

**AADHAR HOUSING FINANCE LIMITED**  
**CIN U66010KA1990PLC011409**

**Summary of Material accounting policies and other explanatory information**

The Group establishes control when; it has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect the entity's returns by using its power over relevant activities of the entity.

Entities controlled by the Group are consolidated from the date control commences until the date control ceases.

All inter-company transactions, balances and income and expenses are eliminated in full on consolidation.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to shareholders of the Parent Company.

Details of companies consolidated in these consolidated financial statements

<b>Name of the Company</b>	<b>Type</b>	<b>Country of Incorporation</b>	<b>Holding As at December 31, 2023, December 31, 2022, March 31, 2023, March 31, 2022 and March 31, 2021</b>
Aadhar Housing Finance Limited	Parent Company	India	Parent Company
Aadhar Sales and Services Private Limited	Subsidiary Company	India	100%

## **2.5 Presentation of financial statements**

Amounts in the restated consolidated financial statements are presented in Indian Rupees in Million (unless otherwise stated). Per share data is presented in Indian Rupee.

## **2.6 Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured and there exists reasonable certainty of its recovery. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation.

### **a. Interest income**

The main source of revenue for the Group is Income from Housing and Other property loans. Repayment of housing and property loan is by way of Equated Monthly Instalments (EMIs) comprising of principal and interest. EMIs generally commence once the loan is disbursed. Pending commencement of EMIs, pre-EMI interest is payable every month on the loan that has been disbursed. Interest is calculated either on annual rest or on monthly rest basis in terms of the financing scheme opted by the borrower.

Interest income on housing and property loans and other financial instruments carried at amortised cost is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate ("EIR") applicable.

The EIR considers all fees, charges, transaction costs, and other premiums or discounts that are incremental and directly attributable to the specific financial instrument at the time of its origination. The financial assets that are classified at fair value through statement of profit and loss ("FVTPL"), transaction costs are recognised in statement of profit and loss at initial recognition.