

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**For the year ended 31<sup>st</sup> March, 2021**

*[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**  
**Aditya Birla Housing Finance Limited,**

We have conducted a Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Aditya Birla Housing Finance Limited. **CIN No-U65922GJ2009PLC083779** (hereinafter called the 'Company') during the financial year from 1<sup>st</sup> April 2020 to 31<sup>st</sup> March 2021, ('the year'/'audit period'/'period under review').

We conducted the Secretarial Audit in a manner that provided us a reasonable basis for evaluating the company's corporate conducts/statutory compliances and expressing our opinion thereon.

We are issuing this report based on :

- (i) our **verification** of the books, papers, minute books, soft copy as provided by the company and other records maintained by the Company and furnished to us, forms/ returns filed and compliance related action taken by the company during the financial year ended 31<sup>st</sup> March 2021 as well as before the issue of this report,
- (ii) **Compliance Certificates** confirming Compliance with all laws applicable to the company given by Key Managerial Personnel / Senior Managerial Personnel of the company and taken on record by Audit Committee / Board of Directors, and
- (iii) **Representations** made, documents shown and information provided by the company, its officers, agents, and authorised representatives during our conduct of secretarial Audit.

We hereby report that in our opinion, during the audit period covering the financial year ended on 31<sup>st</sup> March 2021 the Company has:

- (i) complied with the statutory provisions listed hereunder, and
- (ii) Board-processes and compliance mechanism are in place  
**to the extent, in the manner and subject to the reporting made hereinafter.**

The members are requested to read along with our letter of even date annexed to this report as Annexure- A.



**1. Compliance with specific statutory provisions**

**We further report that:**

1.1 We have examined the books, papers, minute books and other records maintained by the Company and the forms, returns, reports, disclosures and information filed or disseminated during the year according to the applicable provisions/ clauses of:

- (i) The Companies Act, 2013 and the Rules made thereunder;
- (ii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of External Commercial Borrowings
- (iv) The following Regulations Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Regulations'):
  - a. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - b. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; and
  - c. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (v) Secretarial Standards issued by The Institute of Company Secretaries of India (Secretarial standards).

1.2 During the period under review, and also considering the compliance related action taken by the company after 31<sup>st</sup> March 2021 but before the issue of this report, the company has, to the best of our knowledge and belief and based on the records, information, explanations and representations furnished to us :

(i) **Complied with** the applicable provisions/clauses of the Act, Rules, SEBI Regulations and Agreements mentioned under of paragraph 1.1

(ii) **Generally complied with** the applicable provisions/ clauses of :

(a) The Act and rules mentioned under paragraph 1.1 (i);

(b) The Secretarial standards on meetings of the Board of Directors (SS-1) and Secretarial standards on General Meetings (SS-2) mentioned under paragraph 1.1 above to the extent applicable to Board meetings held during the year and the



11<sup>th</sup> Annual General Meeting held on August 28, 2020 and Extra-ordinary General Meeting held on July 8, 2020 and the resolution passed by circulation. The Compliance of the provisions of the Rules made under the Act [paragraph 1.1(i)] and SS-1 [paragraph 1.1(v) with regard to the Board meetings held through video conferencing on various dates were verified based on the minutes of the meetings , shown to us , by the company

1.3 We are informed that, during/ in respect of the year, the company was not required to initiate any compliance related action in respect of the following laws/ rules/ regulations/ standards, and was consequently not required to maintain any books, papers, minute books or other records or file any form/ returns thereunder:

- a. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment ;
- b. The Securities Contracts (Regulation) Act, 1956 and the Rules made thereunder except relating to transfer of securities
- c. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- e. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- 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;
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998

1.4 Based on the nature of business activities of the Company, the following specific Acts/Laws /Rules / Regulations are applicable to the Company, which has been duly complied with.

- a. National Housing Bank Act, 1987 and the directions issued thereunder from time to time.
- b. Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021  
Prevention of Money Laundering Act, 2002



## 2. Board processes:

We further report that:

2.1 The Board of Directors of Company as on 31<sup>st</sup> March 2021 comprised of:

- (i) Two Non- Executive Non Independent Director, and
- (ii) Two Non- Executive Independent Directors, including a woman Independent Director

2.2 The processes relating to the following changes in the composition of the board of Directors and Key Managerial Personnel during the year were carried out in compliance with the provisions of the Act :

- i. Reappointment of Mr Ajay Srinivasan, director retiring by rotation at the AGM held on August 28, 2020
- ii. Reappointment of Mrs Anita Ramachandran, as Independent Director for second term of five year with effect from August 28, 2020 was approved by members at Extra-ordinary General Meeting held on July 8, 2020

2.3 Adequate notice was given to all the directors to enable them to plan their schedule for the Board meetings.

2.4 Notice of Board meetings was sent to directors at least seven days as required under Section 173(3) of the Act and SS-1.

2.5 Agenda and detailed notes on agenda were sent to the directors at least seven days before the board meetings.

2.6 Agenda and detailed notes on agenda for the following items were either circulated separately less than seven days before or at the Board meetings and consent of the Board for so circulating them was duly obtained as required under SS-1:

- (i) Supplementary agenda notes and annexures in respect of unpublished price sensitive information such as audited financial statement/ results, unaudited financial results and connected papers, and
- (ii) Additional subjects/ information/ presentations and supplementary notes.

2.7 A system exists for directors to seek and obtain further information and clarifications on the agenda items before the meetings and for their meaningful participation at the meetings.

2.8 We note from the minutes verified that, at the Board meetings held during the year:



Majority decisions were carried through; and

- (ii) No dissenting views were expressed by any Board member on any of the subject matters discussed, that were required to be captured and recorded as part of the minutes.

### 3. Compliance mechanism

There are reasonably adequate systems and processes in the company, commensurate with the company's size and operations, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

### 4. We further report that during the audit period , the company has:

- (i) Obtained approval from its members at the Extra-ordinary General Meeting of the company held on August 28, 2020
- to borrow funds not exceeding Rs 20,000 crore
  - to grant authority for mortgaging or creating charge on company's assets as a security towards borrowings not exceeding Rs. 20,000 Crore
  - authorizing the issuance of Secured Redeemable Non-Convertible Debenture for amount not exceeding Rs 4000 Crore and Subordinated Debt qualifying as Tier-II Capital in the form of Unsecured, Redeemable, Non-Convertible Bonds in the nature of Debentures for amount not exceeding Rs 1000 Crore on a private placement basis
- (ii) Issued and allotted Secured Redeemable, Non-convertible Debentures worth of Rs 700 Crore by a way of private placement.
- (iii) Issued and allotted Unsecured Redeemable Non-convertible Debentures worth of Rs 75 Crore by a way of private placement.

For BNP & Associates  
Company Secretaries



A handwritten signature in blue ink, appearing to read "Avinash Bagul".

**Avinash Bagul**  
Partner

**FCS 5578 /CP No. 19862**  
**Peer Review No-637/2019**  
**UDIN- F005578C000241099**  
**Firm Reg No-P2014MH037400**

**Place: Mumbai**  
**Date: 04/05/2021**

*Note: This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report*

**Annexure A**

**To,  
The Members,  
Aditya Birla Housing Finance Limited**

Secretarial Audit Report of even date is to be read along with this letter.

1. The Company's management is responsible for maintenance of secretarial records and compliance with the provisions of corporate and other applicable laws, rules, regulations and standards. Our responsibility is to express an opinion on the secretarial records produced for our audit.
2. We have followed such audit practices and processes as we considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records.
3. While forming an opinion on compliance and issuing this report, we have also considered compliance related action taken by the company after 31<sup>st</sup> March 2021 but before the issue of this report.
4. We have considered compliance related actions taken by the company based on independent legal /professional opinion obtained as being in compliance with law.
5. We have verified the secretarial records furnished to us on a test basis to see whether the correct facts are reflected therein. We also examined the compliance procedures followed by the company on a test basis. We believe that the processes and practices we followed, provides a reasonable basis for our opinion.
6. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
7. We have obtained the management's representation about the compliance of laws, rules and regulations and happening of events ,wherever required.
8. Our 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 BNP & Associates  
Company Secretaries**



**Avinash Bagul  
Partner**

**FCS 5578 /CP No. 19862  
Peer Review No-637/2019  
UDIN- F005578C000241099  
Firm Reg No- P2014MH037400**

**Place: Mumbai  
Date: 04/05/2021**