

September 7, 2023

BSE Limited

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

National Stock Exchange of India Limited

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

Dear Sir(s),

Sub.: Notice of 15th Annual General Meeting and Annual Report 2022-23

The Annual Report for the financial year 2022-23, including the Notice convening 15th Annual General Meeting of the members of the Company scheduled to be held on Friday, September 29, 2023, at 12:00 noon (IST) through Video Conferencing (VC) / Other Audio Visual Means (OAVM) is enclosed.

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

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

Thanking you.

Yours faithfully,

For **Reliance Home Finance Limited**

Parul Jain

Company Secretary & Compliance Officer

Encl.: As Above.

Reliance Home Finance Limited

Registered Office: Trade World, Kamala Mills Compound, 7th Floor, B Wing, Senapati Bapat Marg, Lower Parel (West), Mumbai 400 013
T: +91 022 4158 4000, E-mail: rhfl.investor@relianceada.com, Website: www.reliancehomefinance.com

CIN: L67190MH2008PLC183216

A RELIANCE CAPITAL COMPANY

RELIANCE

**HOME
FINANCE**

Annual Report 2022-23



Padma Vibhushan

Shri Dhirubhai H. Ambani

(28th December, 1932 - 6th July, 2002)

Reliance Group - Founder and Visionary

Reliance Home Finance Limited

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15th Annual General Meeting on Friday, September 29, 2023 at 12:00 noon (IST) through Video Conferencing (VC) / Other Audio Visual Means (OAVM).

Reliance Home Finance Limited

Notice

Notice is hereby given that the 15th Annual General Meeting (AGM) of the Members of **Reliance Home Finance Limited** will be held on Friday, September 29, 2023 at 12:00 noon (IST) through Video Conferencing (VC) / Other Audio-Visual Means (OAVM), to transact the following business:

Ordinary Business:

1. To consider and adopt the audited financial statement of the Company for the financial year ended March 31, 2023 and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Sudeep Ghoshal (DIN: 09536193) (nominated by Reliance Capital Limited), who retires by rotation under the provisions of the Companies Act, 2013 and being eligible, offers himself for re-appointment.

By Order of the Board of Directors

Parul Jain
Company Secretary & Compliance Officer

Registered Office:

The Ruby, 11th Floor, North-West Wing
Plot No. 29, Senapati Bapat Marg
Dadar (West), Mumbai 400 028
CIN: L67190MH2008PLC183216
Website: www.reliancehomefinance.com

July 28, 2023

Notes:

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

At the ensuing Annual General Meeting, Mr. Sudeep Ghoshal (nominated by Reliance Capital Limited), Director of the Company shall retire by rotation under the provisions of the Act and being eligible, offers himself for re-appointment. The Nomination and Remuneration Committee and the Board of Directors of the Company have recommended the re-appointment.

The relevant details pertaining to Mr. Sudeep Ghoshal pursuant to applicable provisions of Regulation 36 of the Listing Regulations and Secretarial Standards on General Meeting (SS-2) is given below:

Mr. Sudeep Ghoshal, aged 47 years, a War Veteran and a Corporate Real Estate Services professional with 26 years of overall experience have been involved in infrastructure development projects, administrative management, integrated security management, logistics in various industry segments like IT, ITES and NBFC. As a combat veteran, Sudeep brings unique perspectives gained from his battlefield experience to his corporate role.

In his current role with Reliance Capital Ltd., he is responsible for providing direction and leadership to the company's CRES Strategy, developing & implementing operations management strategies while managing overall efficiency and profitability.

In his earlier engagements he worked with Accenture as GM - Workplace Solutions and played dual role of city Workplace Lead and as Country Head Logistics. He also worked with Zenta Pvt Ltd., a BPO/ KPO with Operations in India, Philippines and US and was responsible for the Facilities & Services for India locations. During his tenure with the Indian Army, he worked in inhospitable terrains and extreme climatic conditions. As an Officer Commanding an Infantry Company carried out active battle operations during Kargil War (Operation Vijay) in Batalik Sector.

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

He has been appointed as a Non-Executive Director of the Company with effect from March 24, 2022 and is liable to retire by rotation.

He has attended all ten Board meetings of the Company held during the financial year 2022-23.

He is a Member of the Audit Committee and Risk Management Committee of the Company. He does not hold any shares in the Company and does not have any relationship with other Directors and Key Managerial Personnel of the Company.

He fulfils the Fit and Proper Criteria of Directors as per the requirements of RBI Circular No. RBI/2020-21/73/DOR. FIN. HFC. CC. No. 120/03.10.136/2020-21 dated February 17, 2021 on Master Direction - Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021 and has given his declaration in this regard. He is neither disqualified nor restrained/debarred from holding the office as a Director of the Company by virtue of any SEBI order or any other Authority.

During 2022-23 he was paid sitting fees of ₹ 7.60 lakh for attending meetings of Board and Committees. He shall not be paid any remuneration except sitting fees for attending the meetings of the Board or Committees thereof.

Further details of Mr. Sudeep Ghoshal are furnished in the Corporate Governance Report forming part of this Annual Report.

Notice

4. In compliance with the aforesaid MCA Circulars and SEBI Circulars dated May 12, 2020 and January 15, 2021 (collectively referred to as "Circulars"), Notice for the AGM along with the Annual Report 2022-23 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company or Central Depository Services (India) Limited (CDSL) / National Securities Depositories Limited (NSDL) ("Depositories"). Members may note that the Notice and Annual Report 2022-23 will also be available on the Company's website at www.reliancehomefinance.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com, respectively, and also on the website of KFin Technologies Limited (KFinTech) at www.kfintech.com.
5. Members whose e-mail address is not registered can register the same in the following manner so that they can receive all communications from the Company electronically:
 - a. Members holding share(s) in physical mode – by registering their e-mail ID on the Company's website at <http://www.reliancehomefinance.com/Registration-of-Shareholdersinformation.aspx>.
 - b. Members holding share(s) in electronic mode – by registering / updating their e-mail address with their respective Depository Participants ("DPs").
6. The Company has engaged the services of KFinTech, the authorised agency for conducting of the AGM electronically and for providing e-voting facility.
7. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
8. Since the AGM is being held through VC / OAVM, the Route Map is not annexed in this Notice.
9. Relevant documents referred to in the accompanying Notice calling the AGM are available on the website of the Company for inspection by the Members. The certificate from the Secretarial Auditors of the Company confirming the compliance of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 with respect to the Company's Employees Stock Option Scheme Plans will also be available for inspection through electronic mode on the website of the Company.
10. Members are advised to refer to the section titled 'Investor Information' provided in this Annual Report.
11. As mandated by SEBI, effective from April 1, 2019, securities of listed companies shall be transferred only in dematerialised form. In view of the above and to avail various benefits of dematerialisation, Members are advised to dematerialise share(s) held by them in physical form.
12. Instructions for attending the AGM and e-voting are as follows:
 - a. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, from time to time and Regulation 44 of the Listing Regulations, the Company is offering e-voting facility to all Members of the Company. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners (in case of electronic shareholding) maintained by the Depositories as on the cut-off date i.e. Friday, September 22, 2023 only shall be entitled to avail the facility of remote e-voting / e-voting at the AGM. KFinTech will be facilitating remote e-voting to enable the Members to cast their votes electronically. Members can cast their vote online from 10:00 A.M. (IST) on Monday, September 25, 2023 to 5:00 P.M. (IST) on Thursday, September 28, 2023. At the end of remote e-voting period, the facility shall be forthwith blocked.
 - b. Pursuant to SEBI circular no. SEBI/HO/CFD CMD/CIR/P/2020/242 dated December 9, 2020 on "e-voting facility provided by Listed Companies", which is effective from June 9, 2021, e-voting process has been enabled for all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process.
 - c. Individual demat account holders would be able to cast their vote without having to register again with the E-voting Service Provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-voting process. Members are advised to update their mobile number and e-mail ID with their DPs to access e-voting facility.
 - d. The voting rights of the Members shall be in proportion to the number of share(s) held by them in the equity share capital of the Company as on the cut-off date being Friday, September 22, 2023.

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

Reliance Home Finance Limited

Notice

Part A – E-voting

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

Types of shareholder	Login Method
Securities held in demat mode with NSDL	<ol style="list-style-type: none"> 1. User already registered for IDeAS facility: <ol style="list-style-type: none"> Visit URL: https://eservices.nsd.com Click on the "Beneficial Owner" icon under "Login" under 'IDeAS' section. On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-voting." Click on company name or ESP and you will be re-directed to the ESP's website for casting the vote during the remote e-voting period. 2. User not registered for IDeAS e-Services <ol style="list-style-type: none"> To register click on link : https://eservices.nsd.com Select "Register Online for IDeAS" or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp Proceed with completing the required fields. Follow steps given in point 1. 3. Alternatively by directly accessing the e-voting website of NSDL Open URL: https:// www.evoting.nsd.com/ <ol style="list-style-type: none"> Click on the icon "Login" which is available under 'Shareholder/ Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen. Post successful authentication, you will be requested to select the name of the Company and the ESP, i.e. KFintech. On successful selection, you will be redirected to KFintech e-voting page for casting your vote during the remote e-voting period.

Types of shareholder	Login Method
Securities held in demat mode with CDSL	<ol style="list-style-type: none"> 1. Existing user who have opted for Easi / Easiest <ol style="list-style-type: none"> Visit URL: https://web.cdslindia.com/myeasi/home/login or URL: www.cdslindia.com Click on New System Myeasi. Login with your registered user id and password. The user will see the e-voting Menu. The Menu will have links of ESP i.e. KFintech e-voting portal. Click on e-voting service provider name to cast your vote. 2. User not registered for Easi / Easiest <ol style="list-style-type: none"> Option to register is available at https://web.cdslindia.com/myeasi/Registration/ EasiRegistration Proceed with completing the required fields. Follow the steps given in point 1. 3. Alternatively, by directly accessing the e-voting website of CDSL <ol style="list-style-type: none"> Visit URL: www.cdslindia.com Provide your demat Account Number and PAN No. System will authenticate user by sending OTP on registered Mobile & e-mail as recorded in the demat Account. After successful authentication, user will be provided with the link for the respective ESP i.e. KFintech where the e-voting is in progress.
Login through Depository Participant Website where demat account is held	<ol style="list-style-type: none"> You can also login using the login credentials of your demat account through your DP registered with NSDL / CDSL for e-voting facility. Once logged-in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-voting feature. Click on options available against company name or ESP – KFintech and you will be redirected to e-voting website of KFintech for casting your vote during the remote e-voting period without any further authentication.

Notice

Types of shareholder	Login Method
Important note:	Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at respective websites. Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.
Login type Helpdesk details Securities held with NSDL	Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at or contact helpdesk.evoting@cdslindia.com at 022- 23058738 or 022-23058542-43

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

- a. Members whose e-mail IDs are registered with the Company / DPs, will receive an e-mail from KFinTech which will include details of e-voting Event Number (EVEN), USER ID and password. They will have to follow the following process:
- Launch internet browser by typing the URL: <https://emeetings.kfintech.com/>
 - Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) 7697, followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFinTech for e-voting, you can use your existing User ID and password for casting the vote.
 - After entering these details appropriately, click on "LOGIN".
 - You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, e-mail ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
 - You need to login again with the new credentials.
 - On successful login, the system will prompt you to select the "EVEN" i.e., "Reliance Home Finance Limited-AGM" and click on "Submit"
 - On the voting page, enter the number of share(s) (which represents the number of votes) as on the
- Cut-off Date under "FOR / AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR / AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
- Members holding multiple folios / demat accounts shall choose the voting process separately for each folio / demat accounts.
 - Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
 - You may then cast your vote by selecting an appropriate option and click on "Submit".
 - A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution(s), you will not be allowed to modify your vote. During the voting period, members can login any number of times till they have voted on the Resolution(s).
 - Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution / Authority Letter etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to cast its vote through remote e-voting together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer's e-mail id scrutinizerag@gmail.com with a copy marked to praveendmr@kfintech.com. The scanned image of the above-mentioned documents should be in the naming format "Corporate Name_Event No."
- b. Members whose e-mail IDs are not registered with the Company / DPs, and consequently the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, will have to follow the following process:
- Temporarily get their e-mail address and mobile number provided with KFinTech, by sending an e-mail to evoting@kfintech.com. Members are requested to follow the process as guided to capture the e-mail address and mobile number for sending the soft copy of the notice and e-voting instructions along with the User ID and Password. In case of any queries, member may write to einward.ris@kfintech.com.
 - Alternatively, members may send an e-mail request at the e-mail id einward.ris@kfintech.com along with scanned copy of the signed request letter providing the e-mail address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the Annual report, Notice of AGM and the e-voting instructions.
 - After receiving the e-voting instructions, please follow all steps above to cast your vote by electronic means.

Reliance Home Finance Limited

Notice

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

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

- i. Members will be provided with a facility to attend the AGM through VC / OAVM platform provided by Kfintech. Members may access the same at <https://emeetings.kfintech.com/> by using the e-voting login credentials provided in the e-mail received from the Company / Kfintech. After logging in, click on the Video Conference tab and select the EVEN of the Company. Click on the video symbol and accept the meeting etiquettes to join the meeting. Please note that the members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned above.
- ii. Facility for joining AGM through VC / OAVM shall open at least 15 minutes before the time scheduled for the Meeting.
- iii. Members are encouraged to join the Meeting through Laptops / Desktops with Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge, Mozilla Firefox 22.
- iv. Members will be required to grant access to the webcam to enable VC / OAVM. Further, Members connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid difficulties.
- v. As the AGM is being conducted through VC / OAVM, for the smooth conduct of proceedings of the AGM, members are encouraged to express their views / send their queries in advance mentioning their name, demat account number / folio number, e-mail id, mobile number at Kfintech eVoting System – Login. Questions / queries received by the Company till September 28, 2023 (5:00 P.M. IST) shall only be considered and responded during the AGM.
- vi. The members who have not cast their vote through remote e-voting shall be eligible to cast their vote through e-voting system available during the AGM. E-voting during the AGM is integrated with the VC / OAVM platform. The members may click on the voting icon displayed on the screen to cast their votes.
- vii. A member can opt for only single mode of voting i.e., through remote e-voting or voting at the AGM. If a member casts votes by both modes, then voting done through remote e-voting shall prevail and vote at the AGM shall be treated as invalid. Once the vote on a resolution(s) is cast by the member, the member shall not be allowed to change it subsequently.
- viii. Facility of joining the AGM through VC / OAVM shall be available for 1,000 members on first come first serve basis. However, the participation of members holding 2% or more shares, promoters, and Institutional Investors, key

managerial personnel and Auditors are not restricted on first come first serve basis.

- ix. The members who wish to speak during the meeting may register themselves as speakers for the AGM to express their views. They can visit and login through the user id and password provided by Kfintech. On successful login, select 'Speaker Registration'. Members shall be provided a 'queue number' before the meeting. The Company reserves the right to restrict the speakers at the AGM to only those members who have registered themselves, depending on the availability of time for the AGM.
- x. In case of any query and / or grievance, in respect of voting by electronic means, members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of <https://evoting.kfintech.com> (Kfintech's Website) or e-mail at evoting@kfintech.com or call Kfintech's toll free no. 1 800 309 4001.
- xi. In case a person has become a member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting, she / he may obtain the User ID and Password in the manner as mentioned below:
 - i. If the mobile number of the member is registered against Folio No. / DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number + Folio No. or DP ID Client ID to 9212993399
 1. Example for NSDL: MYEPWD <SPACE> IN12345612345678
 2. Example for CDSL: MYEPWD <SPACE> 1402345612345678
 3. Example for Physical: MYEPWD <SPACE> XXXX1234567890
 - ii. If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.kfintech.com/>, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
- xii. Members who may require any technical assistance or support before or during the AGM are requested to contact Kfintech at toll free number 1800 309 4001 or write to them at evoting@kfintech.com.

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

Directors' Report

Dear Shareowners,

Your Directors present the 15th Annual Report and the audited financial statement for the financial year ended March 31, 2023.

Financial Performance and State of Company's Affairs

The performance of the Company for the financial year ended March 31, 2023 is summarised below:

	(₹ in crore)	
Particulars	March 31, 2023*	March 31, 2022
Total revenue	391.37	293.50
Profit before depreciation and tax	9,292.98	(7,694.31)
Less: Depreciation & Amortisation	1.96	212.09
Profit before tax	9,013.79	(7,906.40)
Current tax - Deferred tax / (credit)	3,595.21	(2,466.80)
Net profit after tax	5,418.57	(5,439.60)
Amount transferred to Special Reserve Fund	-	-

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

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

In view of above, certain lenders of the Company (Banks and other Financial Institutions) had entered into an Inter-Creditor Agreement (ICA) on July 6, 2019 with Bank of Baroda acting as the Lead Lender for arriving at the debt resolution plan in accordance with the circular dated June 7, 2019 issued by the Reserve Bank of India (RBI) on Prudential Framework for Resolution of Stressed Assets (RBI Circular), by way of Change in Management. The Lead Bank and the lenders forming part of ICA had appointed resolution advisors, cashflow monitoring agency, valuers and legal counsel. Bank of Baroda as the Lead Lender and on behalf of the ICA lenders had as part of the debt resolution process invited the Expression of Interest (EoI) and bids from interested bidders vide newspaper advertisement dated July 29, 2020 and through the Lead Bank's website. Initially nineteen investors had expressed interest through submission of EOI's. The ICA lenders after completing the transparent process of inviting bids from eligible bidders and evaluation, voted upon and selected with overwhelming majority Authum Investment & Infrastructure Limited (Authum) as the final bidder on June 19, 2021. The said Resolution Plan of Authum along with the Distribution Mechanism was presented to the Company by the Lead Banker, asking the Company to seek approval of the Debenture holders. The Company had duly made requisite disclosure to the stock exchanges in this regard.

The Company shared the said Resolution Plan along with the Distribution Mechanism with the Debenture Trustees viz. IDBI Trusteeship Services Limited and Catalyst Trusteeship Limited. A meeting of the Debenture Holders of Reliance Home Finance

Limited was called by IDBI Trusteeship Services Ltd. (Debenture Trustee) and was held on May 13, 2022, for consideration and approval of the Resolution Plan along with the Distribution Mechanism approved by ICA Lenders on June 19, 2021. Further, pursuant to the Order dated May 10, 2022 passed by the Hon'ble High Court of Judicature at Bombay, the results of the voting of the Meeting was submitted before the Hon'ble High Court in a sealed envelope.

The Company had approached the Hon'ble High Court of Judicature at Bombay praying that the Hon'ble High Court exercise powers under Section 151 of the Civil Procedure Code, 1908, to approve the resolution plan of RHFL as was done by the Supreme Court in exercise of Article 142 of the Constitution of India in case of Reliance Commercial Finance Limited in Rajkumar Nagpal (supra). However, the said application was not allowed and disposed off on December 16, 2022 by the Hon'ble High Court stating that "The moulding of relief can only be done by the Supreme Court under Article 142 of the Constitution of India. This Court under Section 151 of the CPC does not have the powers akin to Article 142 of the Constitution of India".

On an appeal preferred by the Company and others, the Hon'ble Supreme Court of India vide its Order dated March 3, 2023, in exercise of its powers under Article 142 of the Constitution of India, allowed the Resolution Plan of Authum qua the debenture holders, except the dissenting debenture holders.

Further, the Shareholders of the Company at extraordinary general meeting held on March 25, 2023 by passing a special resolution approved sale / disposal of asset(s) / undertaking(s) of the Company for the purposes of implementation of the said Resolution Plan and authorised the Board for the said purpose.

The Resolution Applicant vide its e-mail dated March 8, 2023 had informed that in terms of the Hon'ble Supreme Court of India Order dated March 3, 2023, the Resolution Plan was to be implemented by March 31, 2023 and requested the Company to extend its co-operation for implementation of Resolution Plan and, inter-alia, fix a record date for payment along with extinguishment of RHFL debentures, not later than March 27, 2023.

The Company had fixed March 26, 2023 as the record date and intimated to the stock exchanges that the Debenture Holders will be paid as per the respective entitlement of the debenture holders as on the date of Resolution Plan in terms thereof, in full and final settlement of their dues and claims, towards extinguishment and redemption of the debentures of the Company held by them.

As per the final approved Resolution Plan, the total Resolution amount of the Company was arrived at ₹3,351 crore.

The entire Resolution Plan has been finalised in terms of RBI Circular No. RBI/2018-19/ 203, DBR.No.BP. BC.45/21.04.048/2018-19 dated June 7, 2019 on Prudential Framework for Resolution of Stressed Assets by the Lenders of the Company, has also been approved by the Hon'ble Supreme Court of India by its order dated March 3, 2023 and the special resolution approved by the shareholders dated March 25, 2023. In view of the same the Company took all appropriate steps towards implementation of the Resolution Plan in compliance with the Order of Hon'ble Supreme Court of India.

Reliance Home Finance Limited

Directors' Report

The Company in consultation with the Lead Bank, Debenture Trustee, Legal and Financial Advisors, the Company took the following steps towards implementing the approved Resolution Plan:

- A. Repaid dues to ICA Lenders as per Final Distribution Mechanism approved by Lenders.
- B. Distributed funds to Debenture Trustees for making payments to NCD Holders as per Final Distribution Mechanism approved by Lenders.
- C. Executed Business Transfer Agreement (BTA) with Reliance Commercial Finance Limited, 100% subsidiary of Authum Investment & Infrastructure Limited.
- D. Executed Resolution Plan Implementation Memorandum with the Lenders, Other ICA Members and Reliance Commercial Finance Limited, 100% subsidiary of Authum Investment & Infrastructure Limited.
- E. Executed Resolution Plan Implementation Memorandum with IDBI Trusteeship Services Limited and Reliance Commercial Finance Limited, 100% subsidiary of Authum Investment & Infrastructure Limited.

As per the Resolution Plan and the Distribution Mechanism duly approved and finalised by the Banks, Financial Institutions and other Lenders in terms of the RBI Circular and informed to the Company, the beneficiary position of NCD holders (BENPOS) as of April 15, 2022 had been taken to ascertain the entitlement of 100% of their principal dues under the Resolution Plan to the small debenture holders in the category of individuals and HUFs holding debentures of the principal amount of up to ₹5 lakhs, as of that said BENPOS date. All other Debenture Holders including Banks and Financial Institutions were paid 27.71% for secured and 20.78% for unsecured, as per the Resolution Plan.

Accordingly, in terms of the RBI Circular and in pursuance of the order of the Hon'ble Supreme Court of India dated March 3, 2023, the total Resolution amount of ₹ 3,351 crore has duly been paid to all the financial creditors including debenture holders as per their respective approved entitlements under the Resolution Plan in full and final settlement of their dues and the Resolution Plan stood duly implemented.

The Company had kept an amount equivalent to the respective entitlement as per Resolution Plan in full and final settlement of dues of the Dissenting Debenture Holders in fixed deposit and Debenture Holders would be paid upon receipt of assent to the Resolution Plan.

Post execution of Business Transfer Agreement (BTA) with Reliance Commercial Finance Limited (RCFL), 100% subsidiary of Authum Investment & Infrastructure Limited dated March 29, 2023, the business undertaking of the Company i.e. identified assets and assumed liabilities are transferred to RCFL for total consideration of ₹180 crore. Accordingly, Assets Under Management as on March 31, 2023 was Nil as against ₹ 11,857 crore as on March 31, 2022.

The Board of Directors of the Company at their meeting held on July 17, 2023 had considered and approved the Surrender of Certificate of Registration as a housing finance institution to the National Housing Bank and in-principally approved for voluntary liquidation of the Company, subject to requisite permissions, sanctions and approvals.

Capital Adequacy Ratio

Your Company's Capital to Risk Assets Ratio (CRAR) calculated in line with the requirements of RBI Circular No. RBI/2020-21/73/ DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021 on Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 (the 'RBI Directions'), stood at (3,992.56) per cent, which is below the regulatory minimum requirement of 15 per cent.

Management Discussion and Analysis

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

Resources and Liquidity

The Company's Net Worth as on March 31, 2023, stood at ₹(73.83) crore. The Company has not raised any amount during the financial year 2022-23 by issuance of any securities. The Company's debt equity ratio as on March 31, 2023 stood at (1.35):1.

3,10,35,980 fully paid-up 8% Cumulative Non-Convertible Redeemable Preference Shares of ₹10 each issued and allotted on August 9, 2017 for a term of five years, without payment being received in cash were unredeemed, in view of Company's current financial position.

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

Particulars	No. of NCDs	Amount (₹ in crore)
Total number of non-convertible debentures which have not been claimed by the Investors	Nil	Nil
Total number of non-convertible debentures which have not paid by the Company after the date on which the non-convertible debentures became due for redemption and total amount in respect of such debentures remaining unclaimed or unpaid beyond the date referred to	10,618	55.95*

*Debenture holders amounting to ₹55.95 crore have dissented to the resolution plan. The Company has set aside ₹11.84 crore equivalent to their entitlement as per the resolution plan approved and finalised by the financial creditors of the Company.

Dividend

During the year under review, the Board of Directors had not recommended dividend on the equity shares of the Company.

Directors' Report

Deposits

The Company has neither accepted nor renewed any fixed deposits during the year. There are no unclaimed deposits, unclaimed / unpaid interest, refunds due to the deposit holders or to be deposited to the Investor Education and Protection Fund as on March 31, 2023.

Particulars of Loans, Guarantees or Investments

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

Promoter and Persons belonging to Promoter Group

The Company is promoted by Reliance Capital Limited (RCap), the financial services company of the Reliance Group. RCap is currently under Corporate Insolvency Resolution Process (CIRP). RCap holding in the Company has been reduced from 47.91% as on March 31, 2023 to 42.13% as on the date of this report.

During the year, the Company had received a request from 'Persons belonging to Promoter Group' of the Company, seeking reclassification as 'Public' under Regulation 31A of the Listing Regulations. The Persons belonging to Promoter Group seeking reclassification, together hold 35,65,449 equity shares of the Company constituting approximately 0.74%, which is not more than one percent of the total voting rights in the Company. The Company had submitted the application with respect to reclassification under Regulation 31A(3) of the Listing Regulations with the stock exchanges viz. BSE Limited and the National Stock Exchange of India Limited and response from the stock exchanges is awaited.

Subsidiary and Associate companies

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

Directors

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

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

The Company had appointed Mr. Sudeep Ghoshal as a Director (nominated by Reliance Capital Limited) of the Company at 14th Annual General Meeting (AGM) held on June 24, 2022. In terms of the provisions of the Act, he retires by rotation and being eligible, offers himself for re-appointment at the ensuing AGM.

The members of the Company have duly approved through postal ballot the special resolution for re-appointment of Mr. Sushilkumar Agrawal as an Independent Director on the Board of the Company, for a second term of five consecutive years with effect from June 28, 2023.

Further, based on the written representations received from the Directors as on March 31, 2023 taken on record by the Board of Directors and the legal opinion obtained by the Company, none of the directors are disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

Key Managerial Personnel

- (i) Mr. Shanil Jain was appointed as the Chief Financial Officer (CFO) of the Company with effect from July 17, 2023.
- (ii) Mr. Amit Kumar Jha ceased to be the CFO with effect from the closure of business hours on June 30, 2023.
- (iii) Presently, Company's KMPs are Mr. Prashant Utreja, Chief Executive Officer, Mr. Shanil Jain, Chief Financial Officer and Ms. Parul Jain, Company Secretary & Compliance Officer.

Evaluation of Directors, Board and Committees

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

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

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

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

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

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

Directors' Report

Directors' Responsibility Statement

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

- i. In the preparation of the annual financial statement for the financial year ended March 31, 2023, the applicable Accounting Standards had been followed along with proper explanation relating to material departures, if any;
- ii. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2023 and of the profit of the Company for the year ended on that date;
- iii. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. The Directors had prepared the annual financial statement for the financial year ended March 31, 2023 on a 'going concern' basis;
- v. The Directors had laid down proper internal financial controls to be followed by the Company and such financial controls are adequate and are operating effectively. The Company is taking constant steps to further strengthen the same; and
- vi. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Contracts and Arrangements with Related Parties

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

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

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

All Related Party Transactions were placed before the Audit Committee and also the Board for approval. Prior omnibus approval of the Audit Committee and the Board was obtained for the transactions which were of a repetitive nature. The transactions entered into pursuant to the omnibus approval so granted were reviewed and statements giving details of all related party transactions were placed before the Audit Committee and the Board of Directors on quarterly basis. The policy on Related Party Transactions as approved by the Board

is uploaded on the Company's website at the link <https://www.reliancehomefinance.com/corporate-governance/policies>. Your Directors draw attention of the members to Note No.46 to the Financial Statement which sets out related party disclosures pursuant to Ind-AS and Schedule V of the Listing Regulations.

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

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

Meetings of the Board

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

Audit Committee

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

Auditors and Auditors' Report

M/s. Tambi & Jaipurkar, Chartered Accountants were appointed as Statutory Auditors of the Company for a term of 3 (three) consecutive years, at the Annual General Meeting of the Company held on September 14, 2021 to hold office as Statutory Auditors for a period of three consecutive years i.e. upto the conclusion of the 16th AGM.

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

The Auditors' in their Report to the Members, have given the following qualified opinion and the response of your Directors with respect to it is as follows:-

Opinion that in view of the business transfer, ceased operations of the Company and current cash flow position, a material uncertainty exists to meet substantial probable financial liabilities / exposure and a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern and that the Company has substantially reduced and further discontinued its housing finance activity post the execution of Lenders' Implementation Memorandum, this may result in loss / surrender of Housing Finance License.

Response - The Company was under debt resolution in terms of RBI Circular No. RBI/2018-19/203, DBR. No.BP.BC.45/21.04.048/2018-19 dated June 7, 2019

Directors' Report

on Prudential Framework for Resolution of Stressed Assets. The Resolution Plan as approved by creditors and shareholders of the Company as also by the Hon'ble Supreme Court of India vide its order dated March 3, 2023, was implemented by transfer of the entire undertaking by way of slump sale to Reliance Commercial Finance Limited, a wholly owned subsidiary of Authum Investment & Infrastructure Limited (the "Resolution Applicant"). This would result in substantial reduction or discontinuation of the housing finance activities. Further, Reliance Capital Limited (RCL), the Promoter of the Company is under Corporate Insolvency Resolution Process (CIRP). Accordingly, the future course of business of the Company would be ascertainable upon successful resolution of RCL under CIRP.

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

Secretarial Audit and Secretarial Compliance Report

Pursuant to the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors had appointed M/s. Aashish K. Bhatt & Associates, Practicing Company Secretaries, to undertake the Secretarial Audit of the Company. The Audit Report of the Secretarial Auditor is attached as Annexure – A.

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

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

Secretarial Standards

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

Maintenance of Cost Records

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

Annual Return

As required under Section 134(3)(a) of the Act, the Annual Return for the financial year 2022-23 is put up on the Company's website and can be accessed at <https://www.reliancehomefinance.com/investor-relations-Annual Return 2022-23>.

Particulars of Employees and related disclosures

(a) Employees Stock Option Scheme

Employees Stock Option Scheme (ESOS Scheme) was

approved and implemented by the Company and Options were granted to the employees in accordance with guidelines applicable to ESOS Scheme.

The Nomination and Remuneration Committee of the Board monitors the Scheme. The existing ESOS Scheme is in compliance with the Act read with Rules made thereunder and the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (SEBI Regulations).

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

(b) Other Particulars

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

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

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

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

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

Corporate Governance

The Company has adopted 'Reliance Group – Corporate Governance Policies and Code of Conduct'. The report on Corporate Governance as stipulated under Regulation 34(3) read with Para C of Schedule V of the Listing Regulations and the RBI Directions (earlier Housing Finance Companies – Corporate

Directors' Report

Governance (National Housing Bank) Directions, 2016) is presented in separate section forming part of this Annual Report.

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

Ombudspersons & Whistle Blower (Vigil Mechanism)

The Company has formulated an Ombudspersons & Whistle Blower (Vigil Mechanism) Policy to address the genuine concerns, if any, of the Directors and employees of the Company. The policy has been overseen by the Audit Committee. No person has been denied for direct access to the Chairperson of the Audit Committee. The details of the same have been stated in the Report on Corporate Governance and the policy can be accessed on the Company's website.

Risk Management

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

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

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

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

its employees, customers and suppliers while navigating the financial, operational and cyber security challenges during and post COVID-19.

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

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

Corporate Social Responsibility

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

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

During the year 2022-23, the Company is not required to spend on CSR expenditure pursuant to the provisions of Section 135 of the Act.

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

Following Orders were passed by Regulators or Courts or Tribunals:

- (a) A common Order was passed on June 21, 2021 by the Hon'ble National Company Law Tribunal, (NCLT) Mumbai Bench, in the matter of C.P. No. 138 of 2020, IDBI Trusteeship Services Limited versus Reliance Home Finance Limited and C.P. No. 139 of 2020, IDBI Trusteeship Services Limited versus Reliance Capital Limited & Ors, allowing the Applications filed under Section 71(10) of the Companies Act, 2013 directing redemption of debentures. The Company had preferred appeals against the said Orders before the Hon'ble National Company Law Appellate Tribunal (NCLAT), New Delhi. In the matter of Appeals i.e. Company Appeal (AT) No.70 of 2021 and Company Appeal (AT) No.71 of 2021, the Hon'ble Bench on July 9, 2021 was pleased to direct the parties to maintain status quo on the impugned orders dated June 21, 2021 passed by the NCLT, Mumbai Bench.

Arguments in the matter were completed on April 17, 2023. The Tribunal observed that the NCLT Order dated June 21, 2023 suffered from infirmity as the ICA lenders were not given a proper opportunity to be heard and therefore allowed the appeal remanding the matters back to NCLT, Mumbai. The matter is pending before NCLT.

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- (b) In the matter of Commercial Suit (Commercial Suit No.27568 of 2021) R. K. Mohatta Family Trust versus Reliance Home Finance Limited & Others the Hon'ble Bombay High Court was pleased to pass an order on March 31, 2022 directing that the meeting of the Debenture Holders be called under all the Debenture Trust Deeds within two weeks of the order. Since there prevailed certain rectifications in the order, the order for speaking to the minutes was passed on April 6, 2022. The notice for conducting the meeting of Debenture Holders on May 13, 2022 has already been issued by IDBI Trusteeship Services Limited (Debenture Trustee).

The Hon'ble High Court rejected the I.A. No. (L) 33514 of 2022 filed by the Company for approval of the resolution plan as done in the case Rajkumar Supra on the ground that its powers under Section 151 of the Civil Procedure Code, 1908 are narrower. The Company had filed an appeal against the said impugned order dated December 16, 2022 passed by Hon'ble High Court of Judicature at Bombay by way of a Special Leave Petition before the Hon'ble Supreme Court of India. The Hon'ble Supreme Court of India was pleased to allow the implementation of the resolution plan proposed by Authum Investment & Infrastructure Limited (the "Resolution Applicant") vide its order dated March 3, 2023. The dissenting debenture holders were granted liberty to stand out of the plan and pursue legal remedies. The resolution plan has been successfully implemented.

A contempt proceeding has been initiated by certain Debenture Holders on the premises that having invested ₹ 5 lakhs and below in the debentures of RHFL, they are entitled for repayment of 100% of their principal investment as per the resolution plan that stood approved vide the order dated March 3, 2023 of the Hon'ble Supreme Court of India.

- (c) Pursuant to Order dated November 20, 2019 passed by the Hon'ble Delhi High Court in the matter of OMP(I) COMM.419/2019 and OMP(I) COMM. 420/2019 (Always Remember Properties Private Limited (Petitioner) versus Reliance Home Finance Limited & Ors), the Company is prohibited to dispose off, alienate, encumber either directly or indirectly or otherwise part with the possession of any assets.

Further, as per the order dated December 21, 2022, the Hon'ble Delhi High Court directed the Company to deposit ₹46 crore directly in the account of the Petitioner and ₹154 crore in the account of the Hon'ble Delhi High Court. Pursuant to the same, all the criminal matters pertaining to Always Remember Properties Private Limited (ARPL) were withdrawn and ARPL was made a party to Inter-Creditor Agreement (ICA).

- (d) In the matter of O.A. 478 of 2022 filed by Canara Bank, the Ld. DRT-I Mumbai had passed an order restraining the Company from dealing with or disposing off secured assets or such other assets and properties disclosed, pending hearing and disposal of the present O.A. The matter was listed on March 24, 2023 wherein the matter was withdrawn by Canara Bank with liberty to file fresh O.A.

alongwith liberty on limitation in case payment is not done as per the resolution plan.

- (e) The Company had filed writ petition with the Hon'ble Delhi High Court challenging Punjab National Bank's wrongful action of classifying the Company's account as a 'fraud'. The Hon'ble Delhi High Court had passed an order restraining Punjab National Bank from taking any coercive action and directed categorization of Company as 'Fraud' be kept in abeyance. Bank of Baroda, State Bank of India, Federal Bank, Indian Bank, Bank of Maharashtra, HDFC Bank, Union Bank of India and Axis Bank Limited had also categorised Company's account as a fraud. The Hon'ble High Court of Delhi also passed similar order(s) and extended the stay on said banks as well. The Company had filed writ petitions against all the abovementioned Bank(s) that had declared Company's account as fraud.

Following the Judgement of Hon'ble Supreme Court of India, the Hon'ble Delhi High Court by an order dated May 12, 2023 had set aside the action of classifying Company's account as a fraud account by Punjab National Bank, Federal Bank, Indian Bank, State Bank of India, HDFC Bank, Bank of Maharashtra, Axis Bank and Union Bank of India under the Master Directions on Frauds dated July 1, 2016, issued by the Reserve Bank of India (RBI Master Directions). However, in the matter of Writ Petition No. 5280/2020 Reliance Home Finance Limited versus Bank of Baroda (BoB), BoB submitted that they have complied with the principles of natural justice and the opportunity of heard was provided to BoB.

The Company had also received a communication as regards ICICI Bank Limited classifying the Company's account as Fraud. Similar matter was covered by the above referred orders wherein the matter was sub-judice and with order dated May 12, 2023 had set aside the action of classifying Company's account as a fraud account under said RBI Master Directions.

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

Directors' Report

after taking into consideration the transfer of Company's business undertaking to Reliance Commercial Finance limited, a wholly owned subsidiary of Authum Investment & Infrastructure Limited (Resolution Applicant), pursuant to RBI Circular No. RBl/2018-19/ 203, DBR.No.BP.BC.45/21.04.048/2018-19 dated June 7, 2019 on Prudential Framework for Resolution of Stressed Assets, the order of Supreme Court of India dated March 3, 2023 and the special resolution passed by the shareholders dated March 25, 2023.

Internal Financial Controls and their adequacy

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

General

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

Acknowledgement

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

For and on behalf of the Board of Directors

Ashish Turakhia
Director

Sudeep Ghoshal
Director

Mumbai
July 28, 2023

**Form No. MR-3
Secretarial Audit Report****For the financial year ended March 31, 2023**

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

To,

The Members,**Reliance Home Finance Limited,**

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

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

Based on my verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the financial year ended March 31, 2023 has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2023, according to the provisions of:

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

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

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

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above and following events have occurred and updates have been provided on matters occurred during the previous audit report:

Reliance Home Finance Limited

Directors' Report

- (i) Implementation of Resolution Plan: Pursuant to the approved Resolution Plan of the Company and the Distribution Mechanism duly approved and finalized by its Lenders in terms of RBI Circular No. RBI/2018-19/ 203, DBR.No.BP.BC.45/21.04.048/2018-19 dated June 7, 2019 on Prudential Framework for Resolution of Stressed Assets, the order of Hon'ble Supreme Court of India dated March 3, 2023 and the special resolution passed by the Shareholders dated March 25, 2023, the total Resolution amount of ₹ 3,351 crore have duly been paid to all the financial creditors including debenture holders (except dissenting debenture holders) as per their respective approved entitlements under the Resolution Plan in full and final settlement of their dues and the Resolution Plan stood duly implemented.
- The Company in consultation with the Lead Bank, Debenture Trustee, Legal and Financial Advisors, took the following steps towards implementing the approved Resolution Plan:
- Repaid dues to ICA Lenders as per Final Distribution Mechanism approved by Lenders.
 - Distributed funds to Debenture Trustees for making payments to NCD Holders as per Final Distribution Mechanism approved by Lenders.
 - Executed Business Transfer Agreement (BTA) with Reliance Commercial Finance Limited, 100% subsidiary of Authum Investment & Infrastructure Limited (the "Resolution Applicant").
 - Executed Resolution Plan Implementation Memorandum with the Lenders, Other ICA Members and Reliance Commercial Finance Limited, 100% subsidiary of Authum Investment & Infrastructure Limited.
 - Executed Resolution Plan Implementation Memorandum with IDBI Trusteeship Services Limited and Reliance Commercial Finance Limited, 100% subsidiary of Authum Investment & Infrastructure Limited.
- (ii) SEBI had issued an Interim Order cum Show Cause Notice dated February 11, 2022 under Sections 11(1), 11(4) and 11B(1) of the SEBI Act, 1992 ("Notice") against the Company, its individual promoter and the then Key Managerial Personnel ("Noticees") and has restrained the Noticees from buying, selling, or dealing in securities, either directly or indirectly, in any manner whatsoever until further notice. Further, Individual Noticees have been restrained from associating themselves with any intermediary registered with SEBI, any listed public company or from acting as a director / promoter of any public company which intends to raise money from the public, till further notice. As informed, the Company is in the final stages of preparing response to the notice in consultation with the legal advisors, taking into consideration the transfer of Company's business undertaking to Reliance Commercial Finance limited, a wholly owned subsidiary of Authum Investment & Infrastructure Limited (Resolution Applicant), pursuant to RBI Circular No. RBI/2018-19/ 203, DBR.No.BP.BC.45/21.04.048/2018-19 dated June 7, 2019 on Prudential Framework for Resolution of Stressed Assets, the order of Supreme Court of India dated March 3, 2023 and the special resolution passed by the shareholders dated March 25, 2023.
- (iii) E-mails were received from stock exchanges for imposing fines under the Listing Regulations, in this regard a response was given to the stock exchanges.
- (iv) 3,10,35,980 fully paid-up 8% Cumulative Non-Convertible Redeemable Preference Shares of ₹ 10 each issued and allotted by Company pursuant to scheme of arrangement on August 9, 2017 for a term of five years, without payment being received in cash were unredeemed, in view of Company's current financial position.
- (v) Based on the written representations received from the Directors as on March 31, 2023 taken on record by the Board of Directors and the legal opinion obtained by the Company, none of the Directors are disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
- (vi) Re-classification of Persons belonging to the Promoter Group to Public: The Company had received the Application(s) and cum Undertaking(s) from the Persons belonging to the Promoter Group of the Company, for reclassifying them from 'Promoter Group' to 'Public Category' under Regulation 31A of the SEBI (LODR) Regulations, 2015 and had submitted an application for approval in the prescribed format with BSE and NSE for approval. The application is pending for approval from the Stock Exchanges.

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

- The National Housing Bank Act (NHB), 1987, The Reserve Bank of India Act (RBI), 1934 and its circulars, Master Directions, notifications and guidelines as prescribed for Housing Finance Companies (HFCs), from time to time, except -
 - Proportion of non-housing loan is more than the proportion of housing loan and its related compliances;
 - Due to lack of manpower and resources, the Company has appointed the internal auditors and took their assistance and guidance to comply with the provisions as applicable to the Company in regard to Risk-Based Internal Audit framework;
 - The Company is in process of complying with the applicable provisions of the Reserve Bank of India Notification on Scale Based Regulation (SBR): a revised regulatory framework for NBFCs;
 - Some of the requirements and disclosures pursuant to the RBI Master Directions viz. maintenance of lending exposure and borrowing exposure, maintenance of minimum capital adequacy ratio and net owned funds, appointment of chief risk officer, appointment of designated director and information technology framework.

Directors' Report

As informed, the Company was under debt resolution in terms of RBI Circular No. RBI/2018-19/203, DBR.No.BP.BC.45/21.04.048/2018-19 dated June 7, 2019 on Prudential Framework for Resolution of Stressed Assets. The Resolution Plan as approved by creditors and shareholders of the Company as also by the Hon'ble Supreme Court of India vide its order dated March 3, 2023, was implemented by transfer of the entire undertaking by way of slump sale to Reliance Commercial Finance Limited, a wholly owned subsidiary of Authum Investment & Infrastructure Limited (the "Resolution Applicant"). This would result in substantial reduction or discontinuation of the housing finance activities. Further, Reliance Capital Limited (RCL), the Promoter of the Company is under Corporate Insolvency Resolution Process (CIRP). Accordingly, the future course of business of the Company would be ascertainable upon successful resolution of RCL under CIRP.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors of the Company during the year under review.

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

The decisions at Board and Committee(s) Meeting(s) / through circular resolution(s) are carried out and recorded in the minutes of the Board of Directors and Committee(s) of the Board accordingly.

I have relied on the representation made by the Company and its Officers for adequate systems

and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

- (i) Appointment of Chief Executive Officer;
- (ii) Re-constitution of various committees and accordingly there is no permanent chairperson of the Committee(s) constituted by the Board of Directors;
- (iii) Requisite disclosures have been received / submitted by the Company with respect of sale of Company's shares by persons belonging to the promoter group in terms of SEBI Insider Trading Regulations / SEBI Takeover Regulations;
- (iv) Approval from shareholders at Annual General Meeting of the Company held on June 24, 2022 for appointment of Mr. Sudeep Ghoshal as a Nominee Director (Nominee of Reliance Capital Limited), liable to retire by rotation;
- (v) Debt Resolution Process:
 - a. The Inter-Creditor Agreement (ICA) lenders after completing the transparent process of inviting bids from eligible bidders and evaluation, voted upon and selected with overwhelming majority Authum Investment & Infrastructure Limited (Authum) as the final bidder on June 19, 2021. The said Resolution Plan of Authum along with the Distribution Mechanism was presented to the Company by the Lead Banker, asking the Company to seek approval of the Debenture holders;
 - b. A meeting of the Debenture Holders was held on May 13, 2022 called by IDBI Trusteeship Services Limited pursuant to the order of Hon'ble High Court dated March 31, 2022 read with order dated April 6, 2022 for consideration and approval of Resolution Plan along with Distribution Mechanism approved by ICA lenders on June 19, 2021;
 - c. Further, pursuant to the Order dated May 10, 2022 passed by the Hon'ble High Court of Judicature at Bombay, the results of the voting of the Meeting was submitted before the Hon'ble High Court in a sealed envelope;
 - d. The Company had approached the Hon'ble High Court of Judicature at Bombay praying that the Hon'ble High Court exercise powers under Section 151 of the Civil Procedure Code, 1908, to approve the resolution plan of RHFL as was done by the Supreme Court in exercise of Article 142 of the Constitution of India in case of Reliance Commercial Finance Limited in Rajkumar Nagpal (supra). However, the said application was not allowed and disposed off on December 16, 2022 by the Hon'ble High Court stating that "The moulding of relief can only be done by the Supreme Court under Article 142 of the Constitution of India. This Court under Section 151 of the CPC does not have the powers akin to Article 142 of the Constitution of India";
 - e. Further, the Shareholders of the Company at extraordinary general meeting held on March 25, 2023 by passing a special resolution approved sale / disposal of asset(s) / undertaking(s) of the Company for the purposes of implementation of the said Resolution Plan and authorised the Board for the said purpose;
 - f. On an appeal preferred by the Company and others, the Hon'ble Supreme Court of India vide its Order dated March 3, 2023, in exercise of its powers under Article 142 of the Constitution of India, allowed the Resolution Plan of Authum qua the debenture holders, except the dissenting debenture holders;
 - g. A meeting of Committee of Directors for implementation of resolution plan was held on March 13, 2023 and on request of Resolution Applicant had fixed March 26, 2023 as the record date and intimated to the stock exchanges that the Debenture Holders will be paid as per the respective entitlement of the debenture holders as on the date of Resolution

Reliance Home Finance Limited

Plan in terms thereof, in full and final settlement of their dues and claims, towards extinguishment and redemption of the debentures of the Company held by them;

- h. As per the final approved Resolution Plan, the total Resolution amount of the Company was arrived at ₹ 3,351 crore;
- i. The entire Resolution Plan has been finalised in terms of RBI Circular No. RBI/2018-19/ 203, DBR.No.BP.BC.45/21.04.048/2018-19 dated June 7, 2019 on Prudential Framework for Resolution of Stressed Assets by the Lenders of the Company, has also been approved by the Hon'ble Supreme Court of India by its order dated March 3, 2023 and the special resolution approved by the shareholders dated March 25, 2023. In view of the same the Company took all appropriate steps towards implementation of the Resolution Plan in compliance with the Order of Hon'ble Supreme Court of India;
- j. Accordingly, in terms of the RBI Circular and in pursuance of the order of the Hon'ble Supreme Court of India dated March 3, 2023, the total Resolution amount of ₹ 3,351 crore has duly been paid to all the financial creditors including debenture holders as per their respective approved entitlements under the Resolution Plan in full and final settlement of their dues and the Resolution Plan stood duly implemented.

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

**Aashish Bhatt
Proprietor**

**ACS No.: 19639, COP No.: 7023
UDIN: A019639E000694280
Peer Review Cert. no.: 2959/2023**

**Place: Mumbai
Date: 28/07/2023**

APPENDIX

Annexure-A

To,
The Members,

Reliance Home Finance Limited

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

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

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

**Aashish Bhatt
Proprietor**

**ACS No.: 19639, COP No.: 7023
UDIN: A019639E000694280
Peer Review Cert. no.: 2959/2023**

**Place: Mumbai
Date: 28/07/2023**

Directors' Report

Annexure – B

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

(a) Conservation of Energy:

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

<p>(i) The efforts made towards technology absorption</p> <p>(ii) The benefits derived like product improvement, cost reduction, product development or import substitution</p> <p>(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)</p> <p style="margin-left: 20px;">(a) The details of technology imported</p> <p style="margin-left: 20px;">(b) The year of import</p> <p style="margin-left: 20px;">(c) Whether technology been fully absorbed?</p> <p style="margin-left: 20px;">(d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof.</p> <p>(iv) The expenditure incurred on Research and development</p>	<p>: The Company uses latest technology and equipments into the business. Further the Company is not engaged in any manufacturing activities.</p> <p>: The Company has not spent any amount towards research and developmental activities and has been active in harnessing and tapping the latest and the best technology in the industry.</p>
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(c) Total foreign exchange earnings and outgo:

<p>a. Total Foreign Exchange earnings</p> <p>b. Total Foreign Exchange outgo</p>	<p>: Nil</p> <p>: Nil</p>
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Annual Report on Corporate Social Responsibilities (CSR) Activities

1. Brief outline on CSR Policy of the Company

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

2. Composition of CSR Committee

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

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

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

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

Not Applicable

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

(₹ in crore)

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

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

Nil (Company has incurred losses)

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

Not Applicable in view of losses.

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

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

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

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

(₹ in crore)

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

Not Applicable

Directors' Report

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

(₹ in crore)

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

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

(₹ in crore)

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

(d) Amount spent in Administrative Overheads: Nil

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

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

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

(₹ in crore)

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

Reliance Home Finance Limited

Directors' Report

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

(₹ in crore)

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135(6)	Amount spent in the reporting Financial Year	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any	Amount remaining to be spent in succeeding financial years
		Name of the Fund			Date of transfer
1	2021-22	The Company was not required to spend on CSR pursuant to the provisions of Section 135 of the Act.			
2	2020-21	The Company was not required to spend on CSR pursuant to the provisions of Section 135 of the Act.			
3	2019-20	During the year 2019-20, the Company was required to spend an amount of ₹ 3.23 crore on CSR activities. The Company is facing severe financial stress and accordingly the Lenders have entered into an Inter-Creditor Agreement (ICA) in terms of RBI Circular No. DBR.No.BP.BC.45/21.0-4.048/2018-19, dated June 7, 2019 on July 6, 2019. As part of the same, all cash flows of the Company are under direct supervision and control of the Lenders, for the purpose of debt resolution. Further, the Hon'ble Delhi High Court vide its Order dated November 20, 2019, has placed restraint on the Company on incurring expenses other than in ordinary course of business. In view of the aforesaid, the Company has not spent the amount on CSR activities for the year 2019-20. In terms of the then applicable Section 135(5) of the Act, requisite disclosures have been made by the Company in the Director's Report for FY 2019-20.			

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

(₹ in crore)

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

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

- Date of creation or acquisition of the capital asset(s): Not Applicable
 - Amount of CSR spent for creation or acquisition of capital asset: Not Applicable
 - Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address, etc.:
Not Applicable
- Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Not Applicable
 - Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5).
During the year 2022-23, the Company was not required to spend on CSR pursuant to the provisions of Section 135 of the Act.

Chhaya Virani
Member, CSR Committee

Sudeep Ghoshal
Director

July 28, 2023

Management Discussion and Analysis

Forward looking statements

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

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

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

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

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

Post transfer of Company's business undertaking to Reliance Commercial Finance Limited, 100% subsidiary of Authum Investment & Infrastructure Limited (Resolution Applicant), the Board of Directors of the Company had considered and approved the surrender of Certificate of Registration as a housing finance institution to NHB and in-principally approved for voluntary liquidation of the Company, subject to requisite permissions, sanctions and approvals hence outlook, opportunity and threats, developments, risk and concerns has not been provided separately as required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations').

Global Economic Environment

The global economy recovered further from geopolitical conflicts and the COVID-19 pandemic in 2022. Despite rising global uncertainty and weak growth, India has maintained its status as the world's fastest-growing major economy. Certain high-frequency indicators, such as steel production, cement production, cargo handled at major ports, production of

commercial vehicles, railway freight traffic, non-oil imports, etc., have not only registered higher growth rates but also demonstrated continuous successive improvements, validating India's sustained growth momentum. The growth has been further fueled by robust private consumption in response to pent-up demand, a rapid recovery in contact-intensive service industries, and the government's sustained emphasis on capital expenditures. However, steadily increasing inflationary pressures and longer-term projections of higher interest rates could undermine India's economic growth. According to the National Statistical Office (NSO), India's GDP growth is expected to be 7.2% in FY 2022-23, compared to 9.1% in FY 2021-22.

Indian Economic Environment

India's growth remains resilient despite some of the significant challenges faced globally, like vigorous monetary tightening by US central banks to combat record-high inflation, war between Russia and Ukraine and slow recovery from the pandemic in some parts of the world. However, India managed to continue being one of the fastest-growing economies globally, with a robust estimated overall GDP growth rate of 7% for FY23. India has witnessed consumption-driven growth on the backdrop of a large, young, and rising share of the upper middle-income population, coupled with strengthened corporate balance sheets. The demand fuelled by consumer consumption persists on account of increased customer confidence and higher disposable income. The housing market also picked up, with higher demand for housing loans, declining inventories, and construction of new dwellings.

According to the 2023 Economic Survey, while the rupee is performing better than most other currencies, it faces the challenge of depreciation due to the likelihood of the US Fed increasing policy rates. The current account deficit (CAD) is also expected to widen as global commodity prices remain high and the Indian economy continues to show strong growth momentum.

Inflation remained largely beyond the tolerance levels of the RBI and resulted in a series of rate hikes by the apex bank.

India's growth outlook for FY24 remains positive, owing to a favourable policy push by the government and sustained private consumption growth. The economy projects a baseline GDP growth rate of 6.5% in real terms for FY24. The opening up of the Chinese economy towards the end of 2022 indicated the gradual normalisation of the global supply chain. A healthy balance sheet of the financial and corporate sectors is expected to kick-start a healthy upward financial cycle. Further, digitalisation reforms and the resulting efficiency gains in terms of greater formalisation, higher financial inclusion, and more economic opportunities will be another reason for the country's economic growth. It is expected that India will continue to be one of the fastest-growing economies in the world.

The Union Budget for FY 2023-24 includes a well-targeted strategy expected to stimulate cross-sectoral growth via capital investment, infrastructure development, technological advancement, and sustainability. The 33% increase in capital expenditures to ₹10 lakhs crore reflects the continued emphasis on infrastructure-led development and the resulting multiplier effect. This will significantly propel India's high growth in 2023 and beyond, with infrastructure development playing a crucial role in facilitating the economic progress. The combination of digitalisation and efficiency-enhancing measures, along with

Reliance Home Finance Limited

Management Discussion and Analysis

substantial capex expenditures, will eventually increase business productivity. Moreover, India's financial sector remains strong, supported by improvements in asset quality and robust private-sector credit expansion.

Reliance Home Finance

Reliance Home Finance Limited (RHFL), is promoted by Reliance Capital Limited (RCap), the financial services company of the Reliance Group. RCap is currently under Corporate Insolvency Resolution Process (CIRP).

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

In view of above, certain lenders of the Company (Banks and other Financial Institutions) had entered into an Inter-Creditor Agreement (ICA) on July 6, 2019 with Bank of Baroda acting as the Lead Lender for arriving at the debt resolution plan in accordance with the circular dated June 7, 2019 issued by the Reserve Bank of India (RBI) on Prudential Framework for Resolution of Stressed Assets (RBI Circular), by way of Change in Management. The Lead Bank and the lenders forming part of ICA had appointed resolution advisors, cashflow monitoring agency, valuers and legal counsel. Bank of Baroda as the Lead Lender and on behalf of the ICA lenders had as part of the debt resolution process invited the Expression of Interest (EOI) and bids from interested bidders vide newspaper advertisement dated July 29, 2020 and through the Lead Bank's website. Initially nineteen investors had expressed interest through submission of EOI's. The ICA lenders after completing the transparent process of inviting bids from eligible bidders and evaluation, voted upon and selected with overwhelming majority Authum Investment & Infrastructure Limited (Authum) as the final bidder on June 19, 2021. The said Resolution Plan of Authum along with the Distribution Mechanism was presented to the Company by the Lead Banker, asking the Company to seek approval of the Debenture holders. The Company had duly made requisite disclosure to the stock exchanges in this regard.

The Company shared the said Resolution Plan along with the Distribution Mechanism with the Debenture Trustees. A meeting of the Debenture Holders of Reliance Home Finance Limited was called by IDBI Trusteeship Services Ltd. (Debenture Trustee) and was held on May 13, 2022, for consideration and approval of the Resolution Plan along with the Distribution Mechanism approved by ICA Lenders on June 19, 2021. Further, pursuant to the Order dated May 10, 2022 passed by the Hon'ble High Court of Judicature at Bombay, the results of the voting of the Meeting was submitted before the Hon'ble High Court in a sealed envelope.

The Company had approached the Hon'ble High Court of Judicature at Bombay praying that the Hon'ble High Court exercise powers under Section 151 of the Civil Procedure Code, 1908, to approve the resolution plan of RHFL as was done by the Supreme Court in exercise of Article 142 of the Constitution of India in case of Reliance Commercial Finance Limited in Rajkumar Nagpal (supra). However, the said application was not allowed and disposed off on December 16, 2022 by the Hon'ble High Court stating that "The moulding of relief can only be done

by the Supreme Court under Article 142 of the Constitution of India. This Court under Section 151 of the CPC does not have the powers akin to Article 142 of the Constitution of India".

On an appeal preferred by the Company and others, the Hon'ble Supreme Court of India vide its Order dated March 3, 2023, in exercise of its powers under Article 142 of the Constitution of India, allowed the Resolution Plan of Authum qua the debenture holders, except the dissenting debenture holders.

Further, the Shareholders of the Company at extraordinary general meeting held on March 25, 2023 by passing a special resolution approved sale / disposal of asset(s) / undertaking(s) of the Company for the purposes of implementation of the said Resolution Plan and authorised the Board for the said purpose.

The Resolution Applicant vide its e-mail dated March 8, 2023 had informed that in terms of the Hon'ble Supreme Court of India Order dated March 3, 2023, the Resolution Plan was to be implemented by March 31, 2023 and requested the Company to extend its co-operation for implementation of Resolution Plan and, inter-alia, fix a record date for payment along with extinguishment of RHFL debentures, not later than March 27, 2023.

The Company had fixed March 26, 2023 as the record date and intimated to the stock exchanges that the Debenture Holders will be paid as per the respective entitlement of the debenture holders as on the date of Resolution Plan in terms thereof, in full and final settlement of their dues and claims, towards extinguishment and redemption of the debentures of the Company held by them.

As per the final approved Resolution Plan, the total Resolution amount of the Company was arrived at ₹3,351 crore.

The entire Resolution Plan has been finalised in terms of RBI Circular No. RBI/2018-19/ 203, DBR.No.BP. BC.45/21.04.048/2018-19 dated June 7, 2019 on Prudential Framework for Resolution of Stressed Assets by the Lenders of the Company, has also been approved by the Hon'ble Supreme Court of India by its order dated March 3, 2023 and the special resolution approved by the shareholders dated March 25, 2023. In view of the same the Company took all appropriate steps towards implementation of the Resolution Plan in compliance with the Order of Hon'ble Supreme Court of India.

The Company in consultation with the Lead Bank, Debenture Trustee, Legal and Financial Advisors, the Company took the following steps towards implementing the approved Resolution Plan:

- A. Repaid dues to ICA Lenders as per Final Distribution Mechanism approved by Lenders.
- B. Distributed funds to Debenture Trustees for making payments to NCD Holders as per Final Distribution Mechanism approved by Lenders.
- C. Executed Business Transfer Agreement (BTA) with Reliance Commercial Finance Limited, 100% subsidiary of Authum Investment & Infrastructure Limited.
- D. Executed Resolution Plan Implementation Memorandum with the Lenders, Other ICA Members and Reliance Commercial Finance Limited, 100% subsidiary of Authum Investment & Infrastructure Limited.

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- E. Executed Resolution Plan Implementation Memorandum with IDBI Trusteeship Services Limited and Reliance Commercial Finance Limited, 100% subsidiary of Authum Investment & Infrastructure Limited.

As per the Resolution Plan and the Distribution Mechanism duly approved and finalised by the Banks, Financial Institutions and other Lenders in terms of the RBI Circular and informed to the Company, the beneficiary position of NCD holders (BENPOS) as of April 15, 2022 had been taken to ascertain the entitlement of 100% of their principal dues under the Resolution Plan to the small debenture holders in the category of individuals and HUFs holding debentures of the principal amount of up to ₹5 lakhs, as of that said BENPOS date. All other Debenture Holders including Banks and Financial Institutions were paid 27.71% for secured and 20.78% for unsecured, as per the Resolution Plan.

Accordingly, in terms of the RBI Circular and in pursuance of the order of the Hon'ble Supreme Court of India dated March 3, 2023, the total Resolution amount of ₹ 3,351 crore has duly been paid to all the financial creditors including debenture holders as per their respective approved entitlements under the Resolution Plan in full and final settlement of their dues and the Resolution Plan stood duly implemented.

The Company had kept an amount equivalent to the respective entitlement as per Resolution Plan in full and final settlement of dues of the Dissenting Debenture Holders in fixed deposit and Debenture Holders would be paid upon receipt of assent to the Resolution Plan.

Post execution of Business Transfer Agreement (BTA) with Reliance Commercial Finance Limited (RCFL), 100% subsidiary of Authum Investment & Infrastructure Limited dated March 29, 2023, the business undertaking of the Company i.e. identified assets and assumed liabilities are transferred to RCFL for total consideration of ₹180 crore. Accordingly, Assets Under Management as on March 31, 2023 was Nil as against ₹11,857 crore as on March 31, 2022 and as a result there are significant changes in Key Financial Ratios and Return on Network.

The Company's Net Worth as on March 31, 2023, stood at ₹(73.83) crore, as against ₹(5,481.56) crore for the previous year. The Return on Net Worth as on March 31, 2023, stood at ₹(73.39) crore, as against ₹(0.99) crore for the previous year. The Total Income for the year ended March 31, 2023, was at ₹391 crore, as against ₹ 293 crore for the previous year. As on March 31, 2023, the outstanding loan book was Nil as against ₹ 12,352 crore for the previous year. The business reported a net profit of ₹5,419 crore for the year ended March 31, 2023 as against net loss of ₹5,440 crore in the previous year.

Key financial ratios:

Debt Equity Ratio: (1.35) (previous year – (2.09)), Net Profit Margin (%): (7.598)% (previous year – (1,853)%). The Interest Coverage Ratio, Debtors Turnover, Inventory Turnover, Current Ratio and Operating Profit Margin (%) are not applicable.

The financial statements have been prepared considering after implementation of Resolution Plan and transfer of undertaking to Reliance Commercial Finance Limited, 100% subsidiary of Authum Investment & Infrastructure Limited (Resolution Applicant). Post implementation of the Resolution Plan, the

financial statements of the Company represent the assets and liabilities remaining with the Company.

Post transfer of business undertaking, the Board of Directors of the Company had considered and approved the surrender of Certificate of Registration as a housing finance institution to NHB and in-principal approval for voluntary liquidation of the Company, subject to requisite permissions, sanctions and approvals. Further, all activities of the Company are conducted within India and as such there is no separate reportable segment, as per the Ind AS 108 – "Operating Segments" specified under Section 133 of the Act.

Adequacy of Internal Control and Systems

The Company has internal controls aimed at achieving efficiency in operations, optimum utilization of resources, effective monitoring and compliance with all applicable laws. The Management Audit Team undertakes extensive checks, process reviews and also conducts internal audits. The Audit Committee of the Board reviews major findings in the internal audit reports as well as the adequacy of internal controls.

Risk Management Framework

The Company has instituted a Risk Management framework based on identification of potential risk areas, evaluation of risk intensity, and clear-cut risk mitigation policies, plans and procedures both at the enterprise and operating levels. The framework seeks to facilitate a common organizational understanding of the exposure to various risks and uncertainties at an early stage, followed by timely and effective mitigation. The Audit Committee of the Board reviews the risk management framework at periodic intervals.

Corporate Governance

The Company's 'Code of Conduct' policy which has set out the systems, process and policies conforming to international standards are reviewed periodically to ensure their continuing relevance, effectiveness and responsiveness to the needs of investors and all other stakeholders. We maintained the highest standards of corporate governance principles and best practices.

Human Resources

As a part of Business Transfer all employees (except the 3 Key Managerial Personnel viz. CEO, CFO & CS) of the Company have been transferred to Reliance Commercial Finance Limited (RCFL), 100% subsidiary of Authum Investment & Infrastructure Limited (the "Resolution Applicant") with effect from March 31, 2023. The transaction is in pursuance of the implementation of the resolution plan in terms of the RBI Circular.

Corporate Social Responsibility (CSR)

The Company has constituted Corporate Social Responsibility (CSR) Committee in compliance with the provisions of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules 2014. The Corporate Social Responsibility Committee has formulated a Corporate Social Responsibility Policy (CSR policy) indicating the activities to be undertaken by the Company. However, during the financial year 2022-23, the Company was not required to spend on CSR pursuant to the provisions of Section 135 of the Act read with the Rules made thereunder.

Corporate Governance Report

Corporate governance philosophy

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

Governance policies and practices

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

A. Values and commitments

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

B. Code of ethics

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

C. Business policies

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

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

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

E. Policy on prohibition of insider trading

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

F. Policy on prevention of sexual harassment

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

G. Ombudspersons & Whistle Blower (Vigil Mechanism) policy

Our Ombudspersons & Whistle Blower (Vigil Mechanism) policy encourages disclosure in good faith of any wrongful

conduct on a matter of general concern and protects the whistle blower from any adverse personnel action. The vigil mechanism has been overseen by the Audit Committee. It is affirmed that no person has been denied direct access to the Chairperson of the Audit Committee.

H. Policy

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

I. Risk management

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

J. Boardroom practices

a. Chairperson

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

b. Board charter

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

c. Board committees

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

d. Selection of independent directors

Considering the requirement of skill sets on the Board, eminent people having an independent standing in their respective field / profession, and who can effectively contribute to the Company's business and policy decisions are considered by the Nomination and Remuneration Committee, for appointment, as Independent Directors on the Board. The Committee, *inter-alia*, considers qualification, positive attributes, area of expertise, their independence and number of directorships and memberships held in various committees of other companies by such persons. The Board considers the Committee's recommendation and takes appropriate decision. Every Independent Director, at the first meeting of the Board in which she / he participates as a Director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect her / his status as an Independent Director, provides a declaration

Corporate Governance Report

that she / he meets with the criteria of independence as provided under law.

e. Tenure of independent directors

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

f. Independent director's interaction with stakeholders

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

g. Familiarisation of board members

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

Periodic updates for members are also given out on relevant statutory changes and on important issues impacting the Company's business environment. The details of programs for familiarisation of Independent Directors is put on the website of the Company at the link: <https://www.reliancehomefinance.com/investorrelations>.

h. Meeting of independent directors with operating team

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

i. Commitment of directors

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

K. Role of the Company Secretary in Governance Process

The Company Secretary plays a key role in ensuring that the Board procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the Directors

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

L. Independent Statutory Auditors

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

M. Compliance with the Listing Regulations

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

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

I. Board of Directors

1. Board composition - Board strength and representation

As on March 31, 2023, the Board comprised of six directors. The composition and category of directors on the Board of the Company are as under:

Category	Name of Directors and DIN
Independent Directors	Ms. Chhaya Virani (DIN: 06953556)
	Ms. Rashna Khan (DIN: 06928148)
	Mr. Sushilkumar Agrawal (DIN: 00400892)
	Mr. Ashok Ramaswamy (DIN: 00233663)
Non-Executive and Non-Independent Director	Mr. Ashish Turakhia (DIN: 02601110)
	Mr. Sudeep Ghoshal (DIN: 09536193)

Notes:

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

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

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Corporate Governance Report

2. Conduct of Board proceedings

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

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

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

4. Attendance of directors

Attendance of the Directors at the Board and Committee meetings held during the financial year 2022-23 and the last Annual General Meeting (AGM) held on June 24, 2022 were as under:

Board and Committee meetings of the Company	Attendance at the last AGM held on June 24, 2022	Board Meeting attended / held	Audit Committee attended / held	Stakeholders Relationship Committee attended / held	Nomination and Remuneration Committee attended / held	Risk Management Committee attended / held
Total number of meetings held		10	5	1	6	4
Directors Attendance						
Ms. Chhaya Virani	Present	10 of 10	5 of 5	1 of 1	6 of 6	4 of 4
Ms. Rashna Khan	Present	10 of 10	5 of 5	1 of 1	6 of 6	4 of 4
Mr. Sushilkumar Agrawal	Present	10 of 10	5 of 5	N.A.	6 of 6	4 of 4
Mr. Ashok Ramaswamy	Present	10 of 10	5 of 5	N.A.	N.A.	4 of 4
Mr. Ashish Turakhia	Present	10 of 10	5 of 5	1 of 1	N.A.	4 of 4
Mr. Sudeep Ghoshal	Present	10 of 10	5 of 5	N.A.	N.A.	4 of 4

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

3. Board meetings

The Board held 10 meetings during the financial year 2022-23 on April 7, 2022, May 6, 2022, July 7, 2022, August 4, 2022, November 3, 2022, December 28, 2022, February 2, 2023, February 10, 2023, February 28, 2023 and March 29, 2023. The maximum time gap between any two meetings during the year under review was 90 days and the minimum gap was 7 days.

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

Corporate Governance Report

4.1. The details of directorships (calculated as per provisions of Section 165 of the Act), committee chairmanships and memberships held by the Directors as on March 31, 2023 were as under:

Name of Director	Number of directorship (including RHFL)	Committee(s) Chairmanship / Membership (including RHFL)	
		Membership	Chairmanship
Ms. Chhaya Virani	7	10	1
Ms. Rashna Khan	1	2	-
Mr. Sushilkumar Agrawal	10	10	3
Mr. Ashok Ramaswamy	3	3	-
Mr. Ashish Turakhia	1	2	-
Mr. Sudeep Ghoshal	1	1	-

Notes:

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

The Company's Independent Directors meet at least once in every financial year without the attendance of Non-Independent Directors and Management Personnel. The same was held on February 2, 2023.

5. Resignation of Independent Directors:

None of the Independent Directors of the Company have resigned during the financial year 2022-23.

Shareholders of the Company have passed a special resolution for re-appointment of Mr. Sushilkumar Agrawal as an Independent Director on the Board of the Company, for a second term of five consecutive years with effect from June 28, 2023.

6. Details of Directors

The abbreviate resumes of all the Directors are furnished hereunder:

Ms. Chhaya Virani, 69 years, graduated from Mumbai University with a bachelors' degree in Arts. She also acquired a bachelors' degree in legislative laws from the Government Law College in 1976. She is a partner in M/s. ALMT Legal Advocates and Solicitors.

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

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

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

She does not hold any share in the Company as of March 31, 2023.

Ms. Rashna Khan, 59 years, graduated from Government Law College Mumbai (University of Bombay) and qualified as a Solicitor with the Bombay Incorporated Law Society and Law Society London. She has worked with Mulla & Mulla & Craigie Blunt & Caroe, Advocates and Solicitors and with Dhruve Liladhar & Co., Advocates and Solicitors, in various capacities before she became partner of Mulla & Mulla & Craigie Blunt & Caroe, Advocates and Solicitors, since the year 2009. She specialises in the field of civil litigation including attending matters in the High Court, Supreme Court, Company Law Board, Income Tax Tribunal, Arbitration, Customs, Excise and Service Tax Appellate Tribunal, National Company Law Tribunal, Opinion and documentation work.

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

She is also on the board of The Bombay Incorporated Law Society (a company limited by guarantee).

She does not hold any share in the Company as of March 31, 2023.

Mr. Ashok Ramaswamy, 73 years, is a former Civil Servant with over 41 years' experience in the areas of Financial Control and Management, General Administration, Vigilance Inquiry and administration, procurement, regulation and information technology.

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He has leadership capabilities, expertise in governance, legal compliance, finance management, administrative knowledge & experience and global experience / international exposure.

He retired as a Secretary level official from Govt. of India and subsequently was appointed as Member, TRAI - a statutory appointment.

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

Most positions held by him required deep comprehension in the subject and knowledge on allied areas and tested analytical and inferential skills. He has travelled widely around the world and is generally familiar with the foreign environment and culture.

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

He is also on the board of Reliance Power Limited and a member of audit committee and stakeholders relationship committee of Reliance Power Limited and also a director of Mumbai Metro One Private Limited.

He does not hold any share in the Company as of March 31, 2023.

Mr. Sushilkumar Agrawal, 75 years, is a practicing Chartered Accountant and the Senior Most Partner in M/s. N. D. Kapur & Co., Chartered Accountants. He has over the years developed special expertise in the Banking and Financial Services Industry. He has experience in servicing large and medium sized clients in the areas of Internal Audit, Concurrent Audits, IT Advisory, Taxation, Risk Management and Management Consultancy. He is a Certified Independent Director in many companies including Margo Finance Limited. He is also a Trustee in many Public Trusts engaged in the field of Social, Environment, Education and Health.

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

He is also a director on the board of Margo Finance Limited, Ana Cyber Forensic Private Limited, Globesecure Technologies Limited, Goldengadre Financial Services Limited, Reliance Health Insurance Limited, Indian Commodity Exchange Limited, Reliance Financial Advisory Services Private Limited, Reliance MediaWorks Limited and Reliance Wealth Management Limited.

He is member of audit committee and stakeholders relationship committee of Margo Finance Limited, chairman of audit committee of Reliance Health Insurance Limited, member of audit committee of Reliance Financial Advisory Services Private Limited and chairman of audit committee and member of stakeholders relationship committee of Reliance MediaWorks Limited.

He holds one share in the Company as of March 31, 2023.

Mr. Ashish Turakhia, 60 years, is a Fellow Member of The Institute of Chartered Accountants of India and The Institute of Company Secretaries of India. He is also a law graduate (LLB) from the University of Mumbai. He has more than 3 decades of experience in Finance, Company Secretarial, Compliance, Corporate Affairs, Corporate Governance & Listing.

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

He holds two shares in the Company as of March 31, 2023.

Mr. Sudeep Ghoshal, aged 47 years, a War Veteran and a Corporate Real Estate Services professional with 26 years of overall experience have been involved in infrastructure development projects, administrative management, integrated security management, logistics in various industry segments like IT, ITES and NBFC. As a combat veteran, Sudeep brings unique perspectives gained from his battlefield experience to his corporate role.

In his current role with Reliance Capital Ltd., he is responsible for providing direction and leadership to the company's CRES Strategy, developing & implementing operations management strategies while managing overall efficiency and profitability.

In his earlier engagements he worked with Accenture as GM - Workplace Solutions and played dual role of city Workplace Lead and as Country Head Logistics. He also worked with Zenta Pvt Ltd., a BPO/ KPO with Operations in India, Philippines and US and was responsible for the Facilities & Services for India locations. During his tenure with the Indian Army, he worked in inhospitable terrains and extreme climatic conditions. As an Officer Commanding an Infantry Company carried out active battle operations during Kargil War (Operation Vijay) in Batalik Sector.

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

He is a Member of Audit Committee and Risk Management Committee of the Company.

He does not hold any share in the Company as of March 31, 2023.

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

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

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

Corporate Governance Report

Director	Area of Expertise
Ms. Chhaya Virani	<ul style="list-style-type: none"> Leadership / Operational experience Strategic Planning Sector / Industry Knowledge & Experience, Research & Development and Innovation Financial, Regulatory / Legal & Risk Management Corporate Governance
Ms. Rashna Khan	<ul style="list-style-type: none"> Leadership / Operational experience Strategic Planning Sector / Industry Knowledge & Experience, Research & Development and Innovation Financial, Regulatory / Legal & Risk Management Corporate Governance
Mr. Sushilkumar Agrawal	<ul style="list-style-type: none"> Leadership / Operational experience Strategic Planning Sector / Industry Knowledge & Experience, Research & Development and Innovation Financial, Regulatory / Legal & Risk Management Corporate Governance
Mr. Ashok Ramaswamy	<ul style="list-style-type: none"> Leadership / Operational experience Strategic Planning Sector / Industry Knowledge & Experience, Research & Development and Innovation Financial, Regulatory / Legal & Risk Management Corporate Governance
Mr. Ashish Turakhia	<ul style="list-style-type: none"> Leadership / Operational experience Strategic Planning Sector / Industry Knowledge & Experience, Research & Development and Innovation Financial, Regulatory / Legal & Risk Management Corporate Governance
Mr. Sudeep Ghoshal	<ul style="list-style-type: none"> Leadership / Operational experience Strategic Planning Sector / Industry Knowledge & Experience, Research & Development and Innovation Financial, Regulatory / Legal & Risk Management Corporate Governance

8. Directorships in other listed entities

The details of directorships held by the Directors in other entities whose securities are listed as on March 31, 2023 are as follows:

Name of Director	Name of listed entities	Category
Ms. Chhaya Virani	Reliance Power Limited	Non-Executive and Independent Director
	Reliance Infrastructure Limited	Non-Executive and Independent Director
	Reliance General Insurance Company Limited	Non-Executive and Independent Director
Mr. Sushilkumar Agrawal	Margo Finance Limited	Non-Executive and Non-Independent Director
	Globesecure Technologies Limited	Non-Executive and Independent Director
Mr. Ashok Ramaswamy	Reliance Power Limited	Non-Executive and Independent Director
Ms. Rashna Khan	-	-
Mr. Ashish Turakhia	-	-
Mr. Sudeep Ghoshal	-	-

9. Insurance coverage

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

II. Audit Committee

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

The Audit Committee, *inter-alia*, advises the management on the areas where systems, processes, measures for controlling and monitoring revenue assurance, internal audit and risk management can be improved.

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

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

Corporate Governance Report

4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - a. matters required to be included in the Directors' Responsibility Statement to be included in the Boards' report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
 - b. changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgment by management.
 - d. significant adjustments made in the financial statements arising out of audit findings.
 - e. compliance with listing and other legal requirements relating to financial statements.
 - f. disclosure of any related party transactions.
 - g. modified opinion(s) in the draft audit report.
 5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
 6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;
 7. Review and monitor the auditor's independence and performance and effectiveness of audit process;
 8. Subject to and conditional upon the approval of the Board of Directors, approval of Related Party Transactions (RPTs) or subsequent modifications thereto. Such approval can be in the form of omnibus approval of RPT subject to conditions not inconsistent with the conditions specified in Regulation 23(2) and Regulation 23(3) of the Listing Regulations;
 9. Subject to review by the Board of Directors, review on quarterly basis of RPTs entered into by the Company pursuant to each omnibus approval given pursuant to (8) above;
 10. Scrutiny of inter-corporate loans and investments;
 11. Valuation of undertakings or assets of the Company, wherever it is necessary;
 12. Review the Company's established system and processes of internal financial controls and risk management systems;
 13. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 14. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 15. Discussion with internal auditors of any significant findings and follow up thereon;
 16. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
 17. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
 18. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
 19. To review the functioning of the Whistle Blower mechanism;
 20. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
 21. Review of compliances as per the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, at least once in a financial year and shall also verify that the systems for internal control are adequate and are operating effectively; and
 22. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
 23. Consider and comment on rationale, cost benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders. Explanation (i): The term "related party transactions" shall have the same meaning as provided in Regulation 23 of the Listing Regulations.
- The Audit Committee is also authorised to:
1. Investigate any activity within its terms of reference;
 2. Obtain outside legal or other professional advice;
 3. Have full access to information contained in the records of the Company;
 4. Secure attendance of outsiders with relevant expertise, if it considers necessary;
 5. Call for comments from the auditors about internal controls systems and the scope of audit, including the observations of the auditors;
 6. Review financial statements before submission to the Board; and
 7. Discuss any related issues with the internal and statutory auditors and the management of the Company.
- The Audit Committee shall mandatorily review the following information:
1. Management discussion and analysis of financial condition and results of operations;

Corporate Governance Report

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| <ol style="list-style-type: none"> 2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management; 3. Management letters / letters of internal control weaknesses issued by the statutory auditors; 4. Internal audit reports relating to internal control weaknesses; 5. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee; and 6. Statement of deviations: <ol style="list-style-type: none"> (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Listing Regulations; and (b) annual statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice in terms of Regulation 32(7) of the Listing Regulations. | <ol style="list-style-type: none"> 2. Recommend to the Board from time to time, a compensation structure for Directors and the senior management personnel; 3. Identifying persons who are qualified to be appointed as Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend their appointment and / or removal to the Board; 4. Formulation of the criteria for evaluation of performance of Independent Directors, the Board and the Committee(s) thereof; 5. To assess whether to extend or continue the term of appointment of the Independent Directors, on the basis of the report of performance evaluation of Independent Directors; 6. Devising a policy on Board diversity; 7. Performing functions relating to all share based employees benefits; 8. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees; and 9. Recommending to the Board, all remunerations, in whatever form, payable to Senior Management of the Company.

Policy on appointment and remuneration for Directors, Key Managerial Personnel and Senior Management Employees has been provided on the website of the Company. |
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Meetings of the Audit Committee held during 2022–23

The Audit Committee held its meetings on May 6, 2022, July 7, 2022, August 4, 2022, November 3, 2022 and February 2, 2023. The maximum and minimum time gap between any two meetings, during the year under review was 90 days and 27 days, respectively. The details of attendance of Committee members are given in this Report.

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

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

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

III. Nomination and Remuneration Committee

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

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

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

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

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

10. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - a. use the services of an external agencies, if required;
 - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - c. consider the time commitments of the candidates
 The Board has carried out the evaluation of the Board of Directors during the year in terms of the criteria laid down by the Nomination and Remuneration Committee, details of which have been covered in the Director's Report forming part of this Annual Report.

10. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - a. use the services of an external agencies, if required;
 - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - c. consider the time commitments of the candidates
 The Board has carried out the evaluation of the Board of Directors during the year in terms of the criteria laid down by the Nomination and Remuneration Committee, details of which have been covered in the Director's Report forming part of this Annual Report.

Meetings of the Nomination and Remuneration Committee held during 2022–23

The Nomination and Remuneration Committee held its

Reliance Home Finance Limited

Corporate Governance Report

meetings on April 7, 2022, May 6, 2022, August 4, 2022, November 3, 2022, February 2, 2023 and February 28, 2023. The details of attendance of Committee members are given in this Report.

Criteria for making payments to non-executive directors

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

The Company has not paid any remuneration to its Directors other than sitting fees for attending the meeting of the Board and Committee(s). Pursuant to the limits approved by the Board, all non-executive directors were paid sitting fees of ₹40,000 (excluding goods and services tax) for attending each meeting of the Board and its Committee(s).

No remuneration by way of commission to the non-executive directors. The Company has so far not issued any stock options to its non-executive directors. There were no other pecuniary relationships or transactions of non-executive directors vis-à-vis the Company.

Employee Stock Option Scheme

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

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

IV. Stakeholders Relationship Committee

The Company has a Stakeholders Relationship Committee. The composition and terms of reference of Stakeholders Relationship Committee are in compliance with the

Investors' Grievances Attended

Received from	Received during		Redressed during		Pending as on	
	2022-2023	2021-2022	2022-2023	2021-2022	31.03.2023	31.03.2022
SEBI	15	24	15	24	Nil	Nil
MCA / NHB	8	0	8	0	Nil	-
Stock Exchanges	15	32	15	32	Nil	Nil
NSDL / CDSL	0	2	0	2	Nil	Nil
Direct from investors	768	467	768	467	Nil	Nil
Total	806	525	806	525	Nil	Nil

Analysis of Grievances

	2022 - 2023		2021 - 2022	
	Numbers	%	Numbers	%
Non-receipt of debenture / share certificates	47	5.83	167	31.87
Non-receipt of annual report	63	7.82	24	4.57
Non-receipt of redemption / interest of NCDs	28	3.47	68	12.95
Others	668	82.88	266	50.67
Total	806	100	525	100

provisions of Section 178 of the Companies Act, 2013, Listing Regulations and other applicable laws. The Committee was re-constituted during the year and presently comprises of two independent non-executive directors and one non-executive director of the Company viz. Ms. Chhaya Virani, Ms. Rashna Khan and Mr. Ashish Turakhia as Members.

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

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

The Stakeholders Relationship Committee held its meeting on November 3, 2022. The details of attendance of Committee members are given in this Report.

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

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

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There was no complaint pending as on March 31, 2023.

Notes:

1. The number of shareholders is 8,52,448 as on March 31, 2023 and 8,53,215 as on March 31, 2022.
2. Investors queries / grievances are normally attended within a period of 3 days from the date of receipt thereof, except in cases involving external agencies or compliance with longer procedural requirements specified by the authorities concerned.

V. Compliance Officer

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

VI. Corporate Social Responsibility (CSR) Committee

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

The CSR Committee has formulated a CSR policy indicating the activities to be undertaken by the Company. However, during the financial year 2022-23, the Company was not required to spend on CSR pursuant to the provisions of Section 135 of the Act read with the Rules made thereunder.

During the year, no meeting of the CSR Committee was held.

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

VII. Risk Management Committee

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

The Committee is authorised to discharge its responsibilities as follows:

1. Overseeing and approving the risk management, internal compliance and control policies and procedures of the Company;

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

Meetings of the Risk Management Committee held during 2022-23

During the year, the Risk Management Committee held its meetings on May 6, 2022, August 4, 2022, November 3, 2022 and February 2, 2023. The details of attendance of Committee members are given in this Report.

VIII. IT Strategy Committee

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

IX. Wilful Defaulter's Review Committee

The Company has a Wilful Defaulter's Review Committee. The composition and terms of reference of the Committee is in terms of the guidelines on Wilful Defaulters issued by RBI Circular No. RBI/2020-21/73/ DOR.FIN.HFC. CC.No.120/03.10.136/2020-21 dated February 17, 2021 on Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 (earlier NHB circular no. NHB (ND)/ DRS/Policy Circular No.74/2015-16 dated December 31, 2015).

The Committee presently comprises of Mr. Sushilkumar Agrawal, an Independent Director as Chairman and Ms. Chhaya Virani, Mr. Ashish Turakhia, Directors and Mr. Prashant Utreja, Chief Executive Officer as Members.

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

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

X. General Body Meetings

A. Annual General Meetings

The last three Annual General Meetings of the Company were held through Video Conferencing (VC) / Other Audio Visual Means (OAVM) as under:

Financial Year	Date and Time	Whether Special Resolution passed or not
2021-22	June 24, 2022 at 11:00 a.m.	No.
2020-21	September 14, 2021 at 4:30 p.m.	No.
2019-20	June 23, 2020 at 4:00 p.m.	No.

B. Extra-Ordinary General Meeting

During the year, there was one Extra-ordinary General Meeting held by the Company on March 25, 2023 at 2:00 p.m. through Video Conferencing (VC) / Other Audio Visual Means (OAVM).

The details of Extra-ordinary General Meeting of the Company held during the last year are as under:

Date and Time	Whether Special Resolution passed or not
March 25, 2023 at 2:00 p.m.	Yes, Approval of the sale / disposal of asset(s) / undertaking(s) of the Company.

XI. Postal Ballot

The Company had not conducted any business conducted through Postal Ballot during the financial year 2022-23.

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

XII. Details of Utilisation

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

XIII. Means of communication

a. **Financial Results:** Financial Results for the quarter, half year and financial year, are published in The Financial Express (English) newspaper circulating in substantially the whole of India and in Navshakti (Marathi) newspaper and are also posted on the Company's website.

b. **Media Releases and Presentations:** Official media releases are sent to the Stock Exchanges before their release to the media for wider dissemination. Presentations made to media, analysts, institutional investors, etc., if any, are posted on the Company's website.

c. **Website:** The Company's website contains a separate dedicated section 'Investor Relations'. It contains comprehensive database of information of interest to our investors including the financial results and Annual Report of the Company, any price sensitive information disclosed to the regulatory authorities from time to time, business activities and the services rendered / facilities extended by the Company to our investors, in a user friendly manner. The basic information about the Company is provided on the Company's website and the same is updated regularly.

d. Annual Report:

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

The Act read with the Rules made thereunder and the Listing Regulations facilitate the service of documents to Members through electronic means. In compliance with the various relaxations provided by SEBI and MCA, the Company has e-mailed the soft copy of the Annual Report to all those members whose e-mail Ids are available with the Company / depositories or its Registrar and Transfer Agent. The other members are urged to register their e-mail Ids to receive the communication electronically.

e. NSE Electronic Application Processing System (NEAPS) and New Digital Exchange Platform:

The NEAPS and New Digital Exchange Platform are web-based systems designed by NSE for corporates. The shareholding pattern, corporate governance report,

Corporate Governance Report

corporate announcement, media release, if any, results, annual report, etc. are filed electronically on the respective platforms, as applicable.

- f. **BSE Corporate Compliance & Listing Centre (the 'Listing Centre')**: The Listing Centre is a web-based application designed by BSE for corporates. The shareholding pattern, corporate governance report, corporate announcement, media release, if any, results, annual report, etc. are filed electronically on the Listing Centre.
- g. **Unique Investor Helpdesk**: Exclusively for investor servicing, the Company has set up a Unique Investor Helpdesk with multiple access modes as under:
- Toll free no. (India) : 1800 309 4001
Telephone no. : +91 40 6716 15100
WhatsApp no. : +91 9100094099
E-mail: rhflinvestor@kfintech.com
- h. **Designated E-mail Id**: The Company has also designated e-mail id: rhfl.investor@relianceada.com exclusively for investor servicing.
- i. **SEBI Complaints Redressal System (SCORES)**: The investors' complaints are also being processed through the centralised web-based complaint redressal system. The salient features of SCORES are availability of centralised data base of the complaints, uploading online action taken reports by the Company. Through SCORES the investors can view online, the action taken and current status of the complaints. In its efforts to improve ease of doing business, SEBI has launched a mobile app "SEBI SCORES", making it easier for investors to lodge their grievances with SEBI, as they can now access SCORES at their convenience of a smart phone.

XIV. Management Discussion and Analysis

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

XV. Subsidiaries

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

XVI. Disclosures

- a. There has been no non-compliance by the Company and no penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other Statutory Authority during the last three financial years except penalties imposed by NHB for contravention of certain provisions of the NHB Act, 1987, The Housing Finance Companies (NHB) Directions, 2010 and circulars issued thereunder.

Further, e-mails were received from stock exchanges for imposing fines under the Listing Regulations, in this regard a response was given to the stock exchanges.

b. Related party transactions

During the financial year 2022-23, no transactions of material nature had been entered into by the Company that may have a potential conflict with interest of the Company.

The details of related party transactions are disclosed in Notes to Financial Statement. The policy on related party transactions is put on the website of the Company at the link: <https://www.reliancehomefinance.com/investor-relations>.

c. Accounting treatment

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

d. Risk management

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

Ms. Chhaya Virani, Ms. Rashna Khan, Mr. Sushilkumar Agrawal, Mr. Ashok Ramaswamy, Mr. Ashish Turakhia and Mr. Sudeep Ghoshal are members of the Risk Management Committee (RMC). The Committee periodically reviews the robustness of the Risk Management Policy. The periodical update on the risk management practices and mitigation plan of the Company are presented to the Audit Committee and Board of Directors. The Audit Committee and Board periodically review such updates and findings and suggest areas where internal controls and risk management practices can be improved.

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

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

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

f. Code of Conduct

The Company has adopted the Code of Conduct for directors and senior management. The Code has been circulated to all the members of the Board and senior management and the same has been posted on the Company's website. The

Corporate Governance Report

Board members and senior management have affirmed their compliance with the Code and a declaration signed by the Chief Executive Officer of the Company is given below:

"It is hereby declared that the Company has obtained from all members of the Board and senior management personnel affirmation that they have complied with the Code of Conduct for Directors and Senior Management of the Company for the year 2022-23."

Prashant Utreja
Chief Executive Officer

g. CEO / CFO certification

Mr. Prashant Utreja, Chief Executive Officer and Mr. Amit Kumar Jha, Chief Financial Officer of the Company have provided certification for the financial year 2022-23 on financial reporting and internal controls to the Board as required under Regulation 17(8) of the Listing Regulations.

h. Certificate from Company Secretary in Practice

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

i. Review of Directors' Responsibility Statement

The Board in its report has confirmed that the Financial Statements for the year ended March 31, 2023 have been prepared as per applicable Accounting Standards and policies and that sufficient care has been taken for maintaining adequate accounting records.

XVII. Policy on prohibition of insider trading

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

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Trading Window for dealing in the securities of the Company by the designated persons shall

remain closed during the period from end of every quarter / year till the expiry of 48 hours from the declaration of quarterly / yearly financial results of the Company and for other matters as prescribed in the Code .

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

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

	Particulars	No. of shareholders	No. of shares
(i)	Aggregate number of shareholders and the outstanding shares in the suspense account lying at April 1, 2022	52,134	1,98,614
(ii)	Number of shareholders who approached listed entity for transfer of shares from suspense account during April 1, 2022 to March 31, 2023	-	-
(iii)	Number of shareholders to whom shares were transferred from suspense account during April 1, 2022 to March 31, 2023	-	-
(iv)	Aggregate number of shareholders and the outstanding shares in the suspense account lying at March 31, 2023	52,134	1,98,614

The voting rights on the shares outstanding in the "Reliance Home Finance Limited - Unclaimed Suspense Account" as on March 31, 2023 shall remain frozen till the rightful owner of such shares claims the share(s). The shares were allotted and transferred to Unclaimed Suspense Account pursuant to the Scheme of Arrangement between Reliance Capital Limited and Reliance Home Finance Limited.

Any shareholders who claim the share(s), the share(s) are credited to the respective beneficiary account after proper verifications.

XIX. Fees to Statutory Auditors

The details of fees paid to Statutory Auditors by the Company for the financial year 2022-23 are as follows:

Nature of Service	2022-23 (₹ in crore)
Statutory Audit Fees (including limited review fees)	0.19
Certification Fees	0.12
Reimbursement of expenses	0.01
Total	0.32

Corporate Governance Report

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

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

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

XXI. Compliance with non-mandatory requirements

1. The Board

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

2. Reporting of Internal Auditor

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

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

Sr. No.	Particulars	Regulation	Compliance Status	Compliance Observed
1.	Board of Directors	17	Yes	<ul style="list-style-type: none"> ● Composition and appointment of Directors ● Meetings and Quorum ● Review of compliance reports and compliance certificate ● Plans for orderly succession for appointments ● Code of Conduct ● Fees / compensation to Non-Executive Directors ● Minimum information to be placed before the Board ● Compliance Certificate ● Risk assessment and management ● Performance evaluation of Independent Directors ● Recommendation of the Board for each item of Special Business
2.	Maximum number of Directorship	17A	Yes	<ul style="list-style-type: none"> ● Directorship in listed entities
3.	Audit Committee	18	Yes	<ul style="list-style-type: none"> ● Composition ● Meeting and Quorum of the Committee ● Chairperson present at the Annual General Meeting ● Role of the Committee
4.	Nomination and Remuneration Committee	19	Yes	<ul style="list-style-type: none"> ● Composition ● Meeting and Quorum of the Committee ● Chairperson present at the Annual General Meeting ● Role of the Committee

XXII. General shareholder information

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

Certificate from Company Secretary in Practice on corporate governance

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

Review of governance practices

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

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

Reliance Home Finance Limited

Corporate Governance Report

Sr. No.	Particulars	Regulation	Compliance Status	Compliance Observed
5.	Stakeholders Relationship Committee	20	Yes	<ul style="list-style-type: none"> Composition Meeting and Quorum of the Committee Chairperson present at the Annual General Meeting Role of the Committee
6.	Risk Management Committee	21	Yes	<ul style="list-style-type: none"> Composition Meeting and Quorum of the Committee Role of the Committee
7.	Vigil Mechanism	22	Yes	<ul style="list-style-type: none"> Review of Vigil Mechanism for Directors and employees Direct access to Chairperson of Audit Committee
8.	Related Party Transactions	23	Yes	<ul style="list-style-type: none"> Policy of Materiality of Related Party Transactions and dealing with Related Party Transactions Approval including omnibus approval of Audit Committee and the Board Review of Related Party Transactions No material Related Party Transactions Disclosure to Stock Exchange & on Company's website
9.	Secretarial Audit	24A	Yes	<ul style="list-style-type: none"> Secretarial Audit of the Company Annual Secretarial Compliance Report
10.	Obligations with respect to Independent Directors	25	Yes	<ul style="list-style-type: none"> No alternate director for Independent Directors Maximum Directorship and tenure Meetings of Independent Directors Cessation and appointment of Independent Directors Familiarisation of Independent Directors Declaration by Independent Directors Directors and Officer's Insurance
11.	Obligations with respect to employees including Senior Management, Key Managerial Personnel, Directors and Promoters	26	Yes	<ul style="list-style-type: none"> Memberships / Chairmanships in Committees Affirmation on compliance of Code of Conduct by Directors and Senior Management Disclosure of shareholding by Non-Executive Directors Disclosures by Senior Management about potential conflicts of interest No agreement with regard to compensation or profit sharing in connection with dealings in securities of the Company by Key Managerial Personnel, Director and Promoter
12.	Other Corporate Governance requirements	27	Yes	<ul style="list-style-type: none"> Compliance with discretionary requirements Filing of compliance report on Corporate Governance
13.	Website	46(2)(b) to (i)	Yes	<ul style="list-style-type: none"> Terms and conditions for appointment of Independent Directors Composition of various Committees of the Board of Directors Code of Conduct of Board of Directors and Senior Management Details of establishment of Vigil Mechanism / Whistle-blower policy Criteria of making payment to Non-Executive Director Policy on dealing with Related Party Transactions Details of familiarisation programmes imparted to Independent Directors

Certificate on Corporate Governance by Practicing Company Secretary

To,

The Members of

Reliance Home Finance Limited

The Ruby, 11th Floor, North-West Wing, Plot No. 29

Senapati Bapat Marg, Dadar (West), Mumbai 400 028

We have examined the compliance of conditions of Corporate Governance by Reliance Home Finance Limited ('the Company') for the year ended March 31, 2023, as per the relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the SEBI Listing Regulations, 2015") as referred to in Regulation 15(2) of the SEBI Listing Regulations, 2015 and pursuant to the requirements of RBI Circular No. RBI/2020-21/73/DOR.FIN.HFC. CC.No.120/03.10.136/2020-21 dated February 17, 2021 on Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 (earlier Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016) ("the RBI Directions") for the period from April 1, 2022 to March 31, 2023.

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

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

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

This Certificate is issued solely for the purposes of complying with the aforesaid Regulations and may not be suitable or for any other purpose.

For Aashish K Bhatt & Associates

Aashish K. Bhatt

Designated Partner

Membership No.: 19639

UDIN: A019639E000694445

Place: Mumbai

Date: July 28, 2023

Reliance Home Finance Limited

Certificate of Non-Disqualification of Directors

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

To,

The Members

Reliance Home Finance Limited

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

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

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers and further, based on the written representations received from the Directors as on March 31, 2023 taken on record by the Board of Directors and the legal opinion obtained by the Company, none of the directors are disqualified as on March 31, 2023 from being appointed as a Director in terms of Section 164(2) of the Companies Act, 2013 ('the Act'). I hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on March 31, 2023 have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any other Statutory Authority.

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

* re-appointed as an Independent Director for a second term of five consecutive years with effect from June 28, 2023.

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

For Aashish K. Bhatt & Associates

Company Secretaries

(ICSI Unique Code S2008MH100200)

Aashish Bhatt

Proprietor

ACS No.: 19639, COP No.: 7023

UDIN: A019639E000694467

Place: Mumbai

Date: July 28, 2023

Investor Information

General Shareholders Information

Annual General Meeting

The 15th Annual General Meeting (AGM) of the Members of **Reliance Home Finance Limited** will be held on Friday, September 29, 2023 at 12 noon (IST) through Video Conferencing (VC) / Other Audio Visual Means (OAVM).

E-voting

The Members can cast their vote online through remote e-voting from 10:00 A.M. on Monday, September 25, 2023 to 5:00 P.M. on Thursday, September 28, 2023. Further, the e-voting facility shall also be made available to the shareholders present at the meeting through Video Conferencing and have not cast their vote on resolutions through remote e-voting.

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

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

Financial year of the Company

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

Website

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

Dedicated e-mail id for investors

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

Furnishing of PAN, KYC details and Nomination by holders of physical securities

SEBI vide its circulars viz. SEBI / HO / MIRSD / MIRSD_RTAMB / P / CIR / 2021 / 655 dated November 3, 2021, SEBI / HO / MIRSD / MIRSD_RTAMB / P / CIR / 2021 / 687 dated December 14, 2021 and SEBI / HO / MIRSD / MIRSD-PoD-1 / P / CIR / 2023 / 37 dated March 16, 2023 have mandated compulsory furnishing details of PAN, bank account

details, contact details viz. e-mail address & mobile number and nomination by the holders of securities in physical mode. Dividend, if any, would be paid only through electronic mode with effect from April 1, 2024.

The circular further stated that if the KYC was not completed on or before September 30, 2023 and that even if any one of the above cited documents / details was not available, the folio would be frozen by the KFin Technologies Limited, Registrar and Transfer Agent of the Company (RTA).

The frozen folios after December 31, 2025, would be referred by Company / RTA to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and /or Prevention of Money Laundering Act, 2002.

The Company in the month of May, 2023 had sent communication to those shareholders' holding securities in physical form with a request to complete their KYC on or before September 30, 2023.

Shareholders are requested to comply with the requirements and complete KYC at the earliest.

Registrar and Transfer Agent (RTA)

Unit: Reliance Home Finance Limited
Selenium Building, Tower-B, Plot No. 31 & 32
Financial District, Nanakramguda
Hyderabad 500 032, Telangana, India.
Toll Free / Phone Number :1800 309 4001
Whatsapp Number: (91) 910 009 4099
Kfintech Corporate Website: <https://www.kfintech.com>
RTA Website: <https://ris.kfintech.com>
E-mail: einward.ris@kfintech.com
Investor Support Centre (DIY Link): <https://ris.kfintech.com/clientservices/isc>

Course of action for revalidation of dividend warrant

Shareholders may write to the Company's RTA, furnishing the particulars of the dividend not received, and quoting the folio number/DP ID and Client ID particulars (in case of dematerialised shares), as the case may be and provide bank details along with cancelled cheque bearing the name of the shareholder for updation of bank details and payment of unpaid dividend.

The RTA would request the concerned shareholder to execute an indemnity before processing the request. As per the circular dated April 20, 2018 issued by SEBI, the unencashed dividend can be remitted by electronic transfer only and no duplicate dividend warrants will be issued by the Company.

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

Dividend announcements

The Board of Directors of the Company have not recommended any dividend for the financial year 2022-23.

Reliance Home Finance Limited

Investor Information

Shareholding pattern

Category of shareholders	As on 31.03.2023		As on 31.03.2022	
	Number of Shares	%	Number of Shares	%
(A) Shareholding of promoter and promoter group				
(i) Indian	23 29 35 040	48.02	24 04 84 799	49.58
(ii) Foreign	-	-	-	-
Total shareholding of promoter and promoter group	23 29 35 040	48.02	24 04 84 799	49.58
(B) Public shareholding				
(i) Institutions	1 82 13 632	3.75	1 82 13 632	3.75
(ii) Non-institutions	23 39 10 146	48.23	22 63 60 387	46.67
Total public shareholding	25 21 23 778	51.98	24 45 74 019	50.42
(C) Shares held by custodians and against which depository receipts have been issued	-	-	-	-
Grand Total (A)+(B)+(C)	48 50 58 818	100.00	48 50 58 818	100.00

Distribution of Shareholding

Number of shares	Number of shareholders as on 31.03.2023		Total shares as on 31.03.2023		Number of shareholders as on 31.03.2022		Total shares as on 31.03.2022	
	Number	%	Number	%	Number	%	Number	%
Upto 500	8 09 546	94.97	2 68 12 295	5.53	8 13 110	95.30	2 66 33 515	5.49
501 to 5000	36 337	4.26	5 93 19 684	12.23	34 170	4.00	5 52 61 765	11.39
5001 to 100000	6 386	0.75	10 38 32 491	21.41	5 759	0.67	9 46 18 499	19.51
Above 100000	179	0.02	29 50 94 348	60.84	176	0.02	30 85 45 039	63.61
Total	8 52 448	100.00	48 50 58 818	100.00	8 53 215	100.00	48 50 58 818	100.00

Dematerialisation of shares and Liquidity

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

Status of dematerialisation of shares

As on March 31, 2023, 99.19 per cent of the Company's shares are held in dematerialised form.

Legal Proceedings

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

Equity History

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

Investor Information

Credit Rating

Rating Agency - CARE Ratings Limited

Type of Instrument	Rating as on March 31, 2023
Long Term Debt Programme	CARE D; Issuer not cooperating (Single D; Issuer not cooperating)
Principal Protected Market Linked Debentures	CARE PP-MLD D; Issuer not cooperating (Principal Protected-Market Linked Debentures Single D; Issuer not cooperating)
Subordinated Debt	CARE D; Issuer not cooperating (Single D; Issuer not cooperating)
Upper Tier-II NCDs	CARE D; Issuer not cooperating (Single D; Issuer not cooperating)
Non-Convertible Debentures – Public Issue	CARE D; Issuer not cooperating (Single D; Issuer not cooperating)
Upper Tier II Bonds – Public Issue	CARE D; Issuer not cooperating (Single D; Issuer not cooperating)

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

Stock Price and Volume

2022-23	BSE Limited			National Stock Exchange of India Limited		
	High (₹)	Low (₹)	Volume Nos. (in lakh)	High (₹)	Low (₹)	Volume Nos. (in lakh)
April 2022	5.15	3.80	122.99	5.15	3.75	271.87
May 2022	4.21	3.21	52.25	4.20	3.20	151.20
June 2022	3.81	2.84	58.25	3.85	2.80	193.82
July 2022	4.05	2.69	62.80	4.05	2.65	202.92
August 2022	3.95	3.00	95.52	3.95	3.05	368.32
September 2022	6.65	3.60	422.96	6.65	3.65	1,131.43
October 2022	4.09	3.61	28.65	4.05	3.60	91.84
November 2022	4.14	3.51	42.46	4.10	3.55	129.91
December 2022	3.86	3.14	53.73	3.85	3.15	186.50
January 2023	3.59	2.81	57.13	3.60	2.80	190.63
February 2023	3.24	2.75	43.33	3.20	2.75	167.27
March 2023	3.00	2.08	68.44	3.00	2.25	218.66

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

Stock exchange listings

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

Listing on stock exchanges

Equity shares

BSE Limited

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

Website: www.bseindia.com

National Stock Exchange of India Limited

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

Website: www.nseindia.com

Stock codes

BSE Limited	: 540709
National Stock Exchange of India Limited	: RHFL
ISIN for equity shares	: INE217K01011

Commodity price risk or foreign exchange risk and hedging activities

The Company does not have any un-hedged exposure to commodity price risks and foreign exchange risk.

Debt securities

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

Debenture Trustee

IDBI Trusteeship Services Limited

Asian Building, Ground Floor, 17 R Kamani Marg
Ballard Estate, Mumbai 400 001

Website: www.idbitrustee.com

Catalyst Trusteeship Limited

GDA House, Plot No. 85, Bhusari Colony (Right)
Paud Road, Pune 411 038

Website: www.catalysttrustee.com

Reliance Home Finance Limited

Investor Information

Payment of annual listing and depository fees

Annual listing fee to the stock exchanges and annual custody / issuer fees to the depositories for the year 2022-23 has been paid by the Company.

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

	RHFL %	Sensex BSE %	Nifty NSE %
F.Y. 2022-23	-35.26	0.72	-0.60
2 years	4.17	19.15	18.17
3 years	233.33	100.19	101.91

Key financial reporting dates for the financial year 2023-24

Unaudited results for the first : On or before August 14, quarter ending June 30, 2023 2023

Unaudited results for the second : On or before November quarter/ half year ending 14, 2023 September 30, 2023

Unaudited results for the third : On or before February quarter/ nine months ending 14, 2024 December 31, 2023

Audited results for the financial : On or before May 30, year 2023-24 2024

Depository services

For guidance on depository services shareholders may write to the Company's RTA or to the Depositories at the following address:

National Securities Depository Limited

Trade World, A Wing, 4th Floor
Kamala Mills Compound, Senapati Bapat Marg
Lower Parel (West), Mumbai 400 013
website: www.nsdl.co.in

Central Depository Services (India) Limited

Marathon Futurex, A-Wing, 25th Floor,
N. M. Joshi Marg, Lower Parel,
Mumbai 400 013
website: www.cdsindia.com

Communication to Members

The Company's quarterly financial results, audited accounts, corporate announcements, media releases and details of significant developments are also made available on the Company's website: www.reliancehomefinance.com

Reconciliation of share capital audit

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

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

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

KFin Technologies Limited

Unit: Reliance Home Finance Limited
Selenium Building, Tower-B
Plot No. 31 & 32, Financial District
Nanakramguda, Hyderabad 500 032
Telangana, India

Toll Free / Phone Number :1800 309 4001

Whatsapp Number: (91) 910 009 4099

KPRISM (Mobile Application): <https://kprism.kfintech.com/>

Kfintech Corporate Website: <https://www.kfintech.com>

RTA Website: <https://ris.kfintech.com>

Email: einward.ris@kfintech.com

Investor Support Centre(DIY Link): <https://ris.kfintech.com/clientservices/isc>

Investor Centre

As an ongoing endeavour to enhance Investor experience and leverage new technology, Company's RTA have been continuously developing new applications, a list of which is given below:

- (i) Investor Support Centre: A webpage accessible via any browser-enabled system, Investors can use a host of services like Post a query, Raise a service request, Track the status of their DEMAT and REMAT request, Dividend status, Interest and Redemption status, Upload exemption forms (TDS), Download all ISR and other related forms

URL: <https://ris.kfintech.com/clientservices/isc/default.aspx>

- (ii) eSign Facility: Common and simplified norms for processing investor's service requests by RTAs and norms for furnishing PAN, KYC details and Nomination require that the eSign option be provided to Investors for raising service requests. KFIN is the only RTA which has enabled the option and can be accessed via this link:

<https://ris.kfintech.com/clientservices/isr/isr1.aspx?mode=f3Y5zP9DDN%3d>

- (iii) KYC Status: Shareholders can access the KYC status of their folio. The webpage has been created to ensure that shareholders have requisite information regarding the folios: URL: <https://ris.kfintech.com/clientservices/isc/kycqry.aspx>

- (iv) KPRISM: A mobile application as well as a webpage which allows users to access Folio details, Interest and Dividend status, FAQs, ISR Forms and a full suite of other investor services.

URL: <https://kprism.kfintech.com/signin.aspx>

Investor Information

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

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

Chief Financial Officer
Reliance Home Finance Limited
The Ruby, 11th Floor, North-West Wing
Plot No. 29, Senapati Bapat Marg
Dadar (West), Mumbai 400 028
Tel. : +91 22 6838 8100
Fax: +91 22 6838 8360
E-mail: rhfl.investor@relianceada.com

Correspondence on investor services may be addressed to:

Company Secretary & Compliance Officer
Reliance Home Finance Limited
The Ruby, 11th Floor, North-West Wing
Plot No. 29, Senapati Bapat Marg
Dadar (West), Mumbai 400 028
Tel. : +91 22 6838 8100
Fax: +91 22 6838 8360
E-mail: rhfl.investor@relianceada.com

Plant Locations

The Company is registered as a home finance company with NHB and as such has no plant.

Reliance Home Finance Limited

Independent Auditor's Report

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

Qualified Opinion

We have audited the accompanying Ind AS financial statements of Reliance Home Finance Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the 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 except for the matter described in the Basis for Qualified Opinion section of our report the aforesaid IND AS 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, 2023, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Qualified Opinion:

Material Uncertainty Related to Going Concern

We draw attention to Note No. 58, wherein the Company has entered into Business Transfer Agreement (BTA) and Lenders' Implementation Memorandum both dated March 29, 2023 (the Agreements) for implementation of resolution plan as approved by the creditors, to transfer the undertaking i.e., transfer of business with certain material assets and liabilities agreed and mentioned in said agreement on Slump Sale Basis. Post execution of the above Agreements, the business undertaking of the Company has been transferred to Reliance Commercial Finance Limited (RCFL), 100% subsidiary of Authum Investment & Infrastructure Limited (the "Resolution Applicant"). Consequently, the Company has substantially reduced and further discontinued its housing finance activity post the execution of Lenders' Implementation Memorandum. The above may result in loss / surrender of Housing Finance License. Further, there are certain legal cases in Courts of law against the Company, the liability of which, materialise if any, can't be ascertained as on balance sheet date.

In view of above significance of events or conditions and the business transfer, the ceased operations of the Company and current cash flow position indicates that a material uncertainty exists to meet those substantial probable financial liabilities /exposure and material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

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

Emphasis of Matter

1) We draw attention to Note No.58 to the financial statements with regards to the implementation of Resolution Plan wherein, as informed by the management, the entire Resolution Plan has been finalized in terms of the RBI Circular No. RBI/2018-19/203, DBR.No.BP.BC.45/21.04.048/2018-19 dated June 7, 2019 on Prudential Framework for Resolution of Stressed Assets, pursuant to the approval by the Lenders of the Company, as approved by the Hon'ble Supreme Court of India vide its order dated March 3, 2023 and the special resolution passed by the shareholders dated March 25, 2023. The financial statements have been prepared considering after implementation of Resolution Plan and transfer of undertaking to Reliance Commercial Finance Limited, 100% subsidiary of Authum Investment & Infrastructure Limited (Resolution Applicant). Post implementation of the Resolution Plan, the financial statements of the Company represent the assets and liabilities remaining with the Company. The Company in consultation with the Lead Bank, Debenture Trustee, Legal and Financial Advisors, took the appropriate steps towards implementing the approved Resolution Plan as mentioned in detail in the said note. The total Resolution amount was of ₹ 3,351 Crore and the Company has incurred Net Loss amounting to ₹ 277.24 Crore on implementation of resolution plan.

Our opinion is not modified in respect of this matter.

2) SEBI had issued an Interim Order cum Show Cause Notice dated February 11, 2022 under Sections 11(1), 11(4) and 11B(1) of the SEBI Act, 1992 ("Notice") against the Company, its individual promoter and the then Key Managerial Personnel ("Noticees") and has restrained the Noticees from buying, selling, or dealing in securities, either directly or indirectly, in any manner whatsoever until further notice. Further, Individual Noticees have been restrained from associating themselves with any intermediary registered with SEBI, any listed public company or from acting as a director / promoter of any public company which intends to raise money from the public, till further notice. The Management is of the view that the notice is an Interim Order and no financial implication can be ascertained at this stage. As informed by the management, the Company is in the final stages of preparing response to the notice in consultation with the legal advisors, taking into consideration the transfer of Company's

Independent Auditor's Report

business undertaking to Reliance Commercial Finance Limited, a wholly owned subsidiary of Authum Investment & Infrastructure Limited (Resolution Applicant), pursuant to RBI Circular No. RBI/2018-19/ 203, DBR.No.BP.BC.45/21.04.048/2018-19 dated June 7, 2019 on Prudential Framework for Resolution of Stressed Assets, the order of Supreme Court of India dated March 3, 2023 and the special resolution passed by the shareholders dated March 25, 2023.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

Key audit matters	How our audit addressed the Key audit measures
We draw attention to Note No.58 to the financial statements with regards to the implementation of Resolution Plan wherein, as informed by the management, the entire Resolution Plan has been finalized in terms of the RBI Circular No. RBI/2018-19/ 203, DBR.No.BP.BC.45/21.04.048/2018-19 dated June 7, 2019 on Prudential Framework for Resolution of Stressed Assets, pursuant to the approval by the Lenders of the Company, as approved by the Hon'ble Supreme Court of India vide its order dated March 3, 2023 and the special resolution passed by the shareholders dated March 25, 2023. The financial statements have been prepared considering after implementation of Resolution Plan and transfer of undertaking to Reliance Commercial Finance Limited, 100% subsidiary of Authum Investment & Infrastructure Limited (Resolution Applicant). Post implementation of the Resolution Plan, the financial statements of the Company represent the assets and liabilities remaining with the Company. The total Resolution amount was of ₹ 3,351 Crore and the Company has incurred Net Loss amounting to ₹ 277.24 Crore on implementation of resolution plan.	<p>Broadly our audit procedure included review of:</p> <ol style="list-style-type: none"> Supreme Court order dated 3rd March,2023. Special Resolution passed by shareholders at EGM held on 25th March, 2023. Lenders Implementation Memorandum dated 29th March'2023 including Distribution Schedule provided by Lenders. Business Transfer Agreement dated 29th March 2023. Relevant accounting entries in books of accounts.

Other Information

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

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

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

Responsibilities of Management and Those Charged with Governance for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and the circulars, guidelines and directions issued by the National Housing Board and Reserve Bank of India from time to time ("Guidelines"). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Reliance Home Finance Limited

Independent Auditor's Report

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

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

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements for the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

Independent Auditor's Report

- (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our qualified opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 43 to the Ind AS financial statements. As mention above there are certain legal cases in Courts of law against the Company, the liability of which, materialise if any, can't be ascertained as on balance sheet date.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv.
 - a) The management has represented that, to the best of its knowledge and belief, during the year no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b) The management has represented that, to the best of its knowledge and belief, during the year, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
 - v. No dividend has been declared or paid during the year by the Company.
 - vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. 01 April 2023, reporting under this clause is not applicable.

For **Tambi & Jaipurkar**

Chartered Accountants

Firm's Registration Number: 115954W

CA Garima Agarwal

Partner

Membership Number: 160944

Place: Mumbai

Date: 27 May 2023

UDIN: 23160944BGYYXE4490

Reliance Home Finance Limited

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

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

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

- i. (a) (A) The Company had entered into a Business Transfer Agreement dated March 29th, 2023 with the Reliance Commercial Finance Ltd (RCFL), 100% subsidiary of Authum Investment & Infrastructure Limited (the "Resolution Applicant") and by virtue of this agreement property, plant and equipment of the Company were transferred to RCFL on Slump Sale basis except immovable Property and as a result the Company do not carry any property, plant and equipment in its financial statements as at March 31, 2023 therefore the provision of this clause of the said order is not applicable to the Company
(B) The Company do not carry any intangible asset in its financial statements as at March 31, 2023 in view of reasons mentioned in point (a)(A) above.
- (b) In view of reasons mentioned in point i(a)(A) above, provision of this clause relating to physical verification of property, plant and Equipment is not applicable to the Company as at 31st March 2023.
- (c) According to the information and explanations given to us and in view of reasons mentioned in point i(a)(A) above, the Company do not own any immovable properties at March 31, 2023, therefore the provision of clause (i)(c) of the said order is not applicable to the Company.
- (d) In view of reasons mentioned in point i(a)(A) above property, plant and equipment of the Company were transferred to RCFL on Slump Sale basis and as a result the Company do not carry any property, plant and equipment in its financial statements as at March 31, 2023 therefore the provision of clause (i) (d) of the said order is not applicable to the Company.
- (e) Based on the information and explanations furnished to us, no proceedings have been initiated or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- ii. (a) The Company does not have any inventory and hence reporting under clause 3(ii)(a) of the Order is not applicable to the Company.
(b) The Company has not been sanctioned any working capital, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- iii. (a) The Company is a Housing Finance Company and hence reporting under clause 3(iii)(a) of the order is not applicable to the Company.
(b) As per the information and explanation provided to us, the Company has made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans during the year hence, reporting under clause 3(iii)(b) of the order is not applicable. However the same has been transferred to Reliance Commercial Finance Limited via Business Transfer Agreement (BTA). As a result the Company do not carry any investment guarantee or security or granted any loans or advances in the nature of loans in its financial statements as at March 31, 2023.
(c) As per the information and explanation provided to us, the Company has not granted any loans or advances in the nature of loans during the year hence reporting under clause 3(iii)(c) of the order is not applicable to the Company.
(d) As per the information and explanation provided to us, the Company has not granted any loans or advances in the nature of loans during the year hence reporting under clause 3(iii)(d) of the order is not applicable to the Company.
(e) The Company is a Housing Finance Company and hence reporting under clause 3(iii)(e) of the order is not applicable to the Company.
(f) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3 (iii)(f) is not applicable to the Company.
- iv. The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable. In view of reasons mentioned in point i(a)(A) above all loan, investments of the Company were transferred to RCFL on Slump Sale basis and as a result the Company do not carry any Loans and investment in its financial statements as at March 31, 2023
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. The maintenance of cost records has not been specified by the Central Government under subsection (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.

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

- vii. According to the information and explanations given to us and records examined by us, in respect of statutory dues:
- (a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Income Tax, Cess and other material statutory dues applicable to it with the appropriate authorities. There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Income Tax, Cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.
- (b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023 on account of disputes are given below:

Name of the Statute	Nature of dues	Amount under dispute (₹ in Crore)	Amount paid (₹ in Crore)	Period to which it relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	11.79*	11.79*	AY 2018-19	The Commissioner of Income Tax (Appeals)

*The abovementioned demand has been adjusted against refund of AY 2020-2021.

- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. (a) According to the records of the Company examined by us and the information and explanation given to us, Certain lenders/creditors of the Company (Banks and other Financial Institutions) have entered into an Inter-Creditor Agreement (ICA) for arriving at the debt resolution plan in accordance with the circular dated June 7, 2019 issued by the Reserve Bank of India (RBI) on Prudential Framework for Resolution of Stressed Assets. The Company and said lenders/creditors have arrived at financial resolution Plan and accordingly the Company have entered into Lender Implementation Memorandum on 29th March 2023 and the Company has made payment to the respective Lender on 29th March 2023 as per aforesaid memorandum and Resolution Plan towards full and final payment against their dues and they have accepted it. Further the Lenders have agreed to withdraw all the pending proceeding initiated by them.
- (b) In view of reasons mentioned in point ix (a) above, after payment to Lenders on 29th March 2023 the Company will not remain willful defaulter by any bank or financial institution or government or any government authority as on March 31st 2023
- (c) According to the records of the Company examined by us and the information and explanation given to us, the Company has not obtained any term loan during the year.
- (d) On an overall examination of the financial statements of the Company, no funds raised on short term basis during the year by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company do not have any subsidiary during the year.
- (f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiary, joint venture and associate companies and hence reporting under clause 3(ix)(f) of the Order is not applicable to the Company.
- x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause (x)(a) of the Order is not applicable to the Company.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- xi. (a) No fraud by the Company and no material fraud on the Company has been noticed or reported to us during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- (c) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under Clause (xi)(c) of the Order is not applicable to the Company.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable
- xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

Reliance Home Finance Limited

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

- xiv. a) In our opinion and according to the information and explanation given to us, there is internal audit system commensurate with the size and nature of its business,
b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv. In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.
(b) The Company is having a valid Certificate of Registration (CoR) for Housing Finance Activities from National Housing Bank (NHB) as defined under Section 29A of the National Housing Bank Act, 1987 as at March 31, 2023
(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India, and accordingly reporting under clause 3(xvi)(c) of the Order is not applicable.
(d) As per the information made available to us there is One core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016)
- xvii. The Company has incurred cash losses of ₹ 6.94 Crore in the financial year 2022- 23 and Cash Loss of ₹ 979.50 crore in the immediately preceding financial year 2021-22.
- xviii. There has been no resignation of statutory auditor during the year hence this clause is not applicable to the Company.
- xix. In view of significance of events or conditions and the business transfer, the ceased operations of the Company and current cash flow position indicates that a material uncertainty exists to meet those substantial probable financial liabilities /exposure and material uncertainty exists that may cast significance doubt on the Company's ability to continue as a going concern. The Company has outstanding liability of ₹ 55.95 crore and set aside ₹ 11.84 crore for its repayment in respect of dissenting debenture holders as per Resolution Plan approved by the Lenders and Lender Implementation Memorandum on 29th March 2023.
- xx. The provisions of section 135 of the Act are not applicable to the Company during the year. Accordingly, the reporting under Clause (xx)(a) and (xx)(b) of the Order is not applicable to the Company.

For Tambi & Jaipurkar

Chartered Accountants

Firm Registration Number: 115954W

CA Garima Agarwal

Partner

Membership Number: 160944

Place: Mumbai

Date: 27 May 2023

UDIN: 23160944BGYYXE4490

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

Annexure "B" to Independent Auditor's Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Reliance Home Finance Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statement included obtaining an understanding of internal financial controls with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these financial statements.

Meaning of Internal Financial Controls With Reference to these Financial Statements

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

Inherent Limitations of Internal Financial Controls With Reference to Financial Statements

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

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For Tambi & Jaipurkar Chartered Accountants

Firm's Registration Number: 115954W

CA Garima Agarwal

Partner

Membership Number: 160944

Place: Mumbai

Date: 27 May 2023

UDIN: 23160944BGYYXE4490

Auditor's Additional Report

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

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

1. This report is issued pursuant to the requirements of Paragraph 69 of the Master Direction Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 (the "Directions") on matters mentioned in Paragraph 70 and 71 of the Directions.
2. We have audited the financial statements of Reliance Home Finance Limited (hereinafter referred to as the "Company") comprising Balance Sheet as at March 31, 2023 and the related Statement of Profit and Loss and Cash Flow Statement for the year ended on that date, on which we have issued qualified opinion in our audit report dated May 27, 2023.

Management's Responsibility for the Financial Statements

3. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act 2013 (the "Act") with respect to the preparation of the Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. In preparing the Ind AS financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors are also responsible for overseeing the Company's financial reporting process.
4. The Management is also responsible for compliance with Master Direction Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 and guidelines applicable to Housing Finance Companies, as amended from time to time, and for providing all the required information in stipulated time period to the National Housing Bank (NHB).

Auditor's Responsibility

5. Pursuant to the requirements of the Directions referred to in paragraph 1 above it is our responsibility to examine the audited books and records of the Company for the year ended March 31, 2023 and report on the matters specified in the Directions to the extent applicable to the Company.
6. We conducted our examination in accordance with the 'Guidance Note on reports or Certificates for Special Purposes' issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and other assurance and Related Services Engagements.

Opinion

8. Based on our examination of the audited books and records of the Company for the year ended March 31, 2023 as produced for our examinations and the information and explanations given to us we report that:
 - 8.1 The Company is engaged in the business of providing finance for housing and has initially obtained a certificate of registration (COR) no. 02.0069.09 dated January 06, 2009 in the name of Reliance Homes Finance Private Limited and pursuant to name change, the same has been reissued with COR no. 04.0074.09 dated April 27, 2009 in the name of Reliance Home Finance Private Limited and further pursuant to name change the same has been reissued with COR no. 07.0101.12 dated July 16, 2012 in the name of Reliance Home Finance Limited by the NHB, New Delhi, under section 29A of the NHB Act.
 - 8.2 The Company is not meeting the required Net Owned Fund requirement as prescribed under Section 29A of the NHB Act due to accumulated losses.

Reliance Home Finance Limited

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

- 8.3 For the F.Y 2022-23, the Company is not liable to transfer any amount as specified in Section 29C of the National Housing Bank Act, 1987 as the Company has incurred losses during the year.
- 8.4 The Board of Directors of the Company has passed a resolution in its Board meeting held on May 6, 2022 for non-acceptance of public deposits;
- 8.5 The Company has not accepted any public deposits during the year ended March 31, 2023;
- 8.6 The total borrowings of the Company as on 31st March 2023 is exceeding the limits prescribed under paragraph 27.2 of the directions due to negative net owned funds as on 31st March 2023;
- 8.7 The Company has adopted Ind AS accounting framework, as notified Under Section 133 of the Act by the Ministry of Corporate Affairs (MCA) w.e.f. April 1, 2018. The Financial Statements for the year ended March 31, 2023 has been prepared by the management considering accounting methodology and principles mentioned in applicable Ind AS. The Company presents its Balance Sheet in order of liquidity in compliance with the Division III of Schedule III to the Act. The Company has complied with the requirement mentioned under respective Ind AS on income recognition, provisioning and asset classification in preparing financial statements.
- NHB's Policy Circular No. NHB(ND)/DRS/Policy Circular No. 89/2017-18 dated June 14, 2018 requires Housing Finance Companies to continue to follow the extant provisions of National Housing Bank Act 1987 and Housing Finance Companies (NHB) Directions 2010 require various disclosure on income recognition, provisioning and asset classification and to provide adequate disclosures in the notes to accounts. Accordingly, the Company has provided disclosure in the notes to accounts in accordance with the aforesaid guidelines and as per Accounting Standard prescribed under Section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended (Indian GAAP).
- The Company has transferred its loans and advances as at 29th March 2023, via Business transfer agreement dated 29th March 2023 to Reliance Commercial Finance Limited (RCFL), 100% subsidiary of Authum Investment & Infrastructure Limited (the "Resolution Applicant") (refer para 8.14 below). and no loans and Advances portfolio exist as on 31st March 2023, therefore LTV norms cannot be ascertained.
- The Company has complied with the prudential norms on disclosure in balance sheet, investment in real estate, exposure to capital market and engagement of broker, and concentration of credit/ investments as at March 31, 2023 as specified in NHB Directions. In view of para 8.13 and 8.14 the Company do not have investment in real estate, exposure to capital market as at 31st March 2023
- 8.8 The Company has correctly arrived at and disclosed the capital to risk assets ratio (CRAR) in the Schedule II return submitted to the NHB for the year ended March 31, 2023. However, such ratio is not in compliance with the minimum CRAR prescribed in NHB Directions due to negative Net Owned Fund.
- 8.9 The Schedule II return for the year ended March 31, 2023 has been furnished to the NHB as specified in the NHB Directions. The half yearly return of March 2023 has been filed within the stipulated time period as specified in the NHB Directions.
- 8.10. Schedule III - Return on Statutory Liquid Assets for the year ended March 31, 2023 as specified in the NHB Directions is not applicable as company is not accepting deposits. Schedule IV return of March 2023 quarter was filed within stipulated time as specified in the NHB Directions.
- 8.11 The Company has transferred all its existing branches as on 29th March 2023 to Reliance Commercial Finance Limited (RCFL), 100% subsidiary of Authum Investment & Infrastructure Limited (the "Resolution Applicant") as part of business Transfer Agreement and have no branch as on 31st March 2023(Refer 8.14 below)
- 8.12 The Company has not granted any loan against its own shares and for purchase of gold in any form and hence it is in compliance with provisions contained in paragraph 38 and 38A of the NHB Directions; and
- 8.13 As per para 32(1) of the Master Circular- The Housing Finance Companies (NHB) Directions, 2010 issued by the National Housing Bank (NHB) vide its notification no. NHB (ND)/DRS/REG/MC-01/2018 dated July 02, 2018, no Housing Finance Company shall lend to any single group of borrowers exceeding 25 percent of its owned funds. In view of Para 8.14, the Company does not have any exposure to group companies and others as on 31st March 2023 & therefore single borrower Limit / Group borrower limit is not applicable as at 31st March 2023.

Auditor's Additional Report

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

The Company has entered into Business Transfer Agreement (BTA) and Lenders' Implementation Memorandum both dated March 29, 2023 (the Agreements) for implementation of resolution plan as approved by the creditors, to transfer the undertaking i.e. transfer of business with certain material assets and liabilities agreed and mentioned in said agreement on Slump Sale Basis. Post execution of the above Agreements, the business undertaking of the Company has been transferred to Reliance Commercial Finance Limited (RCFL), 100% subsidiary of Authum Investment & Infrastructure Limited (the "Resolution Applicant"). Consequently, the Company has substantially reduced and further discontinued its housing finance activity post the execution of Lenders' Implementation Memorandum. The above may result in loss / surrender of Housing Finance License.

Restrictions on Use

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

For **Tambi & Jaipurkar**

Firm Reg No.: 115954W

CA Garima Agarwal

Partner

Membership Number: 160944

Place: Mumbai

Date: 27 May 2023

UDIN: 23160944BGYYXF6574

Reliance Home Finance Limited

Balance Sheet as at March 31, 2023

Particulars	Note No.	(₹ in crore)	
		As at March 31, 2023	As at March 31, 2022
ASSETS			
1. Financial assets			
(a) Cash and cash equivalents	2	17.54	2,628.38
(b) Bank balance other than (a) above	3	-	332.59
(c) Receivables	4		
(I) Trade receivables		-	-
(II) Other receivables		-	-
(d) Loans	5	-	3,108.31
(e) Investments	6	-	160.78
(f) Other financial assets	7	-	199.40
Total Financial Assets		17.54	6,429.46
2. Non-financial assets			
(a) Current tax assets (net)	8	17.31	41.54
(b) Deferred tax assets (net)	9	-	3,595.21
(c) Investment property	10	-	4.22
(d) Property, plant and equipment	11	-	42.29
(e) Intangible assets under development	12	-	0.07
(f) Goodwill	13	-	-
(g) Other intangible assets	12	-	1.19
(h) Other non-financial assets	14	-	30.35
Total Non-financial assets		17.31	3,714.87
TOTAL ASSETS		34.85	10,144.33
LIABILITIES AND EQUITY			
I. LIABILITIES			
1. Financial Liabilities			
(a) Derivative financial instruments	15	-	0.04
(b) Payables	16A		
(I) Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
(II) Other payables	16B		
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	0.84
(c) Debt securities	17	0.95	6,019.30
(d) Borrowings (Other than debt securities)	18	-	5,897.81
(e) Subordinated liabilities	19	86.04	797.35
(f) Other financial liabilities	20	19.45	2,886.49
Total Financial Liabilities		106.44	15,601.84
2. Non-financial liabilities			
(a) Other non-financial liabilities	21	2.25	34.90
Total Non-financial Liabilities		2.25	34.90
II. EQUITY			
(a) Equity share capital	22	485.06	485.06
(b) Other equity	23	(558.89)	(5,977.46)
Total Equity		(73.83)	(5,492.40)
Total Liabilities and Equity		34.85	10,144.33
Significant Accounting Policies	1		

The accompanying notes are integral part of these financial statements.

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

For and on behalf of the Board of Directors of

Directors

Rashna Khan
Sushilkumar Agrawal
Ashok Ramaswamy
Sudeep Ghoshal

CA Garima Agarwal
 Partner
 Membership Number : 160944

Chief Executive Officer
 Chief Financial Officer
 Company Secretary & Compliance Officer

Prashant Utreja
Amit Kumar Jha
Parul Jain

Place: Mumbai
 Dated: May 27, 2023

Mumbai
 Dated: May 27, 2023

Statement of Profit and Loss for the year ended March 31, 2023

(₹ in crore)			
Particulars	Note No.	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from operations			
(i) Interest income	24	376.93	276.79
(ii) Fees and commission income	25	5.04	8.00
(iii) Other operating income	26	0.20	5.89
(I) Total Revenue from operations		382.17	290.68
(II) Other Income	27	9.20	2.82
(III) Total Income (I + II)		391.37	293.50
Expenses			
(i) Finance costs	28	31.32	1,185.09
(ii) Employee benefits expenses	29	13.70	16.65
(iii) Depreciation, amortisation and impairment	10 to 13	1.96	212.09
(iv) Impairment of financial instruments	30	(9,051.53)	6,707.87
(v) Others expenses	31	104.89	78.20
(IV) Total Expenses		(8,899.65)	8,199.90
(V) Profit / (Loss) before exceptional items & tax (III - IV)		9,291.02	(7,906.40)
(VI) Exceptional Items	58	(277.24)	-
(VII) Profit / (Loss) Before Tax (V - VI)		9,013.79	(7,906.40)
Income tax expense:	33		
(a) Current tax		-	-
(b) Deferred tax		3,595.21	(2,466.80)
(VIII) Total tax expense		3,595.21	(2,466.80)
(IX) Profit / (Loss) for the year (VII - VIII)		5,418.57	(5,439.60)
(X) Other comprehensive income			
A. Items that will not be reclassified to profit or loss			
- Remeasurements of post-employment benefit obligations		-	0.22
- Income tax relating to items that will not be reclassified to profit or loss		-	(0.07)
Other comprehensive income for the year (A)		-	0.15
(XI) Total comprehensive income for the year (IX + X)		5,418.57	(5,439.45)
(XII) Earnings per equity share	34		
Basic (₹)		111.72	(112.15)
Diluted (₹)		111.72	(112.15)

Significant Accounting Policies

1

The accompanying notes are integral part of these financial statements.

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

For and on behalf of the Board of Directors of

Directors

Rashna Khan
Sushilkumar Agrawal
Ashok Ramaswamy
Sudeep Ghoshal

CA Garima Agarwal
 Partner
 Membership Number : 160944

Chief Executive Officer
 Chief Financial Officer
 Company Secretary & Compliance Officer

Prashant Utreja
Amit Kumar Jha
Parul Jain

Place: Mumbai
 Dated: May 27, 2023

Mumbai
 Dated: May 27, 2023

Statement of Changes in Equity for the year ended March 31, 2023

A. Equity share capital

(1) Current Reporting Period

	Balance at the beginning of the current reporting period	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current reporting period	Balance at the end of the current reporting period
As at April 01, 2022	485.06	-	-	-	As at March 31, 2023 485.06

(2) Previous Reporting Period

	Balance at the beginning of the previous reporting period	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the previous reporting period	Changes in equity share capital during the previous reporting period	Balance at the end of the previous reporting period
As at April 01, 2021	485.06	-	-	-	As at March 31, 2022 485.06

B. Other equity

(1) Current Reporting Period

Particulars	Share Application Money Pending Allotment	Capital Reserve	Securities premium	Reserves and surplus				Other Comprehensive Income	Total
				Statutory Reserve	Debt Redemption reserve	Capital Redemption Reserve	General Reserve		
Balance at the beginning of the Current Reporting Period (As at April 01, 2022)	-	-	660.34	143.94	436.72	-	(7,230.10)	11.64	(5,977.46)
Changes in Accounting Policy/ prior period errors	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the Current Reporting Period	-	-	660.34	143.94	436.72	-	(7,230.10)	11.64	(5,977.46)
Profit for the year	-	-	-	-	-	-	5,418.57	-	5,418.57
Other Comprehensive Income for the year	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-	-	5,418.57	-	5,418.57
Transferred to/ (from)	-	-	-	(436.72)	-	-	443.36	(6.64)	-
Balance at the end of the Current Reporting Period (As at March 31, 2023)	-	-	660.34	143.94	-	-	(1,368.16)	5.00	(558.89)

Statement of Changes in Equity for the year ended March 31, 2023

(2) Previous Reporting Period

Particulars	Reserves and surplus										Other Comprehensive Income	Total
	Share Application Money Pending Allotment	Capital Reserve	Securities premium	Other Reserves			Share option outstanding	Retained Earnings	General Reserve	Gain/(loss) on fair valuation of investments in equity shares		
				Statutory Reserve	Debenture Redemption reserve	Capital Redemption Reserve						
Balance at the beginning of the Previous Reporting Period (As at April 01, 2021)	-	660.34	143.94	436.72	-	-	(1,790.65)	11.64	-	-	(538.01)	
Changes in Accounting Policy/ prior period errors	-	-	-	-	-	-	-	-	-	-	-	
Restated balance at the beginning of the Previous Reporting Period	-	660.34	143.94	436.72	-	-	(1,790.65)	11.64	-	-	(538.01)	
Loss for the year	-	-	-	-	-	-	(5,439.60)	-	-	-	(5,439.60)	
Other Comprehensive Income for the year	-	-	-	-	-	-	0.15	-	-	-	0.15	
Balance at the end of the Previous Reporting Period (As at March 31, 2022)	-	660.34	143.94	436.72	-	-	(7,230.10)	11.64	-	-	(5,977.46)	

Significant Accounting Policies

The accompanying notes are integral part of these financial statements.

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

CA Garima Agarwal

Partner
 Membership Number : 160944

Place: Mumbai
 Dated: May 27, 2023

For and on behalf of the Board of Directors of

Rashna Khan
Sushilkumar Agrawal
Ashok Ramaswamy
Sudeep Ghoshal

Directors

Prashant Utreja
Amit Kumar Jha
Parul Jain

Chief Executive Officer
 Chief Financial Officer
 Company Secretary & Compliance Officer

Mumbai
 Dated: May 27, 2023

Reliance Home Finance Limited

Cash Flow Statement for the year ended March 31, 2023

Particulars	(₹ in crore)	
	As at March 31, 2023	As at March 31, 2022
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Profit/(Loss) before tax:	9,013.79	(7,906.40)
Adjustments :		
Depreciation, amortisation and impairment	1.96	212.09
Impairment of financial instruments	(9,058.52)	6,707.87
Liabilities written back	1,251.57	-
Discount on commercial papers	-	43.73
Amortised brokerage commission -term loan	2.63	1.07
Provision for gratuity	-	(0.07)
Provision on other expenses	-	7.02
Interest on preference shares capital	2.48	2.48
Interest income adjustment as per Ind AS	(0.01)	(0.39)
Pass through certificate borrowings - expenses	3.03	125.78
Interest on investments	(0.84)	(6.57)
Finance costs	23.18	1,012.02
Profit on sale of investments (net)	(6.04)	(1.58)
Interest on income tax refund	(2.83)	(0.89)
Loss on closure of securitisation accounts	-	0.04
Loss on sale of property, plant and equipment	2.22	(0.11)
Interest income on fixed deposits	(147.47)	(81.55)
Operating profit before working capital changes	1,085.16	114.55
Adjustments for (increase)/ decrease in operating assets:		
Fixed deposits with banks	2,517.70	(1,767.12)
Loans	336.76	973.10
Other financial assets	139.67	90.37
Other non financial assets	3.41	32.99
Trade payables	2.28	0.02
Other financial liabilities	(46.52)	48.74
Other non financial liabilities	6.03	(100.06)
Cash generated from operations	4,044.49	(607.42)
Income taxes paid (net of refunds)	(58.53)	(10.04)
Net cash inflow / (outflow) from operating activities	4,103.02	(597.38)
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Sales proceeds from disposal of property, plant and equipment	42.40	0.12
Purchase of investments	(0.50)	(30.61)
Sale of investments	61.54	879.25
Purchase of property, plant and equipments	(0.23)	(0.45)
Net cash inflow / (outflow) from investing activities	103.21	848.31
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Amount received on account of Business Transfer Agreement	180.00	-
Asset/ Liabilities transfer under Business Transfer Agreement (net)	(1,154.34)	-
Market Linked debenture hedge position	-	(16.56)
Proceeds from borrowings other than debt securities	-	84.56
Repayment from borrowings	(3,057.71)	(393.88)
Fair valuation changes in market linked debenture	-	41.03
Finance cost	(3.03)	(125.78)
Discount on commercial papers	-	43.73
Net cash inflow / (outflow) from financing activities	(4,035.08)	(366.90)
NET INCREASE/(DECREASE) IN CASH AND BANK BALANCES	171.15	(115.97)
Add : Cash and cash equivalents at beginning of the year	54.41	170.38
Less : Cash and cash equivalents transfer under Business Transfer Agreement	208.02	-
Cash and cash equivalents at end of the year	17.54	54.41

Cash Flow Statement for the year ended March 31, 2023

Note 1. Components of cash and cash equivalents

Cash and cash equivalents at the end of the year	As at March 31, 2023	As at March 31, 2022
Cash on hand	-	0.06
Balances with banks (of the nature of cash and cash equivalents)	17.54	54.35
Total	17.54	54.41

Note 2. Changes in liabilities arising from financing activities:

Particulars	As at April 01, 2022	Cash Flow	Written back	As at March 31, 2023
Debt Securities (Refer note no. 17)	6,019.30	(1,750.74)	(4,267.61)	0.95
Borrowings (Other than Debt Securities) (Refer note no. 18)	4,651.25	(1,149.32)	(3,501.94)	-
Subordinate Liabilities (Refer note no. 19)	766.32	(157.65)	(553.67)	55.00

Particulars	As at April 01, 2021	Cash Flow	Interest accrued	As at March 31, 2022
Debt Securities (Refer note no. 17)	5973.59	-	45.71	6,019.30
Borrowings (Other than Debt Securities) (Refer note no. 18)	4566.08	(265.59)	350.76	4,651.25
Subordinate Liabilities (Refer note no. 19)	765.25	-	1.07	766.32

The above Cash flow statement has been prepared under the indirect method as set out in Ind AS 7 'Statement of Cash Flows'.

Significant Accounting Policies

The accompanying notes are integral part of these financial statements.

1

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

For and on behalf of the Board of Directors of

Directors

Rashna Khan
Sushilkumar Agrawal
Ashok Ramaswamy
Sudeep Ghoshal

CA Garima Agarwal
 Partner
 Membership Number : 160944

Chief Executive Officer
 Chief Financial Officer
 Company Secretary & Compliance Officer

Prashant Utreja
Amit Kumar Jha
Parul Jain

Place: Mumbai
 Dated: May 27, 2023

Mumbai
 Dated: May 27, 2023

Reliance Home Finance Limited

Notes to the Financial Statement for the year ended March 31, 2023

Corporate information

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

Refer note no. 58 relating to Implementation of Resolution Plan and Business Transfer Agreement.

1 Significant accounting policies

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

a. Basis of preparation

(i) Compliance

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

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

(ii) Use of Estimates

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

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

b. Foreign currency translation

(i) Functional and presentation currency

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

(ii) Translation and balances

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

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

c. Financial instruments

Initial recognition and measurement

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

At initial recognition, the Company measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction

Notes to the Financial Statement for the year ended March 31, 2023

costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in the statement of profit and loss. Immediately after initial recognition, an expected credit loss allowance (ECL) is recognised for financial assets measured at amortised cost and investments in debt instruments measured at FVPL, which results in an accounting loss being recognised in the statement of profit and loss when an asset is newly originated. When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the entity recognises the difference as follows:

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

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

d. Financial assets

(i) Classification and subsequent measurement

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

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

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

Debt instruments

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

Classification and subsequent measurement of debt instruments depend on:

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

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

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

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

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

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

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

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

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

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

Interest income

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

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

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

Equity instruments

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

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

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

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

(ii) Impairment

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

Notes to the Financial Statement for the year ended March 31, 2023

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

The measurement of the ECL allowance is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior (e.g. the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in note 37 (2-5), which also sets out key sensitivities of the ECL to changes in these elements.

A number of significant judgements are also required in applying the accounting requirements for measuring ECL detailed information about the judgements and estimates made by the Company in the above areas is set out in note 37 (2-5).

(iii) Modification of loans

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

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

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

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

(iv) Derecognition other than on a modification

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

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

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

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

e. Financial liabilities

(i) Classification and subsequent measurement

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

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

Market linked debentures (MLDs)

The Company has issued certain non-convertible debentures, the rate of interest on which is linked to performance of specified indices over the period of the debentures. The Company has opted to designate the entire hybrid contract at FVTPL as the embedded derivative significantly modifies the cash flows that otherwise would be required by the contract. Further, the embedded derivative is not closely related to the financial liability host contract. The Company hedges its interest rate risk on MLD by taking positions in future & options based on specified indices. Any gain / loss on these hedge positions is recognised in Statement of Profit and Loss.

(ii) Derecognition

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

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

f. Financial guarantee contracts and loan commitments

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

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

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

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

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

Notes to the Financial Statement for the year ended March 31, 2023

g. Repossessed collateral

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

h. Derivatives and hedging activities

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

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

Derivatives that are not designated as hedges

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

i. Revenue Recognition

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

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

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

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

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

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

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

(i) Interest income

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

(ii) Dividend income

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

Reliance Home Finance Limited

Notes to the Financial Statement for the year ended March 31, 2023

(iii) Fees, charges and other additional interest income

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

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

(iv) Income from direct assignment/securitisation

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

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

(v) Servicing fee income

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

(vi) Income from trading in derivatives

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

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

j. Income Tax

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

Current Taxes

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

Deferred Taxes

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

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

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

k. Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or Groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Notes to the Financial Statement for the year ended March 31, 2023

l. Cash and cash equivalents

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

m. Leases

As a lessee

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

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessor

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

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

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

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

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

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

o. Property, plant and equipment

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

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

Transition to Ind AS

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

Reliance Home Finance Limited

Notes to the Financial Statement for the year ended March 31, 2023

Depreciation methods, estimated useful lives & residual value

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

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

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

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

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

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

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

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

p. Intangible assets

(i) Goodwill

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

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

(ii) Other intangibles

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

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

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

Asset	Useful Life
Computer software/Licensing cost	3 years

Transition to Ind AS

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

Notes to the Financial Statement for the year ended March 31, 2023

q. Investment properties

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

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

Transition to Ind AS

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

r. Off-setting financial instruments

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

s. Borrowing costs

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

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

t. Provisions

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

u. Employee benefits

(i) Short-term obligations

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

(ii) Post-employment obligations

The Company operates the following post-employment schemes:

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

Defined benefit plans

Gratuity obligations

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

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

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

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

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

Defined contribution plans

Superannuation fund

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

Provident fund

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

(iii) Other long-term employee benefit obligations

Leave encashment

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

Phantom Shares

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

v. Share-based payments

Employee Stock Option Scheme (ESOS)

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

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

w. Contributed Equity

Equity shares are classified as equity.

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

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

Notes to the Financial Statement for the year ended March 31, 2023

x. Dividends

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

y. Earnings per share

i) Basic earnings per share

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

ii) Diluted earnings per share

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

z. Rounding of amounts

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

2 Cash and cash equivalents

Particulars	(₹ in crore)	
	As at March 31, 2023	As at March 31, 2022
Cash on hand	-	0.06
Balances with banks:		
- In current accounts	17.54	54.35
Fixed deposits with Banks	-	2,573.97
Total	17.54	2,628.38

Notes:

1. Current year, the Company does not have any Fixed deposits. However, during the previous year, Fixed deposit rate of interest was between 2.90% to 3.50% & placed for less than 3 months.
2. Refer note no. 58 relating to Implementation of Resolution Plan and Business Transfer Agreement.

3 Bank balance other than cash and cash equivalents above

Particulars	(₹ in crore)	
	As at March 31, 2023	As at March 31, 2022
Fixed deposits with banks		
- Credit enhancement towards Securitisation / Direct Assignments	-	332.59
Total	-	332.59

Notes:

1. Fixed deposits with bank held as Credit enhancement towards securitisation transaction kept as Nil (March 31, 2022 - ₹ 332.59 crore). During the previous year, Fixed deposits rate of interest was between 3.90% to 6.50% & placed for more than 3 months.
2. Refer note no. 58 relating to Implementation of Resolution Plan and Business Transfer Agreement.

Reliance Home Finance Limited

Notes to the Financial Statement for the year ended March 31, 2023

4 Receivables

Particulars	(₹ in crore)	
	As at March 31, 2023	As at March 31, 2022
(a) Trade Receivables		
Receivables considered good – Secured	-	-
Receivables considered good – Unsecured	-	-
(b) Other Receivables		
Receivables considered good – Secured	-	-
Receivables considered good – Unsecured	-	-
Less: Allowances for impairment loss	-	-
Total	<u>-</u>	<u>-</u>

Note :

1. Refer note no. 58 relating to Implementation of Resolution Plan and Business Transfer Agreement.

5 Loans

Particulars	(₹ in crore)	
	As at March 31, 2023	As at March 31, 2022
At amortised cost		
(A) Loans		
Term loans		
Corporate bodies	-	9,660.04
Small business loans	-	1,133.46
Residential mortgages	-	1,558.52
Total (A) – Gross	-	12,352.02
(Less): Impairment loss allowance	-	(9,243.71)
Total (A) – Net	-	3,108.31
Secured by tangible assets and intangible assets	-	12,331.70
Unsecured	-	20.32
Total (B) – Gross	-	12,352.02
(Less): Impairment loss allowance	-	(9,243.71)
Total (B) – Net	-	3,108.31
Loans in India		
- Public sector	-	-
- Others	-	12,352.02
Loans outside India	-	-
Total (C) – Gross	-	12,352.02
(Less): Impairment loss allowance	-	(9,243.71)
Total (C) – Net	-	3,108.31

There are no loans measured at FVOCI or FVTPL or designated at FVTPL.

Notes:

1. Refer note no. 58 relating to Implementation of Resolution Plan and Business Transfer Agreement.
2. An analysis of changes in gross carrying amount and corresponding expected credit loss in relation to the lending is as follows.

Notes to the Financial Statement for the year ended March 31, 2023

1 Corporate Bodies

a) Credit quality of assets

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

Internal rating grade	As at March 31, 2023			As at March 31, 2022			Total
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	
Performing							
High grade	-	-	-	95.24	15.83	-	111.07
Standard grade	-	-	-	-	-	-	-
Sub-standard grade	-	-	-	-	-	-	-
Past due but not impaired	-	-	-	-	-	-	-
Non- performing							
Individually impaired	-	-	-	-	-	9,548.97	9,548.97
Total	-	-	-	95.24	15.83	9,548.97	9,660.04

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

Particulars	As at March 31, 2023			As at March 31, 2022			Total
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	
Opening balance	95.24	15.83	9,548.97	181.81	15.27	9,537.51	9,734.59
New assets originated or purchased	-	-	-	-	-	-	-
Assets derecognised or repaid & Transferred	(95.24)	(15.83)	(9,548.97)	(97.11)	(14.11)	(7.88)	(119.11)
Transfers to Stage 1	-	-	-	10.54	-	-	10.54
Transfers to Stage 2	-	-	-	-	14.67	-	14.67
Transfers to Stage 3	-	-	-	-	-	19.34	19.34
Amounts written off	-	-	-	-	-	-	-
Closing balance	-	-	-	95.24	15.83	9,548.97	9,660.04

c) Reconciliation of ECL balance

Particulars	As at March 31, 2023			As at March 31, 2022			Total
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	
Opening balance	0.61	1.33	9,124.69	1.04	1.18	2,415.70	2,417.92
New assets originated or purchased	-	-	-	-	-	-	-
Assets derecognised or repaid	-	-	-	(0.51)	(1.07)	6,707.23	6,705.64
Transfers to Stage 1	-	-	-	0.08	-	-	0.08
Transfers to Stage 2	-	-	-	-	1.22	-	1.22
Transfers to Stage 3	-	-	-	-	-	1.76	1.76
Reversal of ECL Provision	(0.61)	(1.33)	(9,124.69)	-	-	-	-
Closing balance	-	-	-	0.61	1.33	9,124.69	9,126.62

2 Small business loans
a) Credit quality of assets

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

Internal rating grade	As at March 31, 2023			As at March 31, 2022			Total
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	
Performing							
High grade	-	-	-	479.80	101.07	-	580.87
Standard grade	-	-	-	-	-	-	-
Sub-standard grade	-	-	-	-	-	-	-
Past due but not impaired	-	-	-	-	-	-	-
Non - performing							
Individually impaired	-	-	-	-	-	552.59	552.59
Total	-	-	-	479.80	101.07	552.59	1,133.46

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

Particulars	As at March 31, 2023			As at March 31, 2022			Total
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	
Opening balance	479.80	101.07	552.59	911.78	121.30	503.71	1,536.79
New assets originated or purchased	-	-	-	-	-	-	-
Assets derecognised or repaid & Transferred	(479.80)	(101.07)	(552.59)	(470.44)	(90.96)	(56.99)	(618.39)
Transfers to Stage 1	-	-	-	38.46	-	-	38.46
Transfers to Stage 2	-	-	-	-	70.73	-	70.73
Transfers to Stage 3	-	-	-	-	-	105.87	105.87
Amounts written off	-	-	-	-	-	-	-
Closing balance	-	-	-	479.80	101.07	552.59	1,133.46

c) Reconciliation of ECL balance

Particulars	As at March 31, 2023			As at March 31, 2022			Total
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	
Opening balance	4.93	9.10	57.67	71.69	12.06	50.61	76.73
New assets originated or purchased	-	-	-	-	-	-	-
Assets derecognised or repaid	-	-	-	(9.97)	(9.72)	(5.52)	(25.21)
Transfers to Stage 1	-	-	-	0.83	-	-	0.83
Transfers to Stage 2	-	-	-	-	6.76	-	6.76
Transfers to Stage 3	-	-	-	-	-	12.58	12.58
Reversal of ECL Provision	(4.93)	(9.10)	(57.67)	-	-	-	-
Closing balance	-	-	-	4.93	9.10	57.67	71.69

Notes to the Financial Statement for the year ended March 31, 2023

3 Residential mortgages
a) Credit quality of assets

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

Internal rating grade	As at March 31, 2023			As at March 31, 2022			Total
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	
Performing							
High grade	-	-	-	1,099.99	119.03	-	1,219.02
Standard grade	-	-	-	-	-	-	-
Sub-standard grade	-	-	-	-	-	-	-
Past due but not impaired	-	-	-	-	-	-	-
Non-performing							
Individually impaired	-	-	-	-	-	339.50	339.50
Total	-	-	-	1,099.99	119.03	339.50	1,558.52

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

Particulars	As at March 31, 2023			As at March 31, 2022			Total
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	
Opening balance	1,099.99	119.03	339.50	1,629.79	140.92	283.02	2,053.73
New assets originated or purchased	-	-	-	-	-	-	-
Assets derecognised or repaid & Transferred	(1,099.99)	(119.03)	(339.50)	(576.96)	(98.16)	(35.60)	(710.71)
Transfers to Stage 1	-	-	-	47.16	-	-	47.16
Transfers to Stage 2	-	-	-	-	76.26	-	76.26
Transfers to Stage 3	-	-	-	-	-	92.07	92.07
Amounts written off	-	-	-	-	-	-	-
Closing balance	-	-	-	1,099.99	119.03	339.50	1,558.52

c) Reconciliation of ECL balance

Particulars	As at March 31, 2023			As at March 31, 2022			Total
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	
Opening balance	2.88	10.34	32.17	4.11	12.03	26.98	43.12
New assets originated or purchased	-	-	-	-	-	-	-
Assets derecognised or repaid	-	-	-	(1.55)	(8.43)	(3.17)	(13.15)
Transfers to Stage 1	-	-	-	0.31	-	-	0.31
Transfers to Stage 2	-	-	-	-	6.74	-	6.74
Transfers to Stage 3	-	-	-	-	-	8.35	8.35
Reversal of ECL Provision	(2.88)	(10.34)	(32.17)	-	-	-	-
Closing balance	-	-	-	2.88	10.34	32.17	45.39

Reliance Home Finance Limited

Notes to the Financial Statement for the year ended March 31, 2023

6 Investments

As at March 31, 2023				(₹ in crore)
Particulars	At amortised cost	At fair value through Profit and loss	Total	
1. Investment in Pass through certificates and security receipts				
- Unquoted fully paid-up				
RHF Indian Receivable Trust I Sept 30, 2016	-	-	-	-
RHF Indian Receivable Trust II Mar 24, 2017	-	-	-	-
RHF Indian Receivable Trust II Oct 31, 2018	-	-	-	-
RHF Indian Receivable Trust II Jan 23, 2019	-	-	-	-
RHF Indian Receivable Trust III Feb 22, 2019	-	-	-	-
2. Investment in mutual fund				
- Quoted, fully paid-up				
Reliance credit risk fund - Direct Plan - Growth Plan	-	-	-	-
Reliance floating rate fund - Direct Plan Growth Plan - Growth Option	-	-	-	-
Reliance strategic debt fund - Direct Plan - Growth Option	-	-	-	-
Kotak low duration fund	-	-	-	-
Baroda Liquid Fund	-	-	-	-
Nippon India Liquid Fund-Direct Plan Growth Plan - Growth Option	-	-	-	-
Kotak Liquid Fund	-	-	-	-
HDFC Banking And PSU Debt Fund	-	-	-	-
Total (A) - Gross	-	-	-	-
(Less): Impairment loss allowance	-	-	-	-
Total (A) - Net	-	-	-	-
Investments outside India	-	-	-	-
Investments in India	-	-	-	-
Total (B) - Gross	-	-	-	-
(Less): Impairment loss allowance	-	-	-	-
Total (B) - Net	-	-	-	-

As at March 31, 2022				(₹ in crore)
Particulars	At amortised cost	At fair value through Profit and loss	Total	
1. Investment in Pass through certificates and security receipts				
- Unquoted fully paid-up				
RHF Indian Receivable Trust I Sept 30, 2016	0.22	-	0.22	0.22
RHF Indian Receivable Trust II Mar 24, 2017	0.38	-	0.38	0.38
RHF Indian Receivable Trust II Oct 31, 2018	2.43	-	2.43	2.43
RHF Indian Receivable Trust II Jan 23, 2019	0.54	-	0.54	0.54
RHF Indian Receivable Trust III Feb 22, 2019	3.30	-	3.30	3.30

Notes to the Financial Statement for the year ended March 31, 2023

As at March 31, 2022		(₹ in crore)	
Particulars	At amortised cost	At fair value through Profit and loss	Total
2. Investment in mutual fund			
- Quoted, fully paid-up			
Reliance Credit Risk Fund - Direct Plan - Growth Plan (Refer Note no. 2)	-	9.04	9.04
Reliance Floating Rate Fund - Direct Plan Growth Plan - Growth Option (Refer Note no. 2)	-	10.36	10.36
Reliance Strategic Debt Fund - Direct Plan - Growth Option (Refer Note no. 2)	-	-	-
Kotak Low Duration Fund (Refer Note no. 2)	-	-	-
Baroda Liquid Fund	-	-	-
Nippon India Liquid Fund-Direct Plan Growth Plan - Growth Option (Refer Note no. 3)	-	3.43	3.43
Kotak Liquid Fund	-	126.47	126.47
HDFC Banking And PSU Debt Fund (Refer Note no. 2)	-	4.62	4.62
Total (A) - Gross	6.87	153.91	160.78
(Less): Impairment loss allowance	-	-	-
Total (A) - Net	6.87	153.91	160.78
Investments outside India	-	-	-
Investments in India	6.87	153.91	160.78
Total (B) - Gross	6.87	153.91	160.78
(Less): Impairment loss allowance	-	-	-
Total (B) - Net	6.87	153.91	160.78

Notes:

1. Refer note no. 58 relating to Implementation of Resolution Plan and Business Transfer Agreement.
2. Mutual funds outstanding as on March 31, 2022 are pledged with broker for margin requirement.
3. Investments have been made as credit enhancements against PTC transactions.

7 Other financial assets

Particulars	(₹ in crore)	
	As at March 31, 2023	As at March 31, 2022
Interest accrued on loans	-	11.71
Interest accrued on investments	-	0.19
Interest accrued on fixed deposits	-	1.68
Sundry advances	-	50.54
Receivable on Assignment of loans	-	68.46
Deposits - Considered good	-	0.64
Stock of acquired properties (Secured)	-	160.11
Less : Impairment loss allowance (Refer Note no- 2)	-	(93.93)
Total	-	199.40

Notes :

1. Refer note no. 58 relating to Implementation of Resolution Plan and Business Transfer Agreement.
2. Reconciliation of ECL balance in relation to Stock of acquired properties.

Reliance Home Finance Limited

Notes to the Financial Statement for the year ended March 31, 2023

Particulars	(₹ in crore)	
	As at March 31, 2023	As at March 31, 2022
ECL allowance - Opening balance	93.93	65.01
Add: Addition during the year	188.01	33.60
Less: Reduction during the year	(281.9)	(4.68)
ECL allowance - Closing balance	-	93.93

8 Current tax assets (net)

Particulars	(₹ in crore)	
	As at March 31, 2023	As at March 31, 2022
Income tax paid in advance	17.31	41.54
Net of provision for income tax of ₹11.55 crore (Previous year of ₹ 11.55 crore)		
Total	17.31	41.54

9 Deferred tax assets (net)

Particulars	(₹ in crore)	
	As at March 31, 2023	As at March 31, 2022
Deferred tax assets		
Tax losses carried forward	-	621.74
Expected Credit Loss/other provisions	-	2,884.04
MAT credit entitlement	-	-
Other adjustments	-	104.60
Total deferred tax assets	-	3,610.37
Deferred tax liabilities		
Related to tangible and intangible assets	-	(6.03)
Unamortised expenditure	-	(9.13)
Total deferred tax liabilities	-	(15.16)
Net deferred tax assets	-	3,595.21
Movement of Deferred tax assets / liabilities		

- For the year ended March 31, 2023

Particulars	(₹ in crore)			
	Opening Balance as at April 1, 2022	Recognised in statement in profit & loss	Recognised in statement in Other Comprehensive Income	Closing Balance as at March 31, 2023
Deferred tax assets in relation to				
Tax losses carried forward	621.74	(621.74)	-	-
Expected Credit Loss/other provisions	2,884.04	(2,884.04)	-	-
MAT credit entitlement	-	-	-	-
Other adjustments	104.60	(104.60)	-	-
Deferred tax liabilities in relation to				
Related to tangible and intangible assets	(6.03)	6.03	-	-
Unamortised expenditure	(9.13)	9.13	-	-
	3,595.21	(3,595.21)	-	-

Notes to the Financial Statement for the year ended March 31, 2023

- For the year ended March 31, 2022				(₹ in crore)
Particulars	Opening Balance as at April 1, 2021	Recognised in statement in profit & loss	Recognised in statement in Other Comprehensive Income	Closing Balance as at March 31, 2022
Deferred tax assets in relation to				
Tax losses carried forward	199.29	422.45	-	621.74
Expected Credit Loss/other provisions	850.01	2,034.03	-	2,884.04
MAT credit entitlement	104.76	(104.76)	-	-
Other adjustments	26.60	78.00	-	104.60
Deferred tax liabilities in relation to				
Related to tangible and intangible assets	(48.52)	42.49	-	(6.03)
Unamortised expenditure	(8.60)	(0.53)	-	(9.13)
Other adjustments	4.95	(4.87)	(0.07)	-
	1,128.49	2,466.80	(0.07)	3,595.21

10 Investment property

			(₹ in crore)
Particulars	As at March 31, 2023	As at March 31, 2022	
Gross carrying amount			
Opening gross carrying amount / Deemed cost	4.58	4.58	
Additions	-	-	
Deletion / Transfer	4.58	-	
Closing gross carrying amount	-	4.58	
Accumulated depreciation			
Opening accumulated depreciation	0.36	0.29	
Depreciation charge	0.08	0.08	
Depreciation on deletion / Transfer	0.44	-	
Closing accumulated depreciation	-	0.36	
Net carrying amount	-	4.22	

Notes :

- Refer note no. 58 relating to Implementation of Resolution Plan and Business Transfer Agreement.
- The Company has not revalued any of its intangible assets during the financial year ended March 31, 2023 and March 31, 2022.

Fair value			(₹ in crore)
Particulars	As at March 31, 2023	As at March 31, 2022	
Investment properties	-	3.70	

Estimation of fair value

The Company obtains independent valuations for its investment properties. The best evidence of fair value is current prices in an active market for similar properties.

Reliance Home Finance Limited

Notes to the Financial Statement for the year ended March 31, 2023

11 Property, plant and equipment

Year ended March 31, 2023					(₹ in crore)
Particulars	Own Assets				Total
	Buildings	Data processing machineries	Furniture and fixtures	Office Equipments	
Gross carrying amount					
Opening gross carrying amount	48.06	1.52	2.55	0.14	52.27
Additions	-	0.12	0.02	0.03	0.17
Disposals / Transfers	48.06	1.64	2.57	0.17	52.44
Closing gross carrying amount	-	-	-	-	-
Accumulated depreciation					
Opening accumulated depreciation	6.32	1.18	2.38	0.10	9.98
Depreciation charge during the year	0.84	0.16	0.06	0.02	1.07
Disposals / Transfers	7.15	1.34	2.44	0.11	11.05
Closing accumulated depreciation	-	-	-	-	-
Net carrying amount as at March 31, 2023	-	-	-	-	-
Year ended March 31, 2022					(₹ in crore)
Particulars	Own Assets				Total
	Buildings	Data processing machineries	Furniture and fixtures	Office Equipments	
Gross carrying amount					
Opening gross carrying amount	48.06	1.69	2.55	0.14	52.44
Additions	-	0.32	-	0.01	0.33
Disposals and transfers	-	0.49	-	0.01	0.50
Closing gross carrying amount	48.06	1.52	2.55	0.14	52.27
Accumulated depreciation					
Opening accumulated depreciation	5.48	1.55	2.32	0.08	9.42
Depreciation charge during the year	0.84	0.13	0.07	0.03	1.05
Disposals and transfers	-	0.49	-	0.01	0.50
Closing accumulated depreciation	6.32	1.18	2.38	0.10	9.98
Net carrying amount as at March 31, 2022	41.74	0.33	0.18	0.04	42.29

Note :

- The Company has not revalued any of its Property, plant & equipment during the financial year ended March 31, 2023 and March 31, 2022.

12 Other intangible assets

Year ended March 31, 2023		(₹ in crore)	
Particulars			Intangible assets under development
	Computer softwares/ Licensing cost		
Gross carrying amount			
Opening gross carrying amount		5.49	0.07
Additions		0.06	0.02
Disposals / Transfers under Business Transfer Agreement		5.55	0.09
Closing gross carrying amount		-	-
Accumulated amortisation			
Opening accumulated amortisation		4.30	-
Amortisation during the year		0.81	-
Disposals / Transfers under Business Transfer Agreement		5.11	-
Closing accumulated depreciation		-	-
Net carrying amount as at March 31, 2023		-	-

Notes to the Financial Statement for the year ended March 31, 2023

Year ended March 31, 2022	(₹ in crore)	
Particulars	Computer softwares/ Licensing cost	Intangible assets under development
Gross carrying amount		
Opening gross carrying amount	5.36	-
Additions	0.12	0.16
Disposals / Transfers under Business Transfer Agreement	-	0.09
Closing gross carrying amount	5.49	0.07
Accumulated amortisation		
Opening accumulated amortisation	3.30	-
Amortisation during the year	1.00	-
Disposals / Transfers under Business Transfer Agreement	-	-
Closing accumulated depreciation	4.30	-
Net carrying amount as at March 31, 2022	1.19	0.07

Note:

- Refer note no. 58 relating to Implementation of Resolution Plan and Business Transfer Agreement.

Intangible assets under development ageing schedule for March 2023						(₹ in crore)
Intangible assets under development	Amount in Intangible Assets Under Development for a period of				Total	
	Less than 1 year	1-2 years	2-3 years	More than 3 years		
Projects in progress	-	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-	-

Intangible assets under development ageing schedule for March 2022						(₹ in crore)
Intangible assets under development	Amount in Intangible Assets Under Development for a period of				Total	
	Less than 1 year	1-2 years	2-3 years	More than 3 years		
Projects in progress	0.07	-	-	-	0.07	0.07
Projects temporarily suspended	-	-	-	-	-	-

13 Goodwill

Year ended March 31, 2023	(₹ in crore)
Particulars	Goodwill on business acquisition
Gross carrying amount	
Opening gross carrying amount	-
Additions	-
Less: Impairment for goodwill	-
Balance as at March 31, 2023	-

Year ended March 31, 2022	(₹ in crore)
Particulars	Goodwill on business acquisition
Gross carrying amount	
Opening gross carrying amount	209.96
Additions	-
Less: Impairment for goodwill	209.96
Balance as at March 31, 2022	-

Reliance Home Finance Limited

Notes to the Financial Statement for the year ended March 31, 2023

14 Other non-financial asset

Particulars	(₹ in crore)	
	As at March 31, 2023	As at March 31, 2022
Capital advances	-	13.53
Prepaid expenses	-	7.73
Balance with GST & Service tax authorities	-	9.10
Total	-	30.35

Note :

1. Refer note no. 58 relating to Implementation of Resolution Plan and Business Transfer Agreement.

15 Derivative financial instruments

The Company enters into derivatives for risk management purposes. Derivatives held for risk management purposes include hedges that either meet the hedge accounting requirements or hedges that are economic hedges, but the Company has elected not to apply hedge accounting requirements.

The table below shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts.

Particulars	(₹ in crore)	
	As at March 31, 2023	As at March 31, 2022
Index linked derivative-assets/(liabilities)	-	0.04
Total	-	0.04

The Company is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are foreign currency risk and interest rate risk.

Note:

1. Refer note no. 58 relating to Implementation of Resolution Plan and Business Transfer Agreement.

16 Payable

A Particulars	(₹ in crore)	
	As at March 31, 2023	As at March 31, 2022
- Total outstanding dues of micro enterprises and small enterprises	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
Total	-	-

Based on and to the extent of information received by the Company from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and relied upon by the auditors, the relevant particulars as at the year-end are furnished below:

Particulars	(₹ in crore)	
	As at March 31, 2023	As at March 31, 2022
1. Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-
2. Interest due thereon remaining unpaid to any supplier as at the end of the accounting year.	-	-
3. The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day.	-	-
4. The amount of interest due and payable for the year	-	-
5. The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
6. 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	-	-

Notes to the Financial Statement for the year ended March 31, 2023

Trade Payables ageing schedule for March 31, 2023						(₹ in crore)
Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment			Total
			Less than 1 year	1 - 3 Year	3 - 5 Year	
MSME	-	-	-	-	-	-
Others	-	-	-	-	-	-
Disputed dues MSME	-	-	-	-	-	-
Disputed dues others	-	-	-	-	-	-

Trade Payables ageing schedule for March 31, 2022						(₹ in crore)
Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment			Total
			Less than 1 year	1 - 3 Year	3 - 5 Year	
MSME	-	-	-	-	-	-
Others	-	-	-	-	-	-
Disputed dues MSME	-	-	-	-	-	-
Disputed dues others	-	-	-	-	-	-

B Other payable		(₹ in crore)	
Particulars	As at March 31, 2023	As at March 31, 2022	
- Total outstanding dues of micro enterprises and small enterprises	-	-	
- Total outstanding dues of creditors other than micro enterprises and small enterprises	-	0.84	
Total	-	0.84	

Based on and to the extent of information received by the Company from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and relied upon by the auditors, the relevant particulars as at the year-end are furnished below:

Particulars	(₹ in crore)	
	As at March 31, 2023	As at March 31, 2022
1. Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-
2. Interest due thereon remaining unpaid to any supplier as at the end of the accounting year.	-	-
3. The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day.	-	-
4. The amount of interest due and payable for the year	-	-
5. The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
6. 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	-	-

Reliance Home Finance Limited

Notes to the Financial Statement for the year ended March 31, 2023

Other Payables ageing schedule for March 31, 2023						(₹ in crore)
Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment			Total
			Less than 1 year	1 - 3 Year	3 - 5 Year	
			MSME	-	-	
Others	-	-	-	-	-	-
Disputed dues MSME	-	-	-	-	-	-
Disputed dues others	-	-	-	-	-	-

Other Payables ageing schedule for March 31, 2022						(₹ in crore)
Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment			Total
			Less than 1 year	1 - 3 Year	3 - 5 Year	
			MSME	-	-	
Others	-	-	-	0.84	-	0.84
Disputed dues MSME	-	-	-	-	-	-
Disputed dues others	-	-	-	-	-	-

Disclosure of amounts payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance Sheet date.

Note:

- Refer note no. 58 relating to Implementation of Resolution Plan and Business Transfer Agreement.

17 Debt securities

Prior to execution of Business Transfer Agreement, the Listed Secured Redeemable Non-Convertible Debentures of the Company were secured by way of first pari-passu legal mortgage and charge on the Company's immovable property and additional pari-passu charge by way of hypothecation on present and future book debts / receivables, outstanding money (loan book), receivable claims of the Company with other secured lenders, except those book debts and receivables charged / to be charged in favour of National Housing Bank for refinance availed / to be availed from them.

Subsequent to transfer of business undertaking, the Listed Secured Redeemable Non-Convertible Debentures of the Company aggregating to ₹ 0.95 crore as on March 31, 2023 are secured by way of a lien marked fixed deposit amounting to ₹ 1.60 crore in favour of IDBI Trusteeship Services Limited (Debenture Trustees) placed by Reliance Commercial Finance Limited, a wholly-owned subsidiary of Authum Investment & Infrastructure Limited (Resolution Applicant). The asset cover is above hundred percent of outstanding debentures.

Particulars	(₹ in crore)	
	As at March 31, 2023	As at March 31, 2022
At amortised cost		
Secured		
- Redeemable Non convertible debentures	0.95	5,695.73
	0.95	5,695.73
At fair value through profit and loss		
Secured		
- 0% Market linked debentures	-	323.57
	-	323.57
Total	0.95	6,019.30
Debt securities in India	0.95	6,019.30
Debt securities outside India	-	-
Total	0.95	6,019.30

Note :

- Refer note no. 58 relating to Implementation of Resolution Plan and Business Transfer Agreement.

Notes to the Financial Statement for the year ended March 31, 2023

a) **Maturity profile of Non-Convertible Debentures are as set out below:** (₹ in crore)

Particulars	Rate	Maturity Date	As at March 31, 2023
RHFL - IB	8.90%	02-01-2020	0.40
RHFL - IIB	9.05%	02-01-2022	0.13
RHFL - IIIB	9.15%	02-01-2027	0.42
Grand Total			0.95

b) Including Overdue of ₹ Nil (Previous year ₹ 3452.96 Crore)

18 **Borrowings (other than debt securities)**

Particulars	(₹ in crore)	
	As at March 31, 2023	As at March 31, 2022
At amortised cost		
Secured		
From banks	-	418.17
Cash credit	-	-
Loans	-	3,442.36
Inter corporate deposits	-	200.00
Pass through Certificates	-	1,246.56
Unsecured		
Commercial paper	-	590.72
Total (A)	-	5,897.81
Borrowings in India	-	5,897.81
Borrowings outside India	-	-
Total (B)	-	5,897.81

Note:

1. Refer note no. 58 relating to Implementation of Resolution Plan and Business Transfer Agreement.

19 **Subordinated liabilities**

Particulars	(₹ in crore)	
	As at March 31, 2023	As at March 31, 2022
Preference shares other than those qualified as Equity		
- 3,10,35,980 8% Cumulative Non-Convertible Redeemable Preference Shares Of ₹10/- each fully paid up (unredeemed)	31.04	31.04
Tier II unsecured non convertible debentures	55.00	766.32
Total (A)	86.04	797.35
In India	86.04	797.35
Outside India	-	-
Total (B)	86.04	797.35

Maturity profile of Tier II Unsecured Non Convertible Debentures are as set out below: (₹ in crore)

Particulars	Rate	Maturity Date	As at March 31, 2023
F Series T NCD-20 (UNSEC)	9.25%	03-07-2025	20.00
F Series T NCD-21 (UNSEC)	9.50%	21-08-2025	10.00
F Series T NCD-22 (UNSEC)	9.25%	23-08-2025	7.00
F Series T NCD-24 (UNSEC)	9.00%	21-01-2026	15.00
F Series T NCD-25 (UNSEC)	9.00%	10-02-2026	3.00
Total			55.00

Note :

1. Refer note no. 58 relating to Implementation of Resolution Plan and Business Transfer Agreement.

Reliance Home Finance Limited

Notes to the Financial Statement for the year ended March 31, 2023

20 Other financial liabilities

Particulars	(₹ in crore)	
	As at March 31, 2023	As at March 31, 2022
Interest Payable on Preference share capital	12.41	9.93
Interest accrued but not due on borrowings	-	64.78
Interest due but not paid on borrowings	-	2,748.02
Collateral deposit from customers	-	0.02
Provisions on Expenses	6.58	36.11
Provisions on Gratuity	-	0.01
Securitisation/Assignment payable	-	26.25
Other liabilities (Refer Note no. 2)	0.46	1.37
Total	19.45	2,886.49

Notes :

1. Refer note no. 58 relating to Implementation of Resolution Plan and Business Transfer Agreement.
2. Other liabilities includes Dividend payable & Expenses payable.

21 Other non financial liabilities

Particulars	(₹ in crore)	
	As at March 31, 2023	As at March 31, 2022
Advance from Customers	-	34.49
Statutory dues including provident fund and tax deducted at source	2.25	0.41
Total	2.25	34.90

Note :

1. Refer note no. 58 relating to Implementation of Resolution Plan and Business Transfer Agreement.

22 Equity share capital

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	Amount (₹ in crore)	No. of Shares	Amount (₹ in crore)
Authorised:				
Equity shares of ₹ 10 each	700,000,000	700.00	700,000,000	700.00
Preference shares of ₹ 10 each	100,000,000	100.00	100,000,000	100.00
Total	800,000,000	800.00	800,000,000	800.00
Issued, subscribed & fully paid-up:				
Equity shares of ₹ 10 each	485,058,818	485.06	485,058,818	485.06
Total	48 50 58 818	485.06	48 50 58 818	485.06

(a) Equity shares held by holding company: Not Applicable

(b) Rights, Preferences and Restrictions:

i) In respect of Equity shares:

The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.

ii) In respect of Preference shares:

3,10,35,980, 8% Cumulative Non-Convertible Redeemable Preference Shares of ₹ 10 each issued and allotted on August 9, 2017 for a term of five years, without payment being received in cash were unredeemed, in view of Company's current financial position.

*[Refer Note No. 19]

Notes to the Financial Statement for the year ended March 31, 2023

(c) Reconciliation of number of shares outstanding:

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	Amount (₹ in crore)	No. of Shares	Amount (₹ in crore)
Equity Shares				
Opening Balance	485,058,818	485.06	485,058,818	485.06
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Closing Balance	48 50 58 818	485.06	48 50 58 818	485.06
Preference Shares				
Opening Balance	31,035,980	31.04	31,035,980	31.04
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Closing Balance	3 10 35 980	31.04	3 10 35 980	31.04

(d) Shares in the Company held by each shareholder holding more than 5 per cent:

(i) Name of the equity shareholder	As at March 31, 2023		As at March 31, 2022	
	Number	% holding	Number	% holding
Reliance Capital Limited	23 23 69 188	47.91	23 23 69 188	47.91
(ii) Name of the Preference shareholder	As at March 31, 2023		As at March 31, 2022	
	Number	% holding	Number	% holding
Mr. Sunil Bhandari, Mr. Vishal Rathi & BDG Advisors Private Limited as members of BDG Associates	3 10 35 886	99.99	3 10 35 886	99.99

(e) The details of shareholding of Promoters/Promoter Group

Shares held by promoters and promoter group entities at the end of the year			% change during the year
Promoter and promoter group entities name	No. of shares	% of total shares	
As at March 31, 2023			
Reliance Capital Limited	232,369,188	47.91	-
Reliance Inceptum Private Limited	23,964	0.00	-
Reliance Infrastructure Consulting & Engineers Private Limited	2,975,633	0.61	-
CLE Private Limited	-	0.00	-
Reliance Infrastructure Management Private Limited	-	0.00	0.67
Reliance Innoventures Private Limited	-	0.00	0.14
Smt. Kokila D. Ambani	-	0.00	-
Mr. Anil D. Ambani	273,891	0.06	-
Ms. Tina A. Ambani	263,474	0.05	-
Mr. Jai Anmol A. Ambani	28,487	0.01	0.01
Mr. Jai Anshul A. Ambani	-	0.00	0.00
As at March 31, 2022			
Reliance Capital Limited	232,369,188	47.91	-
Reliance Inceptum Private Limited	23,964	0.00	-
Reliance Infrastructure Consulting & Engineers Private Limited	2,975,633	0.61	-
CLE Private Limited	3,250,000	0.67	-
Reliance Infrastructure Management Private Limited	700,000	0.14	-
Reliance Innoventures Private Limited	-	0.00	-
Smt. Kokila D. Ambani	545,157	0.11	-
Mr. Anil D. Ambani	273,891	0.06	-
Ms. Tina A. Ambani	263,474	0.05	-
Mr. Jai Anmol A. Ambani	83,487	0.02	-
Mr. Jai Anshul A. Ambani	5	0.00	-

Reliance Home Finance Limited

Notes to the Financial Statement for the year ended March 31, 2023

- (f) The Company has not declared dividend on Preference shares since September 18, 2018.
- (g) The Company has not bought back any shares and has not issued any Bonus Shares during the period of last 5 financial years.
- (h) For employee stock option scheme : Refer Note No. 44
- (i) As on March 31, 2023, the Company has not:
- issued any shares where calls are unpaid; and
 - forfeited any shares.
- (j) Capital management for the Company's objectives, policies and processes for managing capital. (Refer note no - 41)

23 Other equity

Particulars	(₹ in crore)	
	As at March 31, 2023	As at March 31, 2022
Debenture redemption reserve*		
Opening balance	436.72	436.72
Add: Amount transferred from Statement of Profit and loss	(436.72)	-
Add/(Less) : Changes during the year	-	-
Closing balance	<u>-</u>	<u>436.72</u>
Securities premium account		
Opening balance	660.34	660.34
Ass: Issued during the year	-	-
Add/(Less) : Changes during the year	-	-
Closing balance	<u>660.34</u>	<u>660.34</u>
Reserve Fund #		
Opening balance	143.94	143.94
Add: Amount transferred from Statement of Profit and loss	-	-
Add/(Less) : Changes during the year	-	-
Closing balance	<u>143.94</u>	<u>143.94</u>
Retained earnings		
Opening balance	(7,230.10)	(1,790.65)
Add: Amount transferred from Statement of Profit and loss	5,418.57	(5,439.45)
Add: Transfer from Debenture redemption reserve	436.72	-
Add: Transfer from Share based option	6.64	-
Closing balance	<u>(1,368.16)</u>	<u>(7,230.10)</u>
Share based options outstanding account		
Opening balance	11.64	11.64
Add/(Less) : Changes during the year	(6.64)	-
Closing balance	<u>5.00</u>	<u>11.64</u>
Total	<u>(558.89)</u>	<u>(5,977.46)</u>

* pursuant to the Companies (Share Capital and Debentures) Amendment Rules, 2019.

Created pursuant to section 29C of the National Housing Bank Act, 1987.

Nature and purpose of reserve

a) Debenture redemption reserve

- Pursuant to Section 71 of the Companies Act, 2013 and circular 04/2013, read with notification issued date June 19, 2016 issued by Ministry of Corporate Affairs, the Company is required to transfer 25% of the value of the outstanding debentures issued through public issue as per the present SEBI (Issue and Listing of Debt Securities) Regulation, 2008 to Debenture redemption reserve (DRR) and no DRR is required in case of privately placed debenture.
- As per the notification G.S.R. 574(E) dated August 16, 2019, the Ministry of Corporate Affairs has amended the Companies (Share Capital & Debentures) Rules, DRR need not be created for debentures issued by a Non-Banking Finance Company subsequent to the notification date. The Company being a housing finance company registered with the National Housing Bank, is not required to transfer to DRR in respect of debentures in terms of Rule 18(7) of the Companies (Share Capital and Debentures) Rules, 2014.
- On redemption of the debentures for which the DRR is created, the amounts no longer necessary to be retained in this account need to be transferred to the retained earnings.

Notes to the Financial Statement for the year ended March 31, 2023

b) Securities premium

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

c) Reserve fund

The Reserve fund created as per Section 29C of the NHB Act, 1987, qualifies for deduction as specified u/s 36(1)(viii) of the Income Tax Act, 1961 and accordingly Company has been availing tax benefits for such transfer. An amount equivalent to 20% of the profits is transferred to special reserve fund as per Prudential Norms of NHB.

d) Retained Earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to statutory reserve, general reserve and dividend distributed to shareholders.

e) Employee stock option scheme

The Employee stock option scheme is used to recognise the grant date fair value of options issued to employees under share based.

24 Interest income

	(₹ in crore)	
Particulars	Year ended March 31, 2023	Year ended March 31, 2022
On financial assets measured at amortised costs:		
Interest on loans	228.61	188.68
Interest on deposits with banks	147.47	81.55
On financial assets measured at FVTPL:		
Interest income from investments	0.84	6.57
Total	376.93	276.79

25 Fees and commission income

	(₹ in crore)	
Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Servicing fees	1.34	3.30
Other operating charges	3.70	4.70
Total	5.04	8.00

Revenue from contracts with customers

Set out below is the revenue from contracts with customers and reconciliation to the statement of profit and loss;

	(₹ in crore)	
Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Type of services or service		
Servicing fees & other charges	5.04	8.00
Total revenue from contract with customers	5.04	8.00
Geographical markets		
- India	5.04	8.00
- Outside India	-	-
Total revenue from contract with customers	5.04	8.00
Timing of revenue recognition		
Services transferred at a point in time	5.04	8.00
Services transferred over time	-	-
Total revenue from contracts with customers	5.04	8.00

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Contract balance		(₹ in crore)	
Particulars	Year ended March 31, 2023	Year ended March 31, 2022	
Trade receivables	-	-	
Contract assets	-	-	

26 Other operating income

		(₹ in crore)	
Particulars	Year ended March 31, 2023	Year ended March 31, 2022	
Bad debts recovery	0.20	5.89	
Total	0.20	5.89	

27 Other income

		(₹ in crore)	
Particulars	Year ended March 31, 2023	Year ended March 31, 2022	
Profit on sale of investments	6.04	1.58	
Profit on sale of Property, plant and equipment	-	0.11	
Interest on income tax refund	2.83	0.89	
Miscellaneous income	0.33	0.24	
Total	9.20	2.82	

28 Finance cost

		(₹ in crore)	
Particulars	Year ended March 31, 2023	Year ended March 31, 2022	
On financial liabilities measured at amortised cost:			
Interest on borrowings	6.35	581.74	
Interest on non-convertible debentures	22.49	588.19	
Interest on preference shares	2.48	2.48	
On financial liabilities measured at fair value:			
Interest on non-convertible debentures	-	12.68	
Total	31.32	1,185.09	

29 Employee benefits expenses

		(₹ in crore)	
Particulars	Year ended March 31, 2023	Year ended March 31, 2022	
Salaries, other allowance and bonus	11.44	14.58	
Contribution to provident and other funds	1.54	1.37	
Staff welfare expenses	0.71	0.71	
Total	13.70	16.65	

30 Impairment on financial instruments

		(₹ in crore)	
Particulars	Year ended March 31, 2023	Year ended March 31, 2022	
On financial instruments measured at amortised cost:			
Loan (Refer Note no. 58)	(9,051.53)	6,707.87	
Total	(9,051.53)	6,707.87	

Notes to the Financial Statement for the year ended March 31, 2023

31 Other expenses

Particulars	(₹ in crore)	
	Year ended March 31, 2023	Year ended March 31, 2022
Auditor's remuneration	0.32	0.36
Bank charges	0.18	0.25
Directors' sitting fees	0.61	0.57
Legal & professional fees	18.68	52.41
Resolution expenses	72.00	-
Repairs & maintenance-others	12.97	12.84
Miscellaneous expenses	0.13	11.77
Total	104.89	78.20

Breakup of Auditors' remuneration

Particulars	(₹ in crore)	
	Year ended March 31, 2023	Year ended March 31, 2022
Statutory Audit fees (including limited review fees)	0.19	0.19
Certification fees	0.12	0.16
Reimbursement of expenses	0.01	0.01
Total	0.32	0.36

32 Contribution for corporate social responsibility (CSR)

During the year 2022-23 and 2021-22, the Company was not required to spend on CSR pursuant to the provisions of Section 135 of the Act.

33 Income tax

a) Component of income tax expenses

Particulars	(₹ in crore)	
	Year ended March 31, 2023	Year ended March 31, 2022
Amounts recognised in Profit and Loss		
In respect of the current year income tax	-	-
In respect of the deferred tax	3,595.21	(2,466.80)
In respect of earlier years income tax	-	-
Total	3,595.21	(2,466.80)

b) Reconciliation of the total tax charge

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended March 31, 2023 and March 31, 2022 is, as follows:

Particulars	(₹ in crore)	
	Year ended March 31, 2023	Year ended March 31, 2022
Accounting profit before tax	9,013.79	(7,906.40)
Income Tax rate	25.17%	31.20%
Income Tax expenses	2,268.77	(2,466.80)
Tax effect:		
(i) amounts which are deductible (non taxable) in calculating taxable income:		
Written back liabilities	(2,763.93)	-
(ii) amounts which are not deductible (taxable) in calculating taxable income:		
Disallowance of notional expenses (as per Ind As)	6.99	-
Disallowance of sundry bal written off	17.41	-
Other disallowances	470.76	-
iii) Reversal of Deferred tax Assets	3,595.21	-
Income tax expense at effective tax rate	3,595.21	(2,466.80)

During the year 2022-23, Company opted for reduced corporate tax rate of 25.17% as per section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019.

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Notes to the Financial Statement for the year ended March 31, 2023

34 Earning Per Share (EPS)

Basic earnings per share (EPS) is calculated by dividing the net profit for the year attributable to equity holders of Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the net profit for the year attributable to equity holders of Company (after adjusting for interest on the convertible preference shares and interest on the convertible bond, in each case, net of tax) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares;

Particulars	Year ended	Year ended
	March 31, 2023	March 31, 2022
Net profit after tax as per Statement of profit and loss (₹ in crore)	5,418.57	(5,439.60)
Weighted average number of equity shares for calculating basic EPS (in nos.)	485,058,818	485,058,818
Weighted average number of equity shares for calculating diluted EPS (in nos.)	485,058,818	485,058,818
Basic earnings per equity share (in Rupees) (face value of ₹ 10/- per share)	111.72	(112.15)
Diluted earnings per equity share (in Rupees) (face value of ₹ 10/- per share)	111.72	(112.15)

35 Maturity analysis of assets and liabilities

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

Particulars	(₹ in crore)					
	As at March 31, 2023			As at March 31, 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial assets						
Cash and cash equivalents	17.54	-	17.54	2,628.38	-	2,628.38
Bank balance other than cash and cash equivalents above	-	-	-	-	332.59	332.59
Receivables						
(I) Trade receivables	-	-	-	-	-	-
(II) Other receivables	-	-	-	-	-	-
Loans	-	-	-	205.12	2,903.19	3,108.31
Investments	-	-	-	-	160.78	160.78
Other financial assets	-	-	-	64.76	134.64	199.40
Non-financial assets						
Current tax assets (net)	-	17.31	17.31	41.54	-	41.54
Deferred tax assets (net)	-	-	-	-	3,595.21	3,595.21
Investment property	-	-	-	-	4.22	4.22
Property, plant and equipment	-	-	-	-	42.29	42.29
Intangible assets under development	-	-	-	0.07	-	0.07
Other intangible assets	-	-	-	-	1.19	1.19
Other non-financial assets	-	-	-	30.35	-	30.35
Total Assets	17.54	17.31	34.85	2,970.22	7,174.11	10,144.33

Notes to the Financial Statement for the year ended March 31, 2023

(₹ in crore)

Particulars	As at March 31, 2023			As at March 31, 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial liabilities						
Derivative financial instruments	-	-	-	0.04	-	0.04
Payables						
(I) Trade payables						
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
(II) Other payables						
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	0.84	-	0.84
Debt securities	0.95	-	0.95	3,590.01	2,429.29	6,019.30
Borrowings (Other than debt securities)	-	-	-	4,634.59	1,263.22	5,897.81
Subordinated liabilities	86.04	-	86.04	126.72	670.63	797.35
Other financial liabilities	19.45	-	19.45	2,886.47	0.02	2,886.49
Non-financial Liabilities						
Other non-financial liabilities	2.25	-	2.25	34.90	-	34.90
Total liabilities	108.68	-	108.68	11,273.57	4,363.17	15,636.74

Note

Information on maturity pattern is based on the reasonable assumptions made by the Management.

36 Fair value measurement

a) Valuation principle

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as explained in significant accounting policies of the year ended March 31, 2023.

Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- Listed equity investments (other than subsidiaries and associates) – Quoted bid price on stock exchange
- Mutual fund – net asset value of the scheme
- Debentures or bonds – based on market yield for instruments with similar risk / maturity, etc.
- Interest rate swaps – the present value of the estimated future cash flows based on observable yield curves
- Private equity investment fund – price to book value method and
- Other financial instruments – discounted cash flow analysis.

All of the resulting fair value estimates are included in level 2 except for unlisted equity securities, a contingent consideration receivable and certain derivative contracts, where the fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.

For remaining financial assets and liabilities that are measured at amortised cost, the carrying amounts are same as fair values.

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Notes to the Financial Statement for the year ended March 31, 2023

b) The carrying value of financial instruments by categories is as follows:

Particulars	As at March 31, 2023		As at March 31, 2022	
	FVPL	Amortised cost	FVPL	Amortised cost
(₹ in crore)				
Financial assets				
Cash and cash equivalents	-	17.54	-	2,628.38
Bank balance other than cash and cash equivalents above	-	-	-	332.59
Receivables	-	-	-	-
Loans	-	-	-	3,108.31
Investments	-	-	153.91	6.87
Other financial assets	-	-	-	199.40
Total Financial Assets	-	17.54	153.91	6,275.55
Financial liabilities				
Derivative financial instruments	-	-	0.04	-
Payables				
(I) Trade payables				
(i) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	-
(II) Other payables				
(i) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	0.84
Debt securities	-	0.95	323.57	5,695.73
Borrowings (Other than debt securities)	-	-	-	5,897.81
Subordinated liabilities	-	86.04	-	797.35
Other financial liabilities	-	19.45	-	2,886.49
Total financial liabilities	-	106.44	323.61	15,278.23

c) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the Ind AS. An explanation of each level follows underneath the table.

As at March 31, 2023				(₹ in crore)
Assets and liabilities measured at fair value – recurring fair value measurements	Level 1	Level 2	Level 3	Total
Financial assets				
Financial investments at FVTPL				
- Debentures and bonds	-	-	-	-
- Mutual funds	-	-	-	-
Total Financial Assets	-	-	-	-
Financial liabilities				
Debentures	-	-	-	-
Derivatives not designated as hedges				
- Options	-	-	-	-
Total Financial Liabilities	-	-	-	-

Notes to the Financial Statement for the year ended March 31, 2023

As at March 31, 2022	(₹ in crore)			
Assets and liabilities measured at fair value – recurring fair value measurements	Level 1	Level 2	Level 3	Total
Financial assets				
Financial investments at FVTPL				
- Debentures and bonds	-	-	-	-
- Mutual funds	153.91	-	-	153.91
Total Financial Assets	153.91	-	-	153.91
Financial liabilities				
Debentures	-	323.57	-	323.57
Derivatives not designated as hedges				
- Options	-	0.04	-	0.04
Total Financial Liabilities	-	323.61	-	323.61

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

There are no transfers between levels 1, 2 and 3 during the year. For transfers in and out of level 3 measurements.

37. Financial risk management

Introduction

The Company has operations in India. Whilst risk is inherent in the company's activities, it is managed through and integrated risk management framework, including ongoing identification, measurement and monitoring, subject to risk limit and other controls. The company is exposed to credit risk, liquidity risk and market risk. It is also subject to various operation and regulatory risks. Hence this process of risk management is critical to the Company's continuing profitability and each individual within the company is accountable for the risk exposures relating to his or her responsibilities.

Risk Management Framework

The company's risk management is carried out by Risk Management Committee under policies approved by the board of directors. The board provides written principles for overall risk management, as well as policies covering specific areas.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk:

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade and other receivables, Investments, financial assets measured at amortised cost	Aging analysis	Probability Prediction Modelling techniques
Liquidity risk	Debt securities, Borrowings (other than debts), subordinated liabilities, policy liabilities	Rolling cash flow forecasts	Availability of committed credit lines, borrowing facilities, Asset liability measurement
Market exchange – Interest rate	Long term borrowings at variable rate	Sensitivity analysis	
Operational and Regulatory Risk	Due to failure of Internal process, systems, people and external risk arising out of Legal Frauds, customer complaints etc.	Frauds reported to Regulator and litigations due to unsolved customer complaints	Fraud Containment Measures

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Notes to the Financial Statement for the year ended March 31, 2023

Committees

In order to bring collective knowledge in decision making, the Company has undertaken a Committee approach to deal with the major risk arising in the organisation.

Risk Management Committee of Board

The Company has a Risk Management Committee. The Committee comprises of Directors of the Company. The composition and terms of reference of Risk Management Committee is in compliance with the provisions of the Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 and other applicable laws.

The Committee is authorised to discharge its responsibilities as follows:

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

Internal Committee:

Credit Risk Management Committee (CRMC), Operation Risk Management Committee (ORMC) and Information Security Risk Management Committee (ISRMC)

The Company has an Internal Credit Risk Management Committee, Operation Risk Management Committee and Information Security Risk Management Committee whose major function include review of Product Policies, assessment of risks in the Company and suggesting control/mitigation measures thereof, protecting information by mitigating information risks.

1) Credit risk management

Credit risk is the risk of suffering financial loss, should any of the Company's customers, clients or market counterparties fail to fulfil their contractual obligations to the Company. Credit risk arises mainly from loans and advances, and loan commitments arising from such lending activities.

Credit risk is the single largest risk for the Company's business; management therefore carefully manages its exposure to credit risk. The credit risk management and control are centralised in a credit risk management team which reports regularly to the Board of Directors.

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(a) Loans and advances (incl. loan commitments and guarantees)

The estimation of credit exposure for risk management purposes is complex and requires the use of models, as the exposure varies with changes in market conditions, expected cash flows and the passage of time. The assessment of credit risk of a portfolio of assets entails further estimations as to the likelihood of defaults occurring, of the associated loss ratios and of default correlations between counterparties. The Company measures credit risk using Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD). This is similar to the approach used for the purposes of measuring Expected Credit Loss (ECL) under Ind AS 109.

2) Expected credit loss measurement

Ind AS 109 outlines a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

A financial instrument that is not credit-impaired on initial recognition is classified in 'Stage 1' and has its credit risk continuously monitored by the Company.

If a significant increase in credit risk ('SICR') since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit-impaired.

If the financial instrument is credit-impaired, the financial instrument is then moved to 'Stage 3'.

Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months. Instruments in Stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis.

3) Significant increase in credit risk (SICR)

The approach provides a principle based framework to compute expected credit losses (ECL). It requires an entity to evaluate the credit risk in a financial asset as on each reporting date. In case, there is no significant increase in credit risk, asset is classified as a Stage 1 asset and an amount equal to 12-month expected credit losses is provided for. However, in case there is a significant increase in credit risk, the asset is classified as a Stage 2 asset and the entity is required to provide for an amount equal to the lifetime expected credit losses. Already impaired assets are classified as Stage 3 assets and the entity is required to provide for an amount equal to the lifetime expected credit losses.

As mentioned above, under IND AS 109 all assets are further classified into three stages based on the change in credit risk since inception. These three stages are described below:

Stage 1 includes financial instruments that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date. For these assets, 12-month expected credit losses ('ECL') are recognized.

Stage 2 includes financial instruments that have had a significant increase in credit risk since initial recognition (unless they have low credit risk at the reporting date) but that do not have objective evidence of impairment. For these assets, lifetime ECL are recognized.

Stage 3 includes financial assets that have objective evidence of impairment at the reporting date. For these assets, lifetime ECL is recognized.

Staging can be done basis qualitative and quantitative criteria with DPD as a backstop arrangement.

Quantitative criteria:

Financial instruments that have had a significant increase in credit risk since initial recognition to where DPD status is greater than 30 DPD and less than or equal to 90 DPD (unless they have low credit risk at the reporting date) but that do not have objective evidence of NPA. For these assets, lifetime ECL are recognized. Lifetime ECL are the expected credit losses that result from all possible default events over the expected life of the financial instrument.

These thresholds have been determined separately for Home Loan, LAP, Construction finance and Other products by assessing how the Lifetime PD moves prior to an instrument becoming delinquent. The Lifetime PD movements on instruments which do not subsequently become delinquent have also been assessed, to identify the "natural" movement in Lifetime PD which is not considered indicative of a significant increase in credit risk.

Qualitative criteria:

For Construction Finance portfolios, if the borrower meets one or more of the following criteria:

- Delay in project due to approval issue
- Slow down in unit sales

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Notes to the Financial Statement for the year ended March 31, 2023

- Slow down in collections from customers

The assessment of SICR incorporates forward-looking information and is performed on a quarterly basis at a portfolio level for all Retail & Construction Finance instruments held by the Company.

The above approach is quantitatively modelled using following formula

ECL = Probability of default (PD) x Exposure at default (EAD) x Loss given default (LGD)

This model defines these parameters based on historical data and suitable regulatory assumptions.

- Probability of default: It defines the probability of a borrower to default in its commitment over a time of the asset. In IND AS 109 context, PD is calculated for two time horizon. 12 Months PD and life time PD. •12 Months PD: likelihood of default in 12 months for an asset •Life time PD: likelihood of default in the lifetime of an asset.
- Exposure At default: It is the total amount of an asset the entity is exposed to at the time of default. EAD is defined based on the characteristics of the asset. Here EAD can be considered as principal plus accrued interest. EAD can be alternatively arrived at by discounting contractual cash flows with EIR. For current computations, we are following the first definition of principal plus accrued interest that is slightly more conservative approach. For example in a loan portfolio, EAD is dependent on the outstanding exposure of an asset, sanctioned amount of a loan and credit conversion factor for non-funded exposures. Amortization schedule may be considered for EAD in future, though for the purpose of this project EAD does not consider amortization schedule which is on a conservative basis.
- Loss Given Default (LGD): It is the part of an asset that is lost provided the asset default. The recovery rate is derived as a ratio of discounted value of recovery cash flows (incorporating the recovery time) to total exposure amount at the time of default. Recovery rate is calculated for each segment separately. Loss given default is computed as (1 - recovery rate) in percentage terms. LGD is measured in a way that reflects the time value of money. This means that cash shortfalls associated with default are required to be discounted back to the default date. However note that for LGD, the historical data points will be subsequently retained to ensure the data richness that is important for LGD computations.

4) Definition of default and credit-impaired assets

The Company defines a financial instrument as in default, which is fully aligned with the definition of credit impaired, when it meets one or more of the following criteria:

Quantitative criteria

An account is classified as a default if it's DPD > 90 i.e. the account has failed to make its contractual payments for more than 90 days.

Qualitative criteria

The borrower meets unlikeliness to pay criteria, which indicates the borrower is in significant financial difficulty. These are instances where:

- The borrower is in long-term forbearance
- The borrower is deceased
- The borrower is insolvent
- The borrower committed fraud
- The borrower is in breach of financial covenant(s)
- An active market for that financial asset has disappeared because of financial difficulties
- Concessions have been made by the lender relating to the borrower's financial difficulty
- It is becoming probable that the borrower will enter bankruptcy
- Financial assets are purchased or originated at a deep discount that reflects the incurred credit losses.

The criteria above have been applied to all financial instruments held by the Company and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the Probability of Default (PD), Exposure at Default (EAD) and Loss given Default (LGD) throughout the Company's expected loss calculations.

5) ECL Model Development process

a) Segmentation

As discussed previously the first step in the model development process is segmentation / pooling. This is especially important to treat similar type of loans reflecting homogeneous risk characteristics in a consistent manner. The segmentation scheme is based on the amount of data available and historic performance. It was observed that the entire portfolio had sufficient

Notes to the Financial Statement for the year ended March 31, 2023

population distribution under Affordable Housing (AH), Housing Loan (HL), Loan against Property (LAP) & Construction Finance (CF). Due to insufficient number of accounts on SME, MF & Infra portfolios they are merged into a single sub portfolio "Others" post discussion with management. However, going forward depending upon availability of data, size of the portfolio the segmentation can be reviewed.

It is observed that the even though Construction Finance has a relatively small number of accounts compared to the other major portfolios it has the highest share in terms of sanctioned amount amongst all the other portfolios. This indicates that the average ticket size under CF is substantially bigger compared to other portfolios. Affordable Housing has the largest share in terms of the number of accounts and the lowest in terms of sanctioned amount among the large. Meanwhile, SME, Infra & MF combined constitute the smallest pool ("Others") with the least number of accounts and combined sanctioned amount.

b) Staging & Historical Default Rates

In order to compute the probability of default a snapshot approach was adopted in order to observe the transition of accounts into different "pools" on a yearly basis (Jan to Jan, year-on-year). Year on year delinquent and non- delinquent information at account level for the period of 2012-2018 was used for analyzing transition of accounts into defined DPD (days-past-due) buckets. These DPD buckets are defined as:

Stage Classification	DPD Buckets
Stage 1	Bucket 0 (DPD 0) Bucket 1 (DPD 1-30)
Stage 2	Bucket 2 (DPD 31-60) Bucket 3 (DPD 61-90)
Stage 3	Bucket 4 (DPD 90+)

Upon observing the yearly default rates across the years, it was noted that these rate varied randomly against macro-economic variables due to fewer number of data points as well as defaults , while there was been no drastic change in macroeconomic conditions over the last few years. Considering this, we have computed forward looking PD basis weighted average of last 4 years default rate in the ratio 1:2:3:4, with 4 being assigned to the most recent year. Going ahead, with sufficient data points available, other approaches can be tested. Hence in order to compute the Point-in-Time (PIT) PDs as expected in IFRS 9 standard a weighted average of the probability of defaults were taken for the last 4 years with higher weights for more recent years.

c) Lifetime Probablitiy of Default (PD)

Remaining Maturity

The remaining maturity is calculated initially by comparing maturity date with reporting date which forms the basis of probability of default over the lifetime of assets.

Note that if an account has already matured before the reporting date then the remaining life is assumed to be 1 year to ensure that the computation is on conservative side to avoid negative tenure coming into picture.

Lifetime PD

Lifetime PD is the probability of a default when assessed over the entire lifetime of a financial asset. It is also referred as cumulative PD.

For all the portfolios, using the projected 12 Months PD and Long term Default rates, lifetime PD is calculated using survival logic for each asset type and each pool for the remaining lifetime of the assets.

The underlying assumption of this method is that is considers the same macroeconomic scenario for following year as that of first year. Hence, marginal PD for all the following years will be same as that of first year. Also the PD has been computed at borrower level and not facility level. In case a borrower has multiple facilities, we have taken DPD status of the latest facility of the borrower in order to compute the transition matrix.

We have taken for the Lifetime PD maturity up to 10 years for AH, HL, LAP, Others and 6 years for CF on the basis historical observations.

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Notes to the Financial Statement for the year ended March 31, 2023

d) Exposure at default (EAD)

Exposure at default is the total value an entity is exposed to when a loan defaults. It is the predicted amount of exposure that an entity may be exposed to when a debtor defaults on a loan. The outstanding principal and accrued interest reported as of the reporting date for computation of ECL is used as the EAD for all the portfolios. This is a conservative approach compared to the one where amortization schedule is used to arrive at EAD. Also prepayment is not considered, which is again a conservative approach. Any form of cash collateral would be directly adjusted to EAD. Also securitization considered under loan book and ECL is calculated as per procedure laid down in this document.

e) Loss given default (LGD)

Historical recovery has been considered to calculate Loss Given Default (LGD). For all closed NPA cases (fully recovered, fully written off, partial write off) which defaulted between January 2012 and March 2021 are considered while arriving at historical LGD. The computation was done base on the time value recovery on sale of the underlying collaterals in these NPA Assets. The assumptions taken by the management includes the discounted recovery value is based on Customer IRR. Recovery has been computed for 60 months from the date of NPA basis analysis done on historical recovery data. We have capped the discounted recovery to the EAD as of NPA date.

f) ECL computation

The Final ECL computation is done based on the weighted multiplies on the lifetime PD value, Exposure at default and the historical loss given default values. However prudent additional provision are made in stressed accounts where the management had seen deterioration in the security values.

6) Credit risk exposure

a) Maximum exposure to credit risk – Financial instruments subject to impairment

The following table contains an analysis of the credit risk exposure of loan assets for which an ECL allowance is recognised. The gross carrying amount of financial assets below also represents the Company's maximum exposure to credit risk on these assets.

Particulars	2023				(₹ in crore)
	Stage 1	Stage 2	Stage 3	Purchased credit-impaired	Total
	12-month ECL	Lifetime ECL	Lifetime ECL		
(Refer Note no. 1)					
Product					
Affordable home	-	-	-	-	-
Home loan	-	-	-	-	-
Loan against property	-	-	-	-	-
Construction finance	-	-	-	-	-
Other loans	-	-	-	-	-
Gross carrying amount	-	-	-	-	-
Less : Loss allowance	-	-	-	-	-
Carrying amount	-	-	-	-	-

Particulars	2022				(₹ in crore)
	Stage 1	Stage 2	Stage 3	Purchased credit-impaired	Total
	12-month ECL	Lifetime ECL	Lifetime ECL		
Product					
Affordable home	788.70	77.15	126.72	-	992.56
Home loan	561.21	70.73	202.86	-	834.80
Loan against property	360.35	70.80	269.90	-	701.04
Construction finance	133.20	13.82	228.26	-	375.28
Other loans	0.83	0.35	9,447.14	-	9,448.33
Gross carrying amount	1,844.30	232.84	10,274.88	-	12,352.02
Less : Loss allowance	33.53	16.79	9193.39	-	9,243.71
Carrying amount	1,810.77	216.05	1,081.49	-	3,108.31

Note:

1. Refer note no. 58 relating to Implementation of Resolution Plan and Business Transfer Agreement.

Notes to the Financial Statement for the year ended March 31, 2023

7) Collateral and other credit enhancements

The Company employs a range of policies and practices to mitigate credit risk. The most common of these is accepting collateral for funds advanced. The Company has internal policies on the acceptability of specific classes of collateral or credit risk mitigation.

The Company prepares a valuation of the collateral obtained as part of the loan origination process. The principal collateral types for loans and advances are:

- Mortgages over residential properties;
- Charges over business assets such as premises, inventory and accounts receivable; and
- Longer-term finance and lending to corporate entities are generally secured.

The Company closely monitors collateral held for financial assets considered to be credit-impaired, as it becomes more likely that the Company will take possession of collateral to mitigate potential credit losses.

The following table shows the distribution of LTV ratios for the Company's mortgage portfolio:

Mortgage portfolio - LTV distribution	Gross carrying amount	
	As at	As at
	March 31, 2023	March 31, 2022
Lower than 50%	-	2,266.63
50 to 60%	-	527.22
60 to 70%	-	427.05
70 to 80%	-	274.01
80 to 90%	-	274.79
90 to 100%	-	108.77
Higher than 100%	-	8473.53
Total	-	12,352.02

The following table shows the customer wise Company's mortgage portfolio:

As at March 31, 2023				(₹ in crore)
Customer profile	Stage 1	Stage 2	Stage 3	Total
Housing				
Individual	-	-	-	-
Corporate	-	-	-	-
Non-housing				
Individual	-	-	-	-
Corporate	-	-	-	-
Total	-	-	-	-

As at March 31, 2022				(₹ in crore)
Customer profile	Stage 1	Stage 2	Stage 3	Total
Housing				
Individual	1,099.99	119.03	343.48	1,562.50
Corporate	79.00	27.96	259.62	366.58
Non-housing				
Individual	391.86	72.73	279.67	744.26
Corporate	104.18	16.21	9,558.30	9,678.68
Total	1,675.03	235.92	10,441.06	12,352.02

8) Write-off policy

The Company writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include (i) ceasing enforcement activity and (ii) where the Company's recovery method is foreclosing on collateral and the value of the collateral is such that there is no reasonable expectation of recovering in full.

Reliance Home Finance Limited

Notes to the Financial Statement for the year ended March 31, 2023

9) Modification of financial assets

The Company sometimes modifies the terms of loans provided to customers due to commercial renegotiations, or for distressed loans, with a view to maximising recovery.

Such restructuring activities include extended payment term arrangements, payment holidays and payment forgiveness. Restructuring policies and practices are based on indicators or criteria which, in the judgement of management, indicate that payment will most likely continue. These policies are kept under continuous review. Restructuring is most commonly applied to term loans.

The risk of default of such assets after modification is assessed at the reporting date and compared with the risk under the original terms at initial recognition, when the modification is not substantial and so does not result in derecognition of the original asset. The Company monitors the subsequent performance of modified assets. The Company may determine that the credit risk has significantly improved after restructuring, so that the assets are moved from Stage 3 or Stage 2 (Lifetime ECL) to Stage 1 (12-month ECL). This is only the case for assets which have performed in accordance with the new terms for twelve consecutive months or more.

The Company continues to monitor if there is a subsequent significant increase in credit risk in relation to such assets through the use of specific models for modified assets.

38 Liquidity risk and funding management

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, the Company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

ALCO committee monitors rolling forecasts of the Company liquidity position (comprising of the undrawn facilities), maturities of the financial assets(both loan and investment) and cash / cash equivalents. In addition, the Company's liquidity management policy involves projecting cash flows in major timeframe buckets and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans. Also behavioural analysis of the pre-payments of loan assets is undertaken based on past statistical occurrences and incorporated in the cash flow projections. The ALCO committee is also appraised of the sensitivity variables that effects the projected cash flows and the best & worst case scenerios are appraised for any change in these variables.

a) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	(₹ in crore)	
	As at March 31, 2023	As at March 31, 2022
Floating rate		
- Expiring within one year (bank overdraft and other facilities)	-	23.62

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time in INR.

b) Analysis of financial assets and liabilities by remaining contractual maturities

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities as at March 31. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Notes to the Financial Statement for the year ended March 31, 2023

As at March 31, 2023						(₹ in crore)
Contractual maturities of assets and liabilities	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
Financial assets						
Cash and cash equivalents	11.84	5.70	-	-	-	17.54
Bank balance other than cash and cash equivalents above	-	-	-	-	-	-
Derivative financial instruments	-	-	-	-	-	-
Receivables	-	-	-	-	-	-
Loans	-	-	-	-	-	-
Investments	-	-	-	-	-	-
Other financial assets	-	-	-	-	-	-
Total Financial Assets	11.84	5.70	-	-	-	17.54
Financial Liabilities						
Derivative financial instruments	-	-	-	-	-	-
Payables	-	-	-	-	-	-
(I) Trade payables	-	-	-	-	-	-
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
(II) Other payables	-	-	-	-	-	-
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Debt securities	0.95	-	-	-	-	0.95
Borrowings (Other than debt securities)	-	-	-	-	-	-
Subordinated liabilities	86.04	-	-	-	-	86.04
Other financial liabilities	12.41	-	6.58	0.46	-	19.45
Total Financial Liabilities	99.40	-	6.58	0.46	-	106.44

As at March 31, 2022						(₹ in crore)
Contractual maturities of assets and liabilities	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
Financial Assets						
Cash and cash equivalents	-	2,628.38	-	-	-	2,628.38
Bank balance other than cash and cash equivalents above	-	-	-	-	332.59	332.59
Derivative financial instruments	-	-	-	-	-	-
Receivables	-	-	-	-	-	-
Loans	-	51.77	153.34	2,519.96	383.23	3,108.31
Investments	-	-	-	-	160.78	160.78
Other financial assets	-	61.48	6.75	37.58	93.60	199.40
Total Financial Assets	-	2,741.63	160.09	2,557.54	970.20	6,429.47
Financial Liabilities						
Derivative financial instruments	-	0.04	-	-	-	0.04
Payables	-	-	-	-	-	-
(I) Trade payables	-	-	-	-	-	-
(i) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	-	0.84	-	-	-	0.84
(II) Other payables	-	-	-	-	-	-
(i) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Debt securities	-	3,465.79	124.21	1,058.98	1,370.31	6,019.30
Borrowings (Other than debt securities)	-	4,137.77	496.83	639.91	623.31	5,897.81
Subordinated liabilities	-	-	127.72	204.36	466.27	798.35
Other financial liabilities	-	2,886.47	-	-	0.02	2,886.49
Total Financial Liabilities	-	10,490.91	748.76	1,903.26	2,459.91	15,602.83

1) Market Risk

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

Reliance Home Finance Limited

Notes to the Financial Statement for the year ended March 31, 2023

2) Cash flow and fair value interest rate risk

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. The Company policy is to hedge its interest rate risk by means of disbursing only floating rate loans and any increase in borrowing cost is subsequently passed on to the loan customers.

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

3) Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	(₹ in crore)	
	As at March 31, 2023	As at March 31, 2022
Variable rate borrowings	-	5,430.67
Fixed rate borrowings	-	7,283.80
Total Borrowings	-	12,714.45

As at the end of the reporting period, the Company had the following variable rate borrowings outstanding:

Particulars	As at	
	March 31, 2023	March 31, 2022
Variable rate Borrowings	-	43%
Fixed rate Borrowings	-	57%
Total Borrowing	-	100%

An analysis by maturities is provided in the percentage of total loans shows the proportion of loans that are currently at variable rates in relation to the total amount of borrowings.

39 Transfer of Financial Assets

1) Transferred financial assets that are not derecognised in their entirety

The following tables provide a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities:

Securitisations : Particulars	(₹ in crore)	
	As at March 31, 2023	As at March 31, 2022
Securitisations		
Carrying amount of transferred assets measured at amortised cost	-	1,267.15
Carrying amount of associated liabilities (Borrowings – measured at amortised cost)	-	1,246.56
Fair value of assets	-	1,267.15
Fair value of associated liabilities	-	1,246.56

2) Assignment Deal:

During the year ended March 31, 2023 and March 31, 2022, there were no Assignment deals are undertaken by Company.

3) Transferred financial assets that are derecognised in their entirety but where the Company has continuing involvement

The Company has not transferred any assets that are derecognised in their entirety where the Company continues to have continuing involvement.

40 Segment Reporting

The Company is mainly engaged in the housing finance business and all other activities revolve around the main business of the Company. Further, all activities are conducted within India and as such there is no separate reportable segment, as per the Ind AS 108 – "Operating Segments" specified under Section 133 of the Act.

Notes to the Financial Statement for the year ended March 31, 2023

41 Capital Management

For the purpose of the Company's capital management, capital includes issued capital and other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company, when managing capital, is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure, so as to maximize shareholders' value.

As at 31st March, 2023, the Company has only one class of equity shares and has Debts & subordinate Liabilities. In order to maintain or achieve an optimal capital structure, the Company allocates its capital for distribution as dividend or reinvestments into business based on its long term financial plans

The Company is subject to the capital adequacy requirements of the Reserve Bank of India (RBI). Under RBI's capital adequacy guidelines, the Company is required to maintain a capital adequacy ratio consisting of Tier I and Tier II Capital. The minimum capital ratio as prescribed by RBI guidelines and applicable to the Company, consisting of Tier I and Tier II capital, shall not be less than 15 percent of its aggregate risk weighted assets on-balance sheet and of risk adjusted value of off-balance sheet. The Tier I capital, at any point of time, shall not be less than 10%. The Company has complied with all regulatory requirements related capital and capital adequacy ratios as prescribed by RBI.

Regulatory capital Particulars	(₹ in crore)	
	As at March 31, 2023	As at March 31, 2022
Tier I Capital	(73.83)	(9,293.80)
Tier II Capital	86.04	617.92
Total Capital	(73.83)	(9,293.80)
Aggregate of Risk Weighted Assets		
Tier - I capital ratio	(3,992.56)%	(309.63)%
Tier - II capital ratio	-	-
Total Capital ratio	(3,992.56)%	(309.63)%

"Tier I Capital" means owned fund as reduced by investment in shares of other non-banking financial companies and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, ten per cent of the owned fund.

"Owned Fund" means paid up equity capital, preference shares which are compulsorily convertible into equity, free reserves, balance in share premium account and capital reserves representing surplus arising out of sale proceeds of asset, excluding reserves created by revaluation of asset, as reduced by accumulated loss balance, book value of intangible assets and deferred revenue expenditure, if any

Tier II capital" includes the following -

- preference shares other than those which are compulsorily convertible into equity;
- revaluation reserves at discounted rate of fifty five percent;
- General provisions (including that for Standard Assets) and loss reserves to the extent these are not attributable to actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses, to the extent of one and one fourth percent of risk weighted assets.
- hybrid debt capital instruments; and
- subordinated debt; to the extent the aggregate does not exceed Tier I capital

Aggregate Risk Weighted Assets -

Under RBI Guidelines, degrees of credit risk expressed as percentage weightages have been assigned to each of the on-balance sheet assets and off-balance sheet assets. Hence, the value of each of the on-balance sheet assets and off-balance sheet assets requires to be multiplied by the relevant risk weights to arrive at risk adjusted value of assets. The aggregate shall be taken into account for reckoning the minimum capital ratio.

Reliance Home Finance Limited

Notes to the Financial Statement for the year ended March 31, 2023

42 Earnings & Expenditure in Foreign Currency

Particulars	(₹ in crore)	
	As at March 31, 2023	As at March 31, 2022
Earnings in Foreign Currency	-	-
Expenditure in Foreign Currency	-	-

43 Contingent Liabilities and Capital Commitments :

A Contingent Liabilities

1 Income Tax :		(₹ in crore)	
Particulars	As at March 31, 2023	As at March 31, 2022	
Income-tax matters under dispute	11.79	0.36	
In income tax matters mentioned above, outflow is not probable and hence not provided by the Company			
2 Guarantee :			
During the year company has not provided any guarantee.			
3 Capital Commitments :			
The Company does not have any Capital Commitments.			

44. Employees Stock Option Scheme ("ESOS / Scheme")

The Company had formulated 'Reliance Home Finance Limited - Employee Stock Option Scheme' ("ESOS" / "Scheme") which covers eligible employees of the Company, its subsidiaries and holding company. The vesting of the options is from expiry of one year till four years as per Scheme. Each Option entitles the holder thereof to apply for and be allotted / transferred one Equity Share of the Company upon payment of the exercise price during the exercise period.

Details of ESOS are as under:

Date of Grant	October 5, 2018	April 24, 2019
Price of Underlying Stock (₹)	N.A.	N.A.
Exercise / Strike Price (₹)	51	27
The fair value of the options granted was estimated on the date of grant using the Black Scholes Model with the following assumptions:		
Risk Free Interest Rate	8.09% - 8.20%	7.32% - 7.57%
Expected Dividend Yield	1.97%	3.64%
Expected Life (years)	6.01 to 9.01	6.01 to 9.01
Expected Volatility	48.84%	53.46%
Weighted Average Fair Value (₹)	26.45	12.57
No. of Stock Options 2021-22		
Outstanding at the beginning of the year	60,70,144	99,54,540
Granted	Nil	Nil
Exercised	Nil	Nil
Lapsed / Forfeited / Surrendered	Nil	Nil
Outstanding at the end of the year	60,70,144	99,54,540
Exercisable at end of the year	45,52,608	49,77,270
No. of Stock Options 2022-23		
Outstanding at the beginning of the year	60,70,144	99,54,540
Granted	Nil	Nil
Exercised	Nil	Nil
Lapsed / Forfeited / Surrendered	54,67,568	92,41,032
Outstanding at the end of the year	6,02,576	7,13,508
Exercisable at end of the year	6,02,576	1,78,377
Expiry Date	October 5, 2025	April 24, 2026

Notes to the Financial Statement for the year ended March 31, 2023

45 Employee benefits

a) Defined contribution plan

Contribution to defined contribution plans, recognised as expense for the year is as under:

Particulars	(₹ in crore)	
	As at March 31, 2023	As at March 31, 2022
Employer's contribution to provident fund	0.81	1.06
Employer's contribution to superannuation fund	-	-
Employer's contribution to pension scheme	-	-
	0.81	1.06

b) Defined Benefit plans

The following table summarise the components of the net employee benefit expenses recognized in the Statement of Profit and Loss, the fund status and amount recognised in the balance sheet for the gratuity benefit plan. The said information is based on certificates provided by the actuary.

Particulars	(₹ in crore)	
	Gratuity benefit funded	
	As at March 31, 2023	As at March 31, 2022
I. Table showing change in Present Value of Defined Benefit Obligation:		
Present value of defined benefit obligation at the beginning of the period	2.49	2.38
Interest Cost	0.17	0.15
Current Service Cost	0.29	0.29
Liability Transferred In/ Acquisitions	-	-
(Liability Transferred Out/ Divestments)	-	(0.04)
Benefit paid from the fund	(0.71)	(0.54)
Liability Transferred in / Acquisitions	-	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	-	(0.00)
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	(0.08)	(0.11)
Actuarial (Gains)/Losses on Obligations - Due to Experience	0.39	0.37
Present value of defined benefit obligation at the end of the period	2.55	2.49
II. Changes in the fair Value of Plan Assets and the reconciliation thereof:		
Fair Value of Plan Assets at the beginning of the period	2.48	2.29
Interest income	0.17	0.15
Contributions by the Employer	0.73	0.59
Assets Transferred in/Acquisitions	-	-
(Assets Transferred Out/ Divestments)	-	(0.04)
(Benefit Paid from the Fund)	(0.71)	(0.54)
Return on Plan Assets, excluding interest income	(0.12)	0.03
Fair value of Plan Assets at the end of the period	2.55	2.48
III. Amount recognised in the Balance Sheet		
Present value of benefit obligation at the end of the period	(2.55)	(2.49)
Fair Value of Plan Assets at the end of the period	2.55	2.48
Funded status (Surplus/ (deficit))	-	(0.01)
Net (liability)/asset recognised in Balance sheet	-	(0.01)

Reliance Home Finance Limited

Notes to the Financial Statement for the year ended March 31, 2023

(₹ in crore)

Particulars	Gratuity benefit funded	
	As at March 31, 2023	As at March 31, 2022
IV. Expenses recognised in the Statement of Profit and Loss Account		
Current Service Cost	0.29	0.29
Net Interest Cost	-	0.01
Expected return on Plan Assets	0.12	-
Net Actuarial (gain)/loss to be recognized	0.31	-
Expense recognised	0.72	0.30
V. Expenses Recognized in the Other Comprehensive Income (OCI)		
Actuarial (Gains)/Losses on Obligation For the Period	-	0.26
Return on Plan Assets, excluding interest Income	-	(0.03)
Change in Asset Ceiling	-	-
Net (Income)/Expenses For the Period Recognized in OCI	-	0.22
VI. Balance sheet Reconciliation		
Opening Net Liability	0.01	0.08
Expenses Recognized in Statement of Profit or Loss	0.72	0.30
Expenses Recognized in OCI	-	0.22
Net Liability/(Asset) Transfer In	-	-
Net (Liability)/Asset Transfer Out (Employer's Contribution)	(0.73)	(0.59)
Net Liability/(Assets) recognised in Balance Sheet	-	0.01
VII. Category of Assets Funded		
Insurance Fund	-	-
VIII. Assumptions		
Discount Rate	7.53%	6.33%
Rate of return on Plan Assets	7.53%	6.33%
Salary Escalation Rate	6.00%	6.00%

VIII. Particulars of the amounts for the year and previous years

(₹ in crore)

Particulars of the amounts for the year and previous years	Gratuity for the year ended March 31				
	2023	2022	2021	2020	2 019
Present value of benefit obligation	2.55	2.49	2.38	2.90	3.63
Fair value of plan assets	2.55	2.48	2.29	1.92	1.90
Excess of obligation over plan assets	-	0.01	0.08	0.98	1.73

IX. Experience Adjustment

(₹ in crore)

Particulars of the amounts for the year and previous years	Gratuity for the year ended March 31				
	2023	2022	2021	2020	2 019
Experience adjustment on Plan Assets Gain/(Loss)	(0.12)	0.03	0.16	(0.08)	(0.06)
Experience adjustment on Plan Liabilities(Gain)/Loss	0.39	0.37	(0.09)	(0.46)	(0.67)

Notes to the Financial Statement for the year ended March 31, 2023

X. Maturity Analysis of the Benefit Payments: From the Fund

(₹ in crore)

Particulars	Gratuity benefit funded	
	2022-23	2021-22
Projected benefits payable in future years from the date of reporting		
1st Following Year	0.39	0.23
2nd Following Year	0.13	0.22
3rd Following Year	0.32	0.13
4th Following Year	0.19	0.29
5th Following Year	0.13	0.45
Sum of Years 6 to 10	1.82	0.93
Sum of Years 11 and above	1.61	2.14

XI. Sensitivity Analysis [refer note (iii)]

(₹ in crore)

Particulars	Gratuity benefit funded	
	2022-23	2021-22
Projected benefit obligation on Current Assumptions	2.55	2.49
Delta Effect of +1 % Change in Rate of Discounting	(0.15)	(0.16)
Delta Effect of -1 % Change in Rate of Discounting	0.17	0.18
Delta Effect of +1 % Change in Rate of Salary Increase	0.17	0.18
Delta Effect of -1 % Change in Rate of Salary Increase	(0.15)	(0.16)
Delta Effect of +1 % Change in Rate of Employee Turnover	0.01	0.01
Delta Effect of -1 % Change in Rate of Employee Turnover	(0.01)	(0.01)

Notes:

- i) The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.
- ii) General Descriptions of significant defined plans:

Gratuity Plan:

Gratuity is payable to all eligible employees of the Company on superannuation, death and permanent disablement, in terms of the provisions of the Payment of Gratuity Act 1972 or as per the Company's Scheme whichever is more beneficial.

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

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

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

- iv) **Characteristics of defined benefit plan**

The entity has a defined benefit gratuity plan in India (funded). The entity's defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund.

The fund is managed by a trust which is governed by the Board of Trustees. The Board of Trustees are responsible for the administration of the plan assets and for the definition of the investment strategy.

- v) **Risks associated with defined benefit plan**

Gratuity is a defined benefit plan and company is exposed to the following risks:

Interest Rate Risk: A fall in the discount rate which is linked to the government securities, rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

Reliance Home Finance Limited

Notes to the Financial Statement for the year ended March 31, 2023

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

Investment Risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to the market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of the Income Tax Rules, 1962, this generally reduces ALM risk.

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

Concentration Risk: Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

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

c) Other Employee Benefit

Phantom Stock Option

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

Other Employee Benefits – Phantom Stock

I. Details of Option granted, forfeited and exercised

	2022-23	2021-22
Outstanding as at Beginning of the year	36,400	58,920
Granted	Nil	Nil
Exercised	Nil	Nil
Lapsed/ Forfeited/ Surrendered	Nil	22,520
Outstanding as at end of the year	36,400	36,400
Exercisable as at end of the year	36,400	36,400

II. Terms and conditions of the Scheme

Date of grant

Details of vesting schedule and condition: Phantom stock granted under the scheme would vest within not less than 1 year and not more than 5 years from the last date of vesting of such Phantom stock option. Vesting of Phantom stock option would be subject to continued employment with the Company and the Phantom stock option would vest on passage of time.

Appreciation as per Phantom stock option: Excess of fair market of share on the date of exercise determined in terms of Phantom stock option scheme over the base price.

Exercise Period

In case of continuation of employment: Vested Phantom stock option can be exercised any time Upto 3 years from the date of last vesting of Phantom stock options and

In case of cessation of employment: Different periods depending on kind of cessation as per provision of the Phantom stock option scheme

Settlement of Phantom Stock Option: Within 90 days from the date of exercise by cash

III. Fair value of the Option granted was estimated on the date of grant based on the following assumptions

Discount rate – 6.96% per annum

Expected life – 4 years

IV. The Company's liability toward the Phantom stock option is accounted for on the basis of an independent actuarial valuation done at the year end. As per the valuation the liability for the year is ₹ Nil (Previous year Nil) which is debited to Statement of profit and loss account and the liability is shown in the Balance sheet under the head Other current liabilities and clubbed under Other payables.

Notes to the Financial Statement for the year ended March 31, 2023

46 Related party disclosures:

A. List of Related Parties and their relationship as on March 31, 2023

i) Major Investing Party

Reliance Capital Limited

ii) Subsidiaries of Major Investing Party

- 1 Reliance Capital Pension Fund Limited
- 2 Reliance General Insurance Company Limited
- 3 Reliance Nippon Life Insurance Company Limited
- 4 Reliance Health Insurance Limited
- 5 Reliance Commercial Finance Limited (Ceased w.e.f. October 14, 2022)
- 6 Reliance Securities Limited
- 7 Reliance Commodities Limited
- 8 Reliance Financial Limited
- 9 Reliance Wealth Management Limited
- 10 Reliance Money Solutions Private Limited
- 11 Reliance Money Precious Metals Private Limited
- 12 Reliance Exchangenext Limited
- 13 Reliance Corporate Advisory Services Limited
- 14 Gullfoss Enterprises Private Limited (Ceased w.e.f. October 14, 2022)
- 15 Reliance Underwater Systems Private Limited
- 16 Quant Capital Private Limited
- 17 Quant Broking Private Limited
- 18 Quant Securities Private Limited
- 19 Quant Investment Services Private Limited

iii) Post Employment Benefit Plan

Reliance Home Finance Employees Gratuity Trust

Reliance Home Finance Employees Superannuation Trust

iv) Key management personnel

Mr. Prashant Utreja	Chief Executive Officer (w.e.f. April 7, 2022)
Mr. Amit Kumar Jha	Chief Financial Officer (w.e.f. July 1, 2021)
Ms. Parul Jain	Company Secretary & Compliance Officer

v) Directors

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

Reliance Home Finance Limited

Notes to the Financial Statement for the year ended March 31, 2023

B. Details of related party transactions during the year ended March 31, 2023 and balances outstanding as at March 31, 2023

Details of related party transactions during the year

Particulars			(₹ in crore)
	Major Investing Party	Subsidiaries of Major Investing Party	Total
With Reliance Capital Limited			
1 Expenses			
a Management Fees	0.41	-	0.41
	(-)	(-)	-
b Reimbursement of Expenses	0.17	-	0.17
	(-)	(-)	-
c Professional Fees	0.09	-	0.09
	(-)	(-)	-
With Reliance Commercial Finance Limited			
1 Expenses			
a Other Reimbursements	-	-	-
	(-)	(1.31)	(1.31)
With Reliance General Insurance Company Limited			
1 Expenses			
a Insurance Premium	-	0.59	0.59
	(-)	(0.47)	(0.47)
With Reliance Nippon Life Insurance Company Limited			
1 Expenses			
a Term Insurance Premium	-	0.21	0.21
	(-)	(1.12)	(1.12)
b Gratuity Contribution	-	0.74	0.74
	(-)	(-)	(-)
With Reliance Securities Limited			
1 Expenses			
a Brokerage	-	-	-
	(-)	(3.10)	(3.10)
b Rent & Maintenance	-	0.03	0.03
	(-)	(0.25)	(0.25)

Details of related party transactions with KMP during the year

Key Managerial Personnel	2022-2023	2021-2022
Sitting Fees to Director's		
Ms. Chhaya Virani	0.11	0.09
Ms. Rashna Khan	0.11	0.09
Mr. Ashok Ramaswamy	0.08	0.08
Mr. Sushilkumar Agrawal	0.10	0.08
Mr. Sudeep Ghoshal	0.08	-
Mr. Ashish Turakhia	0.08	0.04
Mr. Sunil Wadikar (Ceased w.e.f. January 28, 2022)	-	0.13
Remuneration to KMP's		
Mr. Ravindra Sudhalkar (Ceased w.e.f. closure of business hours on March 31, 2022)	-	2.63
Mr. Vijesh B Thota (Ceased w.e.f. June 30, 2021)	-	0.15
Mr. Prashant Utreja	2.71	-
Mr. Amit Kumar Jha	0.90	0.36
Ms. Parul Jain	0.57	0.34

Notes to the Financial Statement for the year ended March 31, 2023

Balances outstanding as at March 31, 2023	(₹ in crore)		
Particulars	Major Investing Party	Subsidiaries of Major Investing Party	Total
With Reliance Capital Limited			
1 Equity Share Capital			
a) Issued during the year	-	-	-
b) Matured /Redeemed during the year	-	(-)	(-)
	(-)	(-)	(-)
c) Balance as at March 31, 2023	232.37	-	232.37
	(232.37)	(-)	(232.37)
2 Security premium received on issue of Equity Share			
a) Received during the year	-	-	-
b) Matured / Redeemed during the year	-	(-)	-
	(-)	(-)	(-)
c) Balance as at March 31, 2023	661.59	-	661.59
	(661.59)	(-)	(661.59)
3 Other Financial Liabilities			
Management Fees	6.00	-	6.00
	(6.00)	-	(6.00)
With Reliance General Insurance Company Limited			
Non Convertible Debentures –Secured			
Redeemed during the Year	-	-	-
	(-)	(-)	(-)
Balance as at March 31, 2023	-	-	-
	(-)	(65.00)	(65.00)
With Reliance Corporate Advisory Services Limited			
Non Convertible Debentures –Secured			
Issued during the Year	-	-	-
	(-)	(-)	(-)
Balance as at March 31, 2023	-	-	-
	(-)	(81.55)	(81.55)
With Reliance Financial Limited			
Non Convertible Debentures –Secured			
Issued During the Year	-	-	-
	(-)	(-)	(-)
Redeemed During the Year	-	-	-
	(-)	(-)	(-)
Balance as at March 31, 2023	-	-	-
	(-)	(1.25)	(1.25)

Key Managerial Personnel

Mr. Sudeep Ghoshal (Non-Executive Director), Sitting Fees of ₹ 40,000 for 2022-23 was paid during 2023-24.

Notes :

- Figures in bracket indicate previous year figures
- The current year and previous year figures are excluding GST/service tax
- Expenses incurred towards public utilities services such as telephone and electricity charges and any provisional expenses have not been considered for related party transaction.
- Amount of ₹ 0.00 denotes less than ₹ 50,000/-
- The above disclosed transactions entered during the period of existence of related party relationship. The balances and transactions are not disclosed before existence of related party relationship and after cessation of related party relationship.

Reliance Home Finance Limited

Notes to the Financial Statement for the year ended March 31, 2023

47 Disclosure as per Annexure IV of Reserve Bank of India's Notification no RBI/2020-21/73 DOR.FIN.HFC. CC.No.120/O3.10.136/2020-21 dated February 17, 2021 on Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, Updated as on December 27, 2022

1 Summary of Significant Accounting Policies

The summary of Significant Accounting Policies is disclosed in Note No.1 to the Financial Statements.

2 Capital

Ratio	As at March 31, 2023	As at March 31, 2022
(i) Capital to risk-weighted assets ratio (CRAR) %	(3992.56)%	(309.63)%
(ii) CRAR – Tier I Capital (%)	(3992.56)%	(309.63)%
(iii) CRAR – Tier II Capital (%)	-	-
(iv) Amount of subordinated debt considered as Tier II capital*	55.00	561.71
(V) Amount raised by issue of perpetual debt instruments	-	-

Notes:

- I. Unsecured Non Convertible Debentures Subordinate Tier II series of ₹ 55 Crore.
- II. Tier II Capital has been excluded in the computation of Total Capital as Tier II Capital should not be greater than 50% of Tier I Capital as per regulatory norms which in the case of the Company is negative (₹ 73.83 Crore).

III. Detailed Breakup of Tier II Capital is as below:

	(₹ in crore)
Preference shares (other than those compulsorily convertible into equity)	31.04
General provisions and loss reserves	-
Subordinated debt	55.00
Total Tier II Capital	86.04

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

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	103.94	103.94
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	40.00	40.00
Total	143.94	143.94
Addition / Appropriation / Withdrawal during the year		
Add :		
a) Amount transferred u/s 29C of the NHB Act, 1987	-	-
b) Amount of Special Reserve u/s 36(1)(viii) of the Income Tax Act, 1961 taken into account for the purpose of Statutory Reserve u/s. 29C of the NHB Act, 1987	-	-
Less :		
a) Amount appropriated from Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
b) Amount withdrawn from Special Reserve u/s 36(1)(viii) of the Income Tax Act, 1961 which has been taken into account for the purpose of provision u/s 29C of the NHB Act, 1987	-	-
Balance at the end of the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	103.94	103.94
b) Amount of special reserve u/s 36(1)(viii)of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	40.00	40.00
Total	143.94	143.94

Notes to the Financial Statement for the year ended March 31, 2023

4 Investments

Particulars	(₹ in crore)	
	As at March 31, 2023	As at March 31, 2022
1) Value of Investments		
i) Gross value of investments		
a) In India	-	160.78
b) Outside India	-	-
ii) Provisions for depreciation		
a) In India	-	-
b) Outside India	-	-
iii) Net value of investments		
a) In India	-	160.78
b) Outside India	-	-
2) Movement of provisions held towards depreciation of investments		
i) Opening balance	-	-
ii) Add: Provisions made during the year/ Transfer pursuant to Scheme of Arrangement	-	-
iii) Less: Write-off / write-back of excess provisions during the year	-	-
iv) Closing balance	-	-

5 Derivatives

i) Forward Rate Agreement (FRA) / Interest Rate Swap (IRS)

The Company has not entered into any Forward Rate Agreement/Interest Rate Swap transactions during the current financial year and in the previous financial year. Hence disclosures relating to Forward Rate Agreement/Interest Rate Swap are not applicable.

ii) Exchange Traded Interest Rate (IR) Derivative

The Company has not entered into any Exchange Traded Interest Rate (IR) Derivatives transactions during the current financial year and in the previous financial year. Hence disclosures relating to Exchange Traded Interest Rate (IR) Derivatives are not applicable.

iii) Disclosures on Risk Exposure in Derivatives

A. Qualitative Disclosure

The Company had Board approved risk management policy for capital market exposure including derivatives contract trading. Trading in derivatives were primarily for the Market Linked Debentures (MLD) portfolio. Risk Management Team independently calculate sensitivities and revalues portfolio on daily basis and ensures that risk limits are adhered on daily basis. Market risk limits have been established at portfolio level.

The Company has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law/ accounting standards there are no foreseeable losses on such long term contracts (including derivative contracts) has been made in the books of accounts (Refer "Significant Accounting Policy" point 1). Post successful implementation of Debt resolution plan, the Company is left with no Debts on account of MLD's & hence capital market exposure won't be applicable.

Reliance Home Finance Limited

Notes to the Financial Statement for the year ended March 31, 2023

B. Quantitative Disclosure

Particulars	(₹ in crore)	
	Currency Derivatives	Interest Rate Derivatives
(i) Derivatives (Notional Principal Amount)		
(a) Traded during the year	-	-
(b) Outstanding as on March 31, 2023	-	-
(ii) Marked to Market Positions		
(a) Assets (+)	-	-
(b) Liability (-)	-	-
(iii) Credit Exposure	-	-
(iv) Unhedged Exposures	-	-

6 Maturity pattern of certain items of Assets and Liabilities

- For 2022-23

(₹ in crore)

Particulars	Assets			Liabilities		
	Advances/Loans	Investments	Foreign Currency assets	Market borrowings	Borrowing from Bank	Foreign Currency Liabilities
1 to 7 days	-	-	-	86.99	-	-
8 to 14 days	-	-	-	-	-	-
15 to 30/31 days	-	-	-	-	-	-
Over 1 month upto 2 months	-	-	-	-	-	-
Over 2 months upto 3 months	-	-	-	-	-	-
Over 3 months upto 6 months	-	-	-	-	-	-
Over 6 months upto 1 year	-	-	-	-	-	-
Over 1 year upto 3 years	-	-	-	-	-	-
Over 3 years upto 5 years	-	-	-	-	-	-
Over 5 years	-	-	-	-	-	-
Total	-	-	-	86.99	-	-

- For 2021-22

(₹ in crore)

Particulars	Assets			Liabilities		
	Advances/Loans	Investments	Foreign Currency assets	Market borrowings	Borrowing from Bank	Foreign Currency Liabilities
1 to 7 days	8.11	-	-	4,136.96	3,231.96	-
8 to 14 days	19.17	-	-	-	-	-
15 to 30/31 days	11.29	0.04	-	-	-	-
Over 1 month upto 2 months	38.34	0.03	-	-	50.00	-
Over 2 months upto 3 months	38.25	153.95	-	-	210.15	-
Over 3 months upto 6 months	111.21	0.10	-	96.55	156.82	-
Over 6 months upto 1 year	204.78	0.22	-	139.50	141.74	-
Over 1 year upto 3 years	173.80	-	-	775.00	16.66	-
Over 3 years upto 5 years	8,223.93	-	-	473.12	-	-
Over 5 years	676.25	6.45	-	1,798.26	-	-
Total	9,505.13	160.78	-	7,419.39	3,807.33	-

Notes to the Financial Statement for the year ended March 31, 2023

7 Exposure to Real Estate Sector

(a) Exposure to Real Estate

Category	(₹ in crore)	
	As at March 31, 2023	As at March 31, 2022
a) Direct Exposure		
i) Residential Mortgage	-	765.54
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented (Out of above, Individual Housing loans upto ₹ 15 lakhs - Current year - Nil (Previous year - ₹ 265.45 crore)		
ii) Commercial Real Estate	-	772.00
Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure shall also include non-fund based limits		
iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
a) Residential	-	-
b) Commercial Real Estate	-	6.87
b) Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)		
Total Exposure to Real Estate Sector	-	1,544.41

Notes :

- i) For the exposure to real estate only loans secured by way of mortgage/hypothecation of housing properties, commercial properties and land are considered.
- ii) In computing the above information, certain estimates, assumptions and adjustments have been made by the Management which have been relied upon by the auditors.

(b) Exposure to Capital Market

Category	(₹ in crore)	
	As at March 31, 2023	As at March 31, 2022
i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	-	-
ii) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds;	-	-
iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	-	-
v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
vi) Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
vii) Bridge loans to companies against expected equity flows / issues;	-	-
viii) Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds;	-	-
ix) Financing to stockbrokers for margin trading	-	-
x) All exposures to Alternative Investment Funds:		
(i) Category I	-	-
(ii) Category II	-	-
(iii) Category III	-	-
Total Exposure to Capital Market	-	-

Reliance Home Finance Limited

Notes to the Financial Statement for the year ended March 31, 2023

8 Details of Financing of the Parent Company Product

There is no financing of parent company products.

9 Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the Company

The Company does not have any exposure to group companies and others & therefore single borrower Limit / Group borrower limit is not applicable.

Refer note no. 58 relating to Implementation of Resolution Plan and Business Transfer Agreement.

10 Unsecured Advances

The Company has unsecured advances of ₹ Nil. (Previous Year ₹ 20.32 crore). The Company has not financed any unsecured advances against intangible securities such as rights, licenses, authority, etc. as collateral security.

11 Exposure to group companies engaged in real estate business

The Company has no exposure to group companies engaged in real estate business in current and previous year.

12 Miscellaneous

a. Registration obtained from other financial sector regulators

Particulars	Registration Number
National Housing Bank	07.0101.12

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

During the year no penalty has been imposed on the Company by any Regulators.

c. Related Party Transactions

Details of all transactions with related parties: Refer note no. 46

d. Group Structure

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

e. Ratings assigned by credit rating agencies and migration of ratings during the year

Rating Agency - CARE Ratings Limited

Type of Instrument	Rating as on March 31, 2023
Long Term Debt Programme	CARE D; Issuer not cooperating (Single D; Issuer not cooperating)
Principal Protected Market Linked Debentures	CARE PP-MLD D; Issuer not cooperating (Principal Protected-Market Linked Debentures Single D; Issuer not cooperating)
Subordinated Debt	CARE D; Issuer not cooperating (Single D; Issuer not cooperating)
Upper Tier-II NCDs	CARE D; Issuer not cooperating (Single D; Issuer not cooperating)
Non-Convertible Debentures – Public Issue	CARE D; Issuer not cooperating (Single D; Issuer not cooperating)
Upper Tier II Bonds – Public Issue	CARE D; Issuer not cooperating (Single D; Issuer not cooperating)

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

f. Remuneration of Directors

The Company has not paid any remuneration to any director of the Company except sitting fees of ₹ 0.56 crore (previous year ₹ 0.51 crore) paid to the directors.

Notes to the Financial Statement for the year ended March 31, 2023

g. Management

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

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

During the year there are no changes in the Accounting policies and no prior period items. Accordingly there is no impact on profit / loss of the Company.

i. Revenue Recognition

The Company has not postponed recognition of revenue on account of any pending resolution of significant uncertainties.

j. Indian Accounting Standard 110 –Consolidated Financial Statements (CFS)

The Company does not have any subsidiary and/or any associate & therefore Ind As, 110 is not applicable.

13 Additional Disclosures

a. Provisions and Contingencies

	(₹ in crore)	
Break up of "Provisions and Contingencies" shown under the head Expenditure in Profit and Loss Account	As at March 31, 2023	As at March 31, 2022
1. Provisions for depreciation on investments	-	-
2. Provision made towards Income tax	-	-
3. Provision towards NPA	(9,218.53)	9,186.28
4. Provision for Standard Assets		
- Teaser Loan	-	-
- Commercial Real Estate	-	0.86
- Commercial Real Estate –Residential Housing	(3.86)	5.75
- Other Standard Assets	(14.33)	8.99
5. Other Provisions and Contingencies (with details)		
- Provision for Repossessed assets	185.19	93.93
- Others Provision	-	-

	(₹ in crore)			
Break up of Loans & Advances & Provisions thereon	Housing		Non-Housing	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Standard Assets				
a) Total Outstanding Amount	-	686.59	-	271.11
b) Provisions made	-	10.81	-	4.80
Sub-Standard Assets				
a) Total Outstanding Amount	-	119.16	-	57.80
b) Provisions made	-	13.87	-	5.45
Doubtful Assets – Category-I				
a) Total Outstanding Amount	-	115.89	-	3,232.00
b) Provisions made	-	13.39	-	3,961.56
Doubtful Assets – Category-II				
a) Total Outstanding Amount	-	168.85	-	4,545.57
b) Provisions made	-	23.59	-	5,069.62
Doubtful Assets – Category-III				
a) Total Outstanding Amount	-	13.43	-	294.23
b) Provisions made	-	1.65	-	97.09
Loss Assets				
a) Total Outstanding Amount	-	0.02	-	0.48
b) Provisions made	-	0.00	-	0.06
Total				
a) Total Outstanding Amount	-	1,103.93	-	8,401.19
b) Provisions made	-	63.30	-	9,138.59

Reliance Home Finance Limited

Notes to the Financial Statement for the year ended March 31, 2023

b. Draw Down from Reserves

There has been no draw down from reserves during the year ended March 31, 2023 (Previous Year ₹ Nil)

c. Concentration of Public Deposits, Advances, Exposures and NPAs

Particulars	(₹ in crore)	
	As at March 31, 2023	As at March 31, 2022
1. Concentration of Public Deposits		
Total Deposits of twenty largest depositors	NA	NA
(%) of Deposits of twenty largest depositors to Total Deposits of the Company	NA	NA
2. Concentration of Advances		
Total Loans & Advances to twenty largest borrowers	-	4166.50
(%) of Loans & Advances to twenty largest borrowers to Total Advances of the Company	-	43.83%
3. Concentration of all Exposures (including off-balance sheet exposure)		
Total Exposures to twenty largest borrowers/Customers	-	4,902.55
(%) of Exposures to twenty largest borrowers/Customers to Total Exposures of the Company on borrowers/customers	-	44.22%
4. Concentration of NPAs		
Total Exposures to top ten NPA accounts	-	2,538.63

Sector-Wise NPAs

Sector	(₹ in crore)	
	% of NPAs to total Advances in that sector	
	As at March 31, 2023	As at March 31, 2022
A. Housing Loans:		
1 Individuals	-	25.73%
2 Builders/Project Loans	-	65.87%
3 Corporates	-	-
4 Others	-	-
B. Non Housing Loans:		
1 For mortgage / property / home equity loan	-	37.72%
2 Corporates - Non- residential project	-	37.81%
3 Corporates - other	-	99.99%

d) Movement of NPAs

Particulars	(₹ in crore)	
	As at March 31, 2023	As at March 31, 2022
Net NPAs to Net Advances (%)	-	41.03%
Movement of NPAs (Gross)		
(a) Opening Balance	10,493.97	8,535.44
(b) Additions during the year/ Pursuant to Scheme of Arrangement	-	2,002.38
(c) Reductions during the year	(103.82)	(43.85)
(d) *Reversal on account of Business transfer Agreement	(10,390.15)	-
(e) Closing balance	-	10,493.97
Movement of Net NPAs		
(a) Opening Balance	1,275.44	6,770.29
(b) Additions during the year/ Pursuant to Scheme of Arrangement	-	(5,452.12)
(c) Reductions during the year	(1,155.62)	(42.73)
(d) *Reversal on account of Business transfer Agreement	(119.83)	-
(e) Closing balance	-	1,275.44

Notes to the Financial Statement for the year ended March 31, 2023

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Movement of provisions for NPAs		
(a) Opening Balance	9,218.53	1,765.15
(b) Additions during the year/ Pursuant to Scheme of Arrangement	-	7,454.50
(c) Write-off/write-back of excess provisions	-	(1.12)
(d) *Reversal on account of Business transfer Agreement	(9,218.53)	-
(e) Closing balance	-	9,218.53

*Refer note No. -58

e) Overseas Assets

The Company does not have any overseas assets.

f) Off-Balance Sheet SPVs sponsored (which are required to be consolidated as per accounting Norms)

The Company does not have any off balance sheet Special Purpose Vehicle (SPV) which are required to be consolidated as per accounting norms.

14 Disclosure of Complaints

Customer Complaints

Particulars	As at March 31, 2023	As at March 31, 2022
No. of complaints pending at the beginning of the year	2	21
No. of complaints received during the year	132	134
No. of complaints redressed during the year	134	153
No. of complaints pending at the end of the year	-	2

Note : The above data is certified by Management.

48 Disclosure as per the notification no. RBI/2022-23/26DOR.ACC.REC.No.20/21.04.018/2022-23 on requirements under Scale Based Regulation for NBFCs dated April 19, 2022

A Section I

1 Exposure

a. Exposure to real estate sector - Refer note no. 47 (7)

b. Exposure to capital market - Refer note no. 47 (7)

c. Sectoral exposure

(₹ in crore)

Sectors	As at March 31, 2023			As at March 31, 2022		
	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that Sector	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that Sector
1. Agriculture and Allied Activities	-	-	-	-	-	-
2. Industry	-	-	-	-	-	-
3. Services						
(i) Commercial real estat	-	-	-	370.55	263.60	71.14%
4. Personal Loan						
(i) Housing	-	-	-	1,558.52	371.16	23.81%
(ii) Non Housing	-	-	-	265.82	68.56	25.79%
(iii) Loan against property	-	-	-	700.93	334.47	47.72%
5. Other						
(i) Corporate	-	-	-	9,456.19	9,456.19	100.00%

Reliance Home Finance Limited

Notes to the Financial Statement for the year ended March 31, 2023

d. Intra-group exposures

The Company does not have any intra-group exposure for current year as well as previous year.

e. Unhedged foreign currency exposure

The Company's exposure of unhedged foreign currency risk at the end of the reporting period is ₹ Nil (Previous year ₹ Nil)

2 Related Party Disclosure

(₹ in crore)

Particulars	Key Management Personnel		Relatives of Key Management Personnel	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Maximum outstanding during the year				
Borrowings	-	-	-	-
Deposits	-	-	-	-
Placement of deposits	-	-	-	-
Advances	-	-	-	-
Investments	-	-	-	-
Balance outstanding at the year end				
Others				
Director Sitting fees	0.00	-	-	-
Transaction during the year				
Director Sitting fees	0.56	0.51	-	-
Employee benefit expenses	4.18	3.48	-	-
Gratuity contribution	0.74	0.74	-	-
Insurance premium	0.21	0.21	-	-

Note:

- Details of all material transactions with related parties are disclosed in Note no. 46
- Amount of ₹ 0.00 denotes less than ₹ 50,000/-

3 Disclosure of complaints

1. Summary information on complaints received by the Company from customers and from the Offices of Ombudsman:

Particulars	As at March 31, 2023	As at March 31, 2022
Complaints received by the Company from its customers		
1. Number of complaints pending at beginning of the year	2	21
2. Number of complaints received during the year	132	134
3. Number of complaints disposed during the year	134	153
3.1 Of which, number of complaints rejected by the Company	-	-
4. Number of complaints pending at the end of the year	-	2
Maintainable complaints received by the Company from Office of Ombudsman		
5. Number of maintainable complaints received by the Company from Office of Ombudsman	Nil	Nil
5.1 Of 5, number of complaints resolved in favour of the Company by Office of Ombudsman	NA	NA
5.2 Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the Company	NA	NA
6. Number of Awards unimplemented within the stipulated time (other than those appealed)	NA	NA

Notes to the Financial Statement for the year ended March 31, 2023

2. Top five grounds of complaints received by the NBFCs from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
As at March 31, 2023					
Collection Related	1	37	23.33%	-	-
PMAY Subsidy Related	-	10	(54.55%)	-	-
Rate of Interest Related	1	15	36.36%	-	-
Service Related	-	15	(25.00%)	-	-
Disbursement Related	-	35	-	-	-
As at March 31, 2022					
Collection Related	-	30	(38.78%)	1	-
PMAY Subsidy Related	-	22	(24.14%)	-	-
Rate of Interest Related	1	11	(86.08%)	1	-
RBI Restructuring Related	4	-	(100.00%)	-	-
Service Related	3	20	(71.43%)	-	-
Charges Related	10	18	(68.42%)	-	-
CIBIL Related	1	-	(100.00%)	-	-

Section II

1 Breach of covenant

Refer note no. 58 relating to Implementation of Resolution Plan and Business Transfer Agreement.

2 Divergence in Asset Classification and Provisioning

The RBI/NHB has neither assessed any additional provisioning requirements in excess of 5 percent of the reported profits before tax and impairment loss on financial instruments for the financial year ended March 31, 2023, nor identified any additional Gross NPAs in excess of 5% of the reported Gross NPAs for the said period.

49 During the year, the Company has not reclassified / restructured any loan given to parties. Therefore, the disclosures in relation to restructure of loan required as per circulars issued by Reserve Bank of India (RBI) are not required.

50 Disclosure pursuant to RBI Notification-RBI/DOR/2021-22/86/DOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021 'Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021

A. Details of stressed loans (NPA) transferred during the year ended March 31,2023

Particulars	(₹ in crore)	
		Other parties
No. of Accounts		3,716.00
Aggregate principal outstanding of loans transferred		8,704.76
Weighted average residual tenor of the loans transferred		152
Net book value of loans transferred (at the time of transfer)		119.83
Aggregate consideration		(Refer Note No. 1)
Additional consideration realized in respect of accounts transferred in earlier years		-

Reliance Home Finance Limited

Notes to the Financial Statement for the year ended March 31, 2023

B. Details of stressed loans (SMA) transferred during the year ended March 31, 2023

Particulars	(₹ in crore)
	Other parties
No. of Accounts	1,732.00
Aggregate principal outstanding of loans transferred	221.15
Weighted average residual tenor of the loans transferred	146.00
Net book value of loans transferred (at the time of transfer)	213.55
Aggregate consideration	(Refer Note 1)
Additional consideration realized in respect of accounts transferred in earlier years	-

C. Details of transfer of loan which are not in default transferred during the year ended March 31, 2023

Particulars	(₹ in crore)
	Other parties
Entity	NBFC
No. of Accounts	12,227.00
Aggregate principal outstanding of loans transferred	1,114.94
Weighted average residual tenor of the loans transferred	151.00
Net book value of loans transferred (at the time of transfer)	1,120.13
Aggregate consideration	(Refer Note 1)
Additional consideration realized in respect of accounts transferred in earlier years	-

Note 1:

All identified assets & liabilities have been transferred from Reliance Home Finance Limited to Reliance Commercial Finance Limited, 100% subsidiary of Authum Investment and infrastructure Limited, as part of Business Transfer Agreement, for total consideration of ₹ 180 crore.

51 The following disclosure is required pursuant to RBI circular dated March 13, 2020 - Circular No. RBI/2019-20/170 DOR (NBFC).CC.PD. No.109/22.10.106/2019-20

- For March 2023							(₹ in crore)
Asset classification as per RBI Norms	Asset Classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provision required as per IRACP Norms	Difference Between Ind AS 109 provisions and IRACP norms	
1	2	3	4	5 = 3 - 4	6	7 = 4 - 6	
Performing Assets							
Standard	Stage 1	-	-	-	-	-	
	Stage 2	-	-	-	-	-	
Subtotal		-	-	-	-	-	
Non-Performing Assets (NPA)							
Substandard	Stage 3	-	-	-	-	-	
Doubtful - up to 1 year	Stage 3	-	-	-	-	-	
1 to 3 years	Stage 3	-	-	-	-	-	
More than 3 years	Stage 3	-	-	-	-	-	
Subtotal for doubtful		-	-	-	-	-	
Loss	Stage 3	-	-	-	-	-	
Subtotal for NPA		-	-	-	-	-	
Other items such as loan commitments, EIS etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-	
	Stage 2	-	-	-	-	-	
	Stage 3	-	-	-	-	-	
Subtotal		-	-	-	-	-	
Total	Stage 1	-	-	-	-	-	
	Stage 2	-	-	-	-	-	
	Stage 3	-	-	-	-	-	
	Total	-	-	-	-	-	

Notes to the Financial Statement for the year ended March 31, 2023

- For March 2022						(₹ in crore)
Asset classification as per RBI Norms	Asset Classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provision required as per IRACP Norms	Difference Between Ind AS 109 provisions and IRACP norms
1	2	3	4	5 = 3 - 4	6	7 = 4 - 6
Performing Assets						
Standard	Stage 1	1,675.03	8.41	1,666.62	8.41	-
	Stage 2	235.92	20.76	215.16	20.76	-
Subtotal		1,910.95	29.17	1,881.78	29.17	-
Non-Performing Assets (NPA)						
Substandard	Stage 3	323.00	32.36	290.64	32.36	-
Doubtful - up to 1 year	Stage 3	4,268.19	3,986.81	281.39	3,986.81	-
1 to 3 years	Stage 3	5,434.57	5,096.44	338.14	5,096.44	-
More than 3 years	Stage 3	414.61	98.87	315.74	98.87	-
Subtotal for doubtful						
Loss	Stage 3	0.69	0.07	0.62	0.07	-
Subtotal for NPA		10,441.06	9,214.53	1,226.53	9,214.53	-
Other items such as loan commitments, EIS etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	Stage 1	1,675.03	8.41	1,666.62	8.41	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
	Total	1,675.03	8.41	1,666.62	8.41	-

52 Principal Business Criteria for HFCs

"Housing finance Company" shall mean a Company incorporated under the Companies Act, 2013 that fulfils the following conditions:

- It is an NBFC whose financial assets, in the business of providing finance for housing, constitute at least 60% of its total assets (netted off by intangible assets).
- Out of the total assets (netted off by intangible assets), not less than 50% should be by way of housing financing for individuals.

RBI vide its circular number RBI/2020-21/60/DOR.NBFC (HFC) CC.NO 118/03.10.136/2020-21 dated October 22,2020 defined the principal business criteria for HFCs. The Company meets the aforesaid principal business criteria for HFCs.

Particulars	(₹ in crore)	
	As at March 31, 2023	As at March 31, 2022
Total Assets	34.85	101.44
Less: Intangible assets	-	-
Net total Assets	34.85	101.44
Housing Finance	-	1929.08
Individual Housing Finance	-	1558.52
Percentage of housing finance to total assets (netted off intangible assets)	0.00%	29.41%
Percentage of individual housing finance to total assets (netted off intangible assets)	0.00%	23.76%
Percentage of individual housing finance to housing finance	0.00%	80.79%

Reliance Home Finance Limited

Notes to the Financial Statement for the year ended March 31, 2023

53 Loans to Directors, Senior Officers and relatives of Directors

Disclosure pursuant to RBI notification RBI/2022-23/29 DOR.CRE.REC.No.25/03.10.001/2022-23 dated April 19, 2022.

Particulars	(₹ in crore)	
	Aggregate amount of such sanctioned loans and advances	
	As at March 31, 2023	As at March 31, 2022
1. Directors and their relatives	-	-
2. Entities associated with directors and their relatives	-	-
3. Senior Officers and their relatives	-	-

54 Disclosure as per RBI Master Direction – Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021 dated September 24, 2021

The information on securitisation of the Company as an originator is given below:

1. Securitisation

Particulars	(₹ in crore)	
	As at March 31, 2023	As at March 31, 2022
	1. No. of SPVs sponsored by the Company for Securitisation Transactions (Nos.)	-
2. Total amount of securitised assets as per books of the SPVs sponsored by the Company	-	1301.21
3. Total amount of exposures retained by the Company to comply with Minimum Retention Requirement (MRR) as on the date of balance sheet		
a) Off-balance sheet exposures towards Credit Enhancements		
● First loss	-	-
● Others	-	-
b) On-balance sheet exposures towards Credit Enhancements		
● First loss	-	332.59
● Others	-	109.66
4. Amount of exposures to securitisation transactions other than Minimum Retention Requirement (MRR)		
a) Off-balance sheet exposures towards Credit Enhancements		
i) Exposure to own securitizations		
● First loss	-	-
● Others	-	-
ii) Exposure to third party securitizations		
● First loss	-	-
● Others	-	-
b) On-balance sheet exposures towards Credit Enhancements		
i) Exposure to own securitizations		
● First loss	-	-
● Others	-	-
ii) Exposure to third party securitizations		
● First loss	-	-
● Others	-	-
5. Sale consideration received for the securitised assets and gain/loss on sale on account of securitisation	-	-
6. Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.	-	-
7. Performance of facility provided		
Credit enhancement		
a) Amount paid	-	-
b) Repayment received	-	-
c) Outstanding amount	-	-
8. Average default rate of portfolios observed in the past		
a) Vehicle loans	-	-
b) Two wheeler loans	-	-
c) Trade finance	-	-
9. Amount and number of additional/top up loan given on same underlying asset	-	-
10. Investor complaints		
a) Directly/Indirectly received	-	-
b) Complaints outstanding	-	-

Notes to the Financial Statement for the year ended March 31, 2023

2. Assignment

Particulars	(₹ in crore)	
	As at March 31, 2023	As at March 31, 2022
1. No. of Direct Assignment (Nos.)	-	42
2. Total amount of assigned assets as per books of Assignor	-	1209.04
3. Total amount of exposures retained by the Company to comply with Minimum Retention Requirement (MRR) as on the date of balance sheet		
a) Off-balance sheet exposures towards Credit Enhancements		
● First loss	-	-
● Others	-	-
b) On-balance sheet exposures towards Credit Enhancements		
● First loss	-	-
● Others	-	202.35
4. Amount of exposures to securitisation transactions other than Minimum Retention Requirement (MRR)		
a) Off-balance sheet exposures towards Credit Enhancements		
i) Exposure to own securitizations		
● First loss	-	-
● Others	-	-
ii) Exposure to third party securitizations		
● First loss	-	-
● Others	-	-
b) On-balance sheet exposures towards Credit Enhancements		
i) Exposure to own securitizations		
● First loss	-	-
● Others	-	3.93
ii) Exposure to third party securitizations		
● First loss	-	-
● Others	-	-
5. Sale consideration received for the securitised assets and gain/loss on sale on account of securitisation	-	-
6. Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.	-	-
7. Performance of facility provided		
Credit enhancement		
a) Amount paid	-	-
b) Repayment received	-	-
c) Outstanding amount	-	-
8. Average default rate of portfolios observed in the past		
a) Vehicle loans	-	-
b) Two wheeler loans	-	-
c) Trade finance	-	-
9. Amount and number of additional/top up loan given on same underlying asset	-	-
10. Investor complaints		
a) Directly/Indirectly received	-	-
b) Complaints outstanding	-	-

Note

Minimum Retention Requirement (MRR) exposure includes pass through certificate exposure of ₹ Nil for March 31, 2023 (Previous year ₹ 22.85 crore) and Direct Assignment Exposure of ₹ Nil for March 31, 2023 (Previous year ₹ 250.93 crore)

Reliance Home Finance Limited

Notes to the Financial Statement for the year ended March 31, 2023

3. Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction

Particulars	(₹ in crore)	
	As at March 31, 2023	As at March 31, 2022
1. Number of accounts	-	-
2. Aggregate value (net of provisions) of accounts sold to SC / RC	-	-
3. Aggregate consideration	-	-
4. Additional consideration realized in respect of accounts transferred in earlier years	-	-
5. Aggregate gain/loss over net book value	-	-

4. Details of Assignment transactions undertaken by Company

Particulars	(₹ in crore)	
	As at March 31, 2023	As at March 31, 2022
1. Number of accounts	-	-
2. Aggregate value (net of provisions) of accounts assigned	-	-
3. Aggregate consideration	-	-
4. Additional consideration realized in respect of accounts transferred in earlier years	-	-
5. Aggregate gain/loss over net book value	-	-

5. Details of non-performing financial assets purchased/sold

i. Details of non-performing financial assets purchased:

The Company has not purchased non-performing financial assets in the current and previous year.

ii. Details of non-performing financial assets sold:

The Company has not sold non-performing financial assets in the current and previous year.

55 Disclosure pursuant to Schedule V of Clause A.2 of Regulation 34 (3) and Regulation 53(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company does not have any subsidiary or associate company.

56 Additional Regulatory Information As Per Division iii Schedule iii Of Companies Act, 2013

1 Title deeds of Immovable Properties

The Company does not have any Immovable properties as at March 31, 2023.

2 Valuation of property, plant and equipment

The Company does not have any property, plant and equipment as at March 31, 2023.

3 Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties

The Company has not granted any loans to promoters, directors, KMP & other related parties during year.

4 Details of Benami Property held

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

5 Borrowings from banks or financial institutions on the basis of security of current asset

During the year, the Company has not borrowed any funds from banks or financial institutions.

6 Willful Defaulter

The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

Notes to the Financial Statement for the year ended March 31, 2023

7 Relationship with Struck off Companies

The Company does not have any transactions with the companies struck off under Section 248 of Companies Act, 2013 during the year ended March 31, 2023 and March 31, 2022. Such disclosure has been given on the basis of relevant information compiled by the Company on best effort basis.

8 Registration of charges or satisfaction with Registrar of Companies (ROC)

The Company is yet to file the forms relating to the satisfaction of charges with the Ministry of Corporate Affairs for the charges created in favour of ICA lenders and Debenture Trustees for debenture holders who have been repaid in terms of Resolution Plan.

9 Compliance with number of layers of companies

The Company does not have any subsidiary.

10 Ratios

Ratio	Numerator	Denominator	Current Period (₹ In crore)	Previous Period (₹ In crore)	% Variance
Capital to risk-weighted assets ratio (CRAR)	Adjusted Capital	Risk-weighted assets	(73.83)	(9,293.80)	99.21%
Tier I CRAR	Net owned fund	Risk-weighted assets	(73.83)	(9,293.80)	99.21%
Tier II CRAR	Adjusted Net owned fund	Risk-weighted assets	86.04	617.92	86.08%

11 Compliance with approved Scheme(s) of Arrangements

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

12 Utilisation of Borrowed funds and share premium

- A. During the year, the Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:
- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries); or
 - (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- B. During the year, the Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries); or
 - (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

13 Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of accounts

14 Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

57 Events after reporting date

There have been no events after the reporting date.

Reliance Home Finance Limited

Notes to the Financial Statement for the year ended March 31, 2023

58 Implementation of Resolution Plan & Business Transfer Agreement

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

Certain lenders of the Company (Banks and other Financial Institutions) had entered into an Inter-Creditor Agreement (ICA) on July 6, 2019 with Bank of Baroda acting as the Lead Lender for arriving at the debt resolution plan in accordance with the circular dated June 7, 2019 issued by the Reserve Bank of India (RBI) on Prudential Framework for Resolution of Stressed Assets (RBI Circular), by way of Change in Management. The Lead Bank and the lenders forming part of ICA had appointed resolution advisors, cashflow monitoring agency, valuers and legal counsel. Bank of Baroda as the Lead Lender and on behalf of the ICA lenders had as part of the debt resolution process invited the Expression of Interest (EoI) and bids from interested bidders vide newspaper advertisement dated July 29, 2020 and through the Lead Bank's website. Initially nineteen investors had expressed interest through submission of EOI's. The ICA lenders after completing the transparent process of inviting bids from eligible bidders and evaluation, voted upon and selected with overwhelming majority Authum Investment & Infrastructure Limited (Authum) as the final bidder on June 19, 2021. The said Resolution Plan of Authum along with the Distribution Mechanism was presented to the Company by the Lead Banker, asking the Company to seek approval of the Debenture holders. The Company had duly made requisite disclosure to the stock exchanges in this regard.

The Company shared the said Resolution Plan along with the Distribution Mechanism with the Debenture Trustees. A meeting of the Debenture Holders of Reliance Home Finance Limited was called by IDBI Trusteeship Services Ltd. (Debenture Trustee) and was held on May 13, 2022, for consideration and approval of the Resolution Plan along with the Distribution Mechanism approved by ICA Lenders on June 19, 2021. Further, pursuant to the Order dated May 10, 2022 passed by the Hon'ble High Court of Judicature at Bombay, the results of the voting of the Meeting was submitted before the Hon'ble High Court in a sealed envelope.

The Company had approached the Hon'ble High Court of Judicature at Bombay praying that the Hon'ble High Court exercise powers under Section 151 of the Civil Procedure Code, 1908, to approve the resolution plan of RHFL as was done by the Supreme Court in exercise of Article 142 of the Constitution of India in case of Reliance Commercial Finance Limited in Rajkumar Nagpal (supra). However, the said application was not allowed and disposed off on December 16, 2022 by the Hon'ble High Court stating that "The moulding of relief can only be done by the Supreme Court under Article 142 of the Constitution of India. This Court under Section 151 of the CPC does not have the powers akin to Article 142 of the Constitution of India".

On an appeal preferred by the Company and others, the Hon'ble Supreme Court of India vide its Order dated March 3, 2023, in exercise of its powers under Article 142 of the Constitution of India, allowed the Resolution Plan of Authum qua the debenture holders, except the dissenting debenture holders.

Further, the Shareholders of the Company at extraordinary general meeting held on March 25, 2023 by passing a special resolution approved sale / disposal of asset(s) / undertaking(s) of the Company for the purposes of implementation of the said Resolution Plan and authorised the Board for the said purpose.

The Resolution Applicant vide its e-mail dated March 8, 2023 had informed that in terms of the Hon'ble Supreme Court of India Order dated March 3, 2023, the Resolution Plan was to be implemented by March 31, 2023 and requested the Company to extend its co-operation for implementation of Resolution Plan and, inter-alia, fix a record date for payment along with extinguishment of RHFL debentures, not later than March 27, 2023.

The Company had fixed March 26, 2023 as the record date and intimated to the stock exchanges that the Debenture Holders will be paid as per the respective entitlement of the debenture holders as on the date of Resolution Plan in terms thereof, in full and final settlement of their dues and claims, towards extinguishment and redemption of the debentures of the Company held by them.

As per the final approved Resolution Plan, the total Resolution amount of the Company was arrived at ₹ 3,351 crore.

The entire Resolution Plan has been finalised in terms of RBI Circular No. RBI/2018-19/ 203, DBR.No.BP.BC.45/21.04.048/2018-19 dated June 7, 2019 on Prudential Framework for Resolution of Stressed Assets by the Lenders of the Company, has also been approved by the Hon'ble Supreme Court of India by its order dated March 3, 2023 and the special resolution approved by the shareholders dated March 25, 2023. In view of the same the Company took all appropriate steps towards implementation of the Resolution Plan in compliance with the Order of Hon'ble Supreme Court of India.

The Company in consultation with the Lead Bank, Debenture Trustee, Legal and Financial Advisors, the Company took the following steps towards implementing the approved Resolution Plan:

- A. Repaid dues to ICA Lenders as per Final Distribution Mechanism approved by Lenders.
- B. Distributed funds to Debenture Trustees for making payments to NCD Holders as per Final Distribution Mechanism approved by Lenders.
- C. Executed Business Transfer Agreement (BTA) with Reliance Commercial Finance Limited, 100% subsidiary of Authum Investment & Infrastructure Limited.

Notes to the Financial Statement for the year ended March 31, 2023

- D. Executed Resolution Plan Implementation Memorandum with the Lenders, Other ICA Members and Reliance Commercial Finance Limited, 100% subsidiary of Authum Investment & Infrastructure Limited.
- E. Executed Resolution Plan Implementation Memorandum with IDBI Trusteeship Services Limited and Reliance Commercial Finance Limited, 100% subsidiary of Authum Investment & Infrastructure Limited.

As per the Resolution Plan and the Distribution Mechanism duly approved and finalised by the Banks, Financial Institutions and other Lenders in terms of the RBI Circular and informed to the Company, the beneficiary position of NCD holders (BENPOS) as of April 15, 2022 had been taken to ascertain the entitlement of 100% of their principal dues under the Resolution Plan to the small debenture holders in the category of individuals and HUFs holding debentures of the principal amount of up to ₹ 5 lakhs, as of that said BENPOS date. All other Debenture Holders including Banks and Financial Institutions were paid 27.71% for secured and 20.78% for unsecured, as per the Resolution Plan.

Accordingly, in terms of the RBI Circular and in pursuance of the order of the Hon'ble Supreme Court of India dated March 3, 2023, the total Resolution amount of ₹ 3,351 crore has duly been paid to all the financial creditors including debenture holders as per their respective approved entitlements under the Resolution Plan in full and final settlement of their dues and the Resolution Plan stood duly implemented.

The financial statements have been prepared considering after implementation of Resolution Plan and transfer of undertaking to Reliance Commercial Finance Limited, 100% subsidiary of Authum Investment & Infrastructure Limited (Resolution Applicant). Post implementation of the Resolution Plan, the financial statements of the Company represent the assets and liabilities remaining with the Company.

59 Annex III (FORMING PART OF THE ACCOUNTS)

Schedule to the Balance Sheet of an HFC

{as required in terms of Paragraph 16 (Annex III) of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, as updated as on December 27,2022}

Particulars	2022-23		2021-22	
	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
(₹ in crore)				
Liabilities Side :				
1. Loans and advances availed by the Company inclusive accrued thereon but not paid :				
a) Debentures : Secured	0.95	0.95	7,403.81	4,890.10
Unsecured ((Other than falling within the meaning of public deposit) (Refer note 1 below)	55.00	55.00	963.96	195.25
b) Deferred Credits	-	-	-	-
c) Term Loans	-	-	4291.31	3796.09
d) Inter-corporate Loans and Borrowings	-	-	234.39	234.39
e) Commercial Paper	-	-	590.73	590.73
f) Other Loans (specify nature) (Refer Note.2)	-	-	1711.67	384.95
2. Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):				
a) In the form of Unsecured debentures	-	-	-	-
b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-	-	-
c) Other public deposits	-	-	-	-

Reliance Home Finance Limited

Notes to the Financial Statement for the year ended March 31, 2023

Assets Side	Amount Outstanding	Amount Outstanding	Amount Outstanding	Amount Outstanding
3. Break-up of Loans and Advances including bills receivables {other than those included in (4) below}:				
a) Secured	-		12,331.70	
b) Unsecured	-		20.32	
c) Deposit towards Inter-corporate loans	-	-	-	12,352.02
4. Break up of Leased Assets and stock of hire and other assets counting towards AFC 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 AFC activities				
a) Loans where assets have been repossessed	-		-	
b) Loans other than (a) above	-	-	-	-
5. Break-up of Investments				
Current Investments :				
1. Quoted shares				
i) Shares	-		-	
ii) Debentures and Bonds	-		-	
iii) Units of mutual funds	-		-	
iv) Government Securities	-		-	
v) Others (Please specify)	-	-	-	-
2. Unquoted shares				
i) Shares	-		-	
ii) Debentures and Bonds	-		-	
iii) Units of mutual funds	-		-	
iv) Government Securities	-		-	
v) Others (Please specify)	-	-	6.87	6.87
Long Term Investments :				
1. Quoted shares				
i) Shares	-		-	
ii) Debentures and Bonds	-		-	
iii) Units of mutual funds	-		-	
iv) Government Securities	-		-	
v) Others (Please specify)	-	-	-	-
2. Unquoted shares				
i) Shares	-		-	
ii) Debentures and Bonds	-		-	
iii) Units of mutual funds	-		153.91	
iv) Government Securities	-		-	
v) Others (Please specify)	-	-	-	153.91
6. Borrower group-wise classification of assets financed as in (2) and (3) above :				

Notes to the Financial Statement for the year ended March 31, 2023

(₹ in crore)

Category	2022-23			2021-22		
	Amount net of Provisions			Amount net of Provisions		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1. Related Parties						
a. Subsidiaries	-	-	-	-	-	-
b. Companies in the same group	-	-	-	-	-	-
c. Other related parties	-	-	-	-	-	-
2. Other than related parties	-	-	-	3,089.82	18.49	3,108.31
Total	-	-	-	3,089.82	18.49	3,108.31

7. Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :

(₹ in crore)

Category	2022-23		2021-22	
	Market Value/ Break up or fair value or NAV	Book Value (Net of Provision)	Market Value/ Break up or fair value or NAV	Book Value (Net of Provision)
1. Related Parties				
a. Subsidiaries	-	-	-	-
b. Companies in the same group	-	-	-	-
c. Other related parties	-	-	-	-
2. Other than related parties	-	-	-	-
Total	-	-	-	-

8. Other information

(₹ in crore)

Particulars	2022-23	2021-22
1. Gross Non-Performing Assets		
a. Related Parties	-	-
b. Other than related parties	-	10,441.06
2. Net Non-Performing Assets		
a. Related Parties	-	-
b. Other than related parties	-	1,222.53
3. Assets acquired in satisfaction of debt		

Notes:

- Amount outstanding for borrowing indicates principal outstanding (Refer note no. 58)
- Provisioning norms shall be applicable as prescribed in Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, as amended.
- The amount mentioned in above RBI disclosure is as per Indian Accounting Standards.
- Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

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

For and on behalf of the Board of Directors of
 Directors

Rashna Khan
Sushilkumar Agrawal
Ashok Ramaswamy
Sudeep Ghoshal

CA Garima Agarwal
 Partner
 Membership Number : 160944

Chief Executive Officer
 Chief Financial Officer
 Company Secretary & Compliance Officer

Prashant Utreja
Amit Kumar Jha
Parul Jain

Place: Mumbai
 Dated: May 27, 2023

Mumbai
 Dated: May 27, 2023

Reliance Home Finance Limited

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2023 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

i.	Sl. No.	Particulars	Audited Figures (Rs. in crore) (as reported before adjusting for qualifications)	Adjusted Figures (Rs. in crore) (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	391.37	391.37
	2.	Total Expenditure	(8,899.65)	(8,899.65)
	3.	Net Profit/(Loss)	5,418.57	5,418.57
	4.	Earnings Per Share	111.72	111.72
	5.	Total Assets	34.85	34.85
	6.	Total Liabilities	108.68	108.68
	7.	Net Worth	(73.83)	(73.83)
	8.	Any other financial item(s) (as felt appropriate by the management)	Nil	Nil

ii. Audit Qualification (each audit qualification separately):

a. Details of Audit Qualification:

We draw attention to Note No. 3, wherein the Company has entered into Business Transfer Agreement (BTA) and Lenders' Implementation Memorandum both dated March 29, 2023 (the Agreements) for implementation of resolution plan as approved by the creditors, to transfer the undertaking i.e. transfer of business with certain material assets and liabilities agreed and mentioned in said agreement on Slump Sale Basis. Post execution of the above Agreements, the business undertaking of the Company has been transferred to Reliance Commercial Finance Limited (RCFL), 100% subsidiary of Authum Investment & Infrastructure Limited (the "Resolution Applicant"). Consequently, the Company has substantially reduced and further discontinued its housing finance activity post the execution of Lenders' Implementation Memorandum. The above may result in loss / surrender of Housing Finance License.

Further, there are certain legal cases in Courts of law against the Company, the liability of which, materialize if any, can't be ascertained as on balance sheet date.

In view of above significance of events or conditions and the business transfer, the ceased operations of the Company and current cash flow position indicates that a material uncertainty exists to meet those substantial probable financial liabilities /exposure and material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

b. **Type of Audit Qualification** : Qualified Opinion

c. **Frequency of qualification:**
Whether appeared first time / repetitive / since how long continuing : First time

d. **Audit Qualification(s) where the impact is quantified by the auditor, Management's Views** : Not quantified

e. For Audit Qualification(s) where the impact is not quantified by the auditor:
(i) Management's estimation on the impact of audit qualification : Not estimated

(ii) If management is unable to estimate the impact, reasons for the same

The Company was under debt resolution in terms of RBI Circular No. RBI/2018-19/203, DBR.No.BP. BC.45/21.04.048/2018-19 dated June 7, 2019 on Prudential Framework for Resolution of Stressed Assets. The Resolution Plan as approved by creditors and shareholders of the Company as also by the Hon'ble Supreme Court of India vide its order dated March 3, 2023, was implemented by transfer of the entire undertaking by way of slump sale to Reliance Commercial Finance Limited, a wholly owned subsidiary of Authum Investment & Infrastructure Limited (the "Resolution Applicant"). This would result in substantial reduction or discontinuation of the housing finance activities. Further, Reliance Capital Limited (RCL), the Promoter of the Company is under Corporate Insolvency Resolution Process (CIRP). Accordingly, the future course of business of the Company would be ascertainable upon successful resolution of RCL under CIRP.

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results

(iii) Auditors comments on (i) or (ii) above

We draw attention to Note No. 3, wherein the Company has entered into Business Transfer Agreement (BTA) and Lenders' Implementation Memorandum both dated March 29, 2023 (the Agreements) for implementation of resolution plan as approved by the creditors, to transfer the undertaking i.e. transfer of business with certain material assets and liabilities agreed and mentioned in said agreement on Slump Sale Basis. Post execution of the above Agreements, the business undertaking of the Company has been transferred to Reliance Commercial Finance Limited (RCFL), 100% subsidiary of Authum Investment & Infrastructure Limited (the "Resolution Applicant"). Consequently, the Company has substantially reduced and further discontinued its housing finance activity post the execution of Lenders' Implementation Memorandum. The above may result in loss/ surrender of Housing Finance License.

Further, there are certain legal cases in Courts of law against the Company, the liability of which, materialize if any, can't be ascertained as on balance sheet date.

In view of above significance of events or conditions and the business transfer, the ceased operations of the Company and current cash flow position indicates that a material uncertainty exists to meet those substantial probable financial liabilities/exposure and material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

iii. Signatories

Prashant Utreja

Chief Executive Officer

Amit Kumar Jha

Chief Financial Officer

Sushilkumar Agrawal

Audit Committee Meeting Chairman

Statutory Auditor

For Tambi & Jaipurkar

Chartered Accountants

Firm Registration No. 115954W

CA Garima Agarwal

Partner

Membership Number: 160944

Place: Mumbai

Date: May 27, 2023

