

Aviom India Housing Financial Private Limited

Independent Auditor's Report
for the Financial year from April 1, 2021, to March 31, 2022

To the Members of,
Aviom India Housing Finance Private Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

1. We have audited the accompanying Ind AS Financial Statements of **Aviom India Housing Finance Private Limited** ("the Company"), which comprise the Balance sheet as at March 31, 2022, the Statement of Profit and Loss (including the Statement of Other Comprehensive Income) for the year ended March 31, 2022, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Ind AS financial statements")
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS Financial Statements give the information required by the Companies Act, 2013, as amended (hereinafter referred to as ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. 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 Ind AS 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.



Other offices:

New Delhi: 4/38, Asaf Ali Road, New Delhi-110002 (Delhi) T: +91-11-23274888/77410 F: +91-11-23272805

Ludhiana: B-XIX-220, Rani Jhansi Road, Ghaner Mandi, Ludhiana-141001 (Punjab) T: +91-161-2774527 F: +91-161-2771616

Noida: Unit No. 505, 8th Floor, Tower B, World Trade Tower, C, Sector-16, Noida-201301, A.P. T: +91-020-4814406 F: +91-11-41749444

Mumbai: A-005 Western Edge - II, Off Western Express Highway, Borivali (E) Mumbai - 400066 T: +91-022-38013532

Emphasis of Matter-COVID 19

4. We draw attention to Note 44 of the Ind AS Financial Statements which describes the uncertainties and the impact of Covid-19 pandemic on the Company's operations and results as assessed by the management. The impact of the pandemic on the operations of the Company and its financial position as at March 31, 2022 including the measurement of expected credit losses on the loan assets are significantly dependent on uncertain future economic conditions. Our opinion is not modified in respect to this matter.

Key Audit Matters

5. Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Ind AS Financial Statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the Ind AS Financial Statements as a whole, and in forming and 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 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 matters
Impairment of financial instruments (including provision for expected credit loss) <i>(as described in Note 3(e)(v) of the Ind AS financial statements)</i>	
<p>Ind AS 109 requires the Company to provide for impairment of its loan receivables (financial instruments) using the expected credit loss (ECL) approach. ECL involves an estimation of probability-weighted loss on financial instruments over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions which could impact the credit quality of the Company's loans and advances.</p> <p>In the process, a significant degree of judgement has been applied by the management for:</p> <ul style="list-style-type: none"> Defining Staging of loans (i.e., classification 	<p>Our audit procedures included reading and considering Company's accounting policies for impairment of financial assets and assessing compliance with Ind AS 109 and the governance framework approved by the Board of Directors.</p> <p>We evaluated the design and operating effectiveness of controls across the processes relevant to ECL, including the judgements and estimates; and underlying computation by testing the input data.</p> <p>Evaluated the reasonableness of the management estimates by understanding the process of ECL estimation and related assumptions and tested the controls around data extraction and validation.</p>



<p>in 'significant increase in credit risk' ("SICR") and 'default' categories).</p> <ul style="list-style-type: none"> • Estimation of losses for loan products with no/ minimal historical defaults; and • Estimating recoveries to determine loss given default on a collective basis for loans that have defaulted. • Determining effect of less frequent past events on future probability of default. • Management overlay for macro-economic factors and estimation of their impact on the credit quality. 	<p>We tested assets in stage 1, 2 and 3 on sample basis to verify that they were allocated to the appropriate stage</p> <p>Tested samples to ascertain the completeness and accuracy of the input data used for determining the PD and LGD rates and agreed the data with underlying books of accounts and records.</p> <p>Assessed the criteria for staging of loans based on their past-due status to check compliance with requirement of Ind AS 109. Tested samples of performing (stage 1) loans to assess whether any loss indicators were present requiring them to be classified under stage 2 or 3.</p> <p>Assessed the additional considerations applied by the management for staging of loans as SICR or default categories in view of Company's policy on one-time restructuring.</p> <p>For samples of exposure, we tested the appropriateness of determining EAD, PD and LGD</p> <p>Assessed the floor/ minimum rates of provisioning applied by the Company for loan products with inadequate historical defaults by testing the input data.</p> <p>Tested assumptions used by the management in determining the overlay for macro-economic factors in accordance with the governance framework approved by the Board of Directors pursuant to RBI guidelines.</p> <p>Tested the arithmetical accuracy of computation of ECL provision performed by the Company in spreadsheets.</p> <p>We assessed the adequacy and appropriateness of disclosures in compliance with the Ind AS 107 and Ind AS 109 in relation to ECL especially in relation to judgements used in estimation of ECL provision.</p>
--	---



Information other than the Ind AS Financial Statements and Auditor's Report Thereon

6. The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's 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 the other information is materially inconsistent with the Ind AS 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.

Management's Responsibility for the Ind AS Financial Statements

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

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

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

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

8. 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 Standard of Auditing, specified under section 143(10) of the Act, will

Chartered Accountants

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.

9. As part of an audit in accordance with Standard of Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to Ind AS Financial Statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the Ind AS Financial Statements made by the Management and Board of Directors.
 - Conclude on the appropriateness of the Management and Board of Directors 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 Ind AS 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure, and content of the ind AS Financial Statements, including the disclosures, and whether the Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



Chartered Accountants

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 the most significance in the audit of the Ind AS Financial Statements for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosures 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.

Other Matter

10. The comparative financial position / performance of the Company for the year ended March 31, 2021 included in these Ind AS Financial Statements, are based on the previously issued Audited Financial Statements F.Y.2020-21, which were prepared in accordance with the accounting principles generally accepted in India, including the Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act read with the Companies (Accounts) Rules, 2014 and the applicable guidelines issued by the National Housing Bank / Reserve Bank of India for the year then ended, have been audited by the predecessor auditor who expressed an unmodified opinion on those Audited Financial Statements F.Y.2020-21 dated August 11, 2021; as adjusted for the differences in the accounting principles adopted by the Company on transition to the IND AS, which have been audited by us.

Report on other legal and regulatory requirements

11. 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 Companies Act, 2013, we give in the Annexure-A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
12. As required by Section 143 (3) of the Companies Act, 2013, we report that:
- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - In our opinion, proper books of account, as required by law have been kept by the Company so far, as appears from our examination of such books;
 - The Balance Sheet, the Statement of Profit and Loss (including the Statement of Other

Chartered Accountants

Comprehensive Income), the Statement of Cash Flows and the 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 relevant rules issued thereunder;
- (e) On the basis of written representations received from the Directors as on March 31, 2022, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2022, from being appointed as a Director in terms of under sub-section (2) of Section 164 of the Companies Act, 2013.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure-B".
- (g) 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, issued by the Central Government of India in terms of clause (j) of sub-section (3) of section 143 of the Companies Act, 2013 as amended in our opinion and to the best of our information and explanations given to us:
- (i) The Company does not have any pending litigations which would impact its financial position.
- (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- (iv) (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the Note No. 43(i) to the IND AS Financial Statements, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The Management has represented, that, to the best of its knowledge and belief, as as disclosed in the Note No. 43(i) to the IND AS Financial Statements, no funds (which are material either individually or in the aggregate) 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, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of



Chartered Accountants

the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under subclause (i) and (ii) of Rule 11(e) of the Companies (Audit and Auditors) Rules, 2014, as provided under (a) and (b) above, contain any material misstatement.

(v) The Company has not declared or paid any dividend during the year. Accordingly reporting under rule 11(f) is not applicable to the company.

13. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Companies Act, 2013, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the provisions of section 197 read with schedule V to the Companies Act, 2013 are not applicable to the Company, as it is a private limited company.

For SCV & Co. LLP
Chartered Accountants
Firm Regn. No. 000235N/N500089



Anuj Dhingra

(Anuj Dhingra)

Partner

Membership No.: 512535
UDIN: 22512535ANRDTD7993

Place: New Delhi
Dated: May 28, 2022

Annexure-A to Independent Auditors' Report

Referred to in Paragraph 11 of the Independent Auditors' Report of even date to the members of **Aviom India Housing Finance Private Limited** on the Ind AS Financial Statements for the year ended March 31, 2022

- (i) (a) To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:
- (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
- (B) The Company is maintaining proper records showing full particulars of intangible assets.
- (b) To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that, the verification of Property, Plant and Equipment has been conducted by the management during the year. All the Property, Plant and Equipment have not been physically verified by the management during the year, however, there is a regular phased programme of physical verification which, in our opinion, is reasonable having regard to the size of the Company and nature of its fixed assets. No discrepancies were noticed on such verification.
- (c) The Company does not have any immovable property (other than properties where the company is the lessee and the lease agreements are duly executed in favor of the lessee), therefore requirements to report under paragraph 3(i)(c) of the order are not applicable to the Company.
- (d) To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that, the Company has not revalued its property, plant and equipment (including Right-of-use assets) and/or intangible assets during the year. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Register Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right Of Use Assets) or intangible Assets does not arise.
- (e) To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that, no proceedings have been initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 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) To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that, the Company has been sanctioned working capital limit in excess of Rs. 5 Crores, in aggregate, from banks on the basis of security of current assets (i.e. loans given). In our opinion, the quarterly returns or statements filed by the Company with such banks are in agreement with the books of account of the Company.

(iii) To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that :

(a) The Company's principal business is to give loans, and hence reporting under clause 3(iii)(a) of the Order is not applicable.

(b) The terms and conditions of the grant of all loans and advances in the nature of loans, and investments made in Mutual Funds during the year under audit, in our opinion, are prima-facie not prejudicial to the interest of the Company. There are no other investments made or guarantees provided or security given during the year under audit.

(c) The Company, being a Non-Banking Financial Company – Housing Financial Company, is registered under provisions of National Housing Bank Act, 1987 and rules made thereunder, in pursuance of its compliance with the provisions of the said Act/ Rules, particularly, the income Recognition, Asset Classification and Provisioning norms and generally accepted business practices by the lending institutions, repayments scheduled are stipulated basis the nature of the loan products. The repayment of the principal and the payment of interest by the borrower's are as per the stipulated repayment schedule except in case of default cases.

Note 3(e) to the Ind AS Financial Statements explains the Company's accounting policy relating to impairment of financial assets which include loans assets. In accordance with that policy, loan assets with balances as at March 31, 2022, aggregating ₹ 242.88 Lakhs were categorized as credit impaired ("Stage 3") and ₹ 7848.17 Lakhs were categorized as those where the credit risk has increased significantly since initial recognition ("Stage 2"). Disclosures in respect of such loans have been provided in Note 7(h) to the Ind AS Financial Statements. Additionally, out of loans and advances in the nature of loans with balances as at the year-end aggregating ₹ 61,890.93 Lakhs, where credit risk has not significantly increased since initial recognition (categorized as "Stage 1"), overdue in the repayment interest and principal aggregating ₹ 166.24 Lakhs were also identified. In all other cases, the repayment of principal and interest is regular. Having regard to the nature of the Company's business and the volume of information involved, it is not practicable to provide an itemized list of loan assets where delinquencies in the repayment of principal and interest have been identified.

(d) The total amount overdue for more than ninety days, in respect of loans and advances in the nature of loans, as at the year-end is ₹ 27.94 Lakhs. In our opinion, reasonable steps are being taken by the Company for recovery of the principal and interest as stated in the applicable Regulations and Loan agreements.

(e) The Company's principal business is to give loans, and hence requirements to report under paragraph 3(iii)(e) of the Order is not applicable to the Company.

(f) To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that, 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, requirements to report under paragraph 3(iii)(f) of the Order is not applicable to the Company.

Chartered Accountants

- (iv) To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that, the Company has not given any loans, or provided any guarantee or security as specified under Section 185. The Company has not made any investment as referred in Section 186(1) of the Act and other requirements relating to Section 186 do not apply to the company, being a Housing Finance Company.
- (v) To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that, the Company has not accepted any deposits or amounts which are deemed to be deposits from the public within the meaning of Sections 73 to 76 of the Companies Act, 2013 and the Rules framed thereunder to the extent applicable. Accordingly, the requirements to report under Paragraph 3(v) of the Order are not applicable to the Company.
- (vi) To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that, the maintenance of cost records has not been specified by the Central Government under sub section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Accordingly, the requirements to report under Paragraph 3(vi) of the Order are not applicable to the Company.
- (vii) (a) To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-tax, Cess and other material statutory dues have generally been regularly deposited with the appropriate authorities. The Company does not have liability in respect of sales-tax, service tax, duty of excise, and value added tax, since effective 1 July 2017, these statutory dues has been subsumed into GST. Further no undisputed amounts payable in respect of GST, Provident fund, Employees' State Insurance, Income-tax, Cess and other material statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable except for the details mentioned in the table as follows:

Name of the Statute	Nature of dues	Amount (in Rs.)	Period to which amount relates	Date of subsequent payment
Employee's Provident Fund and Miscellaneous Provisions Act, 1952	Provident Fund Dues	5,58,917	April 2019 to July 2019	Not yet paid
Professional Tax Act 1987	Professional Tax dues	3,06,989	April 2021 to Sept 2021	Not yet paid
Income Tax Act, 1961	Advance Tax	3,32,69,000	FY 2021-22 (AY 2022-23)	Not yet paid

- (b) To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that, there

Chartered Accountants

were no dues referred in sub-clause (a) above, which have not been deposited on account of disputes.

- (viii) To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that, there were no transactions in the books of accounts that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Accordingly, the requirements to report under paragraph 3(viii) of the Order are not applicable to the Company.
- (ix) To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that,
- (a) The Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or other lender.
- (c) Term loans availed by the Company during the year have been applied for the purposes for which the loans were obtained.
- (d) On an overall examination of the Ind AS Financial Statements, funds raised on short-term basis have, prima facie, not been used for long-term purposes by the Company.
- (e) The Company does not have any subsidiary, associate, or joint-venture as defined under the Companies Act, 2013 and therefore, the requirements to report under Paragraph 3(ix)(e) & (f) of the Order are not applicable to the Company.
- (x) To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:
- (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and accordingly, the requirements to report under Paragraph 3(x)(a) of the Order are not applicable to the Company.
- (b) The Company, during the year under audit, has made private placement of equity shares and compulsory convertible preference shares. For such allotment, the requirements of Section 42 of the Companies Act, 2013 have been complied with. Also, the funds raised therefrom have been applied for the purpose for which those were raised. The Company, during the year under audit, has not made any private placement of convertible debentures. Further there were no preferential allotment of shares or convertible debentures (fully, partially, or optionally convertible) during the year, therefore compliance with the provisions of Section 62 of the Companies Act, 2013 is not applicable.
- (xi) To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:



Chartered Accountants

- (a) Neither any fraud by the Company, nor any fraud on the Company has been noticed or reported during the course of the audit; nor we have been informed of any such case by the Company.
- (b) No report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) No whistle blower complaints received by the Company during the year (and up to the date of this report).
- (xii) To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that, the Company is not a Nidhi Company. Accordingly, requirements to report under Paragraph 3(xii) of the Order are not applicable to the Company.
- (xiii) To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that, the transactions with related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the Ind AS Financial Statements as required by the applicable Indian Accounting Standards.
- (xiv) (a) To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that, the Company has an internal audit system commensurate with the size and nature of its business.
(b) We have considered the internal audit reports of the Company issued for the year under audit.
- (xv) To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, reporting on the compliance of the provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that,
(a) As the Company is a Non-Banking Financial institution and registered under National Housing Bank (NHB) Act, 1987, it has been exempted from the requirement of registration under section 45-IA of the Reserve Bank of India Act; 1934.
(b) The Company has a valid certificate of registration from National Housing Bank;
(c) The Company is not a core investment company and hence reporting under clause (xvi)(c) of the Order is not applicable;
(d) The Company does not have any CICs, which are a part of the Group. We have not, however, separately evaluated whether the information provided by the Management is accurate and complete.

Chartered Accountants

Accordingly, requirements to report under Paragraph 3(xvi) (d) of the Order are not applicable to the Company.

- (xvii) The Company has not incurred cash losses in the current financial year and nor in the immediately preceding financial year.
- (xviii) There has been resignation of the statutory auditors during the year pursuant to RBI Guidelines for appointment of auditors for NBFCs issued on April 27, 2021. There has not been any issues, concerns or objections raised by the outgoing auditors, based on our communication with outgoing auditor as required under ICAI Code of Ethics;
- (xix) To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that, and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, asset liability maturity (ALM) pattern and other information accompanying the ind AS Financial Statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) The Company is not required to spend towards Corporate Social Responsibility (CSR) in compliance with second proviso to sub-section (5) of Section 135 of the Companies Act 2013. Accordingly, reporting under clause 3(xx) (a) and (b) of the Order is not applicable to the Company.

For SCV & Co. LLP
Chartered Accountants
Firm Regn. No. 000235N/N500089



Anuj Dhingra

(Anuj Dhingra)

Partner

Membership No.: 512535

UDIN: 22512535ANRDTD7993

Place: New Delhi

Dated: May 28, 2022

Chartered Accountants

Annexure-B to Independent Auditors' Report

Referred to in Paragraph 12(f) of the Independent Auditors' Report of even date to the members of Aviom India Housing Finance Private Limited on the Ind AS Financial Statements for the year ended March 31, 2022

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. We have audited the internal financial controls over financial reporting of Aviom India Housing Finance Private Limited ("the Company") as of March 31, 2022, in conjunction with our audit of the Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by Institute of Chartered Accountants of India and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

AVIOM INDIA HOSING
FINANCE PRIVATE LIMITED



Independent Auditor's Report
for the Year Ended March 31, 2022

Chartered Accountants

Meaning of Internal Financial Controls Over Financial Reporting

6. A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that;
- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
 - 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
 - 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 Over Financial Reporting

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: New Delhi

Dated: May 28, 2022



For SCV & Co. LLP
Chartered Accountants
Firm Regn. No. 000235N/N500089

A handwritten signature in blue ink, appearing to read "Anuj Dhingra".

(Anuj Dhingra)
Partner

Membership No.: 512535
UDIN: 22512535ANRDTD7993