180(1)(c) of the Act to enable the Company to borrow funds in excess of its paid-up share capital, free reserves and securities premium account subject to the condition that the money or monies to be borrowed (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) together with the monies already borrowed and outstanding, does not, at any point in time, exceed Rs. 2750 crore, over and above the aggregate of the paid-up share capital, free reserves and securities premium of the Company, for the time being.

None of the Directors or Key Managerial Personnel of the Company or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Serial No. 5 of the AGM Notice.

The Board recommends the resolution set out at Serial No. 5 of the AGM Notice to the Members for their consideration and approval, by way of Special Resolution.

#### **Item No. 6**

The Members be informed that Section 180(1)(a) of the Companies Act, 2013 provides for the Board of Directors' power to sell, lease or otherwise dispose off the whole or substantially the whole of the undertaking of the Company subject to the approval of members in the General Meeting.

The proposal for increasing the borrowing limit of the Company to Rs. 2750 Crores is placed at Item No. 5 for the approval of the members.

Accordingly, for the purpose of securing the borrowing to be availed by the Company from time to time, it would be necessary to create charge on the assets or whole or part of the undertaking of the Company and since the said power falls within the purview of the members, it is proposed to seek approval of members for creation of charge on the assets of the Company upto the limit of Rs. 2750 crore.

The Board recommends the resolution set out at Serial No. 6 of the Notice to the Members for their consideration and approval, by way of Special Resolution.

None of the Directors or Key Managerial Personnel of the Company or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Serial No. 6 of the Notice.

#### **Item No. 7**

Members at the 2<sup>nd</sup> Annual General Meeting of the Company held on October 8, 2020, had accorded their approval, by passing a Special Resolution, to the Board of Directors of the Company to create/invite/offer/ issue/allot such number of Non-Convertible Debentures ("NCDs"), by way of private placement, in one or more series or tranches, on such terms and conditions, as may be determined by the Board of Directors such that the aggregate principal amount of such NCDs issued during a period of 1 year commencing from the date of passing of the said special resolution at the 2<sup>nd</sup> AGM, does not exceed Rs. 1,000 crores.

Members are requested to note that considering the business plans and growth of the Company and to enable the Company to raise funds by way of issuance of NCDs, the Board of Directors of the Company at their meeting held on June 15, 2021, proposed to create/invite/offer/issue/allot such number of NCDs, by way of private placement, in one or more series or tranches, such that the aggregate principal amount of such NCDs to be issued during a period of 1 year commencing from the date of passing of the Special Resolution set out at item no. 7 of the AGM Notice, does not exceed Rs. 1,000 crores and further proposed to authorise the Borrowing & Investment Committee to undertake all acts, deeds, matters and things as it may in its absolute discretion deem necessary, expedient, proper or desirable, in respect of issuance of NCDs under private placement including but not limited to determine the terms and conditions of the NCDs to be issued, number of NCDs to be issued, issue price, face value, issue size, coupon, tenor, objects of the issue, etc., subject to the approval of the Members of the Company.

Members are requested to note that in terms of Section 42 of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, a

company shall not make an offer or invitation to subscribe to securities (including NCDs) under private placement unless the proposal has been previously approved by the members of the company, by way of special resolution. Further, in case of offer or invitation to subscribe to NCDs, where the amount proposed to be raised through such offer or invitation exceeds the limits specified in Section 180(1)(c) of the Act, it shall be sufficient if the company passes a previous special resolution only once in a year for all the offers or invitations to subscribe NCDs, during the year.

Accordingly, it is proposed to seek the approval of the Members of the Company in terms of Section 42 of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, to create/invite/offer/issue/allot up to such number of NCDs, under private placement, in one or more series or tranches, such that the aggregate principal amount of NCDs to be issued during a period of 1 year commencing from the date of passing of the Special Resolution set out at Serial No. 7 of the AGM Notice, does not exceed Rs. 1000 crores.

The Board recommends the resolution set out at Serial No. 7 of the AGM Notice to the Members for their consideration and approval, by way of Special Resolution.

None of the Directors or Key Managerial Personnel of the Company or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Serial No. 7 of the AGM Notice.

#### **Item No. 8**

The Members at the 1<sup>st</sup> (First) Annual general Meeting of the Company held on September 27, 2019, have approved the appointment of Mr. Manish Anant Shah (DIN 06422627) as the Managing Director and Chief Executive Officer of the Company with effect from September 4, 2019 for a period of 3(three) years, subject to remuneration and other terms and conditions.

The Members may note that considering the contribution of Mr. Manish Anant Shah in the affairs of the Company and the progress made by the Company under his leadership and guidance and as per the recommendations of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on June 15, 2021, approved the revision in remuneration of Mr. Manish Anant Shah with effect from April 1, 2021 to March 31, 2022. The manner of revision in remuneration of Mr. Manish Anant Shah, Managing Director & CEO shall be in such manner as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors subject to aggregate of revised remuneration not exceeding Rs. 3,90,00,000/- (Rupees Three Crores Ninety Lakhs only) per annum.

Pursuant to the provisions of Section 197 of the Companies Act, 2013 and Schedule V read with the Companies (Appointment and Remuneration to Managerial Personnel) Rules, 2014, considering the fact that the Company has incurred loss upto the year ended March 31, 2021, the proposed revision in remuneration of Mr. Manish Anant Shah is required to be approved by the members and therefore the approval of the members for the same is being sought.

The relevant documents with respect to the said matter will be available for inspection by the Members at the Registered office of the Company during its business hours on all working days.

INFORMATION AS PER PART II OF SCHEDULE V TO THE COMPANIES ACT, 2013:

I. General Information:

1	Nature of Industry	:	The Company is engaged in the business of Housing Finance. It was granted the license to commence business as a Housing Finance Company on October 26, 2020.
2	Date or expected date of commencement of commercial production	:	02 <sup>nd</sup> November, 2020
3	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	:	NA
4	Financial performance of 2020-21 based on given indicators	:	<p><b>Financial Performance of the Company for the financial year ended 31<sup>st</sup> March, 2021:</b></p> <p><i>(Rupees in million)</i></p> <p>Revenue from operations: Rs. 19.84</p> <p>Other Income: Rs. 2.80</p> <p>Total Expenditure: Rs. 540.94</p> <p>Net Loss before tax: Rs. 518.30</p> <p>Loss after tax: Rs. 518.30</p>
5	Foreign investments or collaborations, if any	:	PAN FIN Investments LP, a foreign entity, invested in 7,36,842, equity shares of the Company of face value Rs. 10/- each for cash at a premium of Rs. 47.01831584 per share aggregating Rs. 4,20,13,489.88/- and 56,31,579, 0.01% Compulsorily Convertible Preference Shares (0.01% CCPS) of face value Rs. 10/- each for cash at a premium of Rs. 47.01946503/- per share aggregating Rs. 32,11,09,621.88/- on March 30, 2021 on Private Placement basis. They further invested in 6,25,000 0.01% CCPS of face value Rs. 10/- each for cash at a premium of Rs.18 /- per share

		aggregating Rs. 1,75,00,000/- on May 28, 2021 on Rights Basis.
--	--	--

## II. Information about the appointee:

1	Background details	: Mr. Manish Anant Shah is functioning, as the Managing Director and Chief Executive Officer of Godrej Housing Finance Limited since September 4, 2019. He has over 20 years of financial services experiences across markets in India and the US in diverse businesses – unsecured lending, mortgages, wealth management and life insurance. He has co-founded a financial self-help, robo advisory platform that was acquired by News corp, becoming one of the earliest exits to a global corporation, in the Indian Fintech start-up space.						
2	Past Remuneration	: Mr. Manish Anant Shah has been appointed as the Managing Director and CEO of the Company with effect from September 4, 2019. The details of remuneration paid to him are as under: <table border="1" data-bbox="826 1196 1326 1361"> <thead> <tr> <th>Particulars</th> <th>Amount (Rs.)</th> </tr> </thead> <tbody> <tr> <td>September 4, 2019 to March 31, 2020</td> <td>Rs. 1,01,62,615</td> </tr> <tr> <td>FY 2020-21</td> <td>Rs. 2,64,56,223</td> </tr> </tbody> </table>	Particulars	Amount (Rs.)	September 4, 2019 to March 31, 2020	Rs. 1,01,62,615	FY 2020-21	Rs. 2,64,56,223
Particulars	Amount (Rs.)							
September 4, 2019 to March 31, 2020	Rs. 1,01,62,615							
FY 2020-21	Rs. 2,64,56,223							
3	Recognition of awards	: -						
4	Job profile and suitability	: Mr. Manish Anant Shah has a vast experience of about 20 years in the financial services.  He is responsible for setting the ultimate direction for the corporation and for reviewing, understanding, assessing, and approving specific strategic policies and initiatives; and for assessing and understanding the issues, forces, and risks that define and drive the Company's long-term performance. He is also responsible for the smooth and profitable running of the Company's						

		affairs and he supervises and provides consultation to the management on strategic planning decisions and sustainability.
5	Remuneration proposed	: The aggregate revised remuneration proposed to be paid to Mr. Manish Anant Shah for the period from April 1, 2021 to March 31, 2022 shall not exceed Rs. Rs. 3,90,00,000/- (Rupees Three Crores Ninety Lakhs only) per annum.
6.	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (In case of expatriates, the relevant details would be w.r.t. the country of his origin).	: Taking into consideration the size of the Company, the profile, knowledge, skills and responsibilities being shouldered by Mr. Manish Anant Shah as the Managing Director and CEO of the Company, the revised remuneration proposed to be paid to him is commensurate with the remuneration packages paid to the similar counterparts in other companies.
7.	Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any.	: Besides the revised remuneration proposed to be paid to Mr. Manish Anant Shah, he does not have any other pecuniary relationships with any other managerial personnel and/or Directors of the Company.

### III. Other Information:

1	Reasons of loss or Inadequate profits	: The Company was incorporated on October 5, 2018 with the object to undertake housing finance business. However, the Company was granted license as a Housing Finance Company on October 26, 2020. Therefore, FY 2020-21 was the first year of operation of the Company. Significant initial investments have been made in people, process and technology which has led to initial losses. The business of the Company has also been impacted due to Covid-19 Pandemic and resultant lockdown.
2	Steps taken or proposed to be taken for improvement	
3	Expected increase in productivity and profits in measurable terms.	

The Board recommends the resolution set out at Serial No. 8 of the AGM Notice to the Members for their consideration and approval, by way of Special Resolution.

Except Mr. Manish Anant Shah, none of the Directors or Key Managerial Personnel of the Company or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Serial No. 8 of the AGM Notice.

#### **Item No. 9**

The members in their meetings held on June 6, 2019 and October 8, 2020 had accorded their approval for offer, issue and allotment of 10,00,00,000 – 0.01% Compulsorily Convertible Preference Shares of Rs. 10/- each (0.01% CCPS) and 5,00,00,000 – 0.01% CCPS for cash at par, aggregating to Rs. 100 crores and Rs. 50 crores respectively, in one or more tranches, on Rights Issue basis, subject to terms and conditions as approved by the members.

In accordance with the said approvals and terms and conditions thereof, the Company has issued and allotted a total of 10,70,00,000 – 0.01% CCPS of Rs. 10/- each for cash at par on Rights basis from time to time aggregating to Rs. 107 crores to the promoter of the Company – Anamudi Real Estates LLP. Thus, based on the said approvals, the Company has 4,30,00,000 – un-issued 0.01% CCPS of Rs. 10/- (Rupees Ten only) each which are available for offer, issue and allotment for cash at par on Rights basis.

It is now proposed to seek the approval of the members, to partially modify the terms of issuance of the said 4,30,00,000 un-issued 0.01% CCPS by alteration of clause (b) of terms of issue of 5,00,00,000 – 0.01% CCPS of Rs. 10/- (Rupees Ten only) each. Clause (b) of the terms of issue of said 0.01% CCPS provides for issuance of 0.01% CCPS for cash at par on Rights basis. It is now proposed to revise the said clause (b) to provide for issuance of 0.01% CCPS for cash at premium not exceeding Rs. 20/- per share on Rights basis.

The Board recommends the resolution set out at Serial No. 9 of the AGM Notice to the Members for their consideration and approval, by way of Special Resolution.

None of the Directors or Key Managerial Personnel of the Company or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Serial No. 9 of the AGM Notice.

#### **Item No. 10 & 11**

The Company, in order to meet its growth objectives and to strengthen its financial position, may be required to generate long term resources by issuing securities. It is therefore deemed appropriate to increase the Authorized Share Capital of the Company from existing Rs. 200,00,00,000/- (Rupees Two Hundred Crore Only) to Rs. 850,00,00,000/- (Rupees Eight Hundred Fifty Crore Only) by creation of 65 Crore new Equity Shares of Rs. 10/- each.

The increase in the Authorised Share Capital of the Company will also require consequential amendment in the 5th Clause of the Memorandum of Association of the Company.

Pursuant to Section 61 of the Companies Act, 2013, increase in Authorised Share Capital of the Company requires approval of the Members of the Company by way of passing an Ordinary Resolution and pursuant to Section 13 of the Companies Act, 2013, the consequent alteration of the Capital Clause of Memorandum of Association upon increase in Authorised Share Capital of the Company requires approval of the Members of the Company by way of passing a Special Resolution to that effect.

A copy of the proposed altered Memorandum of Association of the Company will be available for inspection by the Members at the Registered office of the Company during its business hours on all working days.

The Board recommends the resolutions set out at Serial No. 10 & 11 of the AGM Notice to the Members for their consideration and approval.

None of the Directors or Key Managerial Personnel of the Company or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Serial No. 10 & 11 of the AGM Notice.

**Item No. 12**

The Members are requested to note that that subsequent to Pan Fin Investments LP, becoming a minority shareholder in the Company, amendments are required in the Articles of Association of the Company.

Accordingly, it is proposed to amend the Articles of Association of the Company by introducing Part B – Amending Articles i.e Article 90 to 99.2.3.

The brief details of the amendments are as below:

Right of first refusal	<ul style="list-style-type: none"> <li>The Investor has granted a right of first refusal to the Promoter in case the Investor would want to sell its shares</li> </ul>
Drag & Tag rights	<ul style="list-style-type: none"> <li>The Investor has a Tag Right and the Promoter and similarly Promoter has a Drag Right on the Investor</li> <li>A drag right would allow the Promoter to ask the Investor to sell its shares in a sale of shares in a transaction that the Promoters may enter into to sell their shares.</li> <li>Similarly, the Investor would have a Tag right, which would allow the Investor to join a transaction through which the Promoters may be selling their stake.</li> </ul>
Pre-emption rights	<ul style="list-style-type: none"> <li>Investor has a pre-emptive right to ensure they can invest in further capital raise by the Company. This right would allow the Investor to keep its shareholding at proportionate level in future capital raise by the Company.</li> <li>In case a rights issue is made and it is not subscribed to, the Board of GHF shall have the right but not the obligation to allow the Investor to purchase such unsubscribed portion of the rights.</li> </ul>

Pursuant to the provisions of Section 14 of the Companies Act, 2013 read with the applicable rules, the approval of the members of the company is required by way of a special resolution for amending its Articles of Association and therefore, the same is being sought vide the Resolution proposed at Serial No.12 of the attached Notice.

A copy of the proposed altered Articles of Association of the Company will be available for inspection by the Members at the Registered office of the Company during its business hours on all working days.

The Board recommends the resolutions set out at Serial No. 12 of the AGM Notice to the Members for their consideration and approval.

None of the Directors or Key Managerial Personnel of the Company or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Serial No. 12 of the AGM Notice.

Place: Mumbai

Date: June 15, 2021

**By Order of the Board of Directors  
For Godrej Housing Finance Limited**



A handwritten signature in blue ink, appearing to read "Manish Anant Shah".

**Manish Anant Shah  
Managing Director & CEO  
DIN: 06422627**

**Annexure I**

Brief Profile of Directors seeking appointment / re-appointment at this Annual General Meeting in pursuance of Secretarial Standards - 2 issued by The Institute of Company Secretaries of India

Name of Director	<b>Mr. Manish Anant Shah</b>	<b>Mrs. Usha Sangwan</b>	<b>Mrs. Rosemary Sebastian</b>
Director Identification Number (DIN)	06422627	02609263	07938489
Nationality	Indian	Indian	Indian
Age (in years)	47	63	62
Date of appointment	September 4, 2019	January 28, 2021	January 28, 2021
Qualification	MBA in finance, marketing and General Management	Post Graduate (Economics) Graduate with Hons in Economics; Post Graduate Diploma in Human Resource Management and Licentiate from Insurance Institute of India	MA (Osmania University); LLB (Mumbai University); CAIIB (Indian Institute of Banking and Finance)
Expertise in specific functional area	Finance and Marketing	Risk Management and Finance	Regulations and Risk Management
Directorships held in other companies (excluding Foreign Companies and Section 8 companies)	<ul style="list-style-type: none"> <li>➤ Pyxis Holdings Limited;</li> <li>➤ Ruchita Rambles Services Private Limited</li> </ul>	<ul style="list-style-type: none"> <li>➤ Trident Limited;</li> <li>➤ Torrent Power Limited.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Aseem Infrastructure Finance Limited</li> </ul>
\ Chairmanships/ Memberships of Committees in other companies	-	Trident limited: <ul style="list-style-type: none"> <li>• Chairperson of Nomination and Remuneration Committee;</li> <li>• Member of Audit Committee.</li> </ul>	Aseem Infrastructure Finance Limited: <ul style="list-style-type: none"> <li>• Member of Audit Committee;</li> <li>• Chairperson of IT Steering Committee;</li> <li>• Member of Nomination and</li> </ul>

			Remuneration Committee; • Chairperson of Corporate Social Responsibility Committee.
No. of Shares held: a) Own b) For other persons on a beneficial basis	-	-	-
Number of Board Meetings attended during the year	8 (Eight)	2 (Two)	2 (Two)
Relationship with other Directors	NA	NA	NA
Details of remuneration sought to be paid and the remuneration last drawn	The past and proposed remuneration is disclosed under Item no. 8 of the Explanatory Statement which forms part of the said Notice.	NA	NA
Terms and conditions of appointment or re-appointment	Managing director and CEO appointed for a period of 3 years with effect from September 4, 2019 and liable to retire by rotation.	Independent director appointed with effect from January 28, 2021 for a period of 5 years and not liable to retire by rotation.	Independent director appointed with effect from January 28, 2021 for a period of 5 years and not liable to retire by rotation.

N.A= Not applicable

Place: Mumbai

Date: June 15, 2021

By Order of the Board of Directors  
For Godrej Housing Finance Limited



*Manish Anant Shah*

**Manish Anant Shah**  
Managing Director & CEO  
DIN: 06422627

**Form no. MGT-11**

**PROXY FORM**

*[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies  
(Management and Administration) Rules, 2014]*

**CIN:** U65100MH2018PLC315359

**Name of the Company:** Godrej Housing Finance Limited

**Registered Office:** Godrej One, Pirojshanagar, Eastern Express Highway, Vikhroli (East)  
Mumbai – 400 079

Name of the member (s):	
Address:	
E-mail ID:	
DP ID:	
Client ID/Folio No.:	

I/we, being the member (s) holding \_\_\_\_\_ shares of the above named company, hereby appoint:

1. Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
E-mail ID: \_\_\_\_\_  
Signature: \_\_\_\_\_, or failing him/her
2. Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
E-mail ID: \_\_\_\_\_  
Signature: \_\_\_\_\_, or failing him/her
3. Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
E-mail ID: \_\_\_\_\_  
Signature: \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 3<sup>rd</sup> (Third) Annual General Meeting of the members of Godrej Housing Finance Limited to be held on Thursday, June 17, 2021 at 3:00 p.m. and at any adjournment(s) thereof in respect of such resolutions as are indicated below:

<b>Resolution No</b>	<b>Resolution</b>	<b>Type of resolution (Ordinary / Special)</b>
1.	To review, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2021 along with the report(s) of the Board of Directors and the Auditors thereon;	<b>Ordinary</b>
2.	To appoint a Director in place of Mr. Manish Anant Shah (DIN: 06422627), who retires by rotation and being eligible, has offeres himself for re-appointment;	<b>Ordinary</b>
3.	Appointment of Mrs. Rosemary Sebastian (DIN: 07938489) as Independent Director of the Company;	<b>Ordinary</b>
4.	Appointment of Mrs. Usha Sangwan (DIN: 02609263) as Independent Director of the Company;	<b>Ordinary</b>
5.	Increase in the Borrowing Powers of the Board of Directors of the Company under Section 180 (1) (c) of Companies Act, 2013;	<b>Special</b>
6.	Authorizing the Board of Directors to sell, lease, create charge etc. over the assets of the Company to secure the credit/loan facilities to be availed by the Company, under Section 180 (1) (a) of Companies Act, 2013;	<b>Special</b>
7.	Issue of Non-Convertible Debentures on Private Placement Basis;	<b>Special</b>
8.	Revision in remuneration of Mr. Manish Anant Shah (DIN: 06422627) Managing Director & CEO of the Company;	<b>Special</b>
9.	Partial modification of Special Resolution passed at the Extra-ordinary General Meeting held on 8 <sup>th</sup> October 2020 for further issue of 5,00,00,000- 0.01% Compulsory Convertible Preference Shares (0.01% CCPS) on Right basis;	<b>Special</b>
10.	Increase in Authorised Share Capital of the Company from Rs. 200 Crores to Rs. 850 Crores;	<b>Ordinary</b>
11.	Alteration of Capital Clause of Memorandum of Association of the Company	<b>Special</b>
12.	Alteration of Articles of Association of the Company.	<b>Special</b>

Affix Re.  
1/- revenue  
stamp

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2021.

Signature of shareholder(s): \_\_\_\_\_

Signature of Proxy holder(s): \_\_\_\_\_

**Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**

## ATTENDANCE SLIP

Name of the member( s):	
Name of the Proxy:	
Folio No./ *DP ID and Client ID:	
No. of Equity shares	

*\*Applicable for investors holding shares in electronic form*

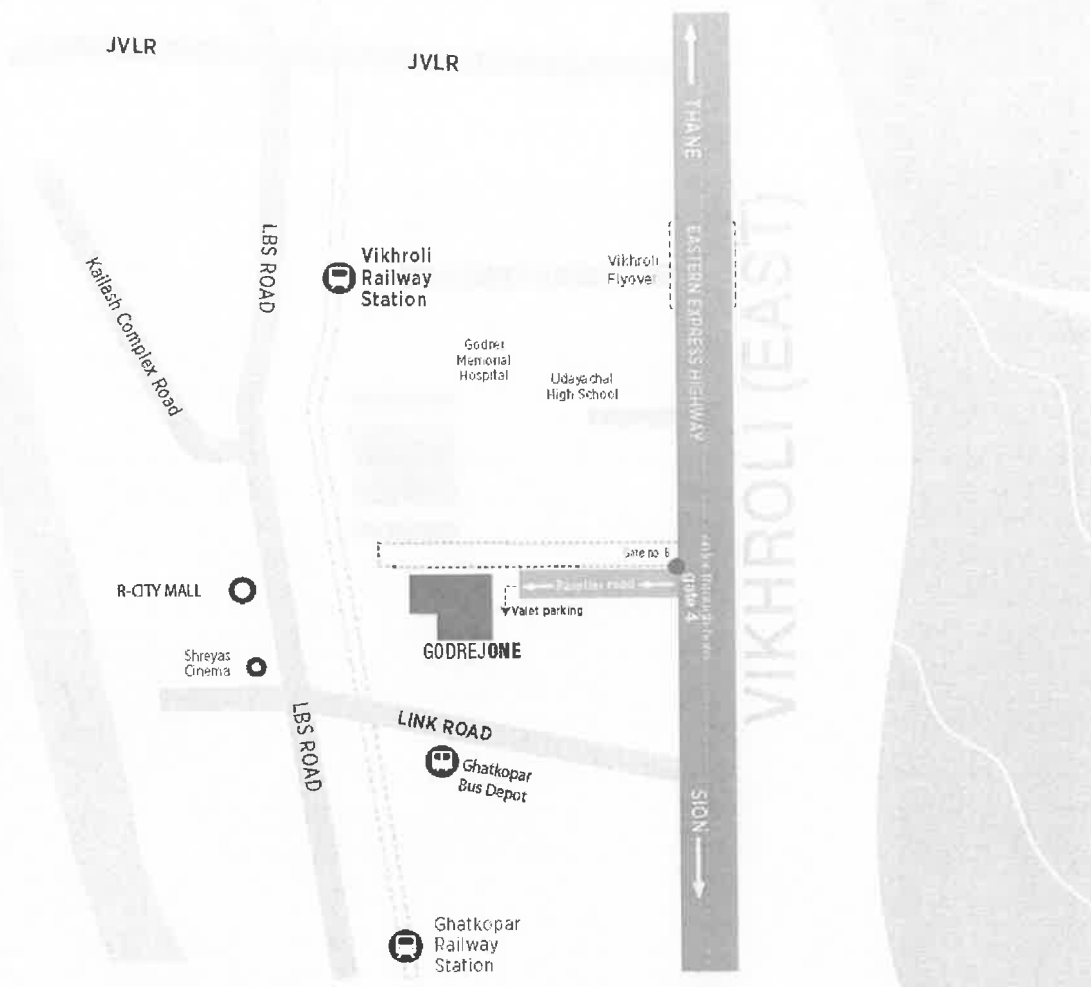
I/We hereby record my/our presence at the 3<sup>rd</sup> (Third) ANNUAL GENERAL MEETING of the members of the Company on Thursday, June 17, 2021 at 3:00 p.m. at 3<sup>rd</sup> Floor, Godrej One, Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai – 400 079.

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Member's / Proxy's Signature  
(To be signed at the time of handing over this slip)

- Notes.** 1. Please complete this attendance slip and hand it over at the entrance of the meeting hall.  
2. Joint shareholders may obtain additional attendance slip at the venue of the meeting.

# ROUTE MAP FOR AGM VENUE



# KALYANIWALLA & MISTRY LLP

CHARTERED ACCOUNTANTS

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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GODREJ HOUSING FINANCE LIMITED Report on Audit of the Financial Statements

### Opinion

We have audited the accompanying financial statements of **Godrej Housing Finance Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and notes to the 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 financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its loss, and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### 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, namely Board's Report including annexures to Board's Report, but does not include the financial statements and our auditor's report thereon.

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

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



LLP IN : AAH - 3437

REGISTERED OFFICE : ESPLANADE HOUSE, 29, HAZARIMAL SOMANI MARG, FORT, MUMBAI 400 001  
TEL.: (91) (22) 6158 6200, 6158 7200 FAX : (91) (22) 6158 6275

## **Responsibility of Management for the Financial Statements**

The Company's Board of Directors is responsible for the matters in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

## **Auditor's Responsibilities for the Audit of the financial statements**

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

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

- (a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



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

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of the users of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in "Annexure A", a Statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. The Company was in compliance with some of the provisions of the Companies Act, 2013 for part of the year as stated hereunder:
  - a) *The Company has appointed the requisite two Independent Directors on the Board of the Company pursuant to Section 149 of the Companies Act, 2013, read with the relevant rules thereunder on January 28, 2021.*
  - b) *The Company has constituted an Audit Committee and a Nomination and Remuneration Committee pursuant to Sections 178 and 179 of the Companies Act, 2013 respectively, read with the relevant rules thereunder on January 28, 2021.*
  - c) *The Company has appointed a whole-time Company Secretary pursuant to Section 203 of the Companies Act, 2013, read with the relevant rules thereunder on December 17, 2020.*



**KALYANIWALLA  
& MISTRY LLP**

3. 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 and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder.
- e) On the basis of the written representations received from the directors of the Company as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There are no amounts, which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For KALYANIWALLA & MISTRY LLP  
CHARTERED ACCOUNTANTS  
Firm Registration Number 104607W/W100166**



**FARHAD M. BHESANIA  
PARTNER  
Membership Number 127355  
UDIN No.: 21127355AAAAFH3982  
Place: Mumbai  
Date: June 15, 2021**

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in Para 1 'Report on Other Legal and Regulatory Requirements' in our Independent Auditors' Report to the members of the Company on the financial statements for the year ended March 31, 2021.

### Statement on Matters specified in paragraphs 3 & 4 of the Companies (Auditor's Report) Order, 2016:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, the Company has a program for physical verification of fixed assets at periodic intervals. In our opinion, the period of verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The Company does not have any immovable properties owned by them and hence the provisions of Clause 3(ii) of the Order is not applicable.
- (ii) In our opinion and according to the information and explanations given to us, the Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.
- (iii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of sub-clauses (a), (b) and (c) of paragraph 3(iii) of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us and the records examined by us, the Company has not advanced any loans or made any investments or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3 (iv) of the Order are not applicable to the Company.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any Deposits from the Public and hence the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder are not applicable to the Company.
- (vi) In our opinion and according to the information and explanations given to us, the maintenance of cost records under sub section (1) of Section 148 of the Act is not applicable to the Company under the Companies (Cost Records and Audit) Rules, 2014. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.



- (vii) (a) According to the information and explanations given to us and the records examined by us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess, Goods and Service Tax (GST) and any other statutory dues with the appropriate authorities, wherever applicable. According to the information and explanations given to us, there are no undisputed dues, payable in respect of above as at March 31, 2021 for a period of more than six months from the date on which they became payable.
- (b) According to the information and explanations given to us and the records examined by us, there are no dues outstanding of Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax and Goods and Service Tax (GST) on account of any dispute.
- (viii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not defaulted on repayment of loans to banks. The Company does not have any loans or borrowings from financial institutions, government or debenture holders.
- (ix) According to the information and explanations given to us, the Company has neither raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. Monies raised by way of term loans have been applied for the purpose for which they were raised.
- (x) During the course of our examination of the books of account and records of the Company, and according to the information and explanation given to us and representations made by the management, no material fraud by or on the Company by its officers or employees, has been noticed or reported during the year.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, managerial remuneration has been paid / provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) According to the information and the explanations given to us and based on our examination of the records of the Company, there are no transactions with related parties as defined under section 2(76) and covered under section 188 of the Act. Hence the question on commenting whether all transactions with the related parties are in compliance with 188 of the Act does not arise. The Company formed the Audit Committee under Section 177 of the Act on January 28, 2021. All transactions entered into with the related parties prior to the said date have been approved by the Board of Directors. Disclosures of related party transactions in the Financial Statements as required by the applicable accounting standards have been made.



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& MISTRY LLP**

- (xiv) In our opinion and according to the information and explanation given to us and based on our examination of the records, the Company has made private placement of shares during the year. In respect of the same, in our opinion, the Company has complied with the requirements of Section 42 of the Act and the Rules framed thereunder. The amounts raised as above have been utilized by the Company for the purpose for which the funds were raised.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act. Accordingly, provisions of clause 3(xv) of the order are not applicable.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Hence, the provisions of paragraph 3(xvi) of the Order are not applicable.

**For KALYANIWALLA & MISTRY LLP  
CHARTERED ACCOUNTANTS  
Firm Registration No. 104607W/W100166**



**FARHAD M. BHESANIA  
PARTNER  
Membership Number 127355  
UDIN No.: 21127355AAAAFH3982**

Place: Mumbai  
Date: June 15, 2021

## **ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT**

Referred to in Para 2 (f) 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report to the members of the Company on the financial statements for the year ended March 31, 2021.

### **Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to financial statements of **GODREJ HOUSING FINANCE LIMITED** ("the Company") as at March 31, 2021 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

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

#### **Meaning of Internal Financial Controls with reference to financial statements**

A Company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the 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



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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.

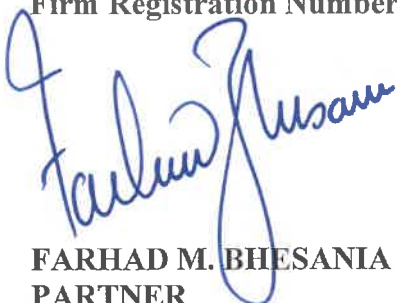
**Inherent Limitations of Internal Financial Controls with reference to financial statements**

Because of the inherent limitations of internal financial controls with reference to 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, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements was operating effectively as at March 31, 2021, 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.

**For KALYANIWALLA & MISTRY LLP  
CHARTERED ACCOUNTANTS  
Firm Registration Number 104607W/W100166**



**FARHAD M. BHESANIA  
PARTNER  
Membership Number 127355  
UDIN No.: 21127355AAAAFH3982**

Place: Mumbai  
Dated: June 15, 2021

**Godrej Housing Finance Limited**

Balance sheet as at March 31, 2021

(Currency: Indian Rupees in million)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
<b>EQUITY AND LIABILITIES</b>			
<b>I Shareholders' funds</b>			
a) Share capital	3	1,273.69	730.00
b) Reserves and surplus	4	(425.64)	(206.78)
		848.05	523.22
<b>II Non-current liabilities</b>			
a) Long-term borrowings	5	1,395.83	-
b) Other long term liabilities	6	14.64	0.18
c) Long-term provisions	7	12.89	1.73
		1,423.36	1.91
<b>III Current liabilities</b>			
a) Short-term borrowings	8	948.51	-
b) Trade payables			
i) Total outstanding dues of micro enterprises and small enterprises	25	0.47	3.48
ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		4.01	9.08
c) Other current liabilities	9	267.74	10.19
d) Short-term provisions	10	0.57	0.06
		1,221.30	22.81
<b>Total Equity and Liabilities</b>		<b>3,492.71</b>	<b>547.94</b>
<b>ASSETS</b>			
<b>I Non-current assets</b>			
a) Property, Plant and Equipments			
i) Tangible assets	11	26.90	17.88
ii) Intangible assets	11	371.72	5.08
iii) Capital work-in-progress		-	0.06
iv) Intangible assets under development		-	270.44
b) Long-term loans and advances	12	1,912.02	1.76
		2,310.64	295.22
<b>II Current Assets</b>			
a) Current investments	13	-	40.03
b) Cash and cash equivalents	14	1,075.61	201.78
c) Short-term loans and advances	15	95.72	8.77
d) Other current assets	16	10.74	2.14
		1,182.07	252.72
<b>Total Assets</b>		<b>3,492.71</b>	<b>547.94</b>

Significant accounting policies

1 & 2

See accompanying notes forming part of the financial statements

Signatures to the Balance Sheet & Notes to Financial Statements

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

  
Farhad M. Bhesania  
Partner  
Membership Number: 127355

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

  
Pirojsha Godrej  
Director  
DIN: 00432983

  
Manish Shah  
Managing Director & CEO  
DIN: 06422627

Place: Mumbai  
Date: June 15, 2021

  
Mili Desai  
Company Secretary

  
Kunal Karnani  
Chief Financial Officer

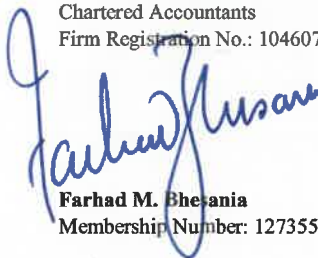
**Godrej Housing Finance Limited**  
**Statement of Profit & Loss for the year ended March 31, 2021**

(Currency: Indian Rupees in million)

Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>I INCOME</b>			
a) Revenue from Operations	17	19.84	3.28
b) Other Income	18	2.80	0.60
<b>Total Income</b>		<b>22.64</b>	<b>3.88</b>
<b>II EXPENSES</b>			
a) Employee benefits expenses	19	283.32	80.17
b) Finance cost	20	18.47	-
c) Depreciation and amortisation expenses	11	41.23	2.25
d) Other expenses	21	190.96	109.56
e) Provisions and write-offs	22	6.96	-
<b>Total expenses</b>		<b>540.94</b>	<b>191.98</b>
<b>III (Loss) before tax (I - II)</b>		<b>(518.30)</b>	<b>(188.10)</b>
<b>IV Tax expense</b>		-	-
<b>V (Loss) for the year (III - IV)</b>		<b>(518.30)</b>	<b>(188.10)</b>
<b>Basic and diluted earning per equity share in Rupees (Face value Rs. 10 each)</b>	23	<b>(37.01)</b>	<b>(13.68)</b>
Significant accounting policies	1 & 2		

See accompanying notes forming part of the financial statements

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

  
**Farhad M. Bheania**  
Membership Number: 127355

Place: Mumbai  
Date: June 15, 2021

Signatures to the Statement of Profit and Loss & Notes to Financial Statements  
For and on behalf of the Board of Directors  
**Godrej Housing Finance Limited**

  
**Pirojsha Godrej**  
Director  
DIN: 00432983

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

  
**Mili Desai**  
Company Secretary

  
**Kunal Karnani**  
Chief Financial Officer

**Godrej Housing Finance Limited**  
**Cash Flow Statement for the year ended March 31, 2021**

(Currency: Indian Rupees in million)

	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>A Cash flow from operating activities</b>		
(Loss) before tax	(518.30)	(188.10)
<i>Adjustments for:</i>		
Depreciation and amortisation expense	41.23	2.25
Interest Income on fixed deposits with bank	(3.17)	(3.28)
Profit on sale of current investments	(2.79)	(0.60)
Interest expenses on loans	12.85	-
<b>Operating cash flow before working capital changes</b>	<u>(470.18)</u>	<u>(189.73)</u>
<i>Adjustments for working capital changes:</i>		
(Increase) in Long-term loans and advances	(1,909.86)	(1.33)
(Increase) in Short-term loans and advances	(86.95)	(7.84)
(Increase) in Other current assets	(10.13)	(0.57)
(Decrease) in Trade payables	(8.08)	(0.90)
Increase in Other long term liabilities	14.46	0.18
Increase in Other current liabilities	153.13	9.84
Increase in Long-term provisions	11.16	1.73
Increase in Short-term provisions	0.51	0.06
<b>Cash (used in) operations</b>	<u>(2,305.94)</u>	<u>(188.56)</u>
Income taxes paid	(0.40)	(0.43)
<b>Net cash (used in) operating activities - A</b>	<u>(2,306.34)</u>	<u>(188.99)</u>
<b>B Cash flow from investing activities</b>		
Purchase of property, plant and equipment and intangible assets	(146.39)	(25.21)
Increase in Capital work in progress & Intangible assets under development	-	(270.50)
Purchase of current Investment	(2,896.67)	(599.37)
Proceed from sale/maturity of current investment	2,939.49	559.94
Proceeds from fixed deposits with banks	340.00	-
Investment in fixed deposits with banks	(220.00)	(120.00)
Interest Income received from fixed deposits with bank	4.70	1.71
<b>Net cash generated from / (used in) investing activities - B</b>	<u>21.13</u>	<u>(453.43)</u>
<b>C Cash flow from financing activities</b>		
Proceeds from issue of equity shares (including securities premium)	42.02	20.00
Proceeds from issue of compulsorily convertible preference shares (including securities premium)	801.11	590.00
Proceeds of borrowings	2,900.00	-
Repayment of borrowings	(451.49)	-
Interest paid on borrowings	(12.60)	-
<b>Net cash generated from financing activities - C</b>	<u>3,279.04</u>	<u>610.00</u>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<u><u>993.83</u></u>	<u><u>(32.42)</u></u>



**Godrej Housing Finance Limited**  
**Cash Flow Statement for the year ended March 31, 2021**

(Currency: Indian Rupees in million)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Cash and cash equivalents as at the beginning of the year	81.78	114.20
Cash and cash equivalents as at the end of the year	1,075.61	81.78

**Note:**

- (a) Reconciliation of Cash and Cash Equivalents as per the Cash Flow Statement.  
Cash and Cash Equivalents as per the above comprise of the following :

	For the year ended March 31, 2021	For the year ended March 31, 2020
Balance with banks		
- in current accounts	475.61	5.28
- in fixed deposits with original maturity less than 3 months	600.00	76.50
<b>Cash and Cash Equivalents (Refer note 14)</b>	<b>1,075.61</b>	<b>81.78</b>

- (b) The Cash Flow statement has been prepared under the 'Indirect Method' as set out in Accounting Standard (AS) 3 on 'Cash Flow Statement' and presents cash flows by operating, investing and financing activities.

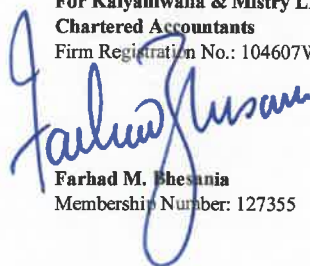
- (c) Figures for the previous year have been regrouped wherever necessary to conform to current year's classification.

Significant accounting policies

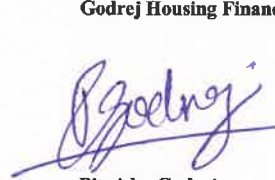
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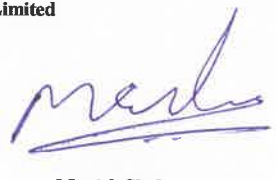
See accompanying notes forming part of the financial statements

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

  
**Farhad M. Bhesunia**  
Membership Number: 127355

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

  
**Pirojsha Godrej**  
Director  
DIN: 00432983

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

Place: Mumbai  
Date: June 15, 2021

  
**Mili Desai**  
Company Secretary

  
**Kunal Karnani**  
Chief Financial Officer

**Godrej Housing Finance Limited**  
**Notes forming Part of Financial Statements**

(Currency: Indian Rupees in million)

**1. General Information**

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

**2. Significant accounting policies**

**2.1 Basis of Preparation of Financial Statements :**

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles (Indian GAAP). The Company has prepared these financial statements to comply in all material aspects of the Accounting Standards (AS) notified under Section 133 of the Companies Act, 2013 and the provisions of the National Housing Bank Act, 1987 and the Master Directions for Housing Finance Companies issued by RBI dated February 17, 2021, as amended from time to time. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies in the preparation of financial statements are consistent with those of previous year.

**2.2 Use of Estimates:**

The preparation of financial statements in conformity with Indian GAAP requires the management to make certain estimates and assumptions that affect the reported amounts of assets, liabilities, disclosure of contingent liabilities on date of the financial statements and the reported amount of revenue and expenses during the reported period. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as on the date of the financial statements. Actual results could differ from the estimates. Any revision to the accounting estimates is recognised prospectively in current and future periods.

**2.3 Current / Non-Current Classification Of Assets / Liabilities**

The Company has considered a period of twelve months as the operating cycle for classification of assets and liabilities as current and non-current.

**2.4 Revenue recognition**

The Company follows the Master Directions for Housing Finance Companies issued by RBI dated February 17, 2021, and Accounting Standards specified under Section 133 of the Companies Act, 2013 for income recognition. The revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

(i) Income on loan transactions is accounted on time proportion basis. Consequently, a constant rate of return on net outstanding amount is accrued over the period of the contract, except that no income is recognised on non-performing assets as per the prudential norms for income recognition issued by the RBI for Housing Finance Companies (the "HFC's"). Interest income on such assets is recognised on receipt basis. Repayment of housing loans is generally by way of Equated Monthly instalments (EMIs) comprising principal and interest. Interest on loans is computed on a monthly rest basis.

(ii) Loan origination income i.e. processing fees and other charges collected upfront, are recognized at the inception of the loan.

(iii) Other charges and fees are recognised in case recovery thereof is not uncertain.



**Godrej Housing Finance Limited**  
**Notes forming Part of Financial Statements**

(Currency: Indian Rupees in million)

**2. Significant accounting policies (Continued)**

**2.4 Revenue recognition (Continued)**

- (iv) Interest income on fixed deposits with banks is recognised on time proportion basis.
- (v) Profit or loss earned on sale of investments is recognised on trade date basis, determined based on the weighted average cost of the investments sold.

**2.5 Provision On Non Performing / Standard Loans And Doubtful Debts**

Loans are initially recorded at the disbursed principal amounts and are subsequently adjusted for recoveries and any unearned income.

A loan is recognised as non-performing asset ("NPA") earlier of, the date that it has been individually provided for in case Company is no longer reasonably assured of the timely collection of the full amount of principal and interest, or, where the repayment instalment or interest has been in arrears for more than 90 days.

The provision on Standard and Non Performing Loans is made as per the prudential norms prescribed in the Master Directions for Housing Finance Companies issued by RBI dated February 17, 2021, as amended. Additional provisions (over and above the prudential norms) if required is made as per the Guidelines approved by the Board of Directors from time to time.

Provisions are established on a collective basis against loan assets classified as "Standard" to absorb credit losses on the aggregate exposures based on the NHB Directions.

**2.6 Property, Plant and Equipment & Depreciation/Amortisation**

**Tangible Assets and Capital Work in Progress**

Tangible assets acquired by the Company are reported at acquisition cost, with deductions for accumulated depreciation and impairment losses, if any. The cost of tangible assets comprises purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Capital work in progress comprises the cost of fixed assets that are not ready for its intended use at the reporting date.

Depreciation is provided on straight line basis from the date the asset is ready for its intended use or put to use whichever is earlier. In respect of assets sold, depreciation is provided up to the date of disposal.

As per the requirement of Schedule II of the Act, the Company has evaluated the useful lives of the respective tangible assets which are as per the provisions of Part C of the Schedule for calculating the depreciation. The estimated useful lives of the tangible assets are as follows:

Assets	Estimated Useful Life
Computers and data processing units	3 - 5 Years
Office Equipment	5 Years
Vehicles	5 Years
Furniture and Fixtures	10 Years

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



**Godrej Housing Finance Limited**  
**Notes forming Part of Financial Statements**

(Currency: Indian Rupees in million)

**2. Significant accounting policies (Continued)**

**2.6 Property, Plant and Equipment & Depreciation/Amortisation (Continued)**

**Intangible Assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are stated at cost less accumulated amortisation and impairment losses, if any. Cost comprises of the purchase price and any cost attributable to bringing the asset to its working condition for its intended use.

Amortisation is provided on straight line basis, which reflect the management's estimate of the useful life of the intangible asset.

Assets	Useful life of asset
Computer Software	3 - 5 Years

**2.7 Investments**

Investments are classified into non-current investments and current investments. Investments which are readily realisable and intended to be held for one year or more from date of purchase are classified as long term investments and investments which are intended to be held for less than one year are classified as current investments.

Non-current investments are carried at cost less diminution in value which is other than temporary, determined separately for each individual non-current investments.

Current investments are carried at lower of cost or fair value. The comparison of cost and fair value is done separately in respect of each category of investment. In case of investments in mutual funds, the net asset value of units declared by the mutual funds is considered as the fair value.

**2.8 Cash and Bank Balances**

Cash and cash equivalents include balances in current accounts with banks, cash in hand, demand deposits with banks and other fixed deposits with banks with original maturities of three months or less. Other bank balances comprise balances with banks with original maturities of more than three months but less than twelve months and earmarked balances with banks etc.

**2.9 Cash Flow Statements**

Cash flows are reported using the indirect method, whereby profit/(loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

**2.10 Employee Benefits**

The accounting policy followed by the Company in respect of its employee benefit schemes in accordance with Accounting Standard 15 (revised 2005), is set out below:

**Provident fund**

The Company contributes to a recognised provident fund which is a defined contribution scheme. The contributions are accounted for on an accrual basis and recognised in the statement of profit and loss.

**Gratuity**

The Company's gratuity scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that the employees have earned in return for their service in the current and prior periods, that benefit is discounted to determine its present value, and the fair value of any plan assets, if any, is deducted.

The present value of the obligation under such benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.



**Godrej Housing Finance Limited**  
**Notes forming Part of Financial Statements**

(Currency: Indian Rupees in million)

**2. Significant accounting policies (Continued)**

**2.10 Employee Benefits (Continued)**

The obligation is measured at present values of estimated future cash flows. The discounted rates used for determining the present value are based on the market yields on Government Securities as at the balance sheet date.

Changes in the present value of defined obligation resulting from plan amendments and change in actuarial assumptions are recognised in the statement of profit and loss in the period in which they arise.

Actuarial gains and losses arising from experience adjustments and change in actuarial assumptions are recognised in the statement of profit and loss in the period in which they arise.

**Compensated Absences**

The eligible employees of the Company are permitted to carry forward certain number of their annual leave entitlement to subsequent years, subject to a ceiling. The Company recognises the charge to the statement of profit and loss and corresponding liability on account of such non-vesting accumulated leave entitlement based on a valuation by an independent actuary.

**2.11 Impairment of assets**

The Company assesses, at each balance sheet date whether there is any indication that an asset may be impaired based on internal / external factors. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is higher of the assets net selling price and value in use. This is calculated as the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. If such recoverable amount of the asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of the depreciable historical cost.

**2.12 Current and Deferred Tax**

Tax expense comprises income tax i.e. amount of tax for the period determined in accordance with the Income Tax Act, 1961, deferred tax charge or benefit reflecting the tax effect of timing differences between accounting income and taxable income for the period.

**Current tax**

Provision for Current Tax is recognised based on estimated tax liability computed after adjusting for allowances, disallowances and exemptions in accordance with the Income Tax Act, 1961.

**Deferred tax**

The deferred tax charge or credit and the corresponding deferred tax liabilities and assets are recognised using the tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the asset can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of the assets with convincing evidence. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realised.

**2.13 Earnings Per Share**

The Company reports basic and diluted earnings per share in accordance with Accounting Standard 20 - Earnings per share. Basic earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.



**Godrej Housing Finance Limited**  
**Notes forming Part of Financial Statements**

(Currency: Indian Rupees in million)

**2. Significant accounting policies (Continued)**

**2.13 Earnings Per Share (Continued)**

Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at year end.

**2.14 Operating Lease :**

Lease payments for assets taken on operating lease are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

**2.15 Provisions and Contingencies :**

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

**2.16 Foreign currency transactions**

Foreign currency transactions are recorded at the rates of exchange prevailing on the date of the transaction. Exchange differences, if any arising out of transactions settled during the year are recognised in the statement of profit and loss for the year.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date. The resultant exchange differences, if any, are recognised in the statement of profit and loss and related assets and liabilities are accordingly restated in the balance sheet.

**2.17 Borrowing Costs**

Borrowing costs include interest and ancillary costs incurred. Interest cost in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Ancillary cost are charged to the Statement of Profit and Loss in the year in which they are incurred.

**2.18 Loans**

Loan and other credit facilities are classified as standard, sub-standard and doubtful, and loss assets in accordance with the extant Master Directions for Housing Finance Companies issued by RBI dated February 17, 2021, as amended from time to time.



**Godrej Housing Finance Limited**  
**Notes forming Part of Financial Statements (Continued)**

(Currency: Indian Rupees in million)

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of shares	Amount	No. of shares	Amount
<b>3. Share capital</b>				
<b>a) Share capital authorised, issued, subscribed and paid up</b>				
<b>Authorised:</b>				
Equity shares of Rs.10/- each	15,000,000	150.00	15,000,000	150.00
Preference Shares of Rs.10/- each	185,000,000	1,850.00	185,000,000	1,850.00
<b>Total</b>	<b>200,000,000</b>	<b>2,000.00</b>	<b>200,000,000</b>	<b>2,000.00</b>
<b>Issued, Subscribed &amp; paid up:</b>				
Equity Shares of Rs.10/- each, fully paid up	14,736,842	147.37	14,000,000	140.00
0.01% Compulsorily Convertible Preference Shares of Rs.10/- each, fully paid up	112,631,579	1,126.32	59,000,000	590.00
<b>Total</b>	<b>127,368,421</b>	<b>1,273.69</b>	<b>73,000,000</b>	<b>730.00</b>

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

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	Amount	No. of Shares	Amount
<b>i) Equity Shares</b>				
<b>Issued, Subscribed &amp; paid up:</b>				
Balance at beginning of the year	14,000,000	140.00	12,000,000	120.00
Add: Additions in Equity Share Capital	736,842	7.37	2,000,000	20.00
<b>Balance at the end of the year</b>	<b>14,736,842</b>	<b>147.37</b>	<b>14,000,000</b>	<b>140.00</b>
<b>ii) 0.01% Compulsorily Convertible Preference shares:</b>				
<b>Issued, Subscribed &amp; paid up:</b>				
Balance at beginning of the year	59,000,000	590.00	-	-
Add: Additions in Compulsorily Convertible Preference Share Capital	53,631,579	536.32	59,000,000	590.00
<b>Balance at the end of the year</b>	<b>112,631,579</b>	<b>1,126.32</b>	<b>59,000,000</b>	<b>590.00</b>

**c) Rights, Preferences and Restrictions Attached to Shares**

**i) Equity Shares**

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

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

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



**Godrej Housing Finance Limited**  
**Notes forming Part of Financial Statements (Continued)**

(Currency: Indian Rupees in million)

**3. Share Capital (Continued)**

**d) Share Holding Pattern**

	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	Amount	No. of Shares	Amount
(i) Equity shares held by holding entity: Anamudi Real Estates LLP and its nominees	14,000,000	140.00	14,000,000	140.00
	No. of shares	% Holding	No. of shares	% Holding
(ii) Shareholders holding more than 5% shares in the company Anamudi Real Estates LLP and its nominees	14,000,000	95%	14,000,000	100%

**e) Details of Convertible Securities**

	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	Amount	No. of Shares	Amount
0.01% Compulsorily Convertible Preference shares	112,631,579	1,126.32	59,000,000	590.00

Terms of issue - 20 years

Earliest date of conversion is at the option of holder, but before 20 years from the date of allotment.

- f) There are no equity shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestment.
- g) The Company has not allotted any shares as fully paid up pursuant to contracts without payment being received in cash, or as bonus shares from the date of incorporation. The Company has not bought back any of its equity shares.
- h) There are no calls unpaid on any equity shares, and forfeited shares.

**4. Reserves and surplus**

	As at March 31, 2021	As at March 31, 2020
<b>a) Securities Premium Reserve</b>		
Opening balance	-	-
Add: Additions on shares issued during the year	299.44	-
Closing balance	(a) 299.44	-
<b>b) (Deficit) in Statement of Profit and Loss</b>		
Opening balance	(206.78)	(18.68)
Add: (Loss) for the year	(518.30)	(188.10)
	(b) (725.08)	(206.78)
<b>Total</b>	<b>(425.64)</b>	<b>(206.78)</b>



**Godrej Housing Finance Limited**  
**Notes forming Part of Financial Statements (Continued)**

(Currency: Indian Rupees in million)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>5. Long-term borrowings</b>		
<b>a) Secured</b>		
i) Term loan from banks (Refer note 5.1 and 5.2)	1,395.83	-
<b>Total</b>	<u><u>1,395.83</u></u>	<u><u>-</u></u>
<b>Note 5.1:</b>		
Term loan taken from a bank Rs. 1,300 million is secured by first ranking pari passu charge with a minimum cover of 1.1 times on standard receivables of the borrower, both present and future, however standard receivable excludes receivables which are / or will be exclusively charged to National Housing Bank (NHB). There is also first ranking pari passu charge on cash and cash equivalents of the borrower, both present and future, to the extent required to make up an shortfall in the stipulated security cover over the standard receivables.		
The said loan is repayable in 8 equal quarterly instalments commencing from 15 months from the drawdown of the respective tranche and matures on March 30, 2024. The loan carries an interest rate ranging from 6.80% p.a. - 7.35% p.a.		
<b>Note 5.2:</b>		
Term Loan taken from a bank Rs. 200 million is secured by hypothecation of book debts. It will be repaid by way of 36 equated monthly installments starting from April 30, 2021 having interest rate of 6.65% p.a. The counter party is in process of creation of charge in relation to the said facility.		
<b>6. Other long term liabilities</b>		
<b>a) Others</b>		
i) Deferred Lease Rental	14.64	0.18
<b>Total</b>	<u><u>14.64</u></u>	<u><u>0.18</u></u>
<b>7. Long-term provisions</b>		
<b>a) Provision for employee benefits</b>		
i) Provision for gratuity (Refer note 31)	4.75	1.56
ii) Provision for compensated absences	1.45	0.17
<b>b) Contingent provision against standard assets</b>	6.69	-
<b>Total</b>	<u><u>12.89</u></u>	<u><u>1.73</u></u>
<b>8. Short-term borrowings</b>		
<b>a) Secured</b>		
i) Short term loan from a bank (Refer note 8.1)	248.51	-
ii) Loan repayable on demand from banks (Refer note 8.2 and 8.3)	700.00	-
<b>Total</b>	<u><u>948.51</u></u>	<u><u>-</u></u>

**Note 8.1:**

Short term loan taken from a bank of Rs. 248.51 million is secured by pari passu charge by way of hypothecation on book debts created out of loan proceeds with security cover of 1.1 times and also on cash and cash equivalents to the extent required to meet the shortfall in security cover.

**Note 8.2:**

Loans repayable on demand from a bank of Rs. 450 million is secured by first pari passu charge on the receivables of the Company with a minimum cover of 1.1 times and also on cash and cash equivalents to the extent required to meet the shortfall in security cover.

**Note 8.3:**

Loan repayable on demand from a bank of Rs. 250 million is secured by first pari passu charge by way of hypothecation over entire current assets with a minimum cover of 1.1 times except those exclusively charged to NHB.



**Godrej Housing Finance Limited**  
**Notes forming Part of Financial Statements (Continued)**

(Currency: Indian Rupees in million)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>9. Other current liabilities</b>		
a) Current maturities of long-term debt (Refer note 5.1 & 5.2)	104.17	-
b) Interest accrued but not due on borrowings	0.25	-
c) Income received in advance	0.02	-
d) Book overdraft	59.84	-
e) Other		
i) Statutory Dues	11.34	9.03
ii) Liability for expenses	92.12	1.16
<b>Total</b>	<b>267.74</b>	<b>10.19</b>
<b>10. Short-term provisions</b>		
a) Provision for employee benefits		
i) Provision for gratuity (Refer note 31)	0.04	0.02
ii) Provision for compensated absences	0.26	0.04
b) Contingent provision against standard assets	0.27	-
<b>Total</b>	<b>0.57</b>	<b>0.06</b>



**Godrej Housing Finance Limited**  
Notes forming Part of Financial Statements (Continued)  
(Currency: Indian Rupees in million)

**11. Property, Plant and Equipment and Intangible assets**

Description	Property, Plant and Equipment					Intangible Assets			Total
	Leasehold Improvements	Office Equipments	Furniture and Fixtures	Vehicles	Computers	Computer Software	Total	Total	
Gross Block - At cost	-	-	-	-	-	-	-	-	-
As at March 31, 2019	-	-	-	-	-	-	-	-	-
Additions	0.15	0.23	-	12.68	6.92	5.23	5.23	5.23	25.21
Disposals / Adjustments	-	-	-	-	-	-	-	-	-
As at March 31, 2020	0.15	0.23	-	12.68	6.92	5.23	5.23	5.23	25.21
Additions	0.72	1.53	1.74	-	11.62	401.28	401.28	401.28	416.89
Disposals / Adjustments	-	-	-	-	-	-	-	-	-
As at March 31, 2021	0.87	1.76	1.74	12.68	18.54	406.51	406.51	406.51	442.10
Accumulated Depreciation / Amortisation	-	-	-	-	-	-	-	-	-
As at March 31, 2019	-	-	-	-	-	-	-	-	-
Charge for the year*	0.00	0.01	-	1.21	0.88	0.15	0.15	0.15	2.25
Disposals / Adjustments	-	-	-	-	-	-	-	-	-
As at March 31, 2020	0.00	0.01	-	1.21	0.88	0.15	0.15	0.15	2.25
Charge for the year	0.12	0.20	0.10	2.41	3.76	34.64	34.64	34.64	41.23
Disposals / Adjustments	-	-	-	-	-	-	-	-	-
As at March 31, 2021	0.12	0.21	0.10	3.62	4.64	34.79	34.79	34.79	43.48
Net Block	0.15	0.22	-	11.47	6.04	5.08	5.08	5.08	22.96
As at March 31, 2020	0.15	0.22	-	11.47	6.04	5.08	5.08	5.08	22.96
As at March 31, 2021	0.75	1.55	1.64	9.06	13.90	371.72	371.72	371.72	398.62

\* Rs. 0.00 denotes an amount less than Rs. 5,000/-



**Godrej Housing Finance Limited**  
**Notes forming Part of Financial Statements (Continued)**

(Currency: Indian Rupees in million)

Particulars	As at March 31, 2021	As at March 31, 2020		
<b>12. Long-term loans and advances</b>				
<b>Receivables from financing business</b>				
a) <b>Secured, considered good</b>				
i) Loans and Advances related to Financing Activity	1,872.39	-		
b) <b>Unsecured, considered good</b>				
i) Loans and Advances related to Financing Activity	32.89	-		
<b>Other loans and advances</b> (Unsecured, considered good)				
i) Capital Advances	2.12	-		
ii) Security Deposits	3.79	1.33		
iii) Advance Income Taxes	0.83	0.43		
<b>Total</b>	<b><u>1,912.02</u></b>	<b><u>1.76</u></b>		
<b>13. Current investments</b>				
	<b>Quantity</b>	<b>Amount</b>	<b>Quantity</b>	<b>Amount</b>
a) Investments in Mutual Funds (Quoted) (Valued at lower of Cost or Net Realisable Value)				
i) ABSL Liquid Fund Growth Direct	-	-	62,837	20.00
ii) Nipon India Liquid Fund Growth Direct	-	-	4,147	20.03
<b>Total</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>40.03</u></b>	
Aggregate of quoted investment				
- At carrying value		-		40.03
- At market value		-		40.20
<b>14. Cash and cash equivalents</b>				
a) Balances with banks				
i) in current accounts		475.61		5.28
iii) in fixed deposits with original maturity less than 3 months		600.00		76.50
b) Other bank balances				
i) Short-Term Deposits with Banks (Other bank deposits with maturity less than 12 months)		-		120.00
<b>Total</b>		<b><u>1,075.61</u></b>		<b><u>201.78</u></b>
<b>15. Short-term loans and advances</b>				
<b>Receivables from financing business</b>				
a) <b>Secured, considered good</b>				
i) Loans and Advances related to Financing Activity		68.54		-
b) <b>Unsecured, considered good</b>				
i) Loans and Advances related to Financing Activity		1.76		-
<b>Other loans and advances</b> (Unsecured, considered good)				
i) Advances to employees		0.08		0.02
ii) Prepaid expenses		6.30		1.18
iii) Advances to suppliers		2.76		0.02
iv) Balance with government authorities		16.28		7.55
<b>Total</b>		<b><u>95.72</u></b>		<b><u>8.77</u></b>
<b>16. Other current assets</b>				
a) Interest accrued on deposit with banks		0.04		1.57
b) Interest accrued on loans		8.63		-
c) Other receivables		2.07		0.57
<b>Total</b>		<b><u>10.74</u></b>		<b><u>2.14</u></b>



**Godrej Housing Finance Limited**  
**Notes forming Part of Financial Statements (Continued)**

(Currency: Indian Rupees in million)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>17. Revenue from Operations</b>		
a) <b>Interest income</b>		
i) Interest on housing and other loans	16.64	-
ii) Interest income on fixed deposits with banks	3.17	3.28
b) <b>Other financial services</b>		
i) Processing fees	0.03	-
<b>Total</b>	<b>19.84</b>	<b>3.28</b>
<b>18. Other Income</b>		
a) Profit from sale of current investments	2.79	0.60
b) Gain on foreign currency transactions and translation (net)	0.01	-
<b>Total</b>	<b>2.80</b>	<b>0.60</b>
<b>19. Employee benefits expenses</b>		
a) Salaries, wages and bonus	265.05	73.30
b) Contributions to provident fund and other fund	10.79	4.15
c) Staff welfare expenses	7.48	2.72
<b>Total</b>	<b>283.32</b>	<b>80.17</b>
<p>The above employee benefit expenses is net of salary cost capitalised to Intangible Assets Under Development during the year amounting to Rs. 55.41 million (Previous year: Rs. 29.28 million)</p>		
<b>20. Finance cost</b>		
a) Interest expense on loans	12.85	-
b) Other borrowing costs	5.62	-
<b>Total</b>	<b>18.47</b>	<b>-</b>



**Godrej Housing Finance Limited**  
**Notes forming Part of Financial Statements (Continued)**

(Currency: Indian Rupees in million)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>21. Other expenses</b>		
a) Electricity and water charges	1.03	0.53
b) Rent	30.43	1.22
c) Repair and maintenance - others	6.85	3.53
d) Rates and taxes	1.56	18.81
e) Legal and professional fees	77.09	50.85
f) Recruitment expenses	4.97	28.92
g) Membership and subscription fees	0.83	0.05
h) Housekeeping expenses	2.44	0.63
i) Office expenses	0.06	0.10
j) Printing and stationery	2.24	0.30
k) Communication cost	1.09	0.21
l) Computer expenses	42.14	2.02
m) Commission and brokerage	0.71	0.30
n) Advertisement and sales promotion	8.28	0.15
o) Payments to the auditor (Refer note 21.1)	0.65	0.05
p) Travelling and conveyance	3.93	1.87
q) Director's sitting fee	1.96	-
r) Loan sourcing cost	4.50	-
s) Postage and courier	0.16	-
t) Miscellaneous expenses	0.04	0.02
<b>Total</b>	<b>190.96</b>	<b>109.56</b>
<b>21.1 Payments to auditor</b>		
a) Audit fees	0.55	0.05
b) Certification work*	0.10	0.00
<b>Total</b>	<b>0.65</b>	<b>0.05</b>
* Rs. 0.00 denotes an amount less than Rs. 5,000/-		
<b>22. Provisions and write-offs</b>		
a) Contingent provision against standard assets	6.96	-
<b>Total</b>	<b>6.96</b>	<b>-</b>



**Godrej Housing Finance Limited**  
Notes forming Part of Financial Statements (Continued)

(Currency: Indian Rupees in million)

**23. Basic and Diluted Earning per Share (EPS)**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(Loss) after tax for the year (Rs. in million) - Basic	(518.30)	(188.10)
(Loss) after tax for the year (Rs. in million) - Diluted	(518.30)	(188.10)
Number of shares outstanding at the beginning of the year	14,000,000	12,000,000
Number of shares outstanding at the end of the year	14,736,842	14,000,000
Weighted average number of equity shares	14,004,037	13,748,634
Nominal value of equity shares (Rs.)	10	10
<b>Basic and Diluted Earning per Share (Rs.)</b>	<b>(37.01)</b>	<b>(13.68)</b>

The effects of anti dilutive potential equity shares have been ignored in calculating diluted earnings per share.

**24. Contingent Liabilities & Capital commitments**

**a) Contingent liabilities**

The Company has no contingent liabilities as at the balance sheet date.

**b) Commitments**

Capital commitment as at March 31, 2021 is Rs. 17.00 million (Previous year: Rs. 33.97 million)

**25. Micro, Small and Medium Enterprises Disclosure**

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

Particulars	As at March 31, 2021	As at March 31, 2020
(a) The principal amount remaining unpaid to any supplier as at the end of the accounting year;	0.47	3.48
(b) The interest due thereon remaining unpaid to any supplier as at the end of the accounting year;	-	-
(c) The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(d) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006;	-	-
(e) The amount of interest accrued and remaining unpaid at the end of accounting year;	-	-
(f) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-

Disclosure of outstanding dues of Micro and Small Enterprise under Trade Payables is based on the information available with the Company regarding the status of the suppliers as defined under the Micro, Small and Medium Enterprises Development Act, 2006. There is no undisputed amount overdue during the year ended and as at March 31, 2021 and March 31, 2020 to Micro, Small and Medium Enterprises on account of principal or interest.

26. The Company did not have any long term contracts including derivative contracts for which any provision is required for the foreseeable losses.

27. There are no amounts due and outstanding to be credited to Investor Education and Protection Fund as at March 31, 2021 (Previous year: Nil).

**28. Unhedged foreign currency exposures**

The Company has unhedged foreign currency exposure of Rs. 0.11 million (USD 1,475.46) as at March 31, 2021 (Previous year: Nil).

**29. Expenditure in foreign currency**

Expenditure incurred in foreign currency during the year included in the Statement of Profit and Loss:

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Professional and Consultation Fees	1.08	1.04

30. The amount of exchange difference included in the statement of profit and loss is Rs. 0.01 million (net gain) under the head other income (Previous year: Rs. 0.00\* million (net gain)).

\* Rs. 0.00 denotes an amount less than Rs. 5,000/-



**Godrej Housing Finance Limited**  
Notes forming Part of Financial Statements (Continued)

(Currency: Indian Rupees in million)

**31. Disclosure pursuant to Accounting Standard 15 (Revised) - Employee Benefits**

**Defined contribution plans (Employer's Contribution to Provident Fund)**

Amount of Rs. 10.24 million (Previous year: Rs. 3.96 million) is recognised as Employer's Contribution to Provident Fund expense and as included in Employee benefit expenses (refer note 19) in the Statement of Profit and Loss for the year ended March 31, 2021.

**Defined Benefit Plan (Gratuity)**

The following tables summarize the components of the net benefit expenses recognised in the Statement of Profit and Loss and the unfunded status and amounts recognised in the balance sheet for the gratuity benefit plan.

**Statement of Profit and Loss**

Net employee benefit expenses recognised in the Statement of Profit and Loss:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Current service cost	2.16	0.10
Interest Cost	0.10	0.02
Past service cost	-	-
Actuarial (Gains)/Losses recognised in the year	0.89	0.80
Expenses recognised in the Statement of Profit and Loss	<b>3.15</b>	<b>0.92</b>

**Balance Sheet**

Net liability recognised in Balance Sheet:

Particulars	As at March 31, 2021	As at March 31, 2020
Present value of defined benefit obligation as at the end of the year	4.79	1.58
Fair value of plan assets at the end of the year	-	-
Unrecognised past service cost at the end of the year	-	-
Liability recognised in the balance sheet	<b>4.79</b>	<b>1.58</b>

Of the above liability recognised in balance sheet, short term provision is Rs. 0.04 million (Previous year: Rs. 0.02 million)

**Change in present value of obligation:**

Particulars	As at March 31, 2021	As at March 31, 2020
Present value of benefit obligation at the beginning of the year	1.58	-
Interest cost	0.10	0.02
Current service cost	2.16	0.10
Past service cost	-	-
Liability transferred in/(out)	0.26	0.66
Liability transferred in/(out)	(0.20)	-
Actuarial (Gains)/Losses on obligations - due to experience	0.53	0.80
Actuarial (Gains)/Losses on obligations - due to change in demographic assumptions	0.46	-
Actuarial (Gains)/Losses on obligations - due to change in financial assumptions	(0.10)	-
Present value of benefit obligation at the end of the year	<b>4.79</b>	<b>1.58</b>

**Balance sheet reconciliation:**

Particulars	As at March 31, 2021	As at March 31, 2020
Opening net liability	1.58	-
Expense recognised in statement of profit and loss	3.15	0.92
Net liability/(asset) transfer in	0.26	0.66
Net (liability)/asset transfer out	(0.20)	-
Benefit paid directly by the employer	-	-
Net liability/(asset) recognised in balance sheet	<b>4.79</b>	<b>1.58</b>

**Net liability recognised in balance sheet:**

Particulars	As at March 31, 2021	As at March 31, 2020
Present value of defined benefit obligation	4.79	1.58
Fair value of plan assets	-	-
Net (asset)/liability	<b>4.79</b>	<b>1.58</b>

The Company's gratuity scheme is unfunded and hence there is no movement in planned assets.



**Godrej Housing Finance Limited**  
Notes forming Part of Financial Statements (Continued)

(Currency: Indian Rupees in million)

Actuarial assumptions:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Discount rate	6.49%	6.24%
Salary growth rate	7.00%	7.00%
Employee attrition rate	12.00%	15.00%
Mortality rate	Indian Assured Lives Mortality (2006-08) Ult	Indian Assured Lives Mortality (2006-08) Ult
Expected average remaining working lives of employees	7 Years	5 Years

**32. Leases**

The Company has taken various premises on lease for the purpose of offices. The terms of the lease agreements include varying terms of escalation in rents in future periods, terms of cancellation and varying terms of extension.

Details of Future Minimum Lease Payments are as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Due within one year	36.50	2.08
Due between one to five years	113.16	8.30
Due more than five years	-	-

**33. Deferred Tax Assets (Net)**

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Deferred Tax Assets (DTA)</b>		
Business Loss and Others	187.82	38.81
DTA restricted to	15.55	0.67
<b>Deferred Tax Liabilities (DTL)</b>		
WDV of tangible and intangible assets	(15.55)	(0.67)
<b>Total DTL</b>	<b>(15.55)</b>	<b>(0.67)</b>

In the absence of virtual certainty of future taxable income which will be available to realise the deferred tax asset, deferred tax asset on unabsorbed depreciation, business losses, deferred lease payments, disallowances under u/s 43B of Income Tax Act, 1961 and others is not created on conservative basis but it restricted to the deferred tax liability on tangible and intangible assets.

**34. Related Party Disclosure**

**34.01** Disclosure of transactions with related parties as required by the Accounting Standard 18.

**(a) List of related parties and relationship**

Relationships	Names
Holding Entity	Anamudi Real Estates LLP
Fellow Subsidiaries	Godrej Investment Advisers Private Limited Karukachal Developers Private Limited Ceres Developers Private Limited Pyxis Holdings Limited (formerly known as "Pyxis Developers Private Limited") (upto March 24, 2021)
Key Managerial Personnel (KMP)	Mr. Manish Shah (Managing Director & CEO)



**Godrej Housing Finance Limited**  
**Notes forming Part of Financial Statements (Continued)**  
(Currency: Indian Rupees in million)

**34. Related Party Disclosure (Continued)**

**b) Transactions with Related parties**

Nature of Transaction	As at March 31, 2021	As at March 31, 2020
<b>Capital Account Transactions</b>		
<b>Issuance of Equity share capital</b>		
Anamudi Real Estates LLP	-	20.00
<b>Issuance of Preference Share Capital</b>		
Anamudi Real Estates LLP	480.00	590.00
<b>Current Account Transactions</b>		
<b>Cost Reimbursement Paid To</b>		
Anamudi Real Estates LLP	-	9.24
<b>Cost Reimbursement Recoverable From</b>		
Pyxis Holdings Limited	1.11	-
<b>Remuneration paid to</b>		
Manish Shah	26.46	16.13

**34.02 Policy on Dealing with Related Party Transactions**

All Related Party Transactions (RPTs) of the company covered under the Companies Act, 2013 and relevant provision of Accounting Standard will be approved by the audit committee of the Board from time to time. Dealing with RPTs shall be in accordance with the Companies Act, 2013 & Rules thereunder, and other applicable provisions for the time being in force.

**35. Segment reporting**

The Company is engaged in the business of providing loans for purchase, construction, repairs and renovation etc., of houses/ flats to individuals and has its operations within India. The Company has only one operating segment hence reporting under AS 17 is not required.



**Godrej Housing Finance Limited**  
Notes forming Part of Financial Statements (Continued)

(Currency: Indian Rupees in million)

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

Godrej Housing Finance Limited was granted Certificate of Registration on October, 26 2020 and disclosures are being prepared from current year onwards.

36.01 **Schedule to the Balance Sheet**

Particulars	As at March 31, 2021	
	Amount outstanding	Amount overdue
<b>Liabilities side</b>		
1 Loans and advances availed by the HFC inclusive of interest accrued thereon but not paid:		
a) Debentures:	-	-
Secured	-	-
Unsecured	-	-
b) Deferred Credits	-	-
c) Term Loans	1,748.76	-
d) Inter-corporate loans and borrowing	-	-
e) Commercial Paper	-	-
f) Public Deposits	-	-
g) Other Loans (Loan repayable on demand from banks)	700.00	-
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	-	-
<b>Assets side</b>		
3 Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:		
a) Secured		1,940.93
b) Unsecured		34.65
4 Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities		
i) Lease assets including lease rentals under sundry debtors		
a) Financial lease		-
b) Operating lease		-
ii) Stock on hire including hire charges under sundry debtors		
a) Assets on hire		-
b) Repossessed Assets		-
iii) Other loans counting towards asset financing activities		
a) Loans where assets have been repossessed		-
b) Loans other than (a) above		-
5 Break-up of Investments		
<b>Current Investments</b>		
<b>Quoted</b>		
i) Shares		
a) Equity		-
b) Preference		-
ii) Debentures and Bonds		-
iii) Units of mutual funds		-
iv) Government Securities		-
v) Others (please specify)		-
<b>Unquoted</b>		
i) Shares		
a) Equity		-
b) Preference		-
ii) Debentures and Bonds		-
iii) Units of mutual funds		-
iv) Government Securities		-
v) Others (please specify)		-



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

Assets side (Continued)		Amount outstanding		
<b>Long Term investments</b> <b>Quoted</b> i) Shares a) Equity b) Preference ii) Debentures and Bonds iii) Units of mutual funds iv) Government Securities v) Others (please specify) <b>Unquoted</b> i) Shares a) Equity b) Preference ii) Debentures and Bonds iii) Units of mutual funds iv) Government Securities v) Others (please specify)				
6	<b>Borrower group-wise classification of assets financed as in (3) and (4) above:</b>			
	<b>Category</b>	<b>Amount net of provisions</b>		
		<b>Secured</b>	<b>Unsecured</b>	<b>Total</b>
	Related Parties			
	a) Subsidiaries	-	-	-
	b) Companies in the same group	-	-	-
	c) Other related parties	-	-	-
	Other than related parties	1,934.12	34.50	1,968.62
7	<b>Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):</b>			
	<b>Category</b>	<b>Market Value / Break up or fair value or NAV</b>	<b>Book Value (Net of Provisions)</b>	
	Related Parties			
	a) Subsidiaries	-	-	
	b) Companies in the same group	-	-	
	c) Other related parties	-	-	
	Other than related parties	-	-	
8	<b>Other information</b>			
	<b>Particulars</b>	<b>Amount</b>		
	i) Gross Non-Performing Assets			
	a) Related parties	-		
	b) Other than related parties	-		
	ii) Net Non-Performing Assets			
	a) Related parties	-		
	b) Other than related parties	-		
	iii) Assets acquired in satisfaction of debt	-		



**Godrej Housing Finance Limited**  
Notes forming Part of Financial Statements (Continued)

(Currency: Indian Rupees in million)

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

**36.02 Capital to risk assets ratio (CRAR)**

Particulars	As at March 31, 2021
CRAR (%)	21.86%
CRAR - Tier I capital (%)	21.54%
CRAR - Tier II Capital (%)	0.32%
Amount of Subordinated debt raised as Tier II capital	-
Amount raised by issue of perpetual debt instruments	-

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

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

**36.04 Investments**

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



**Godrej Housing Finance Limited**  
Notes forming Part of Financial Statements (Continued)

(Currency: Indian Rupees in million)

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

**36.05 Derivatives**

**36.05.01 I) Forward rate agreement / interest rate swap**

Particulars	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 <sup>§</sup>	-
v) The fair value of the swap book <sup>®</sup>	-
Note: Nature and terms of the swaps including information on credit and market risk and the accounting policies adopted for recording the swaps should also be disclosed.	
<sup>§</sup> Examples of concentration could be exposures to particular industries or swaps with highly geared companies.	
<sup>®</sup> If the swaps are linked to specific assets, liabilities, or commitments, the fair value would be the estimated amount that the HFC would receive or pay to terminate the swap agreements as on the balance sheet date.	

**36.05.02 II) Exchange traded interest rate (IR) derivatives**

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

**36.05.03 III) Disclosures on risk exposure in derivatives**

**Qualitative disclosure**

The company has not entered into any derivate/forward rate agreement/interest rate swap/exchange traded interest rate derivative during the year, qualitative disclosure.

**Quantitative disclosure**

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

**36.06 Disclosures relating to securitisation:**

**36.06.01 The information on securitisation of the Company as an originator in respect of outstanding amount of securitized assets is given below:**

Particulars	As at March 31, 2021
i) No. of SPVs sponsored by the HFC for securitisation transactions*	-
ii) Total amount of securitised assets as per books of the SPVs sponsored	-
iii) Total amount of exposures retained by the HFC towards the MRR as on the date of balance sheet	-
a) Off-balance sheet exposures towards credit enhancement	-
b) On-balance sheet exposures towards credit enhancement	-
iv) Amount of exposures to securitisation transactions other than MRR	-
a) Off-balance sheet exposures towards credit enhancement	-
- Exposure to own securitisations	-
- Exposure to third party securitisations	-
b) On-balance sheet exposures towards credit enhancement	-
- Exposure to own securitisations	-
- Exposure to third party securitisations	-
*Only the SPVs relating to outstanding securitisation transactions may be reported here	



**Godrej Housing Finance Limited**  
Notes forming Part of Financial Statements (Continued)

(Currency: Indian Rupees in million)

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

**36.06 Disclosures relating to securitisation: (Continued)**

**36.06.02 Details of financial assets sold to securitisation / reconstruction company for asset reconstruction**

Particulars	As at March 31, 2021
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	-

**36.06.03 Details of assignment transactions undertaken by HFCs**

Particulars	As at March 31, 2021
i) No. of accounts	-
ii) Aggregate value (net of provisions) of accounts assigned	-
iii) Aggregate consideration	-
iv) Additional consideration realized in respect of accounts transferred in earlier years	-
v) Aggregate gain / (loss) over net book value	-

**36.06.04 Details of non-performing financial assets purchased/sold:**

**A. Details of non-performing financial assets purchased:**

Particulars	As at March 31, 2021
i) a) No. of accounts purchased during the year	-
b) Aggregate outstanding	-
ii) a) Of these, number of accounts restructured during the year	-
b) Aggregate outstanding	-

**B. Details of non-performing financial assets sold:**

Particulars	As at March 31, 2021
i) No. of accounts sold	-
ii) Aggregate outstanding	-
iii) Aggregate consideration received	-



**Godrej Housing Finance Limited**  
Notes forming Part of Financial Statements (Continued)

(Currency: Indian Rupees in million)

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

**36.07 Asset liability management**

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

Particulars	Liabilities			
	Deposits	Borrowings from Banks	Market Borrowings	Foreign Currency Liabilities
1 day to 7 days	-	-	-	0.11
8 days to 14 days	-	-	-	-
15 days to 30/31 days (One month)	-	5.56	-	-
Over One month up to 2 months	-	5.56	-	-
Over 2 months up to 3 months	-	255.56	-	-
Over 3 months up to 6 months	-	16.67	-	-
Over 6 months up to 1 year	-	769.35	-	-
Over 1 year up to 3 years	-	1,395.81	-	-
Over 3 years up to 5 years	-	-	-	-
Over 5 years	-	-	-	-
<b>Total</b>	-	<b>2,448.51</b>	-	<b>0.11</b>

Particulars	Assets		
	Advances	Investments	Foreign Currency Assets
1 day to 7 days	4.52	-	-
8 days to 14 days	-	-	-
15 days to 30/31 days (One month)	-	-	-
Over One month to 2 months	5.31	-	-
Over 2 months up to 3 months	5.88	-	-
Over 3 months up to 6 months	17.86	-	-
Over 6 months up to 1 year	36.74	-	-
Over 1 year up to 3 years	164.44	-	-
Over 3 years up to 5 years	191.58	-	-
Over 5 years	1,549.25	-	-
<b>Total</b>	<b>1,975.58</b>	-	-

**36.08 Exposure**

**i) Exposure to real estate sector**

Category	As at March 31, 2021
<b>a) Direct exposure</b>	
<b>Residential mortgages -</b> Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented.	1,683.10
<b>Commercial real estate -</b> Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure includes non-fund based (NFB) limits. (Note: Loans for third dwelling unit onwards are being classified as CRE exposure)	257.83
<b>Investments in mortgage backed securities (MBS) and other securitised exposures -</b>	
- Residential	-
- Commercial Real Estate	-
<b>b) Indirect exposure</b>	
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-
<b>Total exposure to Real Estate Sector</b>	<b>1,940.93</b>



**Godrej Housing Finance Limited**  
Notes forming Part of Financial Statements (Continued)

(Currency: Indian Rupees in million)

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

**36.08 Exposure (Continued)**

**ii) Exposure to Capital Market**

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

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

There is no financing during the year.

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

The Company has not exceeded prudential exposure limit as on reporting date.

**36.11 Unsecured advances**

The Company has unsecured advances of Rs. 34.65 million. The Company has not granted any advances against intangible collateral.

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

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

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



**Godrej Housing Finance Limited**  
Notes forming Part of Financial Statements (Continued)

(Currency: Indian Rupees in million)

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

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

The Company is registered with following regulators :

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

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

There was no penalty imposed on the Company by NHB or any other regulator during the year.

**36.15 Related Party Transactions**

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

**36.16 Group Structure**



**36.17 Rating assigned by credit rating agencies**

Instruments	Credit Rating Agency	As at March 31, 2021
Short term loan	CARE Ratings Ltd.	CARE A1+
Commercial Paper	ICRA Ltd.	ICRA A1+

**36.18 Remuneration of Directors**

Details of all pecuniary transactions with Non-Executive Independent Directors

Particulars	As at March 31, 2021
Directors sitting fees paid to	
i) Rosemary Sebastian	0.80
ii) Usha Sangwan	1.00

There are no other pecuniary transactions with Non-executive Directors during the year.

**36.19 Management Discussion and Analysis**

Refer to the Management Discussion and Analysis report for the relevant disclosures.

**36.20 Net Profit or Loss for the period, prior period items and changes in accounting policies**

There are no prior period items that have impact on the current year's profit and loss. There are no changes in accounting policies during the year.

**36.21 Revenue Recognition**

There have been no instances in which revenue recognition has been postponed pending the resolution of significant uncertainties.

**36.22 AS-21 Consolidated Financial Statements (CFS)**

The Company does not have any Subsidiary/Joint Venture/Associates as on March 31, 2021.



**Godrej Housing Finance Limited**  
Notes forming Part of Financial Statements (Continued)

(Currency: Indian Rupees in million)

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

**36.23 Provisions and contingencies**

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

Particulars	For the year ended March 31, 2021
i) Provision made for depreciation on investment	-
ii) Provision made towards non performing assets	-
iii) Provision made towards income tax	-
iv) Provision made for gratuity	3.21
v) Provision made for leave encashment	1.50
vi) Provision made for standard assets:	
CRE	2.59
Housing Loans	4.10
Non-Housing Loans	0.27

**36.24**

Break up of Loan & Advances and Provisions thereon	As at March 31, 2021	
	Housing	Non Housing
i) <b>Standard Assets</b>		
Total Outstanding Amount	1,639.11	345.10
Provisions made	4.10	2.86
ii) <b>Sub-Standard Assets</b>		
Total Outstanding Amount	-	-
Provisions made	-	-
iii) <b>Doubtful Assets – Category-I</b>		
Total Outstanding Amount	-	-
Provisions made	-	-
iv) <b>Doubtful Assets – Category-II</b>		
Total Outstanding Amount	-	-
Provisions made	-	-
v) <b>Doubtful Assets – Category-III</b>		
Total Outstanding Amount	-	-
Provisions made	-	-
vi) <b>Loss Assets</b>		
Total Outstanding Amount	-	-
Provisions made	-	-
vii) <b>Total</b>		
Total Outstanding Amount	1,639.11	345.10
Provisions made	4.10	2.86

**36.25 Draw down from reserves**

No drawdown from the reserves during the year.

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

Particulars	As at March 31, 2021
i) <b>Concentration of public deposits</b>	
Total deposits of twenty largest depositors	N.A
Percentage of deposits of twenty largest depositors to total deposits of the deposit taking HFC	N.A
ii) <b>Concentration of Loans &amp; Advances</b>	
Total loans & advances to twenty largest borrowers	309.78
Percentage of loans & advances to twenty largest borrowers to Total Advances of the HFC	15.68%
iii) <b>Concentration of all Exposure (including off-balance sheet exposure)</b>	
Total Exposures to twenty largest borrowers / Customers	475.31
Percentage of Exposures to twenty largest borrowers / Customers to Total Exposure of the HFC on borrowers / Customers	11.30%
iv) <b>Concentration of NPAs</b>	
Total Exposures to top ten NPA accounts	-



**Godrej Housing Finance Limited**  
Notes forming Part of Financial Statements (Continued)

(Currency: Indian Rupees in million)

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

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

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

36.27 Movement in non-performing assets (NPAs)

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

36.28 Overseas Assets

The Company does not own any overseas assets as on reporting date.



**Godrej Housing Finance Limited**  
Notes forming Part of Financial Statements (Continued)

(Currency: Indian Rupees in million)

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

36.29 Off-balance Sheet SPVs sponsored

Name of the SPV sponsored: Nil	
Domestic	Overseas
Nil	Nil

36.30 Details of customers complaints

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

36.31 Disclosure of principal business criteria

Particulars	As at March 31, 2021
i) Financial assets, in the business of providing finance for housing, to total assets (netted off by intangible assets)	67.76%
ii) Housing finance to individuals to total assets (netted off by intangible assets)	52.52%

36.32 The Company has not granted any loans against collateral of gold jewellery during the year.

36.33 There are no adverse comments during the year on the Company made in writing by the Bank or NHB on regulatory compliances.

36.34 The Company does not have any joint ventures and overseas subsidiaries as on the reporting date.

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

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

There were no cases as fraud reported to NHB during the financial year ended March 31, 2021.



**Godrej Housing Finance Limited**  
Notes forming Part of Financial Statements (Continued)

(Currency: Indian Rupees in million)

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

**36.37 Disclosure on liquidity risk as per Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies issued by Reserve Bank of India**

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

Number of Significant Counterparties	Amount	% of Total deposits	% of Total Liabilities
5	2,448.51	N.A	92.58%

ii) Top 20 large deposits is Nil and % of total deposits: N.A.

iii) Top 10 borrowings Rs. 2448.51 million and 100% of total borrowings

iv) Funding Concentration based on significant instrument/product

Name of the instrument/product	Amount	% of Total Liabilities
a) Term Loan	1,748.51	66.11%
b) Loan repayable on demand from banks	700.00	26.47%

v) Stock Ratios:

a) Commercial papers (CPs) as a % of total public funds, total liabilities and total assets

Particulars	Weightage
CPs as a % of Public Funds	N.A
CPs as a % of Total Liabilities	N.A
CPs as a % of Total Assets	N.A

b) Non-convertible debentures (original maturity of less than one year) as a % of total public funds, total liabilities and total assets – 0%

c) Other short-term liabilities, if any as a % of total public funds, total liabilities and total assets

Particulars	Weightage
Other Short-Term Liabilities as a % of Public Funds	N.A
Other Short-Term Liabilities as a % of Total Liabilities	6.18%
Other Short-Term Liabilities as a % of Total Assets	4.68%

vi) Institutional set-up for liquidity risk management

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



**Godrej Housing Finance Limited**  
**Notes forming Part of Financial Statements (Continued)**

(Currency: Indian Rupees in million)

37. The Company has assessed the possible effects that may result from the pandemic relating to COVID-19 on its ability to meet its liabilities as and when they fall due, and in assessing the recoverability and carrying values of its assets comprising of property, plant & equipment, loans and advances and current investments. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information. As on current date, the Company has concluded that the impact of COVID – 19 is not material. Due to the nature of the pandemic, the Company will continue to monitor developments to identify significant uncertainties in future periods, if any.
38. Previous year's figures have been regrouped / reclassified wherever necessary to conform to current year's classification / disclosure.

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



**Pirojsha Godrej**  
Director  
DIN: 00432983



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



**Mili Desai**  
Company Secretary



**Kunal Karnani**  
Chief Financial Officer

Place: Mumbai  
Date: June 15, 2021





<b>Directors and Key Managerial Personnel :</b>	Mr. Pirojsha Adi Godrej, Director Ms. Usha Sangwan, Independent Director (with effect from 28 <sup>th</sup> January 2021) Ms. Rosemary Sebastian, Independent Director (with effect from 28 <sup>th</sup> January 2021) Mr. Manish Anant Shah, Managing Director and CEO Mr. Kunal Karnani, Chief Financial Officer (CFO) Ms. Mili Desai, Company Secretary (CS) (with effect from 17 <sup>th</sup> December, 2020)
<b>Auditors</b>	M/s. Kalyaniwalla & Mistry LLP Chartered Accountants Mumbai
<b>Registered Office :</b>	Godrej One, Pirojshanagar Eastern Express Highway Vikhroli (East) Mumbai 400 079 Telephone Number: C/o 022 -25195200
<b>Registrar &amp; Share Transfer Agent :</b>	KFin Technologies Private Limited Selenium Building Tower B, Plot No 31 & 32 Financial District, Nanakramguda, Serilingampally Hyderabad – 500 032

**BOARDS' REPORT**

To  
The Shareholders,  
Godrej Housing Finance Limited

Your Directors submit their 3<sup>rd</sup> Annual Report along with the Audited Accounts for the year ended March 31, 2021.

**1. FINANCIAL AND OPERATIONAL REVIEW:****a. Financial Results**

The Company's performance during the year ended 31<sup>st</sup> March, 2021 as compared to the previous financial year ended 31<sup>st</sup> March, 2020 is summarized below:

Particulars	(Rs. In millions)	
	For the Financial year ended as on 31 <sup>st</sup> March 2021	For the Financial year ended as on 31 <sup>st</sup> March 2020
Total Income	22.64	3.88
Expenditure other than Interest and Depreciation	486.86	189.73
Profit/(Loss) before Interest, Depreciation and Tax	(464.22)	(185.85)
Interest (net)	12.85	-
Profit/(Loss) before depreciation and tax	(477.07)	(185.85)
Depreciation	41.23	2.25
Profit/(Loss) before Tax and exceptional items	(518.30)	(188.10)
Provision for Current Tax	-	-
Provision for Deferred Tax	-	-
<b>Net Profit/(Loss)</b>	<b>(518.30)</b>	<b>(188.10)</b>

**b. Business Performance Highlights**

The Company received Certificate of Registration from Reserve Bank of India to act as NBFC – Housing Finance Company (NBFC-HFC) and commenced its housing finance operations from 02<sup>nd</sup> November 2020 onwards:

- **Sanctions**  
During the year, your Company has sanctioned loans amounting to Rs. 4208.01 Million.
- **Disbursements**  
During the year, your company has disbursed loans amounting to Rs. 1985.65 Million.
- **Loans outstanding (Loan Book)**  
Loans outstanding (Loan Book) - The total loan outstanding as on March 31, 2021 were Rs. 1975.58 Million.
- **Non-Performing Assets (NPA)**  
Your Company has developed a strong collection and recovery mechanism, which together with strong origination standards, has resulted in Nil NPAs in its portfolio.

Your Company continues to focus on building a low risk quality portfolio to minimize credit losses and to create a sustainable retail franchise.,

During the year under review, your Company has made a provision for Rs. 6.96 Million towards Standard Assets, in compliance with the Guidelines issued by the Reserve Bank of India.

#### c. COVID – 19 Pandemic

COVID-19 being a global pandemic, has continued to spread across the world and India is not an exception. The impact of Covid 19 Pandemic has resulted into a significant decline and volatility in global and Indian financial markets and an unprecedented level of disruption in socio-economic activities. The extent of impact of the COVID-19 pandemic on the Company's operations and financial metrics will depend on future developments, which are highly uncertain.

#### d. Investment by Pan Fin Investments

Pursuant to the execution of an Investment Agreement ("IA") between the Company, Pan Fin Investments LP ("Pan Fin") and Anamudi Real Estates LLP, on March 10, 2021, the Board of Directors of your Company approved the issue and offer of 7,36,842 equity shares at an Issue price of Rs 57.01831584/- per share (including premium of Rs. 47.01831584/- per share) and 56,31,579 - 0.01% Compulsorily Convertible Preference Shares ("0.01% CCPS") at an Issue price of Rs. 57.01946503/- per share (including premium of Rs. 47.01946503/- per share) to Pan Fin, aggregating to an investment of Rs. 363.12 million in the share capital of the Company ("Issue through Private Placement").

During the year under review, upon receipt of approval of the shareholders of the Company, and subscription amount from Pan Fin, your Board of Directors allotted 7,36,842 equity shares and 56,31,579 - 0.01% CCPS to Pan Fin resulting into allotment of 5% stake in the fully diluted share capital of the Company.

and 56,31,579 - 0.01% CCPS to Pan Fin resulting into allotment of 5% stake in the fully diluted share capital of the Company.

The said amount has been utilized for the purpose it was raised for i.e. for the business activities of the Company.

**e. Report on Performance of Subsidiaries, Associates and Joint Venture Companies:**

During the year under review, the Company did not have any Subsidiary, Associate and Joint Venture Company.

**f. Dividend**

In view of loss incurred during the year, the Board of Directors have not recommended any Dividend for the year.

**g. Transfer to Reserves**

In view of loss incurred during the financial year under review, the Board of Directors has not recommended transfer of any amount to reserves.

**h. Portfolio of the Company**

The portfolio of the total loan outstanding, of your company stood at Rs. 1975.58 Million on March 31, 2021.

The average ticket size on portfolio as on March 31, 2021 stood at Rs. 5.69 Million.

**i. Capital Adequacy**

As required under Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, your Company is presently required to maintain a minimum capital adequacy of 14% on a standalone basis. The Capital Adequacy Ratio (CAR) of the Company as on March 31, 2021 was 21.86 %.

**j. Public Deposits**

Your Company being a non-deposit accepting Housing Finance Company as per the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, has not accepted, renewed or held any public deposits during the year under review and shall not accept any deposits from public during the Financial Year 2021-22.

Accordingly, the requirements under Chapter V of the Companies Act, 2013 read with Rule 8(5)(v) and 8(5)(vi) of the Companies (Accounts) Rules, 2014 are not applicable to your Company.

#### **k. Branch Network of the Company**

As on March 31, 2021, the branch network of your Company is spread over four locations, i.e. Delhi, Bengaluru, Mumbai & Pune.

#### **1. State of Company's Affairs**

The Company was incorporated for the purpose of carrying out business of housing finance and provide financial assistance to construct, purchase, expand, renovate property. Some key parameters and milestones have been summarized as under:

1. The team strength increased to 181 during the year as compared to 62 for the previous year with a view to build up and expand the business capacity in the early formative years of the Company.
2. The team strength has been increased across verticals.
3. The loan portfolio as of March 2021 stood at Rs. 1975.58 Million.
4. Gross NPA and Net NPA ratio, respectively, were NIL.

There is no change in the fundamental nature of business of the Company for the year under review.

#### **m. Particulars of Loans, Guarantees or Investments**

In terms of section 186(11) of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014, the Company being a housing finance company registered with NHB, the Company is exempt from complying the provisions of section 186 in respect of loans made, guarantees given or securities provided by the Company. Further, for details of the investments made by the Company, please refer Note no. 13 of the audited financial statements of the Company for the financial year ended March 31, 2021.

#### **n. Particulars of Contracts or Arrangements with Related Parties**

During the financial year under review the Company has not entered into any contracts or arrangement with related parties requiring approval of the Board of Directors and Shareholders of the Company pursuant to Section 188 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014. All related party transactions that were entered

into during the year under review were on an arm's length basis and in the ordinary course of business.

The disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable. In accordance with the Indian Accounting Standard 18, the details of transactions with related parties have been provided in Note No. 34 of the audited Financial Statements.

**o. Credit Rating**

During the year, the Company received "CARE A1+ (A One Plus)" credit rating for the short term bank facilities from CARE Ratings Ltd and "ICRA A1+ (A One Plus)" credit rating for Commercial Papers from ICRA Ltd.

**p. Borrowings**

During the Financial Year 2020-21, the Company met its funding requirements by availing credit facilities from Banks.

The aggregate bank borrowings, i.e. Term Loans, Short term loans and loan repayable on demand, at the end of the financial year under review stood at Rs. 2,448.51 million. The overall borrowings are within regulatory ceiling as well as aggregate borrowing limit of the Company.

**2. SHARE CAPITAL AND CHANGES IN SHAREHOLDING**

**a. Authorized Share Capital of the Company**

The Authorized Share Capital as on March 31, 2021 stood at Rs. 200,00,00,000/- (Rupees Two Hundred Crore only) divided into 1,50,00,000 (One Crore Fifty Lakh) Equity Shares of Face Value of Rs. 10/- (Rupees Ten only) each and 18,50,00,000 (Eighteen Crore Fifty Lakh) Preference Shares of Face Value of Rs. 10/- (Rupees Ten only) each.

**b. Issued, Subscribed and Paid up Share Capital of the Company**

As on 31<sup>st</sup> March, 2021, the Paid up Share Capital of the Company was Rs. 127,36,84,210/- (Rupees One Hundred Twenty-Seven Crore Thirty-six Lac Eighty-Four Thousand Two Hundred and Ten only) divided into 1,47,36,842 (One Crore Forty-Seven Lakh Thirty-Six Thousand Eight Hundred Forty-Two) Equity Shares of Face Value of Rs. 10/- (Rupees Ten only) each fully paid-up and 11,26,31,579 (Eleven Crore Twenty-Six Lakh Thirty-One Thousand Five Hundred Seventy-nine) 0.01% Compulsorily Convertible Preference Shares of Face Value of Rs. 10/- (Rupees Ten only) each fully paid-up.

**c. Changes in Paid –up Share Capital of the Company**

- Details of allotment of Equity shares made by the Company during the year under review:

Name of shareholder	Type of Issue	Number of Shares	Face Value (In Rs.)	Paid up Equity Share Capital post allotment (In. Rs.)
Pan Fin Investments LP	Issue by private placement	736,842	10.00	14,73,68,420/-

- Details of allotment of 0.01% Compulsorily Convertible Preference Shares (herein after referred to as '0.01% CCPS') made by the Company during the year under the review:

Name of shareholder	Type of Issue	Number of Shares	Face Value (In Rs.)	Paid up Preference capital post allotment (In. Rs.)
Anamudi Real Estates LLP	Rights Issue	50,00,000	10.00	64,00,00,000/-
Anamudi Real Estates LLP	Rights Issue	60,00,000	10.00	70,00,00,000/-
Anamudi Real Estates LLP	Rights Issue	40,00,000	10.00	74,00,00,000/-
Anamudi Real Estates LLP	Rights Issue	40,00,000	10.00	78,00,00,000/-
Anamudi Real Estates LLP	Rights Issue	1,00,00,000	10.00	88,00,00,000/-
Anamudi Real Estates LLP	Rights Issue	90,00,000	10.00	97,00,00,000/-
Anamudi Real Estates LLP	Rights Issue	1,00,00,000	10.00	1,07,00,00,000/-
Pan Fin Investments LP	Issue by private placement	56,31,579	10.00	112,63,15,790/-

As on 31<sup>st</sup> March, 2021, the Issued, Subscribed and Paid-up Share Capital stands at Rs. 1,27,36,84,210/- (Rupees One Hundred Twenty-Seven Crores Thirty-Six Lakhs Eighty-Four Thousand Two Hundred Ten only). Anamudi Real Estates LLP holds 95% of Paid-up Equity Share Capital through itself and its six nominees and 95% of the Paid-up Preference Share Capital of the Company whereas Pan Fin Investments LP holds 5% of the Paid-up Equity Share Capital and 5% of the Paid-up Preference Share Capital of the Company.

During the year under review, the Company has not:

- i. Issued Equity Shares with differential rights as to dividend, voting or otherwise as per Section 43 of the Companies Act, 2013;
- ii. Issued shares (including sweat equity shares) to employees of the Company under any scheme pursuant to Section 54 of the Companies Act, 2013; and
- iii. Issued Equity Shares under Employees Stock Option Scheme as per provisions of Section 62(1)(b) of the Act read with Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014.

### **3. BOARD OF DIRECTORS, KEY MANAGERIAL PERSONNEL ("KMP") AND COMMITTEES:**

#### **a. Board of Directors**

As at the year ended 31<sup>st</sup> March, 2021, the Board of Directors of the Company comprised of following Directors:

Name of Director	DIN	Type
Mr. Pirojsha Adi Godrej	00432983	Non-Executive Director
Mrs. Usha Sangwan	02609263	Additional Director, Independent
Mrs. Rosemary Sebastian	07938489	Additional Director, Independent
Mr. Manish Anant Shah	06422627	Managing Director & CEO

During the year under review, following changes occurred in the composition of the Board of Directors of the Company:

- Mrs. Usha Sangwan (DIN: 02609263) and Mrs. Rosemary Sebastian (DIN: 07938489) were appointed as Additional Directors in the capacity of Independent Directors of the Company w.e.f. 28<sup>th</sup> January 2021.
- Mr. Karan Bolaria (DIN: 06618461) resigned as Non-Executive Director w.e.f. 22<sup>nd</sup> February 2021.
- Mr. Mohit Malhotra (DIN: 07074531) resigned as Non-Executive Director w.e.f. 23<sup>rd</sup> February 2021.

Resolutions seeking approval of members for the appointment of Mrs. Usha Sangwan (DIN: 02609263) and Mrs. Rosemary Sebastian (DIN: 07938489) as Independent Directors of the Company forms part of the Notice convening the 3<sup>rd</sup> Annual General Meeting (AGM). Necessary details regarding their respective appointment as required under the Act are specified in the Notice of AGM. The resignations of Mr. Karan Bolaria and Mr. Mohit Malhotra were subject to the approval of Reserve Bank of India (RBI) pursuant to Chapter VIII of Master Direction – Non-

Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021. The approval of RBI was received on May 5, 2021.

The appointments of Mrs. Usha Sangwan (DIN: 02609263) and Mrs. Rosemary Sebastian (DIN: 07938489) as Independent Directors of the Company were made in accordance to the provisions of the Companies Act, and “Fit & Proper” criteria adopted by the Company. In the opinion of the Board of Directors, Mrs. Usha Sangwan and Mrs. Rosemary Sebastian respectively possess requisite qualification, experience, expertise, proficiency and hold high standards of integrity which is required for Independent Directors.

#### **b. Director’s Disclosures**

Based on the declarations and confirmations received in terms of the provisions of the Act, circular(s)/notification(s)/direction(s) issued by the Reserve Bank of India (RBI) as well as National Housing Bank (NHB) and such other applicable laws, none of the Directors of the Board of your Company are disqualified from being appointed as Directors.

Pursuant to Section 149(7) of the Companies Act, 2013, the Company has received respective declaration from Mrs. Usha Sangwan and Mrs. Rosemary Sebastian, Independent Directors of the Company affirming compliance with the criteria of independence as specified in the Section 149(6) of the Companies Act, 2013.

#### **c. Retirement by Rotation:**

Pursuant to the provisions of Section 152 of the Companies Act, 2013 read with the Articles of Association of the Company, Mr. Manish Anant Shah (DIN: 06422627), Managing Director & CEO being the longest in the office, is liable to retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, has offered himself for re-appointment.

The Board of Directors recommends his appointment and the matter is being placed for seeking approval of members at the ensuing Annual General Meeting of the Company. Pursuant to the Secretarial Standards – 2 on General Meetings, brief details of Mr. Manish Anant Shah, are provided as Annexure ... to the Notice of the Annual General Meeting.

#### **d. Nomination & Remuneration Policy**

In terms of section 178 of the Companies Act, 2013, the Board of Directors of the Company has formulated Nomination & Remuneration Policy ensuring the criteria for evaluation of performance and determination of remuneration based on the performance of Directors, KMPs and Senior Management. The key objectives of the Policy inter-alia are to formulate the criteria for determining qualifications, competencies, positive attributes and independence for

appointment of a Director, criteria for evaluation of the members of the Board and carry out evaluation of the performance of Directors and KMPs. The said policy is available on the website of the Company at [www.godrejhf.com](http://www.godrejhf.com)

#### e. Performance Evaluation

In terms of the provisions of section 178 of the Companies Act, 2013, the Nomination & Remuneration Policy of the Company which, inter alia, specifies the criteria for evaluation of the performance of the Board, as a collective entity, its Committees and individual Directors including the Chairman, has been reviewed as well as approved by the Nomination & Remuneration Committee of the Company. Subsequent to the year under review, the evaluation of the performance of the Directors including Independent Directors, Committees of the Board and the Board as a collective entity was carried out in accordance with the provisions of the Companies Act, 2013.

The meeting of Independent Directors for the purpose of carrying out performance evaluation of Directors, Board as collective entity and the Chairman, was held on March 30, 2021.

#### f. Key Managerial Personnel ("KMP")

In accordance with the provisions of Section 203 of the Companies Act, 2013 and Rules made thereunder, the Key Managerial Personnel (KMP) of the Company are as under:

Name	Designation
Mr. Manish Anant Shah	Managing Director and Chief Executive Officer ('CEO')
Mr. Kunal Karnani	Chief Finance Officer ("CFO")
Ms. Mili Desai*	Company Secretary

\*Ms. Mili Desai was appointed as Company Secretary of the Company w.e.f. 17<sup>th</sup> December 2020.

#### g. The disclosures under Schedule V of the Companies Act, 2013 is as follows:

- i. The details of the remuneration paid to Mr. Manish Anant Shah, Managing Director & CEO of the Company during the financial year 2020-21 have been furnished in Form No. MGT-7, copy of Annual Return, available on the website of the Company.
- ii. **Service contracts, notice period, severance fees:**  
Mr. Manish Anant Shah was appointed as Managing Director & CEO of the Company, for a term of three years from September 4, 2019 to September 3, 2022.

There is no separate provision for payment of any severance fees to the Managing Director & CEO of the Company. However, there is a provision for notice period of three months from either side

#### h. Committees of Board:

The Board in its meeting held on January 28, 2020, has constituted following committees pursuant to the applicable provisions of the Companies Act, 2013 and the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, and the internal requirements. The respective composition of the Committees as on March 31, 2021 is as below:

Name of Committee	Name of Member
Audit Committee	1. Mrs. Rosemary Sebastian, Independent Director & Chairperson 2. Mrs. Usha Sangwan, Independent Director 3. Mr. Pirojsha Adi Godrej, Non-Executive director
Nomination & Remuneration Committee	1. Mrs. Usha Sangwan, Independent Director & Chairperson 2. Mrs. Rosemary Sebastian, Independent Director 3. Mr. Pirojsha Adi Godrej, Non-Executive director
Risk Management Committee	1. Mrs. Usha Sangwan, Independent Director & Chairperson 2. Mr. Pirojsha Adi Godrej, Non-Executive Director 3. Mr. Manish Anant Shah, MD & CEO
Willful Defaulter Review Committee	1. Mr. Usha Sangwan, Independent Director & Chairperson 2. Mrs. Rosemary Sebastian, Independent Director 3. Mr. Manish Anant Shah, MD & CEO
IT Strategy Committee	1. Mrs. Usha Sangwan, Independent Director & Chairperson 2. Mr. Manish Anant Shah, MD & CEO & 3. Mrs. Jyothirlatha, CTO
Executive Committee	1. Mr. Manish Anant Shah, MD and CEO & Chairman 2. Mr. Pirojsha Adi Godrej, Non-Executive Director & 3. Mr. Kunal Karnani, CFO
Borrowing & Investment Committee	1. Mr. Manish Anant Shah, MD & CEO & Chairman 2. Mr. Kunal Karnani, CFO
Asset Liability Committee	1. Mr. Pirojsha Adi Godrej, Non-Executive Director & Chairman 2. Mr. Manish Anant Shah, MD & CEO 3. Mr. Kunal Karnani, CFO
Grievance Redressal Committee	1. Mrs Rosemary Sebastian, Independent Director & Chairperson

		<ol style="list-style-type: none"> <li>2. Mrs. Usha Sangwan Independent Director,</li> <li>3. Mr. Manish Anant Shah, MD &amp; CEO</li> <li>4. Mr. Nalin Jain, CCO &amp; Head – Operations</li> </ol>
Customer Strategy Committee		<ol style="list-style-type: none"> <li>1. Mr. Manish Anant Shah, MD &amp; CEO &amp; Chairman</li> <li>2. Mrs. Usha Sangwan, Independent Director</li> <li>3. Mr. Pankaj Gupta, CBO</li> <li>4. Mr. Nalin Jain, CCO &amp; Head – Operations</li> </ol>
Credit Committee		<ol style="list-style-type: none"> <li>1. Mr. Pirojsha Adi Godrej, Non-Executive Director &amp; Chairman</li> <li>2. Mr. Manish Anant Shah, MD &amp; CEO</li> <li>3. Mrs. Shalinee Mimani, CRO</li> </ol>
IT Steering Committee		<ol style="list-style-type: none"> <li>1. Mr. Manish Anant Shah, MD &amp; CEO &amp; Chairman</li> <li>2. Mr. Kunal Karnani, CFO</li> <li>3. Mrs. Jyothirlatha, CTO</li> </ol>
Whistle Blower Committee (Under Vigil Mechanism)		<ol style="list-style-type: none"> <li>1. Mr. Manish Anant Shah, MD &amp; CEO &amp; Chairman</li> <li>2. Mrs. Shalinee Mimani, CRO</li> <li>3. Mrs. Ruhie Pande, CHRO</li> <li>4. Mr. Swaminathan, Head – Godrej Group Internal Audit</li> </ol>
Willful Defaulter Identification Committee		<ol style="list-style-type: none"> <li>1. Mr. Manish Anant Shah, MD &amp; CEO &amp; Chairman</li> <li>2. Mr. Kunal Karnani, CFO</li> <li>3. Mrs. Shalinee Mimani, CRO and</li> <li>4. Mr. Gaurav Tanna, Head – Underwriting &amp; Policy</li> </ol>
Transaction Screening Committee		<ol style="list-style-type: none"> <li>1. Mrs. Rosemary Sebastian, Independent Director &amp; Chairperson</li> <li>2. Mr. Manish Anant Shah, MD &amp; CEO</li> <li>3. Mr. Kunal Karnani, CFO</li> <li>4. Mrs. Shalinee Mimani, CRO</li> <li>5. Mr. Nalin Jain, CCO and Head Operations</li> </ol>

#### 4. MATTERS AND DISCLOSURES RELATING TO BOARD AND POLICIES

##### a. Number of Meetings conducted during the year under Review:

Table containing details of Board Meetings and Committee Meetings along with dates are as follows:

S. No	Title of Body	No. of Meeting(s)	Date of Meeting(s)
1.	Board of Directors	8 (Eight)	1. June 22, 2020 2. August 24, 2020 3. September 24, 2020 4. October 09, 2020 5. November 04, 2020 6. December 17, 2020 7. January 28, 2021 8. March 10, 2021
2.	Audit Committee	1 (One)	February 26, 2021
3.	Nomination & Remuneration Committee	1 (One)	March 02, 2021
4.	Risk Management Committee	1 (One)	February 23, 2021
5.	Willful Defaulter Review Committee	1 (One)	February 26, 2021
6.	IT Strategy Committee	1 (One)	March 02, 2021
7.	Executive Committee	1 (One)	February 19, 2021
8.	Borrowing & Investment Committee	2 (Two)	1. February 15, 2021 2. March 15, 2021
9.	Asset Liability Committee	1 (One)	February 19, 2021
10.	Grievance Redressal Committee	1 (One)	February 26, 2021
11.	Customer Strategy Committee	1 (One)	February 23, 2021
12.	Credit Committee	1 (One)	February 19, 2021
13.	IT Steering Committee	1 (One)	March 17, 2021
14.	Willful Defaulter Identification Committee	1 (One)	February 19, 2021
15.	Transaction Screening Committee	1 (One)	March 02, 2021

The maximum gap between two Board Meetings did not exceed one hundred and twenty days or such gap as permitted under the provisions of the Companies Act, 2013. Requisite quorum was present in each meeting.

In terms of Schedule IV of the Act, a meeting of Independent Directors of the Company was held on March 30, 2021.

The Annual General Meeting for the Calendar Year 2020 was held on October 8, 2020 through video conferencing (VC) or other audio – visual means (OVAM) in compliance with the requirements specified under the Companies Act, 2013 as well as circulars / notifications issued by the Ministry of Corporate Affairs (MCA) in view of the Covid 19 Pandemic.

Attendance of each Director at the Board Meetings and the last Annual General Meeting is given under:

Names of Directors	Category	No. of Board Meetings		Attendance at Last AGM held on 8 <sup>th</sup> October, 2020
		Held during Director's tenure	Attended	
Mr. Pirojsha Adi Godrej	Non-Executive Director & Chairman	8	8	No
Mr. Karan Singh Bolaria*	Non-Executive Director	7	0	No
Mr. Mohit Malhotra*	Non-Executive Director	7	2	No
Mr. Manish Anant Shah	Managing Director & CEO	8	8	Yes
Mrs. Usha Sangwan ( <i>with effect from 28<sup>th</sup> January, 2021</i> )	Independent Director	2	2	No
Mrs. Rosemary Sebastian ( <i>with effect from 28<sup>th</sup> January, 2021</i> )	Independent Director	2	2	No

*\*Mr Karan Singh Bolaria and Mr. Mohit Malhotra resigned as Non-Executive Director from the Board of the Company w.e.f. 22nd February 2021 and 23rd February 2021 respectively.*

#### **b. Directors' Responsibility Statement**

Pursuant to the provisions contained in Section 134(3)(c) read with section 134(5) of the Companies Act, 2013, the Directors of your Company confirm:

- i. that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

- ii. that such accounting policies have been selected and applied consistently, and such judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period;
- iii. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company, for preventing and detecting fraud and other irregularities;
- iv. that the annual accounts have been prepared on a going concern basis;
- v. that proper systems are in place to ensure compliance of all laws applicable to the Company and that such systems are adequate and operating effectively.

**c. Internal Financial Controls:**

The Board has laid down Internal Financial Controls ("IFC") within the meaning of the explanation to section 134 (5) (e) of the Companies Act, 2013. The Board believes that the Company has established sound IFC commensurate with the nature and size of its business.

**d. Internal Control Systems:**

Adequate internal controls systems commensurate with the nature of the Company's business and size and complexity of its operations are in place and have been operating satisfactorily. Internal control systems comprising of policies and procedures are designed to ensure reliability of financial reporting, timely feedback on achievement of operational and strategic goals, compliance with policies, procedure, applicable laws and regulations and that all assets and resources are acquired economically, used efficiently and adequately protected.

**e. Copy of Annual Return**

In terms of provisions of Section 92 of the Companies Act, 2013 read with Rule 12 of Companies (Management and Administration) Rules, the copy of Annual Return of the Company in form MGT-7 is available on the website of the Company at [www.godrejhf.com](http://www.godrejhf.com).

**f. Confirmation on Fraud, misfeasance or any irregularity in the Company**

There were no instances of fraud, misfeasance or irregularity detected and reported in the Company during the financial year 2020-21.

**g. Whistle Blower Policy**

Your Company has adopted a Whistle Blower Policy and established a mechanism for Directors and Employees to report concerns about unethical behavior, actual or suspected fraud and violation of code of conduct. The mechanism also provides for adequate safeguard against the victimization of employees who avail the mechanism.

**5. AUDITORS AND THEIR REPORTS:**

The matters related to Auditors and their Reports are as under:

**a. Statutory Auditors:**

In terms of section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the auditor appointed in the Annual General Meeting (AGM) shall hold office from the conclusion of that meeting till the conclusion of the sixth AGM, with the meeting wherein such appointment had been made being counted as the first meeting. M/s Kalyaniwalla & Mistry LLP, Chartered Accountants (Firm Registration No.104607W/W100166), were appointed as the Statutory Auditors of the Company for a term of 5 (Five) years commencing from the conclusion of the 1st (First) Annual General Meeting held on 27th September, 2019 until the conclusion of the 6 (Sixth) Annual General Meeting of the Company, to be held in the year 2024, at such remuneration as may be decided by the Board of Directors of the Company.

The Auditors' Report for the financial year ended 31<sup>st</sup> March, 2021 does not contain any qualification, adverse remark or reservation and therefore, does not call for any explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

**b. Statutory Audit Report**

M/s Kalyaniwalla & Mistry LLP, Statutory Auditors in their report(s) on the annual audited financial statements of your Company for the financial year ended March 31, 2021, have not submitted any qualifications, reservations, adverse remarks or disclaimers. However, clarifications wherever necessary, have been included in the 'Notes to Accounts' of the Annual Report. Furthermore, a report under Para 70 and 71 of the Chapter XII of the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, is attached and is self-explanatory.

**c. Secretarial Audit Report for the financial year ended 31<sup>st</sup> March, 2021**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board

had appointed M/s Rathi and Associates, Companies Secretaries to undertake the Secretarial Audit of the Company for the financial year 2020-21.

The Secretarial Audit Report for the financial year 2020-21 is attached herewith.

The Secretarial Audit Report contains the following observations:

- i. Appointment of Ms. Usha Sangwan and Ms. Rosemary Sebastian as Independent Directors on 28th January, 2021 pursuant to Section 149 of the Companies Act, 2013 read with Rules made thereunder;
- ii. Constitution of Audit Committee pursuant to Section 177 and Nomination and Remuneration Committee of the Company, pursuant to Section 178 of the Companies Act, 2013 read with Rules made thereunder at the Board Meeting held on 28th January, 2021;
- iii. Appointment of Ms. Mili Desai as Whole-time Company Secretary of the Company on 17th December, 2020 pursuant to provisions of Section 203 read with Rules made thereunder

**Management response:**

The Company was in the process of finding highly capable candidates for the position of Independent Directors and did not want to compromise on the quality since an Independent Director plays an important part in maintaining and promoting good corporate governance. This search was adversely impacted due to COVID-19 outbreak. After extensive search and deliberations, the Board of Directors appointed Mrs. Usha Sangwan and Mrs. Rosemary Sebastian as Independent Directors of the Company. Both Independent Directors have had long and distinguished public careers and are contributing in a significant manner to the corporate governance framework and in guiding the operations of the Company.

The Audit Committee and the Nomination and Remuneration Committee were duly constituted immediately on appointment of the Independent Directors. The respective first meeting of both the committees was also held soon thereafter and both the committees are operational and active. There has been no dilution with respect to the principles of corporate governance and the affairs of the Company are being conducted in compliance with spirit and letter of the applicable laws.

The Company had appointed a Whole-time Company Secretary who left the Company just before the lockdown due to Covid-19 Pandemic during the previous year. Post that the Company took steps to select suitable candidate for appointment of Whole-time Company Secretary commensurate with its size and nature of activities. The search was hampered due to

Covid-19 outbreak. As the Company wished to appoint a candidate possessing requisite credentials and exposure related to managing Corporate Secretarial function of a NBFC-HFC, the Company appointed Ms. Mili Desai as Whole-time Company Secretary of the Company on 17th December, 2020 as she fulfilled the criteria laid down by the Company.

**d. Fraud Reporting**

There has been no instance of fraud reported by the Auditors under Section 143(12) of the Companies Act, 2013 and the Rules framed thereunder, either to the Company or to the Central Government.

**6. DISCLOSURES PERTAINING TO APPLICABLE RBI & NHB GUIDELINES**

**a. Risk Management**

Your Company has set up a strong operating framework and developed robust credit appraisal policies to evaluate income and repayment capabilities of customers. The Company continues to practice prudence in terms of its lending practices and uses effective checks and balances to mitigate risk exposure. This includes credit history check from credit bureau data, employment, business and residence check through personal discussions, and in-house legal, technical and fraud checks.

The Company's Risk Management framework provides the mechanism for risk assessment and mitigation. The Board has delegated responsibility of overseeing Risk Management framework to the Risk Management Committee. The Risk Management Committee (RMC) of your Company comprises of Mrs. Usha Sangwan, Independent Director & Chairperson, Mr. Pirojsha Adi Godrej, Non-Executive Director and Mr. Manish Anant Shah, MD & CEO of the Company.

The Risk Management Committee is responsible for reviewing the risks associated with the business of the Company, its root causes and the efficacy of the measures taken to mitigate the same. Your Board of Directors have also approved the Risk Management Policy of the Company.

**b. Related Party Transaction Policy**

Pursuant to the provisions of section 188 of the Companies Act, 2013, your Company has entered into transactions with related parties of the Company which are in the ordinary course of business and on arm's length basis.

The Board of Directors has approved Policy on dealing with related party transactions, wherein all related party transactions shall be placed for the review of Audit Committee pursuant to the provisions of Section 177 of the Companies Act, 2013.

The Company's Policy on dealing with related party transactions, as approved by the Board is available on the website of the Company at [www.godrejhf.com](http://www.godrejhf.com).

**c. Guidelines on Corporate Governance**

In line with adoption of best practices and greater transparency in the operations of the Company and in compliance with the directions issued by the Reserve Bank of India (RBI) under Chapter IX of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, the Board of Directors of the Company has approved and adopted the "Internal Guidelines on Corporate Governance". The said Guidelines are available on the website of the Company at [www.godrejhf.com](http://www.godrejhf.com).

**d. Information pursuant to Para 44 of Chapter VII of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021**

- the total number of accounts of public deposit of the company which have not been claimed by the depositors or not paid by the company after the date on which the deposit became due for repayment – Not applicable
- the total amount due under such accounts remaining unclaimed or unpaid beyond the date referred as aforesaid – Not applicable

**e. Information pursuant to Para 68 of Chapter XI of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021**

- The total number of non-convertible debentures which have not been claimed by the Investors or not paid by the housing finance company after the date on which the non-convertible debentures became due for redemption – Not applicable
- The total amount in respect of such debentures remaining unclaimed or unpaid beyond the date referred as aforesaid – Not applicable

**f. Information required pursuant to Annexure IV of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021**

- All pecuniary relationship or transactions of the non-executive directors – Nil
- Management Discussion and Analysis Report – attached as Annexure A

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

**a. Conservation of Energy & Technology Absorption:**

There is no information to disclose under the head 'Conservation of Energy and Technology Absorption' since the Company is engaged in providing loans. However, the Company understands the importance of energy conservation from the perspective of protection of environment.

**b. Foreign Exchange and Earnings / Outgo:**

(Rs in Million.)

	For the Financial year ended as on 31 <sup>st</sup> March 2021	For the Financial year ended as on 31 <sup>st</sup> March 2020
Actual Foreign Exchange earnings	-	-
Actual Foreign Exchange outgo	1.02	0.89

**8. THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION, AND REDRESSAL) ACT, 2013:**

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules thereunder for prevention and redressal of complaints of sexual harassment at workplace.

During the financial year 2020-21, the Company did not receive any complaints on sexual harassment in accordance with the Company's policy on prevention, prohibition and redressal of sexual harassment at workplace. The Company has also conducted 25 training program(s) in FY 2020-21 on Prevention of Sexual Harassment.

**9. SECRETARIAL STANDARDS:**

Your Company is in compliance with the Secretarial Standards on Meetings of the Board of Directors (SS-1) and Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI).

**10. GENERAL:**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions pertaining to these items during the year under review:

- significant material changes and commitments between the end of financial year of the Company and the date of the Report which could affect the Company's financial position.
- Receipt of any remuneration or commission from its Holding Entity by any Director or Key Managerial Personnel of the Company.
- revision of the financial statements of the previous years during the financial year under review.
- Exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Companies Act, 2013.
- significant material orders passed by the Regulators or Courts or Tribunals which impact the going concern status and the Company's operations in future.
- The provisions with respect to Corporate Social Responsibility for the year under review.
- Maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013,
- Application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year under review
- the details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof

#### 11. ACKNOWLEDGEMENTS:

Your Directors take this opportunity to express their sincere gratitude to the customers of Godrej Housing Finance for their confidence and patronage; to the shareholders, regulatory bodies, bankers and rating agencies for their unyielding support and guidance; and to the employees for their commitment, hard work and zeal during the year.

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



**Pirojsha Adi Godrej**  
Director  
DIN: 00432983



**Manish Anant Shah**  
Managing Director and CEO  
DIN: 06422627



Place: Mumbai  
Date: June 15, 2021

**Registered Office:**

Godrej One, Pirojshanagar, Eastern Express Highway,  
Vikhroli (East), Mumbai 400 079  
CIN: U65100MH2018PLC315359  
Tel No.: 022 -25195200

# *Rathi & Associates*

## COMPANY SECRETARIES

A-303, Prathamesh, 3rd Floor, Raghuvanshi Mills Compound, 11-12, Senapati Bapat Marg, Lower Parel (W), Mumbai - 400 013.  
Tel : 4076 4444 / 2491 1222 • Fax : 4076 4466 • E-mail : associates.rathi8@gmail.com

### SECRETARIAL AUDIT REPORT

*[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]*

**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2021**

To,  
The Members,  
**GODREJ HOUSING FINANCE LIMITED**  
Godrej One, Pirojshanagar,  
Eastern Express Highway,  
Vikhroli (East), Mumbai 400 079

Dear Sirs,

We have conducted online verification and examination of records, as facilitated by the Company, due to Covid 19 and subsequent lockdown situation for the purpose of secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practices by **Godrej Housing Finance Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our 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, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company as given in **Annexure I**, for the financial year ended on 31<sup>st</sup> March, 2021, according to the provisions of:
  - (i) The Companies Act, 2013 ("the Act") and the rules made there under to the extent applicable;
  - (ii) The Depositories Act, 1996 and the Regulations and Bye - laws framed thereunder;
  - (iii) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment and Overseas Direct Investment and External Commercial Borrowings;
  
2. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act") were not applicable to the Company during the audit period under report viz.:
  - i. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and rules made thereunder;
  - ii. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - iii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - iv. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - v. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - vi. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - vii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - viii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

- ix. The Securities and Exchange Board of India (Registrars to a Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;
- x. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

3. We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with other Acts, Laws and Regulations applicable specifically to the Company viz. The Reserve Bank of India's Regulations for Non-Banking Financial Companies – Regulatory Framework for Housing Finance Companies.

We have also examined compliance with the applicable clauses of Secretarial Standards – 1 and 2 issued by The Institute of Company Secretaries of India under the provisions of Companies Act, 2013.

During the financial year under report, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, except the provisions pertaining to:

1. Appointment of Ms. Usha Sangwan and Ms. Rosemary Sebastian as Independent Directors on 28<sup>th</sup> January, 2021 pursuant to Section 149 of the Companies Act, 2013 read with Rules made thereunder;
2. Constitution of Audit Committee pursuant to Section 177 and Nomination and Remuneration Committee of the Company, pursuant to Section 178 of the Companies Act, 2013 read with Rules made thereunder at the Board Meeting held on 28<sup>th</sup> January, 2021;
3. Appointment of Ms. Mili Desai as Whole time Company Secretary of the Company on 17<sup>th</sup> December, 2020 pursuant to provisions of Section 203 read with Rules made thereunder;

**We further report that:**

The constitution of the Board of Directors of the Company has proper balance of Executive Director and Non-Executive Directors as per the provisions of Section 149 of the Companies Act, 2013.

The changes in the composition of the Board of Directors that took place during the period under review, were carried out in compliance with the provisions of the Act save and except the intimation of resignation of Mr. Karan Singh Bolaria and Mr. Mohit Malhotra from the Directorship of the Company with effect from 22<sup>nd</sup> February 2021 and 23<sup>rd</sup> February 2021 respectively, in e-Form DIR-12 which was filed with the Ministry of Corporate Affairs in terms of Section 168 of the Companies Act, 2013 read with Rules thereunder, post receipt of approval from the Reserve Bank of India .

Except in case of meetings convened at a shorter notice, for which requisite permission was taken, adequate notice was given to all the Directors, from time to time, for the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

None of the members had any dissenting views, in the matters/agenda proposed from time to time for consideration of the Board, during the year under the report, hence were not required to be captured and recorded as part of the minutes.

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

As regards, events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. we report that during the year under report, the Company;

- i. allotted 50,00,000 (Fifty Lacs) - 0.01% Compulsorily Convertible Preference Shares of Rs. 10/- (Rupees Ten only) each ('0.01% CCPS') for cash at par aggregating Rs. 5,00,00,000/- (Rupees Five Crores only) on 10<sup>th</sup> July, 2020, on Rights issue basis.
- ii. allotted 60,00,000 (Sixty Lacs) - 0.01% Compulsorily Convertible Preference Shares of Rs. 10/- (Rupees Ten only) each ('0.01% CCPS') for cash at par aggregating Rs. 6,00,00,000/- (Rupees Six Crores only) on 6<sup>th</sup> August, 2020, on Rights issue basis.
- iii. allotted 40,00,000 (Forty Lacs) - 0.01% Compulsorily Convertible Preference Shares of Rs. 10/- (Rupees Ten only) each ('0.01% CCPS') for cash at par aggregating Rs. 4,00,00,000/- (Rupees Four Crores only) on 21<sup>st</sup> September, 2020, on Rights issue basis.
- iv. obtained shareholders' approval by way of Special Resolution passed in the Annual General Meeting of the Company held on 8<sup>th</sup> October, 2020, authorizing the Board of Directors of the Company to create, offer, issue and allot upto 5,00,00,000 (Five Crores) - 0.01% Compulsorily Convertible Preference Shares ('0.01% CCPS') of Rs. 10/- (Rupees Ten only) each for cash at par aggregating upto

Rs. 50,00,00,000/- (Rupees Fifty Crores only), on Rights basis, in one or more tranche(s), to the holders of the equity shares of the Company.

- v. allotted 40,00,000 (Forty Lacs) - 0.01% Compulsorily Convertible Preference Shares of Rs. 10/- (Rupees Ten only) each ('0.01% CCPS') for cash at par aggregating Rs. 4,00,00,000/- (Rupees Four Crores only) on 22<sup>nd</sup> October, 2020, on Rights issue basis.
- vi. allotted 1,00,00,000 (One Crore) - 0.01% Compulsorily Convertible Preference Shares of Rs. 10/- (Rupees Ten only) each ('0.01% CCPS') for cash at par aggregating Rs. 10,00,00,000/- (Rupees Ten Crores only) on 29<sup>th</sup> October, 2020, on Rights issue basis.
- vii. allotted 90,00,000 (Ninety Lacs) - 0.01% Compulsorily Convertible Preference Shares of Rs. 10/- (Rupees Ten only) each ('0.01% CCPS') for cash at par aggregating Rs. 9,00,00,000/- (Rupees Nine Crores only) on 15<sup>th</sup> December, 2020, on Rights issue basis.
- viii. allotted 1,00,00,000 (One crore) - 0.01% Compulsorily Convertible Preference Shares of Rs. 10/- (Rupees Ten only) each ('0.01% CCPS') for cash at par aggregating Rs. 10,00,00,000/- (Rupees Ten Crores only) on 29<sup>th</sup> December, 2020, on Rights issue basis.
- ix. obtained shareholders' approval by way of Special Resolution passed in the Extraordinary General Meeting of the Company held on 10<sup>th</sup> March, 2021, authorizing the Board of Directors of the Company to offer, issue and allot 7,36,842 (Seven Lacs Thirty Six Thousand Eight Hundred And Forty Two) Equity Shares of face value of Rs. 10/- (Rupees Ten only) each for cash at issue price equivalent to in aggregate USD 578,512, on private placement basis to PAN FIN Investments LP.
- x. obtained shareholders' approval by way of Special Resolution passed in the Extraordinary General Meeting of the Company held on 10<sup>th</sup> March, 2021, authorizing the Board of Directors of the Company to offer, issue and allot 56,31,579 (Fifty Six Lacs Thirty One Thousand Five Hundred And Seventy Nine) - 0.01% Compulsorily Convertible Preference Shares ('0.01% CCPS') of Rs. 10/- (Rupees Ten only) each for cash at issue price equivalent to in aggregate USD 4,421,488, on private placement basis to PAN FIN Investments LP.
- xi. allotted 7,36,842 (Seven Lacs Thirty-Six Thousand Eight Hundred Forty-Two) Equity shares of face value of Rs. 10/- each for cash at an Issue price of Rs. 57.01831584 per share including premium of Rs. 47.01831584 per share for an aggregate value of Rs. 4,20,13,489.88 (Rupees Four Crore Twenty Lacs Thirteen Thousand Four Hundred Eighty Nine and Paise Eighty Eight only) (equivalent to USD 5,78,512) to PAN FIN Investments LP, on private placement basis on 30<sup>th</sup> March, 2021.;

- xii. allotted 56,31,579 (Fifty-Six Lacs Thirty-One Thousand Five Hundred Seventy-Nine) - 0.01% Compulsorily Convertible Preference Shares ("0.01% CCPS") of face value of Rs. 10/- each for cash at an Issue price of Rs. 57.01946503 per share including premium of Rs. 47.01946503 per share for an aggregate value of Rs. 32,11,09,621.88 (Rupees Thirty Two Crore Eleven Lacs Nine Thousand Six Hundred Twenty One and Paise Eighty Eight only) (equivalent to USD 44,21,488) to PAN FIN Investments LP on private placement basis 30<sup>th</sup> March, 2021.

For **RATHI & ASSOCIATES**  
**COMPANY SECRETARIES**  
**HIMANSHU**  
**SHANTILAL**  
**KAMDAR**  
**HIMANSHU S. KAMDAR**  
**PARTNER**  
**M. NO. FCS 5171**  
**CP No. 3030**

Digitally signed by HIMANSHU SHANTILAL  
KAMDAR:  
DN: cn=RL, o=Personal,  
pseudonym=199965230fcb200db48b4e522fc  
23cbb2959c0f154226fa08ee1b996c7761c,  
postalCode=600097, st=IN-HA/AS/IT/TA,  
serialNumber=165424ec5e0aa37bad158e30c81  
df0df6ec2224cea7ac639a8537670d06ac0,  
cn=HIMANSHU SHANTILAL KAMDAR  
Date: 2021.06.15 22:01:19 +05'30'

**Place: Mumbai.**  
**Date: 15<sup>th</sup> June, 2021.**  
**UDIN: F005171C000470669**

Note: This report should be read with our letter which is annexed as Annexure II and forms an integral part of this report

## ANNEXURE - I

### **List of documents verified**

1. Memorandum & Articles of Association of the Company.
2. Annual Report for the financial year ended 31<sup>st</sup> March 2020.
3. Minutes of the meetings of the Board of Directors held during the financial year under report along with Attendance Register.
4. Minutes of General Body Meetings held during the financial year under report.
5. Statutory registers applicable to the Company under the Companies Act, 2013.
6. Agenda papers submitted to all the Directors/members for the Board Meetings.
7. Declarations/Disclosures received from the Directors/ Chief Financial Officer of the Company pursuant to the provisions of Section 184, Section 164(2) and Section 149(7) of the Companies Act, 2013.
8. e-Forms filed by the Company from time to time under applicable provisions of the Companies Act, 2013 and attachments thereof during the financial year under report.
9. Information furnished under the Reserve Bank of India's Regulatory framework for Non-Banking Financial Companies – Housing Finance Companies

**ANNEXURE - II**

**To  
The Members,  
Godrej Housing Finance Limited  
Mumbai**

Dear Sirs,

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test check basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices that we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management 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.

**Place: Mumbai.  
Date: 15<sup>th</sup> June, 2021.  
UDIN: F005171C000470669**

**For RATHI & ASSOCIATES  
COMPANY SECRETARIES**

**HIMANSHU  
SHANTILAL  
KAMDAR**

Digitally signed by HIMANSHU SHANTILAL  
KAMDAR  
DN: c=IN, o=Personal,  
pseudoym=199965230fcb200db48b84e5  
22fc23d1b2595cd1f54226fa08ee41b996cd7  
61c, postalCode=400057,  
st=MAHARASHTRA,  
serialNumber=165d24ec5a0aa37bad138e3  
0c81d10d10ec2224cea17acc39a85376710d0  
Gao0, cn=HIMANSHU SHANTILAL KAMDAR  
Date: 2021.06.15 22:01:52 +05'30'

**HIMANSHU S. KAMDAR  
PARTNER  
M. NO. FCS 5171  
C.P. No. 3030**

## Management Discussion and Analysis report

### 1. INDUSTRY STRUCTURE AND DEVELOPMENTS

The Country, and the economy in specific, have gone through its share of downtrend with the disruptions caused by outbreak of COVID 19. The Country went through a lock down since March 2020 to October 2020. While the economy opened up gradually giving a boost due to pent up demand, the GDP estimated for FY 21 was about -7.3%. While Q4FY21 showed growth in the GDP of 1.6% the second wave of COVID 19, caused another lockdown from March 2021 and caused further disruption in the markets.

Despite this the housing finance market in India has shown strong performance in FY 2020 – 21 (FY21). The pandemic has changed the way in which customers are approaching their home buying choices. This has led to secular growth across sub-sectors from affordable housing to luxury housing, from Metros to rural housing. This performance augurs well for the industry and is expected to continue in coming years.

The Indian Housing Finance market continues to significantly grow year on year on the back of young demographic profile that India enjoys and the fact that it is the aspiration of every Indian to own a home. Further, the push from the Government of India, given the various schemes for encouraging home ownership has only helped in this journey. In addition, migration of working class from rural to semi-urban and urban cities will also drive demand for housing in these cities. There are significant opportunities for upgrade of house (i.e. move into a bigger house) and niche sector for repair / renovation of house.

The Government's response to the pandemic through the various other monetary measures through the RBI, by enhancing the liquidity in the market has resulted in the lower interest rates. The reduced interest rates has ensured that the affordability of home loans (defined as the ratio of EMI to the income) is at a multi decadal low. This has raised the ability of customers to borrow and afford their homes.

With COVID 19 and resultant increased access to credit, the sector is truly over the liquidity crisis. This was possible in large part due to Special Refinance Scheme initiated by National Housing Bank (NHB) and increased lending by the Banking sector. Further, the liquidity crisis also validated the Asset Liability management program of the industry with no major default and regular servicing of all loan dues.

The Indian Housing Finance Market is a fractured one. Public Sector Banks (PSBs) have a majority stake of ~45%, followed by HFCs at ~40% with rest being held by Private Sector Banks. This pattern

is expected to be followed in coming years with HFCs expected to retain or increase their share due to their sector-based focus and expertise.

The housing finance market has also undergone structural changes. The housing finance companies (HFC) increased their share against commercial banks of the overall loan book, however given the upheavals in the industry in the last few years the share of private and public banks has increased in the last 2-3 years. Despite this we believe that the level of innovation and speed that an HFC can bring to the customer would provide a distinct advantage to the HFC and growth can come back to this segment.

## **2. GROWTH AND RISK THEREOF:**

The Indian Housing Finance Sector is poised for a significant growth spurt. Studies show that housing finance sector is expected to grow at a CAGR of ~15-17% over next few years.

Some significant growth opportunities include :

1. Receding COVID 19 – it is apparent that second wave of Covid 19 is receding, and vaccinations are increasing pace. This would result into increased opening up and mobility from Q2 onwards leading to increase in economic activities.
2. Economic upturn – with opening-up of economy a recovery is widely expected. This economic recovery will impact all sectors and resultant increase in income levels will boost the demand for housing finance.
3. Low Cost plus Low ROI – present situation, where the cost of real estate is low as well as where the ROI for housing loans is also low is a perfect opportunity for buying a house. This has resulted into a buoyant real estate market.
4. Digital Banking – Due to covid 19 and resultant restrictions, housing finance which was hitherto a touch heavy product is increasingly being sought through digital model and is expected to contribute more in future.

Risk factors –

1. Banks focus on retail housing – with higher credit losses in corporate and SME sector, banks are increasingly focusing on retail loans especially Housing loans as they are more secure. Considering the cost and established branch network advantage, they are increasing their footprint in the housing finance sector.
2. Third wave – possibility of third wave of Covid 19 is a threat to the economy in general and housing finance sector is not an exception to it.

**3. SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE OF THE COMPANY.**

Godrej Housing Finance is focusing on retail individual housing loans and hence, ~82% of its total loan book is comprising this segment. The other ~18% includes inter alia loans for property insurance, Commercial Real Estate Loans (For third dwelling unit or more) etc.

**4. OUTLOOK**

Company has a Positive outlook for FY 2021-22. We started our operations from November 2020, so the coming year shall be the first full year of operations. The Company has made substantial investment in people, processes and technology which is expected to bear fruit this year. As the economy will open up, there is expected to be significant opportunity for growth.

**5. RISK MANAGEMENT:**

The Company aims to operate within an effective risk management framework to actively manage various risks (including credit risk, market risk, operational risk, fraud risk etc) faced by a Housing Finance Company, in a manner consistent with its risk appetite. Accordingly, it has adopted a Risk Management Policy which aims to establish a risk culture and risk governance framework, under the guidance of its Board of Directors, to enable identification, measurement, mitigation, and reporting of risk within the Company.

The Company has an active Risk Management Committee which reviews Portfolio Quality Risk, Interest rate and liquidity risk, Credit concentration risks, Legal risks, Regulatory & Compliance risks, People risks, IT Risks & their impact and mitigation thereto.

**6. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

GHFL has institutionalised a strong compliance & control culture across all the business activities recognising the importance of transparency and trust.

The internal controls of GHFL are commensurate with the business requirements, its scale of operation and applicable statutes to ensure orderly and efficient conduct of business. These controls have been designed to ensure assurance with regard to maintaining proper accounting controls, substantiation of financial statement, safeguarding of resources, prevention and detection of frauds and errors, ensuring operating effectiveness, reliability of financial reporting, compliance with applicable regulations and relevant matters covered under section 134 (5) (e) of the Companies Act, 2013.

Internal Auditors at GHFL follow prescribed guidelines and functions under the supervision of Audit Committee of the Board.

**7. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

Particulars	For the Financial year ended as on 31 <sup>st</sup> March 2021	For the Financial year ended as on 31 <sup>st</sup> March 2020
Total Income	22.64	3.88
Expenditure other than Interest and Depreciation	486.86	189.73
Profit/(Loss) before Interest, Depreciation and Tax	(464.22)	(185.85)
Interest (net)	12.85	-
Profit/(Loss) before depreciation and tax	(477.07)	(185.85)
Depreciation	41.23	2.25
Profit/(Loss) before Tax and exceptional items	(518.30)	(188.10)
Provision for Current Tax	-	-
Provision for Deferred Tax	-	-
<b>Net Profit/(Loss)</b>	<b>(518.30)</b>	<b>(188.10)</b>

Previous year figures are not comparable since the Company has commenced operations in November 2020, post receipt of the license from Reserve Bank of India.

**8. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED**

The Company's success depends largely upon the quality and competence of its management team and key personnel's. Attracting and retaining talented professionals is therefore a key element of the Company's strategy and a significant source of competitive advantage. The Company's people bring to the stage multi-sectoral experience, technological experience and domain knowledge.

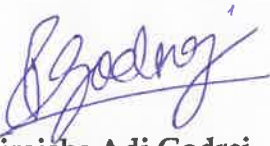
GHFL has been following best human resource practices and had 181 employees on its rolls as on March 31, 2021 compared to 62 employees as on March, 2020 registering an increase of 192 %.

The Company recognizes people as its most valuable asset and has taken initiatives in the direction to develop and drive the culture of high performance and meritocracy. GHFL's mission on creating

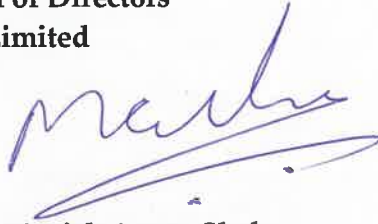
a high-performance culture has been further strengthened through activities such as constant focus on training & up-skilling, vaccination of our employees and safety measures for everyone involved.

GHFL is committed to maintain the highest standards of health, safety and security for its employees and business associates and to operate in a healthy and safe environment.

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



**Pirojsha Adi Godrej**  
Director  
DIN: 00432983



**Manish Anant Shah**  
Managing Director and CEO  
DIN: 06422627



Place: Mumbai

Date: June 15, 2021

**Registered Office:**

Godrej One, Pirojshanagar, Eastern Express Highway,  
Vikhroli (East), Mumbai 400 079  
CIN: U65100MH2018PLC315359  
Tel No.: 022 -25195200

Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the "Fit & Proper" person criteria as specified by the Reserve Bank of India ("RBI") and all other applicable laws, acts, rules, regulations, guidelines, circulars, directions and notifications, Mrs. Usha Sangwan (DIN: 02609263) who was appointed as an Additional Director in the category of Independent Director of the Company and who holds office up to the date of 3<sup>rd</sup> Annual General Meeting, be and is hereby appointed as an Independent Director of the Company, for a period of 5 (Five) years and shall not be liable to retire by rotation."

**5. Increase in the Borrowing limits of the Company under Section 180 (1) (c) of Companies Act, 2013**

To consider and, if thought fit, to pass with or without modification(s) the following Resolution as a **Special Resolution**:

**"RESOLVED THAT** in supersession of all the earlier resolutions passed in this regard and pursuant to provisions of Sections 180(1)(c) and other applicable provisions of the Companies Act, 2013 read with Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the directions/notifications/circulars prescribed by the Reserve Bank of India and National Housing Bank, and such other rules, regulations, guidelines, directions, notifications and acts, as may be applicable to the Company from time to time, the consent of the Members of the Company, be and is hereby accorded to the Board of Directors (hereinafter referred to as the "Board" which term shall be deemed to include Borrowing & Investment Committee constituted by the Board of Directors of the Company or person(s), authorised to exercise the powers conferred on the Board of Directors by this resolution), to borrow such sums of money (including by way of debt issuance of Tier II capital, perpetual bond, secured or unsecured, term loan(s)/ guarantee(s)/lines of credit/inter corporate deposit(s)/convertible or non-convertible instrument(s) or securities/commercial paper(s)/working capital facilities and/or in any other form from time to time as may be required for the purpose of business of the Company), in excess of the aggregate of Paid up Share Capital of the Company, Free Reserves, that is to say, reserves not set apart for any specific purpose, and Securities Premium Account subject to the condition that the total amount of such borrowing(s) outstanding at any given point of time together with the money already borrowed (apart from temporary loans obtained by the Company from its Bankers/ other entities in ordinary course of business) shall not at any time exceed the limit of Rs. 2750,00,00,000 (Rupees Two Thousand Seven Hundred and Fifty Crores only).

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to undertake all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, expedient, proper or desirable to give full effect to the aforesaid resolution including but not limited to delegate any powers to any officials of the Company conferred upon the Board by this resolution and to settle all questions / doubts / queries / difficulties that may arise in this regard, at any stage without being required to seek any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution."

**6. Authorizing the Board to sell, lease, dispose off or create charge etc over the assets of the Company to secure the credit/loan facilities to be availed by the Company, under Section 180 (1) (a) of Companies Act, 2013**

To consider and, if thought fit, to pass with or without modification(s) the following Resolution as a **Special Resolution**:

**“RESOLVED THAT** in supersession to all the earlier resolutions passed in this regard and pursuant to provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 and such other rules, regulations, guidelines, directions, notifications and acts, as may be applicable to the Company from time to time, the consent of the Members be and is accorded to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include Borrowing & Investment Committee constituted by the Board of Directors of the Company or person(s), authorised to exercise the powers conferred on the Board of Directors by this resolution), to provide/furnish such security(ies) to bank(s)/lender(s)/financial institution(s)/debenture/security trustee(s) for availing various credit/loan facility(ies), as may be required, from time to time, on both the movable and immovable property(ies) of the Company for an aggregate amount not exceeding a sum of Rs. 2750,00,00,000 (Rupees Two Thousand Seven Hundred and Fifty Crores only).

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to undertake all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, expedient, proper or desirable to give full effect to the aforesaid resolution including but not limited to delegate any powers to any officials of the Company conferred upon the Board by this resolution and to settle all questions / doubts / queries / difficulties that may arise in this regard, at any stage without being required to seek any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

**7. Issue of Non-Convertible Debentures on Private Placement Basis**

To consider and, if thought fit, to pass with or without modification(s) the following Resolution as a **Special Resolution**:

**“RESOLVED THAT** in supersession of all the earlier resolutions passed in this regard and pursuant to the provisions of Section 42, 71, 179, 180(1)(c) and other applicable provisions of the Companies Act, 2013 (“the Act”) read with applicable rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) the provisions of the Memorandum and the Articles of Association of the Company, the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Debt Regulation), Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 and such other rules, regulations, guidelines, directions, notifications and acts, as may be applicable to the Company from time to time; the consent of the members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board” which term

shall be deemed to include Borrowing & Investment Committee constituted by the Board of Directors of the Company or person(s), authorised to exercise the powers conferred on the Board of Directors by this resolution), to create/offer/issue/allot up to such number of non-convertible debentures (NCDs), under private placement, in one or more modes or combinations thereof and in one or more series or tranches, with or without security, such that the aggregate principal amount of such NCDs does not exceed Rs. 1000,00,00,000 (Rupees One Thousand Crores only), during the period of one year from the date of shareholders' approval for issue of NCDs.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to undertake all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, expedient, proper or desirable to give full effect to the aforesaid resolution including but not limited to delegate any powers to any officials of the Company conferred upon the Board by this resolution and to settle all questions / doubts / queries / difficulties that may arise in this regard, at any stage without being required to seek any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution."

**8. Revision in remuneration of Mr. Manish Anant Shah (DIN: 06422627) Managing Director & CEO of the Company**

To consider and, if thought fit, to pass with or without modification(s) the following Resolution as a **Special Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 196, 197, 198 and Schedule V of Companies Act, 2013 ("the Act") read with the Companies (Appointment and Remuneration to Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and in accordance with the recommendation of the Nomination and Remuneration Committee, consent of the members be and is hereby accorded for revision in the remuneration of Mr. Manish Anant Shah (DIN:- 06422627), Managing Director & Chief Executive Officer (CEO) of the Company w.e.f. from April 1, 2021 to March 31, 2022 as per the details furnished in the Explanatory Statement attached to this Notice.

**RESOLVED FURTHER THAT** other terms and conditions of appointment of Mr Manish Anant Shah as Managing Director & CEO as approved earlier by the members of the Company shall remain unchanged.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to undertake all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, expedient, proper or desirable to give full effect to the aforesaid resolution including but not limited to delegate any powers to any officials of the Company conferred upon the Board by this resolution and to settle all questions / doubts / queries / difficulties that may arise in this regard, at any stage without being required to seek any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution."

**9. Partial modification of resolution passed for further issue of 0.01% Compulsory Convertible Preference Shares (0.01% CCPS) on right basis**

To consider and, if thought fit, to pass with or without modification(s) the following Resolution as **Special Resolution**:

**“RESOLVED THAT** in partial modification of the Special Resolution passed by the Members of the Company at the Annual General Meeting held on October 8, 2020 in connection with offer, issue and allotment of 5,00,00,000 (Five Crore) 0.01% Compulsorily Convertible Preference Shares (0.01% CCPS) of Rs. 10/- (Rupees Ten Only) each for cash at par aggregating Rs. 50,00,00,000/0 (Rupees Fifty Crores only) on Rights basis, consent of the members of the Company be and is hereby accorded for alteration of clause (b) of the terms and conditions thereof, as under:

(b) Issue Price: The 0.01% CCPS of face value of Rs. 10/- (Rupees Ten only) each will be issued at a premium not exceeding Rs. 20/- (Rupees Twenty only) per share.

**“RESOLVED FURTHER THAT** the Board be and is hereby authorised to undertake all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, expedient, proper or desirable to give full effect to the aforesaid resolution including but not limited to delegate any powers to any officials of the Company conferred upon the Board by this resolution and to settle all questions / doubts / queries / difficulties that may arise in this regard, at any stage without being required to seek any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

**10. Increase in Authorised Share Capital of the Company**

To consider and, if thought fit, to pass with or without modification(s) the following Resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to provisions of Section 61 read with Section 64 and other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) and the Rules framed there under, the consent of the members of the Company be and is hereby accorded to increase the Authorized Share Capital of the Company from existing Rs. 200,00,00,000/- (Rupees Two Hundred Crore only) divided into 1,50,00,000 (One Crore Fifty Lakh) Equity Shares of Face Value of Rs. 10/- (Rupees Ten Only) each and 18,50,00,000 (Eighteen Crore Fifty Lakh) Preference Shares of Face Value of Rs. 10/- (Rupees Ten Only) each to Rs. 850,00,00,000/- (Rupees Eight Hundred and Fifty Crores only) divided into into 66,50,00,000 (Sixty-six Crores Fifty Lakhs) Equity Shares of Face Value of Rs. 10/- (Rupees Ten Only) each and 18,50,00,000 (Eighteen Crores Fifty Lakhs) Preference Shares of Face Value of Rs. 10/- (Rupees Ten Only) each, by creation of 65,00,00,000 (Sixty-five Crores) new Equity Shares of Face Value of Rs. 10/- (Rupees Ten Only) each.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to undertake all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, expedient, proper or desirable to give full effect to the aforesaid resolution including but not limited to delegate any powers to any officials of the Company conferred upon the Board by this resolution and to settle all questions / doubts / queries / difficulties that may arise in this regard, at any stage without being required to seek any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution."

#### **11. Alteration of Capital clause of Memorandum of Association of the Company**

To consider and, if thought fit, to pass with or without modification(s) the following Resolution as a **Special Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 13 and other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) and the Rules framed there under, consequent upon increase in Authorised Share Capital of the Company from Rs. 200,00,00,000/- (Rupees Two Hundred Crore only) to Rs. 850,00,00,000/- (Rupees Eight Hundred and Fifty Crores only) as aforesaid, the existing 5<sup>th</sup> Clause of the Memorandum of Association of the Company be altered by substitution of the same with the following new Clause V:

*5<sup>th</sup> "The Authorised Share Capital of the Company is Rs. 850,00,00,000/- (Rupees Eight Hundred and Fifty Crores only) divided into 66,50,00,000 (Sixty-six Crores Fifty Lakhs) Equity Shares of Face Value of Rs. 10/- (Rupees Ten Only) each and 18,50,00,000 (Eighteen Crores Fifty Lakhs) Preference Shares of Face Value of Rs. 10/- (Rupees Ten Only) each."*

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to undertake all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, expedient, proper or desirable to give full effect to the aforesaid resolution including but not limited to delegate any powers to any officials of the Company conferred upon the Board by this resolution and to settle all questions / doubts / queries / difficulties that may arise in this regard, at any stage without being required to seek any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution."

#### **12. Alteration of Articles of Association of the Company**

To consider and, if thought fit, to pass with or without modification(s) the following Resolution as a **Special Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 14 of the Companies Act, 2013, and other applicable provisions read with the rules and regulations made there under (including any amendment, re-enactment or statutory modification thereof) the consent of the members be and is hereby accorded for alteration of the Articles of Association of the Company by adoption of the new set of Articles of Association in substitution for, and to the entire exclusion, of the existing Articles of Association of the Company.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to undertake all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, expedient, proper or desirable to give full effect to the aforesaid resolution including but not limited to delegate any powers to any officials of the Company conferred upon the Board by this resolution and to settle all questions / doubts / queries / difficulties that may arise in this regard, at any stage without being required to seek any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution."

**Place:** Mumbai  
**Date:** June 15, 2021

**By Order of the Board of Directors  
For Godrej Housing Finance Limited**



A handwritten signature in blue ink, appearing to read "Manish", with a horizontal line underneath.

**Manish Anant Shah  
Managing Director & CEO  
DIN: 06422627**

**Registered Office:**  
Godrej One, Pirojshanagar,  
Eastern Express Highway,  
Vikhroli (East),  
Mumbai 400 079.  
**CIN: U65100MH2018PLC315359**

**Tel No.: +91 22 25195200**