HINDUJA HOUSING FINANCE LIMITED
Balance sheet as at 31 March 2020

(INR in lakh)

Particulars	Note No.	As at 31 March 2020	As at 31 March 2019
ASSETS			
Financial assets			
Cash and cash equivalents	5	1,390.02	1,127.31
Loans	6	1,62,174.06	1,23,092.52
Investments	7	4,392.31	5,315.08
Other financial assets	8	637.00	165.95
		1,68,593.39	**1,29,700.86**
Non-financial assets			
Current tax assets (net)	9	474.48	247.61
Deferred tax assets (net)	9	363.29	-
Property, plant and equipment	10	187.87	205.65
Intangible assets	10A	3.29	3.95
Other non-financial assets	11	40.62	20.21
		1,069.55	**477.42**
TOTAL ASSETS		**1,69,662.94**	**1,30,178.28**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Payables			
Trade Payables			
(i) total outstanding dues of micro and small enterprises	12	-	-
(ii) total outstanding dues of creditors other than micro and small enterprises	12	182.39	42.66
Borrowings	13	1,42,221.71	1,10,294.36
Other financial liabilities	14	454.25	494.70
		1,42,858.35	**1,10,831.72**
Non-financial liabilities			
Provisions	15	110.66	36.65
Deferred tax liabilities (net)	9	-	60.93
Other non-financial liabilities	16	103.04	19.47
		213.70	**117.05**
EQUITY			
Equity share capital	17	19,000.00	15,000.00
Other equity	18	7,590.89	4,229.51
		26,590.89	**19,229.51**
TOTAL LIABILITIES AND EQUITY		**1,69,662.94**	**1,30,178.28**
Significant accounting policies	2, 3 & 4		

The notes referred to above form an integral part of these financial statements.

As per our report of even date
for **Deloitte Haskins & Sells**
Chartered Accountants
Firm's registration number: 008072S

For and on behalf of the Board of Directors of
Hinduja Housing Finance Limited
CIN No: U65922TN2015PLC100093

G K Subramaniam
Partner
Membership No: 109839

S Nagarajan
Chairman
DIN No. 00009236

Sachin Pillai
Managing Director
DIN No. 06400793

Roopa Sampath Kumar
Chief Financial Officer

Srinivas Rangarajan
Company Secretary

Place : Mumbai
Date : June 18, 2020

Place : Chennai
Date : June 18, 2020

HINDUJA HOUSING FINANCE LIMITED
Statement of Profit and Loss for the year ended 31 March 2020

(INR in lakh)

Particulars	Note No.	Year ended 31 March 2020	Year ended 31 March 2019
Revenue from operations			
Interest income	19	18,943.85	12,921.22
Fees and commission income	19	169.31	101.48
Income from other services	19	1,780.00	1,000.00
Total Revenue from operations		**20,893.16**	**14,022.70**
Expenses			
Finance costs	20	11,148.01	7,003.39
Impairment on financial assets	21	1,439.32	410.36
Employee benefits expenses	22	2,895.40	1,814.77
Depreciation and amortization	23	109.41	59.88
Other expenses	24	1,277.72	1,202.88
Total Expenses		**16,869.86**	**10,491.28**
Profit before tax		**4,023.30**	**3,531.42**
Tax expense:	25		
Current tax		1,077.51	876.42
Deferred tax (net)		(185.88)	154.48
Tax adjustment for earlier years (Deferred Tax)		(236.17)	-
		655.46	**1,030.90**
Profit for the year		**3,367.84**	**2,500.52**
Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
- Remeasurement of defined benefit plans		(8.63)	(2.34)
(ii) Income tax relating to items that will not be reclassified to profit or loss		2.17	0.68
Total other comprehensive income		(6.46)	(1.66)
Total comprehensive Income		**3,361.38**	**2,498.86**
Earnings per equity share (face value Rs.10 each)	26		
- Basic (in Rs.)		1.95	1.96
- Diluted (in Rs.)		1.95	1.96
Significant accounting policies	2, 3 & 4		

The notes referred to above form an integral part of these financial statements.

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Place : Mumbai
Date : June 18, 2020

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Date : June 18, 2020

HINDUJA HOUSING FINANCE LIMITED

Cash Flow Statement for the year ended 31 March 2020

(INR in lakh)

	Year ended 31 March 2020	Year ended 31 March 2019
A. Cash flow from operating activities		
Net profit before tax	**4,023.30**	**3,531.42**
Adjustments:		
Depreciation and amortization	109.41	59.88
Impairment on financial assets	1,439.32	410.36
Finance cost	11,148.01	7,003.39
Interest on security deposit	(19.19)	(37.02)
Rent expense	22.04	32.36
Operating cash flow before working capital changes	**16,722.89**	**11,000.39**
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Loans	(40,549.30)	(53,708.96)
Other financial assets	(471.05)	908.21
Other non- financial assets	(20.41)	33.12
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	139.73	11.05
Other financial liabilities	(40.45)	(36.87)
Other non financial liabilities	83.57	(17.37)
Net cash (used in) operations	**(24,135.02)**	**(41,810.43)**
Finance cost paid	(11,148.01)	(6,823.90)
Taxes paid (net)	(1,304.38)	(973.56)
Net cash (used in) operating activities (A)	**(36,587.41)**	**(49,607.89)**
B. Cash flow from investing activities		
Investment in pass through securities (net)	922.77	(1,461.06)
Purchase of fixed assets (tangible and intangible assets)	-	(103.69)
Net cash generated (used in) investing activities (B)	**922.77**	**(1,564.75)**
C. Cash flow from financing activities		
Proceeds from issue of equity shares including securities premium (net)	4,000.00	3,000.00
Proceeds from borrowings (net)	31,927.35	48,316.87
Net cash from financing activities (C)	**35,927.35**	**51,316.87**
Net increase in cash and cash equivalents (A+B+C)	262.71	144.23
Cash and cash equivalents at the beginning of the year	**1,127.31**	**983.08**
Cash and cash equivalents at the end of the year	**1,390.02**	**1,127.31**

HINDUJA HOUSING FINANCE LIMITED
Cash Flow Statement for the year ended 31 March 2020

(INR in lakh)

	Note No.	Year ended 31 March 2020	Year ended 31 March 2019
Components of cash and cash equivalents			
Cash and cheques on hand	5	2.55	11.69
Balances with banks			
-In current accounts	5	1,387.47	1,115.62
		1,390.02	**1,127.31**
Significant accounting policies	2, 3 & 4		

The notes referred to above form an integral part of these financial statements.

As per our report of even date
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Chief Financial Officer

Srinivas Rangarajan
Company Secretary

Place : Mumbai
Date : June 18, 2020

Place : Chennai
Date : June 18, 2020

HINDUJA HOUSING FINANCE LIMITED
Statement of Changes in Equity for the year ended 31 March 2020

A Equity Share Capital

(INR in lakh)

Particulars	Number of shares	Amount
Balance as at 1 April 2018	12,00,00,000	12,000.00
Add: Issued during the year	3,00,00,000	3,000.00
Balance as at 31 March 2019	**15,00,00,000**	**15,000.00**
Add: Issued during the year	4,00,00,000	4,000.00
Balance as at 31 March 2020	**19,00,00,000**	**19,000**

B Other equity	Reserves and Surplus		Total
	Statutory Reserves	Retained Earnings	
Balance as at 1 April 2018	**350.65**	**1,380.00**	**1,730.65**
Profit for the year	-	2,500.52	2,500.52
Transfer to reserve	500.10	(500.10)	-
Total other comprehensive income (net of tax)	-	(1.66)	(1.66)
Balance as at 31 March 2019	**850.75**	**3,378.75**	**4,229.51**
Profit for the year	-	3,367.84	3,367.84
Transfer to reserve	673.57	(673.57)	-
Total other comprehensive income (net of tax)	-	(6.46)	(6.46)
Balance as at 31 March 2020	**1,524.32**	**6,066.57**	**7,590.89**

Significant accounting policies 2, 3 & 4

The notes referred to above form an integral part of these financial statements

As per our report of even date
for **Deloitte Haskins & Sells**
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Company Secretary

Place : Mumbai
Date : June 18, 2020

Place : Chennai
Date : June 18, 2020

1 Reporting entity

Hinduja Housing Finance Limited (the Company), incorporated on 15 April 2015 and headquartered in Chennai, India. The Company is registered with National Housing Bank (NHB) under section 29A of the National Housing Bank Act, 1987 with effect from 30 September 2015. The Company is primarily engaged in the business of providing loans for the purchase or construction of residential houses.

2 Basis of preparation

2.1 Statement of compliance

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) and the relevant provisions of the Companies Act, 2013 (the "Act") (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

These financial statements were authorised for issue by the Company's Board of Directors on 18th June 2020.

Details of the Company's accounting policies are disclosed in note 3.

2.2 Presentation of financial statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows".

2.3 Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakhs and at two decimal places, unless otherwise indicated.

2.4 Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations

2.5 Use of estimates and judgements

The preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

In the process of applying the Company's accounting policies, management has made judgements, which have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year.

i) Impairment of financial asset

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Company's expected credit loss ("ECL") calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include :

a) The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a life time expected credit loss ("LTECL") basis.
b) Development of ECL models, including the various formulas and the choice of inputs.
c) Determination of associations between macroeconomic scenarios and economic inputs, such as gross domestic products, domestic demand and collateral values, and the effect on probability of default ("PD"), exposure at default ("EAD") and loss given default ("LGD").
d) Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into ECL models.

3 Significant accounting policies

3.1 Recognition of Interest Income

A. EIR method

Under Ind AS 109, interest income is recorded using the effective interest rate method for all financial instruments measured at amortised cost. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Company recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the financial instrument.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest income in the statement of profit and loss.

B. Interest income

The Company calculates interest income by applying EIR to the gross carrying amount of financial assets other than credit impaired assets.

When a financial asset becomes credit impaired and is, therefore, regarded as 'stage 3', the Company calculates interest income on the net basis. If the financial asset cures and is no longer credit impaired, the Company reverts to calculating interest income on a gross basis.

3.2 Financial instrument - Initial recognition

A. Date of recognition

Debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

B. Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model (refer note 3.3A) for managing the instruments. Financial instruments are initially measured at their fair value, except in the case of financial assets and financial liabilities recorded at fair value through other comprehensive income (FVTPL), transaction costs are added to, or subtracted from this amount.

C. Measurement categories of financial assets and liabilities

The Company classifies all of its financial assets based on the business model for managing the assets and the asset’s contractual terms, measured at amortised cost.

3.3 Financial assets and liabilities

A. Financial assets

Business model assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

a) How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Company's key management personnel.

b) The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.

c) How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

d) The expected frequency, value and timing of sales are also important aspects of the Company’s assessment.

3 Significant accounting policies *(continued)*

3.3 Financial assets and liabilities *(continued)*

A. Financial assets *(continued)*

SPPI test

As a second step of its classification process, the Company assesses the contractual terms of financial asset to identify whether they meet SPPI test.

Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of financial asset (for example, if there are repayments of principal or amortisation of the premium/ discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Company applies judgement and considers relevant factors such as the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

Accordingly, financial assets are measured as follows

i) Financial assets carried at amortised cost (AC)
A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii) Financial assets at fair value through other comprehensive income (FVTOCI)
A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Since, the loans and advances are held to sale and collect contractual cash flows, they are measured at FVTOCI.

iii) Financial assets at fair value through profit or loss (FVTPL)
A financial asset which is not classified in any of the above categories are measured at FVTPL.

Financial assets: Subsequent measurement and gains and losses

i) Financial assets at fair value through profit or loss (FVTPL)
These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in statement of profit or loss.

ii) Financial assets carried at amortised cost (AC)
These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment lossed. Interest income, foreign exchange gains and losses and impairment are recognised in statement of profit and loss. Any gains and losses on derecognition is recognised in statement of profit and loss.

B. Financial liability

i) Initial recognition and measurement
All financial liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial liability, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition.

ii) Subsequent measurement
Financial liabilities are carried at amortized cost using the effective interest method.

3 Significant accounting policies *(continued)*

3.4 Reclassification of financial assets and liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified. The Company did not reclassify any of its financial assets or liabilities in the year ended 31 March 2020 and 31 March 2019.

3.5 Derecognition of financial assets and liabilities

A. Derecognition of financial assets due to substantial modification of terms and conditions

The Company derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes.

B. Derecognition of financial assets other than due to substantial modification

i) Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the contractual rights to the cash flows from the financial asset expires or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in the statement of profit and loss.

Accordingly, gain on sale or derecognition of assigned portfolio are recorded upfront in the statement of profit and loss as per Ind AS 109. Also, the Company recognises servicing income as a percentage of interest spread over tenure of loan in cases where it retains the obligation to service the transferred financial asset.

ii) Financial Liability

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in the statement of profit and loss.

3.6 Impairment of financial assets

A. Overview of ECL principles

In accordance with Ind AS 109, the Company uses ECL model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

i.) The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

ii.) Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

Both LTECLs and 12 months ECLs are calculated on collective basis.

3 Significant accounting policies *(continued)*

3.6 Impairment of financial assets *(continued)*

A. Overview of ECL principles *(continued)*

Based on the above, the Company catagorises its loans into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1:
When loans are first recognised, the Company recognises an allowance based on 12 months ECL. Stage 1 loans includes those loans where there is no significant credit risk observed and also includes facilities where the credit risk has been improved and the loan has been reclassified from stage 2 or stage 3.

Stage 2:
When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the life time ECL. Stage 2 loans also includes facilities where the credit risk has improved and the loan has been reclassified from stage 3.

Stage 3:
Loans considered credit impaired are the loans which are past due for more than 90 days. The Company records an allowance for life time ECL.

Loan commitments:
When estimating LTECLs for undrawn loan commitments, the Company estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down

The mechanics of ECL calculations are outlined below and the key elements are, as follows:

PD:
Probability of Default ("PD") is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

EAD:
Exposure at Default ("EAD") is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest

LGD:
Loss Given Default ("LGD") is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD

The Company has calculated PD, EAD and LGD to determine impairment loss on the portfolio of loans and discounted at an approximation to the EIR. At every reporting date, the above calculated PDs, EAD and LGDs are reviewed and changes in the forward looking estimates are analysed.

The mechanics of the ECL method are summarised below:

Stage 1:
The 12 months ECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Company calculates the 12 months ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-months default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.

3 Significant accounting policies *(continued)*

3.6 Impairment of financial assets *(continued)*

A. Overview of ECL principles *(continued)*

Stage 2:
When a loan has shown a significant increase in credit risk since origination (if financial asset is more than 30 days past due), the Company records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

Stage 3:
For loans considered credit-impaired (if financial asset is more than 90 days past due), the Company recognises the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

B. Loans and advances measured at FVOCI

The ECLs for loans and advances measured at FVOCI do not reduce the carrying amount of these financial assets in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognised in OCI is recycled to the profit and loss upon derecognition of the assets.

3.7 Presentation of allowance for expected credit losses in the balance sheet

Loss allowance for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

3.8 Write-offs

Financial assets are written off when the Company has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to impairment on financial instruments in the statement of profit and loss.

3.9 Determination of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company has taken into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 financial instruments: Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date;

Level 2 financial instruments: Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads; and

Level 3 financial instruments: Those that include one or more unobservable input that is significant to the measurement as whole.

3 Significant accounting policies *(continued)*

3.10 Recognition of revenue and other income

A. Revenue from operations

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers.

The Company recognises revenue from contracts with customers based on a five step model as set out in Ind 115 :

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation.

B. Fees and commission income

Fees and commission income such as cheque bounce charges and service income etc. are recognised on point in time basis.

C. Income from other services

Income from other services is recognised on the basis of the terms of the contract entered into with the parties.

3.11 Property, plant and equipment

i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

ii) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

3 Significant accounting policies *(continued)*

3.11 Property, plant and equipment *(continued)*

iii) Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight line method, and is generally recognised in the statement of profit and loss.

The Company follows estimated useful lives which are given under Part C of the Schedule II of the Companies Act, 2013. The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Asset category	Estimated Useful life
Furniture and fittings	8 years
Office equipment	5 years
Computers	3 years
Vehicles	5 years

3.12 Intangible assets

i) Intangible assets

Intangible assets including those acquired by the Company are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

iii) Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight line method, and is included in depreciation and amortisation in Statement of Profit and Loss.

Asset category	Estimated Useful life
Computer softwares	6 years

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

3.13 Impairment of non-financial assets

The Company determines periodically whether there is any indication of impairment of the carrying amount of its non-financial assets. The recoverable amount (higher of net selling price and value in use) is determined for an individual asset, unless the asset does not generate cash inflow that are largely independent of those from other assets or group of assets. The recoverable amounts of such asset are estimated, if any indication exists and impairment loss is recognized wherever the carrying amount of the asset exceeds its recoverable amount. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

3.14 Employee benefits

i) Post-employment benefits

Defined contribution plan

The Company's contribution to provident fund are considered as defined contribution plan and are charged as an expense as they fall due based on the amount of contribution required to be made and when the services are rendered by the employees.

3 Significant accounting policies *(continued)*

3.14 Employee benefits *(continued)*

i) Post-employment benefits *(continued)*

Defined benefit plans

Gratuity

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The Company's gratuity plan is unfunded. The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. Net interest expense and other expenses related to defined benefit plans are recognised in Statement of profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in Statement of profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

ii) Other long-term employee benefits

Compensated absences

The employees can carry forward a portion of the unutilised accrued compensated absences and utilise it in future service periods. Since the compensated absences do not fall due wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

iii) Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the service. These benefits include performance incentive which are expected to occur within twelve months after the end of the year in which the employee renders the related service.

3.15 Provisions, contingent liabilities and contingent assets

i) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the effect of the time value of money is material, the Company determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

ii) Contingent liability

A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or; present obligation that arises from past events where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability are disclosed as contingent liability and not provided for.

3 Significant accounting policies *(continued)*

3.15 Provisions, contingent liabilities and contingent assets *(Continued)*

iii) Contingent asset

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non- occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are neither recognised nor disclosed in the financial statements.

3.16 Income tax

Income tax comprises current and deferred tax. It is recognised in Statement of profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction; temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

3.17 Borrowing cost

Borrowing costs are interest and other costs incurred in connection with the borrowings of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as part of the cost of the asset. All other borrowings costs are recognized as an expense in the statement of profit and loss in the year in which they are incurred.

Interest expenses are calculated using the EIR and all other Borrowing costs are recognised in the Statement of profit and loss in the period in which they are incurred.

3.18 Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, cheques on hand and balances with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

3.19 Segment reporting- Identification of segments:

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Company's Chief Operating Decision Maker (CODM) to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segements and geographic segments.

3.20 Earnings per share

The Company reports basic and diluted earnings per equity share in accordance with Ind AS 33, Earnings Per Share. Basic earnings per equity share is computed by dividing the **net profit / loss (before other comprehensive income)** attributable to the equity share holders for the year by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share is computed and disclosed by dividing the **net profit / loss (before other comprehensive income)** attributable to the equity share holders for the year after giving impact of dilutive potential equity shares for the year by the weighted average number of equity shares and dilutive potential equity shares outstanding during the year, except where the results are anti-dilutive.

3.21 Cash flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non–cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the Company are segregated. Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of Balance Sheet.

4 No new standards as notified by Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules are effective for the current year

(INR in lakh)

5 Cash and cash equivalents

Particulars	As at 31 March 2020	As at 31 March 2019
Cash on hand	2.55	4.98
Balances with Banks		
- In current / cash credit accounts	1,387.47	1,115.62
Cheques on hand	-	6.71
Total	**1,390.02**	**1,127.31**
(i) Earmarked balances with banks	-	-
(ii) Balances with bank to the extent held as margin money or security against the borrowings, gurantees, other commitments	-	-
(iii) Repatriation restrictions in respect of cash and bank balances	-	-

6 Loans

Particulars	As at 31 March 2020	As at 31 March 2019
At amortised cost		
A. Based on nature		
Retail Loans	1,44,493.74	1,05,212.00
Term Loans	19,252.72	18,385.30
Total gross	**1,63,746.46**	**1,23,597.30**
Less : Impairment loss allowance	(1,572.40)	(504.78)
Total net	**1,62,174.06**	**1,23,092.52**
B. Based on security		
(i) Secured by tangible assets	1,63,746.46	1,23,597.30
(ii) Unsecured	-	-
Total gross	**1,63,746.46**	**1,23,597.30**
Less : Impairment loss allowance	(1,572.40)	(504.78)
Total net	**1,62,174.06**	**1,23,092.52**
C. Based on region		
(I) Loans in India		
(i) Public Sector	-	-
(ii) Others	1,63,746.46	1,23,597.30
Total gross	**1,63,746.46**	**1,23,597.30**
Less : Impairment loss allowance	(1,572.40)	(504.78)
Total net (I)	**1,62,174.06**	**1,23,092.52**
(II) Loans outside India		
Loans outside India	-	-
Total net (II)	**-**	**-**
Total (I)+(II)	**1,62,174.06**	**1,23,092.52**

Notes:
1. Retail loans are secured exposures that are secured by assets hypothecated to the company.
2. Term loans are secured exposures that are secured by assets/ underlying portfolio provided to the company by the borrower.

(INR in lakh)

7 Investments

Particulars	As at 31 March 2020	As at 31 March 2019
At amortised cost		
Investment in Non-convertible debentures (unquoted)		
Muthoot Housing Finance Company Limited	752.58	1,000.00
Investment in pass-through certificates (unquoted)		
Aptus Value Housing Finance India Limited	1,506.39	1,500.00
India Shelters Finance Corporation Limited	2,138.38	2,815.34
Gross Investments	**4,397.35**	**5,315.34**
(i) Investments outside India	-	-
(ii) Investments in India	4,397.35	5,315.34
Gross Investments	**4,397.35**	**5,315.34**
Less: Allowance for impairment loss	(5.04)	(0.26)
Net Investments	**4,392.31**	**5,315.08**

8 Other financial assets

Particulars	As at 31 March 2020	As at 31 March 2019
Employee advances	1.00	-
Security deposits (Refer Note 27)	141.59	165.95
Others receivables	494.41	-
Total	**637.00**	**165.95**

9 Tax assets (net)

Particulars	As at 31 March 2020	As at 31 March 2019
Current tax assets (net)		
Advance income tax (net of provision)	474.48	247.61
Deferred tax assets (net)		
Deferred tax assets / (liability) (Refer Note 25)	363.29	(60.93)

(INR in lakh)

10 Property, plant and equipment

Particulars	Vehicle	Furniture and fixtures	Office equipment	Computers	Total
Cost or deemed cost (gross carrying amount)					
Balance as at 1 April 2018	**-**	**13.51**	**24.17**	**98.10**	**135.78**
Additions	-	4.32	3.79	159.28	167.39
Disposals	-	-	-	5.06	5.06
Balance as at 31 March 2019	**-**	**17.83**	**27.96**	**252.32**	**298.11**
Balance as at 1 April 2019	-	17.83	27.96	252.32	298.11
Additions	2.64	2.07	2.83	83.43	90.97
Disposals	-	-		-	-
Balance as at 31 March 2020	**2.64**	**19.90**	**30.79**	**335.75**	**389.08**
Accumulated depreciation					
Balance as at 1 April 2018	**0**	1.63	3.76	29.78	35.17
Depreciation for the year	0	1.97	8.76	47.80	58.53
Disposals	0	-	-	1.24	1.24
Balance as at 31 March 2019	**-**	**3.60**	**12.52**	**76.34**	**92.46**
Balance as at 1 April 2019	-	3.60	12.52	76.34	92.46
Depreciation for the year	0.3	2.44	3.58	102.43	108.75
Disposals	-	-	-	-	-
Balance as at 31 March 2020	**0.30**	**6.04**	**16.10**	**178.77**	**201.21**
Carrying amount (net)					
As at 31 March 2019	-	14.23	15.44	175.98	205.65
As at 31 March 2020	2.34	13.86	14.69	156.98	187.87

10A Intangible assets

Particulars	Computer Software	Total
Cost or deemed cost (gross carrying amount)		
Balance as at 1 April 2018	6.82	6.82
Additions	-	-
Disposals	-	-
Balance as at 31 March 2019	**6.82**	**6.82**
Balance as at 1 April 2019	6.82	6.82
Additions	-	-
Disposals	-	-
Balance as at 31 March 2020	**6.82**	**6.82**
Accumulated depreciation		
Balance as at 1 April 2018	1.52	1.52
Depreciation for the year	1.35	1.35
Disposals	-	-
Balance as at 31 March 2019	**2.87**	**2.87**
Balance as at 1 April 2019	2.87	2.87
Depreciation for the year	0.66	0.66
Disposals	-	-
Balance as at 31 March 2020	**3.53**	**3.53**
Carrying amount (net)		
As at 31 March 2019	3.95	3.95
As at 31 March 2020	3.29	3.29

(INR in lakh)

11 Other non-financial assets

Particulars	As at 31 March 2020	As at 31 March 2019
Prepaid rent	39.41	17.90
Other advances	1.21	2.31
Total	**40.62**	**20.21**

12 Trade payable

Particulars	As at 31 March 2020	As at 31 March 2019
(i) Total outstanding dues of micro and small enterprises (Refer Note 32)	-	-
(ii) Total outstanding dues of creditors other than micro and small enterprises	182.39	42.66
Total	**182.39**	**42.66**

13 Borrowings

Particulars	As at 31 March 2020	As at 31 March 2019
At amortised cost		
Secured borrowings		
Term Loan from banks (Refer Note 13.3)	1,35,689.11	1,01,661.90
Cash credit and working capital demand loans from banks (Refer Note 13.1)	6,532.60	8,632.46
Total	**1,42,221.71**	**1,10,294.36**
Borrowings in India	1,42,221.71	1,10,294.36
Borrowings outside India	-	-
Total	**1,42,221.71**	**1,10,294.36**
Total	**1,42,221.71**	**1,10,294.36**

Secured borrowing

13.1 Cash credit and working capital demand loans from banks carry interest rates ranging from "MCLR of the respective bank + 0.25% per annum" to "MCLR of the respective bank + 2.10% per annum". These loans are secured by hypothecation of designated assets on finance / loan and future receivables therefrom, and investments in pass through certificates and non-convertible debentures.

13.2 The Company has not defaulted in repayment of borrowings and interest.

(INR in lakh)

13.3 Details of terms of redemption/ repayment and security provided in respect of term loans:

Particulars	Amount	Terms of redemption/ repayment	Security
Term loans from banks			
Term loan - 1	16,857.89	Repayble in 96 Equal Monthly installments Remaining no. of installments: 81	Exclusive charge on Specific receivables
Term loan - 2	4,736.84	Repayble in 57 Equal Monthly installments Remaining no. of installments: 54	Exclusive hypothecation of standard receivables
Term loan - 3	7,000.00	Repayble in 31 Equal Quarterly installments Remaining no. of installments: 31	Exclusive charge on the company's receivables
Term loan - 4	3,500.00	Repayble in 31 Equal Quarterly installments Remaining no. of installments: 31	Exclusive charge on the priority sector receivables (housing) (created out of loan proceeds)
Term loan - 5	10,000.00	Repayble in 28 Equal Quarterly installments Remaining no. of installments: 28	Exclusive charge on the receivables
Term loan - 6	10,000.00	Repayble in 28 Equal Quarterly installments Remaining no. of installments: 28	Exclusive floating charge on specific book debts and future receivables
Term loan - 7	9,642.85	Repayble in 28 Equal Quarterly installments Remaining no. of installments: 27	Exclusive charge on receivables of the company
Term loan - 8	4,804.90	Repayble in 28 Equal Quarterly installments Remaining no. of installments: 27	Exclusive Floating charge on specific book debts and future receivables
Term loan - 9	7,840.94	Repayble in 28 Equal Quarterly installments Remaining no. of installments: 22	Exclusive charge on receivables of the company
Term loan - 10	1,016.20	Repayble in 31 Equal Quarterly installments Remaining no. of installments: 21	Exclusive charge on specific receivables / book debts other than those specifically charged to other lenders
Term loan - 11	8,329.82	Repayble in 24 Equal Quarterly installments Remaining no. of installments: 20	Exclusive charge on specific receivables
Term loan - 12	5,000.00	Repayble in 20 Equal Quarterly installments Remaining no. of installments: 20	Exclusive charge on the unencumbered identified set of receivables from standard assets portfolio of receivables.
Term loan - 13	1,609.00	Repayble in 31 Equal Quarterly installments Remaining no. of installments: 20	Exclusive charge on specific receivables / book debts other than those specifically charged to other lenders
Term loan - 14	5,625.00	Repayble in 24 Equal Quarterly installments Remaining no. of installments: 18	First charge by way of hypothecation of the specific future receivables from the performing loan portfolio, which are identified by the company from time to time
Term loan - 15	2,125.00	Repayble in 24 Equal Quarterly installments Remaining no. of installments: 17	Exclusive charge on specific loan receivables
Term loan - 16	18,000.00	Repayble in 20 Equal Quarterly installments Remaining no. of installments: 15	Exclusive Charge on Book debts
Term loan - 17	2,100.00	Repayble in 20 Equal Quarterly installments Remaining no. of installments: 14	Exclusive charge on Specific receivables

(INR in lakh)

13.3 Details of terms of redemption/ repayment and security provided in respect of term loans:

Particulars	Amount	Terms of redemption/ repayment	Security
Term loan - 18	8,125.00	Repayble in 16 Equal Quarterly installments Remaining no. of installments: 13	Exclusive charge on the unencumbered identified set of receivables from standard assets portfolio of receivables.
Term loan - 19	3,749.99	Repayble in 12 Equal Quarterly installments Remaining no. of installments: 9	Hypothecation of exclusive charge on specific receivables
Term loan - 20	2,916.66	Repayble in 12 Equal Quarterly installments Remaining no. of installments: 7	Hypothecation of exclusive charge on specific receivables
Term loan - 21	2,500.00	Repayble in 8 Equal Half-yearly installments Remaining no. of installments: 4	Exclusive charge on specific loan receivables
Total term loans from banks	**1,35,480.10**		

Note: Maturity profile above is disclosed at face value which excludes the impact of effective rate of interest and interest accrued amounting to Rs. 209.02 lakh

(INR in lakh)

14 Other financial liabilities

Particulars	As at 31 March 2020	As at 31 March 2019
Employee benefits	225.91	107.26
Others	228.34	387.44
Total	**454.25**	**494.70**

15 Provisions

Particulars	As at 31 March 2020	As at 31 March 2019
Provision for gratuity (Refer Note 31)	64.12	20.29
Provision for compensated absences (Refer Note 31)	46.54	16.36
Total	**110.66**	**36.65**

16 Other non-financial liabilities

Particulars	As at 31 March 2020	As at 31 March 2019
Statutory liabilities	103.04	19.47
Total	**103.04**	**19.47**

(INR in lakh)

17 Equity Share Capital

Particulars	As at 31 March 2020	As at 31 March 2019
Authorised		
300,000,000 (31 March 2019: 200,000,000) equity shares of Rs.10/- each	30,000.00	20,000.00
	30,000.00	**20,000.00**
Issued, Subscribed and fully paid up		
190,000,000 (31 March 2019: 150,000,000) equity shares of Rs.10/- each	19,000.00	15,000.00
	19,000.00	**15,000.00**

Notes:

a) Reconciliation of the number of equity shares and amount outstanding as at beginning and as at end of the year:

	Year ended 31 March 2020		Year ended 31 March 2019	
	No. of shares	Amount	No. of shares	Amount
Equity shares				
At the commencement of the year	15,00,00,000	15,000.00	12,00,00,000	12,000.00
Add: Shares issued during the year	4,00,00,000	4,000.00	3,00,00,000	3,000.00
At the end of the year	**19,00,00,000**	**19,000.00**	**15,00,00,000**	**15,000.00**

b) Terms/ rights attached to equity shares

The Company has a single class of equity shares having face value of Rs. 10/- each. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company. On winding up, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the

c) Shares held by holding / ultimate holding company and / or their subsidiaries / associates

	As at 31 March 2020		As at 31 March 2019	
	No. of shares	% held	No. of shares	% held
Equity shares				
Hinduja Leyland Finance Limited, holding company and it's nominees	19,00,00,000	100.00%	15,00,00,000	100.00%

d) Details of shareholders holding more than 5% shares in the Company

	As at 31 March 2020		As at 31 March 2019	
	No. of shares	% held	No. of shares	% held
Equity shares				
Hinduja Leyland Finance Limited, holding company and it's nominees	19,00,00,000	100.00%	15,00,00,000	100.00%

(INR in lakh)

18 Other Equity

Particulars	As at 31 March 2020	As at 31 March 2019
a) Statutory Reserves		
(As per Section 29C of National Housing Bank Act,)		
Balance at the beginning of the year	850.75	350.65
Add: Amount transferred from surplus in statement of profit and loss	673.57	500.10
Balance at the end of the year	**1,524.32**	**850.75**
b) Retained Earnings (Surplus in Statement of Profit and Loss)		
Balance at the beginning of the year	3,377.36	1,376.94
Add: Profit for the year	3,367.84	2,500.52
Less :Transferred to Statutory Reserve	(673.57)	(500.10)
Balance at the end of the year	**6,071.63**	**3,377.36**
c) Other comprehensive income		
Balance at the beginning of the year	1.40	3.06
Add: Comprehensive Income for the year	(6.46)	(1.66)
Balance at the end of the year	**-5.06**	**1.40**
Total	**7,590.89**	**4,229.51**

Nature and purpose of reserve

Statutory Reserve u/s. 29C of National Housing Bank Act, 1987 ("the NHB Act, 1987")

Reserve u/s. 29C of NHB Act, 1987 is created in accordance with section 29A of the NHB Act, 1987. As per Section 29C of the NHB Act, 1987, No appropriation of any sum from the reserve fund including any sum in the special reserve which has been taken into account for the purposes of reserve fund in terms of subsection (1), shall be made by such housing finance institution except for the purpose as may be specified by the National Housing Bank from time to time

Surplus in the statement of profit and loss

Surplus in the statement of profit and loss is the accumulated profit of the Company carried forward from earlier years. These reserve are free reserves which can be utilised for any purpose as may be required.

Remeasurement of the defined benefit liabilities

Remeasurement of the net defined benefit liabilities comprise actuarial gain or loss, return on plan assets excluding interest and the effect of asset ceiling, if any.

(INR in lakh)

19 Revenue from operations

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Interest income on financial assets measured at amortised cost		
- Interest income on loans to customers	18,435.69	12,530.06
- Interest income from investments		
- Interest income on investment in pass through certificates	413.74	286.34
- Interest income on investment in debentures	94.42	104.82
Total (A)	**18,943.85**	**12,921.22**
Fees and commission income		
- Service charges	76.45	11.09
- Other charges	73.67	53.37
- Other interest income on security deposit	19.19	37.02
Total (B)	**169.31**	**101.48**
- Income from other services	1,780.00	1,000.00
Total (C)	**1,780.00**	**1,000.00**
Total (A+B+C)	**20,893.16**	**14,022.70**

20 Finance costs

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Finance costs on financial liabilities measured at amortised cost		
Interest on borrowings		
- Interest on term loans	10,193.69	6,263.35
- Interest on cash credit and working capital demand loan	954.32	594.95
Other borrowing cost - Discount on commercial paper	-	145.09
Total	**11,148.01**	**7,003.39**

21 Impairment on financial assets

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
On financial assets measured at amortised cost		
Provision for expected credit loss		
- On loans	1,067.36	91.11
- On investments	5.04	0.15
Others - Bad debts written off	366.92	319.10
Total	**1,439.32**	**410.36**

HINDUJA HOUSING FINANCE LIMITED

Notes to Statement of Profit and Loss for the year ended 31 March 2020

(INR in lakh)

22 Employee benefits expenses

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Salaries, wages and bonus	2,656.24	1,676.59
Contribution to provident and other funds	135.46	83.47
Staff welfare expenses	29.69	26.95
Gratuity and Compensated Absenses (Refer Note 31)	74.01	27.76
Total	**2,895.40**	**1,814.77**

23 Depreciation and amortization

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Depreciation of property, plant and equipment (Refer Note 10)	108.75	58.53
Amortisation of intangible assets (Refer Note 10A)	0.66	1.35
Total	**109.41**	**59.88**

24 Other expenses

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Rent	73.93	54.85
Insurance	25.90	28.75
Electricity charges	5.91	4.24
Communication expenses	57.66	47.07
Legal and professional charges	472.53	425.01
Payment to Auditors (Refer Note Below)	27.00	25.68
Rates and taxes	110.05	139.53
Bank charges	52.06	41.05
Printing and stationery	46.53	37.13
Travelling and conveyance	255.58	313.17
Subscription and licensing charges	12.00	15.60
Sitting fees to directors	7.80	6.60
Advertisement and sale promotion	80.46	45.56
Miscellaneous expenses	50.31	18.64
Total	**1,277.72**	**1,202.88**

Note: Payment to auditors (excluding goods and service tax)

Statutory audit	20.00	20.00
Tax audit	1.50	1.25
Certification	2.50	2.50
Limited Review	3.00	-
Reimbursement of expenses	-	1.93
	27.00	**25.68**

(INR in lakh)

25 Income Tax

The components of income tax expense for the years ended 31 March 2020 and 31 March 2019 are:

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Current tax	1,077.51	876.42
Deferred tax	(422.05)	154.48
Total tax charge	**655.46**	**1,030.90**

25.1 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 31 March 2020 and 31 March 2019 is, as follows:-

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Accounting profit before tax	4,023.29	3,531.42
Applicable tax rate	25.17%	29.12%
Computed tax expense	**1,012.58**	**1,028.35**
Tax effect of :		
Deduction under section 36(1)(viii) of Income Tax Act, 1961	(169.63)	-
Impact on account of change in tax rates	57.05	(2.59)
Non deductible items	(8.37)	5.14
Tax expenses	**891.63**	**1,030.90**
Effective tax rate	22.16%	29.19%
Tax Adjustment for earlier period (Deferred Tax)	(236.17)	-
Tax expenses recognised in the statement of profit and loss	**655.46**	**1,030.90**

25.2 Effect of changes in Corporate Tax Rate as per Section 115BBAA

The Government of India has inserted Section 115BBAA in the Income Tax Act, 1961, which provides domestic companies an option to pay Corporate Tax at reduced rate effective April 01, 2019, subject to certain conditions. The company has adopted the option of reduced tax rate and accordingly, opening deferred tax asset as on April 01, 2019, amounting to Rs. 23.77 lakh has been reversed during the year ended March 31, 2020

25.3 Deferred tax

The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense

	As at 31 March 2019	Statement of profit and loss	Other comprehensive income	As at 31 March 2020
Component of Deferred tax asset / (liability)				
Deferred tax asset / (liability) in relation to:				
Difference between WDV of property, plant and equipment as per books of accounts and income tax records	(10.18)	4.66	-	(5.52)
Impairment on financial assets	147.07	193.23	-	340.30
Provision for employee benefits	37.00	(11.32)	2.17	27.85
Others	(234.82)	235.48	-	0.66
Total	**(60.93)**	**422.05**	**2.17**	**363.29**

	As at 31 March 2018	Statement of profit and loss	Other comprehensive income	As at 31 March 2019
Component of Deferred tax asset / (liability)				
Deferred tax asset / (liability) in relation to:				
Difference between WDV of property, plant and equipment as per books of accounts and income tax records	(5.68)	(4.50)	-	(10.18)
Impairment on financial assets	188.86	(41.79)	-	147.07
Provision for employee benefits	13.24	23.02	0.68	37.00
Others	(103.61)	(131.21)	-	(234.82)
Total	**92.81**	**(154.48)**	**0.68**	**(60.93)**

(INR in lakh)

26 Earnings per share ("EPS")	Year ended 31 March 2020	Year ended 31 March 2019
Net profit after tax attributable to equity shareholders	3,367.84	2,500.52
Weighted average number of equity shares outstanding during the year for calculation of basic and diluted EPS	17,31,23,288	12,74,79,452
Face value per share	10.00	10.00
Earnings per share		
- Basic	1.95	1.96
- Diluted	1.95	1.96

27 Related party disclosure

Name of the related parties and nature of relationship

Holding company / Ultimate holding company	Hinduja Leyland Finance Limited ("HLF") - Holding company of Hinduja Housing Ashok Leyland Limited (“ALL”) – Holding Company of HLF Hinduja Automotive Limited ("HAL") – Holding Company of ALL Machen Holdings S.A ("Machen") – Holding Company of HAL Machen Development Corporation ("MDC") – Holding Company of Machen Amas Holdings S.A. – Holding Company of MDC
Fellow subsidiary	HLF Services Limited ("HSL")
Key management personnel ("KMP")	Mr. Sachin Pillai, Managing Director Mr. Venkatesh Kannappan, Chief Operating Office (till Dec 4, 2019) Ms. Roopa Sampath Kumar, Chief Financial Officer Mr. Baalasubramaniyan Ne, Company Secretary (till Feb 6, 2020) Mr. Srinivas Rangarajan, Company Secretary (from Feb 7, 2020)

Related party transactions	Holding company (HLF)	Fellow subsidiary (HSL)	KMP
Allotment of equity shares	4,000.00	-	-
	(3,000.00)	-	-
Reimbursement of expenses incurred on behalf of HHF	103.84	-	-
	(64.06)	-	-
Service provider fees	-	1,298.10	-
	-	(940.57)	-
Rental expense	22.04	-	-
	(32.36)	-	-
Interest on security deposit	19.18	-	-
	(37.02)	-	-
Salaries and allowances *			
- Mr. Venkatesh Kannappan	-	-	24.44
(Till Dec 4, 2019)	-	-	(22.96)
- Ms. Roopa Sampath Kumar	-	-	2.23
	-	-	(1.59)
- Mr. Baalasubramaniyan Ne.	-	-	0.68
(Till Feb 6, 2020)	-	-	(0.49)
- Mr. Srinivasan Rangarajan.	-	-	1.83
(From Feb 7, 2020)	-	-	-

(INR in lakh)

27 Related party disclosure *(continued)*

*All the KMPs except Mr. Srinivas Rangarajan, Company Secretary appointed w.e.f Feb 7, 2020 have been nominated by Hinduja Leyland Finance Limited, the Holding Company. The salaries and allowance are paid by Hinduja Leyland Finance Limited and the same is reimbursed by Hinduja Housing Finance Limited.

Note: Figures in bracket represents the figures for FY 2018-19.

Related party balances	Year ended 31 March 2020	Year ended 31 March 2019
Hinduja Leyland Finance Limited		
Security deposit (recoverable)	122.59	144.10
Prepaid rent	39.41	17.90

27.1 There are no provisions for doubtful debts / advances or amounts written off or written back for debts due from/ due to related parties.

27.2 The transactions disclosed above are exclusive of GST.

27.3 The Company enters into transactions, arrangements and agreements involving directors, senior management and their business associates, or close family members, in the ordinary course of business under the same commercial and market terms, interest and commission rates that apply to non-related parties.

28 Segment reporting

The Company is primarily engaged into business of providing housing & term loans. The company has its operations within India and all revenues are generated within India. As such, there are no separate reportable segments as per the provisions of IND AS 108 on 'Operating Segments.

29 Contingent liabilities and commitments

a) Contingent liabilities - There are no contingent liabilities as at 31 March 2020. (31 March 2019: Nil)

b) Commitments - Sanctioned and undisbursed amounts of loans as at 31 March 2020 : Rs 4,817.47 (31 March 2019 : 6,301.65)

30 Corporate Social Responsibility (CSR) expenses

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
(a) Gross amount required to be spent by the company during the year as per Section 135 of the Companies Act, 2013 read with schedule VII	41.10	17.66
(b) Amount spent during the year on:		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	11.03	-

(INR in lakh)

31 Retirement benefits

(a) Defined contribution plans:

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund, which is a defined contribution plan. The Company has no obligations other than to make the specified contributions. The contributions are charged to the statement of profit and loss as they accrue. The amount recognised as an expense towards contribution to provident fund for the year aggregated to INR 135.46 lakhs (31 March 2019 : INR 75.74 lakhs)

(b) Defined benefit plan:

Gratuity plan

Financial assets not measured at fair value
The Company operates a defined benefit plan (the gratuity plan) covering eligible employees. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age/ resignation date.

The defined benefit plans expose the Company to risks such as actuarial risk, investment risk, liquidity risk, market risk, legislative risk etc. These are discussed as follows:

Interest Rate Risk : The defined benefit obligation calculated uses a discount rate based on government bonds. If the bond yields fall, the defined benefit obligation will tend to increase.

Investment risk: For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

Salary Inflation Risk: The benefits under the plan are related to the employee's last drawn salary. Consequently, any unusual rise in future salary of the employee raises the quantum of benefit payable by the company, which results in a higher liability for the company and is therefore a plan risk for the company.

Market risk: Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in defined benefit obligation of the plan benefits and vice versa. This assumption depends on the yields on the government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

Legislative risk: Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act, 1972, thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the defined benefit obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

The following table sets out the status of the gratuity plan as required under IND AS 19. Reconciliation of opening and closing balances of the present

Particulars	**Year ended 31 March 2020**	**Year ended 31 March 2019**
Present value of obligations	64.12	20.29
Fair value of plan assets	-	-
Asset/ (Liability) recognised in the Balance Sheet	**(64.12)**	**(20.29)**

(INR in lakh)

31 **Retirement benefits** *(continued)*

(b) **Defined benefit plan** *(continued)*

Movement in present values of defined benefit obligations

Particulars	**Year ended 31 March 2020**	**Year ended 31 March 2019**
Defined benefit obligation at the beginning of the year	20.29	3.93
Current service cost	33.80	13.71
Interest cost	1.39	0.31
Actuarial (gains) / losses	8.64	2.34
Benefits paid by the plan	-	-
Defined benefit obligation at the end of the year	64.12	20.29

Movement in fair value of plan assets

Particulars	**Year ended 31 March 2020**	**Year ended 31 March 2019**
Fair value of plan assets at the beginning of the year	-	-
Contributions paid into the plan	-	-
Benefits paid by the plan	-	-
Expected return on plan assets	-	-
Actuarial (losses) / gains	-	-
Fair value of plan assets at the end of the year	-	-

Expense recognised in the statement of profit or loss

Particulars	**Year ended 31 March 2020**	**Year ended 31 March 2019**
Current service cost	33.80	13.71
Interest on obligation	1.39	0.31
Expected return on plan assets	-	-
Net actuarial (gain)/ loss recognised in the year	8.64	2.34
Total	**43.83**	**16.36**

Remeasurements on the net defined benefit liability :	**Year ended 31 March 2020**	**Year ended 31 March 2019**
- Actuarial (gain)/loss from change in demographic assumptions	23.72	3.81
- Actuarial (gain)/loss from change in financial assumptions	3.23	2.54
- Actuarial (gain)/loss from change in experience adjustments	(18.31)	(4.00)
Total amount recognised in other comprehensive income	**8.64**	**2.34**

Actuarial assumptions

Particulars	**Year ended 31 March 2020**	**Year ended 31 March 2019**
Discount rate	6.87%	7.68%
Estimated rate of return on plan assets	0.00%	0.00%
Attrition rate	18.00%	29.00%
Future salary increases	12.00%	10.00%
Retirement age	58 years	58 years
Mortality Rate	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate

31 **Retirement benefits** *(continued)*

(b) **Defined benefit plan** *(continued)*

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. Assumptions regarding future mortality are based on published statistics and mortality tables. The calculation of the defined benefit obligation is sensitive to the mortality assumptions.

Five year information

Gratuity	**Year ended 31 March 2020**	**As at 31 March 2019**	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016**
Defined benefit obligation	64.12	20.29	3.93	5.98	-
Fair value of plan assets	-	-	-	-	-
Deficit in plan	64.12	20.29	3.93	5.98	-
Experience adjustments on plan liabilities	8.64	2.34	(4.30)	-	-
Experience adjustments on plan assets	-	-	-	-	-

Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected

Particulars	**Year ended 31 March 2020**	**Year ended 31 March 2019**
Defined benefit obligation (Base)	64.12	20.29

Particulars	**Year ended 31 March 2020**		**Year ended 31 March 2019**	
'100 base points increase/decrease	**Increase**	**Decrease**	**Increase**	**Decrease**
Discount rate (- / + 1%)	56.17	73.65	18.26	22.64
(% change compared to base due to sensitivity)	-12.40%	14.88%	-9.99%	11.61%
Future salary growth (- / + 1%)	72.62	56.63	22.46	18.38
(% change compared to base due to sensitivity)	13.27%	-11.67%	10.68%	-9.40%
Attrition rate (- / + 1%)	59.66	69.15	19.01	21.69
(% change compared to base due to sensitivity)	-6.95%	7.85%	-6.31%	6.93%

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown

(c) **Other long term employee benefits**

The liability for compensated absences as at 31 March 2020 is INR 46.54 lakhs (31 March 2019 - INR 16.36 lakhs).

(INR in lakh)

32 Micro and small enterprises

Under the Micro, Small and Medium Enterprises Development Act, 2006 which came into force from 2 October 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. There have been no reported cases of delays in payments to micro and small enterprises or of interest payments due to delays in such payments.The disclosure as required by section 22 of MSMED Act has been given below:

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) 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	-	-

(INR in lakh)

33 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. With regard to loans and advances to customers, the company uses the same basis of expected repayment behaviour as used for estimating the EIR.

Particulars	As at 31 March 2020			As at 31 March 2019		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
ASSETS						
Financial assets						
Cash and cash equivalents	1,390.02	-	1,390.02	1,127.31	-	1,127.31
Loans	13,102.81	1,49,071.25	1,62,174.06	9,192.33	1,13,900.20	1,23,092.52
Investments	660.53	3,731.78	4,392.31	524.24	4,790.84	5,315.08
Other financial assets	495.42	141.58	637.00	24.37	141.58	165.95
Non-financial assets						
Current tax assets (net)	474.48	-	474.48	247.61	-	247.61
Deferred tax assets (net)	-	363.29	363.29	-	-	-
Property, plant and equipment	-	187.87	187.87	-	205.65	205.65
Intangible assets	-	3.29	3.29	-	3.95	3.95
Other non-financial assets	1.21	39.41	40.62	20.21	-	20.21
TOTAL ASSETS	**16,124.47**	**1,53,538.47**	**1,69,662.94**	**11,136.07**	**1,19,042.22**	**1,30,178.28**
LIABILITIES						
Financial Liabilities						
Tradepayables						
(i) Total outstanding dues of micro and small enterprises	-	-	-	-	-	-
(ii) Total outstanding dues of creditors other than micro and small enterprises	182.39	-	182.39	42.66	-	42.66
Borrowings*	32,816.03	1,09,405.69	1,42,221.72	20,205.50	90,088.86	1,10,294.36
Other financial liabilities	454.25	-	454.25	494.70	-	494.70
Non-financial liabilities						
Provisions	-	110.66	110.66	0.05	36.60	36.65
Deferred tax liabilities (net)	-	-	-	-	60.93	60.93
Other non-financial liabilities	103.04	-	103.04	19.47	-	19.47
TOTAL LIABILITIES	**33,555.71**	**1,09,516.35**	**1,43,072.06**	**20,762.38**	**90,186.39**	**1,10,948.77**
NET	**(17,431.24)**	**44,022.12**	**26,590.88**	**(9,626.31)**	**28,855.83**	**19,229.51**

* Cash credit borrowings and working capital demand loan from banks are usually for a period of 1 year. As per the prevalent practice, these facilities are renewed on a year to year basis and therefore, are revolving in nature. Accordingly, repayments of cash credit borrowings and working capital demand loans from banks aggregating INR 6,532.60 lakhs (31 March 2019 - INR 8,632.46 lakhs) has been distributed over the same period as the maturity pattern of assets on finance.

(INR in lakh)

34 Financial instrument fair value measurement

a. Financial instruments by category

The carrying value and fair value of financial instruments by categories as at 31 March 2020 were as follows:

	Carrying amount	Fair value			
Particulars	**Amortised cost**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets not measured at fair value*					
Loans	1,62,174.06	-	-	1,62,123.58	1,62,123.58
Investments	4,392.31	-	-	4,261.49	4,261.49
Other financial assets	637.00	-	-	-	-
Total	**1,67,203.37**				
Financial liabilities not measured at fair value*					
Trade payables	182.39	-	-	-	-
Borrowings	1,42,221.72	-	-	1,42,221.72	1,42,221.72
Other financial liabilities	454.25	-	-	-	-
Total	**1,42,858.36**				

The carrying value and fair value of financial instruments by categories as at 31 March 2019 were as follows:

	Carrying amount	Fair value			
Particulars	**Amortised cost**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets not measured at fair value*					
Loans	1,23,092.52	-	-	1,23,009.26	1,23,009.26
Investments	5,315.08	-	-	4,679.09	4,679.09
Other financial assets	165.95	-	-	-	-
Total	**1,28,573.55**				
Financial liabilities not measured at fair value*					
Trade payables	42.66	-	-	-	-
Borrowings	1,10,294.36	-	-	1,10,294.36	1,10,294.36
Other financial liabilities	494.70	-	-	-	-
Total	**1,10,831.72**				

* The Company has not disclosed the fair values for financial instruments which are short term in nature because their carrying amounts are a reasonable approximation of fair value.

Sensitivity analysis

	Increase	**Decrease**
For the year ended 31 March 2019		
Loans		
Interest rates (1% movement)	965.01	(965.01)
For the year ended 31 March 2020		
Loans		
Interest rates (1% movement)	1,415.95	(1,415.95)

b. Measurement of fair values

Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the financial statements. These fair values were calculated for disclosure purposes only.

(INR in lakh)

34 Financial instrument fair value measurement *(continued)*

b. Measurement of fair values *(continued)*

Short-term financial assets and liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and cash equivalent, other financial assets (excluding security deposit), trade payables and other financial liability.

Loans and advances to customers

In case of retail loans and term loans with floating rates, the interest rate represents the market rate. Consequently the carrying amount represents the fair value.
Term loans with fixed rate:- The fair values are estimated by discounted cash flow model that incorporates assumptions for credit risk, probability of default and loss give default estimates.

Investments

The fair values are estimated by discounted cash flow model that incorporates assumptions for credit risk, probability of default and loss give default estimates.

Borrowings

In case of borrowings with floating rates, the interest rate represents the market rate. Consequently the carrying amount represents the fair value.

c. Capital management

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

The company monitors capital using adjusted net debt (total borrowings net of cash and cash equivalents) to equity ratio.

Particulars	**Year ended 31 March 2020**	**Year ended 31 March 2019**
Gross Debt	1,42,221.72	1,10,294.36
Less:		
Cash and Cash equivalent	1,390.02	1,127.31
Other bank deposits	-	-
Adjusted Net Debt	1,40,831.71	1,09,167.05
Total Equity	26,590.88	19,229.51
Adjusted Net Debt to Equity Ratio	**5.30**	**5.68**

The Company is subject to capital adequacy ratio ("CAR") requirements which are prescribed by the NHB. Refer Note 40

(INR in lakh)

35 Financial risk management objectives and policies

The Company's principal financial liabilities comprise borrowings. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's financial assets include loans, cash and cash equivalents, investments and other financial assets that derive directly from its operations.

The Company is exposed to credit risk, liquidity risk and market risk. The Company's board of directors has an overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. risk management policies and systems are reviewed regularly to reflect changes in market conditions and the

The Company's risk management committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

(i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter-party to financial instrument fails to meet its contractual obligations and arises primarily from the Company's loans and investments.

The carrying amounts of financial assets represent the maximum credit risk exposure.

A. Loans and advances

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry.

The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information etc.

The Company's gross exposure to credit risk for loans and investments by type of counterparty is as follows:

Particulars	Carrying Amount	
	Year Ended 31 March 2020	Year Ended 31 March 2019
Retail loans	1,44,493.74	1,05,212.00
Term loans	19,252.72	18,385.30
Investments	4,397.35	5,315.34
	1,68,143.81	**1,28,912.64**

The above exposure is entirely concentrated in India. There are no overseas exposure.
An impairment analysis is performed at each reporting date based on the facts and circumstances existing on that date to identify expected losses on account of time value of money and credit risk. For the purposes of this analysis, the loan receivables are categorised into groups based on days past due. Each group is then assessed for impairment using the Expected Credit Loss (ECL) model as per the provisions of Ind AS 109 - financial instruments.

Staging:
As per the provision of Ind AS 109 general approach all financial instruments are allocated to stage 1 on initial recognition. However, if a significant increase in credit risk is identified at the reporting date compared with the initial recognition, then an instrument is transferred to stage 2. If there is objective evidence of impairment, then the asset is credit impaired and transferred to stage 3.

The Company considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments

For financial assets in stage 1, the impairment calculated based on defaults that are possible in next twelve months, whereas for financial instrument in stage 2 and stage 3 the ECL calculation considers default event for the lifespan of the instrument.

As per Ind AS 109, Company assesses whether there is a significant increase in credit risk at the reporting date from the initial recognisation. Company has staged the assets based on the day past dues criteria and other market factors which significantly impacts the portfolio.

Days past dues status	Stage	Provisions
Current	Stage 1	12 Months Provision
1-30 Days	Stage 1	12 Months Provision
31-60 Days	Stage 2	Lifetime Provision
61-90 Days	Stage 2	Lifetime Provision
90+ Days	Stage 3	Lifetime Provision

35 Financial risk management objectives and policies *(continued)*

(i) Credit risk *(continued)*

A. Loans and advances *(continued)*

Grouping
As per Ind AS 109, Company is required to group the portfolio based on the shared risk charecterstics. Company has assessed the risk and its impact on the various portfolios and has divided the portfolio into following groups:
- Housing Loans
- Loan against property
- Investments

Expected credit loss ("ECL"):
ECL on financial assets is an unbiased probablity weighted amount based out of possible outcomes after considering risk of credit loss even if probblity is low. ECL is calaculated based on the following components:

a. Marginal probablity of default ("MPD")
b. Loss given default ("LGD")
c. Exposure at default ("EAD")
d. Discount factor ("D")

Marginal probablity of default:
PD is defined as the probability of whether borrowers will default on their obligations in an ensuing period of 12 months. Historical PD is derived from the HFC's internal data calibrated with forward looking macroeconomic factors. Macroeconomic factors having a high correlation with the HFC's internal data are selected as references for estimating future probabilities of default, which are:
1. GDP
2. Domestic Demand

Forecasts of these macro economic factors considered in the ECL model also take into account the estimated effect of the COVID-19 pandemic and based on this, the Company has estimated the future probabilities of default for the HFC's portfolio of assets.

Loss given default ("LGD"):
LGD is an estimate of the loss from a transaction given that a default occurs. Under Ind AS 109, lifetime LGD's are defined as a collection of LGD's estimates applicable to different future periods.
Various approaches are available to compute the LGD. Company has considered workout LGD appraoch. The following steps are performed to calculate the LGD:

1) Haircut was applied on the value of the collateral (asset cost) as of reporting date.
2) The outstanding amount was adjusted with the haircut adjusted collateral value.
3) LGD has been computed using the outstanding amount in step (2).

Exposure at default ("EAD"):
As per Ind AS 109, EAD is estimation of the extent to which the financial entity may be exposed to counterparty in the event of default and at the time of counterparty's default. Company has modelled EAD based on the contractual and behaviourial cash flows till the lifetime of the loans considering the expected prepayments.

Company has considered expected cash flows for all the loans at DPD bucket level for each of the segments, which was used for computation of ECL. Moreover, the EAD comprised of principal component, accrued interest and also the interest on the outstanding exposure for the ensuing 12 months. So discounting was done for computation of expected credit loss.

(INR in lakh)

35 Financial risk management objectives and policies *(continued)*

(i) Credit risk *(continued)*

A. Loans and advances *(continued)*

Discounting:

As per Ind AS 109, ECL is computed by estimating the timing of the expected credit shortfalls associated with the defaults and discounting them using effective interest rate.

ECL computation:

Conditional ECL at DPD pool level was computed with the following method:
Conditional ECL for year (yt) = EAD (yt) * conditional PD (yt) * LGD (yt) * discount factor (yt)
The calculation is based on provision matrix which considers actual historical data adjusted appropriately for the future expectations and probabilities. Proportion of expected credit loss provided for across the stage is summarised below:

Particulars	Year Ended 31 March 2020	Year Ended 31 March 2019
Stage 1	417.40	30.76
Stage 2	664.23	179.73
Stage 3	495.81	294.55
Loss Assets	-	-
Amount of expected credit loss provided for	**1,577.44**	**505.04**

The loss rates are based on actual credit loss experience over past years. These loss rates are then adjusted appropriately to reflect differences between current and historical economic conditions and the Company's view of economic conditions over the expected lives of the loan receivables. Movement in provision of expected credit loss has been provided in below note.

Movement of ECL:

Particulars	Year Ended 31 March 2020	Year Ended 31 March 2019
Opening provision of ECL	505.04	654.85
Addition during the year	1,302.91	431.01
Utilization / reversal during the year	(230.51)	(580.82)
Closing provision of ECL	**1,577.44**	**505.04**

Reconciliation of ECL balance is given below:

Particulars	31 March 2020			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**30.75**	**179.74**	**294.55**	**505.04**
Assets repaid (excluding write offs)*	224.12	23.18	214.05	461.35
Transfers from Stage 1 **	(4.29)	436.36	59.06	491.13
Transfers from Stage 2 **	2.84	(40.48)	94.63	56.99
Transfers from Stage 3 **	-	1.23	(22.22)	(20.99)
Amounts written off	(12.05)	-	(145.08)	(157.13)
New assets originated	176.03	64.20	0.82	241.05
Gross carrying amount closing balance	**417.40**	**664.23**	**495.81**	**1,577.44**

Particulars	31 March 2019			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**35.71**	**373.37**	**245.77**	**654.85**
Assets repaid (excluding write offs)*	(21.32)	(271.31)	(32.11)	(324.73)
Transfers from Stage 1 **	(2.43)	2.15	0.29	-
Transfers from Stage 2 **	0.64	(52.81)	52.17	-
Transfers from Stage 3 **	0.02	1.64	(1.66)	-
Amounts written off	-	-	(197.02)	(197.02)
New assets originated	18.14	126.69	227.11	371.94
Gross carrying amount closing balance	**30.75**	**179.74**	**294.55**	**505.04**

(INR in lakh)

35 Financial risk management objectives and policies *(continued)*

(i) Credit risk *(continued)*

A. Loans and advances *(continued)*

An analysis of changes in the gross carrying amount :

Particulars	31 March 2020			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	1,17,564.37	7,623.87	2,086.56	1,27,274.80
Assets repaid (excluding write offs)*	(18,208.41)	(886.73)	5.81	(19,089.33)
Transfers from Stage 1 **	(13,614.35)	12,951.07	663.28	-
Transfers from Stage 2 **	853.16	(1,915.91)	1,062.75	-
Transfers from Stage 3 **	-	36.46	-	36.46
Amounts written off	(12.05)	-	(145.80)	(157.85)
New assets originated	56,826.43	1,905.53	9.19	58,741.15
Gross carrying amount closing balance	**1,43,409.15**	**19,714.29**	**3,681.79**	**1,66,805.23**

Particulars	31 March 2019			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	64,501.96	8,936.91	563.26	74,002.13
Assets repaid (excluding write offs)*	(14,728.50)	(3,935.96)	(119.28)	(18,783.74)
Transfers from Stage 1 **	(3,341.80)	2,946.80	395.00	-
Transfers from Stage 2 **	1,907.12	(3,151.76)	1,244.64	-
Transfers from Stage 3 **	44.45	62.29	(106.74)	-
Amounts written off	-	-	(197.02)	(197.02)
New assets originated	69,181.14	2,765.59	306.70	72,253.43
Gross carrying amount closing balance	**1,17,564.37**	**7,623.87**	**2,086.56**	**1,27,274.80**

Note: The gross carrying value includes retail loans, term loans and investments.

* Excludes the unamortised component of sourcing cost/ income which is adjusted as part of loan balances.

** Represents the balance outstanding as at beginning of the year, net of repayments made during the year, if any. The repayments are forming part of "Assets repaid (excluding write offs)".

C. Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are in place covering the acceptability and valuation of each type of collateral.The main types of collateral obtained are mortgaged properties based on the nature of loans. Management monitors the market value of collateral and will request additional collateral in accordance with the underlying agreement. The Company advances loan to maximum extent of 80% of the value of the mortgaged properties.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due. The Company is monitoring its liquidity risk by estimating the future inflows and outflows during the start of the year and planned accordingly the funding requirement. The Company manages its liquidity by unutilised cash credit facility, term loans and direct assignment.

The composition of the Company's liability mix ensures healthy asset liability maturity pattern and well diverse resource mix. The total cash credit and working capital limit available to the Company is INR 15,500 lakhs spread across 5 banks. The utilization level is maintained in such a way that ensures sufficient liquidity on hand. Majority of the Company's portfolio is individual housing loans. The company does not have any off book assets under management.

(INR in lakh)

35 Financial risk management objectives and policies *(continued)*

(ii) Liquidity risk *(continued)*

The table below summarises the maturity profile of the Company's financial assets and financial liabilities based on contractual undiscounted payments along with its carrying value as at the balance sheet date.

Particulars	As at 31 March 2020			As at 31 March 2019		
	Loans & Investments	Cash and cash equivalent	Other Financial Assets	Loans & Investments	Cash and cash equivalent	Other Financial Assets
1 day to 30/31days (onemonth)	4,558.42	1,390.02	495.42	3,114.64	1,127.21	24.37
Over one month to 2 months	2,377.28	-	-	1,817.14	-	-
Over 2 months up to 3 months	2,434.44	-	-	1,894.47	-	-
Over 3 months to 6 months	7,016.00	-	-	5,486.03	-	-
Over 6 months to 1 year	13,492.00	-	-	10,694.17	-	-
Over 1 year to 3years	47,897.03	-	141.58	37,303.89	-	141.58
Over 3 year to5 years	36,050.24	-	-	30,592.35	-	-
Over 5 years	52,740.96	-	-	37,504.90	-	-
Total	**1,66,566.37**	**1,390.02**	**637.00**	**1,28,407.59**	**1,127.21**	**165.95**

Particulars	As at 31 March 2020			As at 31 March 2019		
	Borrowings	Trade payable	Other Financial Liabilities	Borrowings	Trade payable	Other Financial Liabilities
1 day to 30/31days (onemonth)	2,170.02	182.39	454.25	3,205.22	42.66	494.70
Over one month to 2 months	1,370.79	-	-	1,317.45	-	-
Over 2 months up to 3 months	2,994.32	-	-	2,343.13	-	-
Over 3 months to 6 months	6,539.31	-	-	5,138.37	-	-
Over 6 months to 1 year	14,394.36	-	-	10,857.02	-	-
Over 1 year to 3years	53,757.01	-	-	42,567.49	-	-
Over 3 year to5 years	36,915.57	-	-	29,756.98	-	-
Over 5 years	24,080.34	-	-	15,108.70	-	-
Total	**1,42,221.71**	**182.39**	**454.25**	**1,10,294.36**	**42.66**	**494.70**

(iii) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk includes interest rate risk and foreign currency risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's investment in bank deposits and variable interest rate borrowings and lending. Whenever there is a change in borrowing interest rate for the Company, necessary change is reflected in the lending interest rates over the timeline in order to mitigate the risk of change in interest rates of borrowings.

(INR in lakh)

35 Financial risk management objectives and policies *(continued)*

(iii) Market risk *(continued)*

The sensitivity analysis have been carried out based on the exposure to interest rates lending and borrowings carried at variable rate.

Particulars	Year ended 31 March 2020		Year ended 31 March 2019	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
Change in interest rates				
Variable rate borrowings				
Impact on profit for the year	(1,285.81)	1,285.81	(859.79)	859.79

(iv) Foreign currency risk

The Company does not have any instrument denominated or traded in foreign currency. Hence, such risk does not affect the Company.

36 Transfer pricing

The Company has domestic transactions with related parties. The management confirms that it maintains documents required by the relevant provisions of the Income-tax Act, 1961 to prove that these transactions are at arm's length and believes that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

37 Subsequent events

There are no significant subsequent events that have occurred after the reporting period till the date of these financial statements.

38 Note on COVID 19 Pandemic

The outbreak of COVID-19 pandemic across the globe and in India has contributed to a significant decline and volatility in the global and Indian financial markets and slowdown in the economic activities. Reserve Bank of India (RBI) has issued guidelines relating to COVID-19 Regulatory Package dated March 27, 2020 and April 17, 2020 and May 22, 2020 and in accordance therewith, the Company has proposed a moratorium on the payment of all principal instalments and/ or interest, as applicable as per the RBI guidelines and this policy has been approved by its Board of directors.

Further, the Company has, based on current available information and based on the expected credit loss policy approved by the board determined the provision for impairment of financial assets. Given the uncertainty over the potential macro-economic impact, the Company's management has considered internal and external information including credit reports and economic forecasts upto the date of approval of these financial results. Based on the current indicators of future economic conditions, the Company considers the expected loss provision to be adequate and expects to recover the carrying amount of the financial assets recognised in the financial statements

The extent to which the COVID-19 pandemic will impact the Company's future results will depend on future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by the Company. Given the uncertainty over the potential macro-economic condition, the impact of the global health pandemic may be different from that estimated as at the date of approval of these financial results and the Company will continue to closely monitor any material changes to future economic conditions

39 Approval of Financial Statement

The financial statements were approved for issue by the Board of Directors on June 18, 2020

(INR in lakhs)

40 **Disclosure required as per Annexure 4 of the Notification No. NHB.HFC.CG.DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB.**

(i) Capital

Particulars	31 March 2020	31 March 2019
CRAR %	21.51%	19.87%
CRAR - Tier I Capital %	21.13%	19.41%
CRAR - Tier II Capital %	0.38%	0.46%
Amount of subordinated debt raised as Tier II Capital	-	-
Amount raised by issue of perpetual debt instruments	-	-

(ii) Reserve fund u/s 29C of NHB Act, 1987

Statutory reserve	As at 31 March 2020	As at 31 March 2019
Balance at the beginning		
a) Statutory reserve as per section 29C of the National Housing Bank Act, 1987	850.75	350.65
b) Amount of special reserve u/s 36(1)(viii) of Income tax Act, 1961 taken in to account for the purpose of statutory reserve u/s 29C of the National Housing Bank	-	-
c) Total	850.75	350.65
Addition/Appropriation/withdrawals during the year		
Add:		
a) Amount transferred as per section 29C of the National Housing Bank Act, 1987	673.57	500.10
b) Amount of special reserve u/s 36(1)(viii) of Income tax Act, 1961 taken in to account for the purpose of statutory reserve u/s 29C of the National Housing Bank	-	-
Less:		
a) Amount appropriated as per section 29C of the National Housing Bank Act, 1987	-	-
b) Amount withdrawn from special reserve u/s 36(1)(viii) of Income tax Act, 1961 taken in to account for the purpose of statutory reserve u/s 29C of the National	-	-
Balance as at end of the year		
a) Statutory reserve as per section 29C of the National Housing Bank Act, 1987	1,524.32	850.75
b) Amount of special reserve u/s 36(1)(viii) of Income tax Act, 1961 taken in to account for the purpose of statutory reserve u/s 29C of the National Housing Bank	-	-
c) Total	**1,524.32**	**850.75**

(iii) Investments

Sl No	Particulars	31 March 2020	31 March 2019
1	Value of investment		
	(i) Gross value of investment		
	(a) In India	4,392.31	5,315.08
	(b) Outside India	Nil	Nil
	(ii) Provision for depreciation		
	(a) In India	Nil	Nil
	(b) Outside India	Nil	Nil
	(iii) Net Value of Investment		
	(a) In India	4,392.31	5,315.08
	(b) Outside India	Nil	Nil
2	Movement of provisions held towards depreciation on investments		
	(i) Opening balance		
	(ii) Add : Provisions made during the year	Nil	Nil
	(iii) Less: Write off/ write back of excess provisions during the year		
	(iv) Closing balance		

40 Disclosure required as per Annexure 4 of the Notification No. NHB.HFC.CG.DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB *(Continued)*

(iv) Derivatives

There have been no forward rate contracts / interest rate swaps or any other derivative transactions carried out by the Company during the year ended 31 March 2020 and 31 March 2019.

(v) Disclosures relating to securitisation

(i) There have been no securitisation transactions carried out by the Company - Nil

(ii) Details of Financials Assets sold to Securitisation/ Reconstruction company for Asset Reconstruction - Nil

(iii) Details of Assignment transactions undertaken - Nil

(iv) Details of non-performing financial assets purchased/sold - Nil

(INR in lakhs)

(vi) Asset Liability Management (ALM)

Maturity pattern of certain items assets and liabilities - As at 31 March 2020

Particulars	1 day to 30-31 days (one month)	Over one month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 7 years	Over 7 to 10 years	Over 10 years	Total
Liabilities											
Borrowings from banks *	2,170.02	1,370.79	2,994.32	6,539.31	14,394.36	53,757.01	36,915.57	20,704.82	3,225.85	149.67	1,42,221.71
Market borrowings	-	-	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	-	-	-	-	-	-	-	-	-	-
Assets											
Advances	4,513.38	2,346.12	2,340.34	6,854.25	13,163.53	45,675.45	34,540.03	26,288.46	20,368.86	6,083.64	1,62,174.06
Investments	45.04	31.16	94.10	161.76	328.47	2,221.57	1,510.21	-	-	-	4,392.31
Foreign currency assets											

Maturity pattern of certain items assets and liabilities - As at 31 March 2019

Particulars	1 day to 30-31 days (one month)	Over one month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 7 years	Over 7 to 10 years	Over 10 years	Total
Liabilities											
Borrowings from banks *	3,205.22	1,317.45	2,343.13	5,138.37	10,857.02	42,567.49	29,756.98	11,649.03	3,214.62	245.05	1,10,294.36
Market borrowings	-	-	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	-	-	-	-	-	-	-	-	-	-
Assets											
Advances	3,087.11	1,811.78	1,826.52	5,363.97	10,392.85	35,651.29	28,051.15	18,745.53	15,532.48	2,629.83	1,23,092.52
Investments	27.52	5.36	67.95	122.06	301.33	1,652.60	2,541.19	597.06	-	-	5,315.08
Foreign currency assets	-	-	-	-	-	-	-	-	-	-	-

*Cash credit borrowings and working capital demand loan from banks are usually for a period of 1 year. As per the prevalent practice, these facilities are renewed on a year to year basis and therefore, are revolving in nature. Accordingly, repayments of cash credit borrowings and working capital demand loans from banks aggregating INR 6,532.59 Lakhs (31 March 2019 - INR 8,632.46 Lakhs) has been distributed over the same period as the maturity pattern of assets on finance.

41 Disclosure required as per Annexure 4 of the Notification No. NHB.HFC.CG.DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB.

A. Exposure to Real Estate Sector

Category	As at 31 March 2020	As at 31 March 2019
(a) Direct exposure		
(i) Residential Mortgage		
Lending fully secured by mortgage on residential property that is or will be occupied by borrower or that is rented		
Housing loan upto Rs. 15 lakhs	36,212.80	25,972.02
Housing loan more than Rs. 15 lakhs	63,774.61	45,341.17
Other Non Housing loans*	39,578.60	29,442.91
(ii) Commercial real estate		
Lending fully secured by mortgage on commercial real estate (Office building or retail space, multi-purpose commercial premises, multi-family residential building, multi-tenanted commercial building, industrial or warehouse space, hotels, land acquisitions, developments and constructions, etc.). Exposure would also include Non-Fund Based (NFB) limits.	-	-
(iii) Investment in mortgage back securities (MBS) and Other securitized exposures		
(a) Residential	3,644.77	4,311.89
(a) Commercial Real Estate		
(b) Indirect Exposure		
Fund based and non fund based exposure on National Housing Bank (NHB) and Housing Finance Corporations (HFCs)	23,594.46	22,627.65

* Includes exposures to Non-Housing loans secured by residential mortgages

B. Exposure to capital market

There is no exposure to capital market during the year ended 31 March 2020 and 31 March 2019

C. Details of financing of parent company products

There is no exposure to financing of parent company products during the year ended 31 March 2020 and 31 March 2019.

D. Details of Single Borrower Limit (SGL)/ Group Borrower Limit (GBL)

During the year, the company had not exceeded the single borrower limit and group borrower limit as stipulated by the NHB Prudential Norms in respect of loans and advances.

E. Unsecured loans

There is no exposure to unsecured loans during the year ended 31 March 2020 and 31 March 2019.

42 Disclosure required as per Annexure 4 of the Notification No. NHB.HFC.CG.DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB.

(i) Registration/ licence/ authorization obtained from other financial sector regulators

Registration/ License	Authority issuing the registration/ license	Registration/ License reference
Certificate of registration	National Housing Bank	09.0129.15

(ii) Disclosure of Penalties imposed by NHB and other regulators

Items	As at 31 March 2020	As at 31 March 2019
a) Penalty		
Penalty if any levied by National Housing Bank	-	0.15
b) Adverse remarks	-	-
c) Percentage of outstanding loans granted against collateral gold jewellery to their outstanding assets	-	-

(INR in lakhs)

42 Disclosure required as per Annexure 4 of the Notification No. NHB.HFC.CG.DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB.
(continued)

(iii) Ratings assigned by credit rating agency and migration of ratings during the year

Facility	Rating agency	31 March 2020	Date of rating
Long-term : Bank borrowings	CARE	AA-/Stable	20-Mar-20
Short-term : Bank borrowings	CARE	A1+	20-Mar-20
Short-term : Commercial paper	CARE	A1+	27-Sep-19
Long-term: Non-convertible debentures	CRISIL	AA-/Stable	25-Apr-19
Short-term : Commercial paper	CRISIL	A1+	25-Apr-19

(iv) Accounting Standard 21 - Consolidated Financial Statements, is not applicable

43 Disclosure pursuant to Notification No. NHB.HFC.CG-DIR.1/2016 dated 9 February 2017 issued by NHB

(i) Provisions and Contingencies

Particulars	31 March 2020	31 March 2019
Provisions for depreciation on investment	-	-
Provisions made towards income tax	-	-
Provisions towards non-performing assets	497.24	452.32
Provision for Standard Assets	1,080.20	401.18
Other provision and contingencies	268.19	79.31

(ii) break up of loans and advances and provisions thereon

Particulars	Housing loan		Non-housing loan	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
Standard assets				
Total outstanding	96,494.60	71,313.19	66,628.84	54,897.39
Provisions	(816.31)	(227.45)	(263.89)	(173.73)
Sub-standard assets				
Total outstanding	1,561.30	1,614.86	161.14	-
Provisions	(139.02)	(275.84)	(14.35)	-
Doubtful assets				
Total outstanding	1,745.53	100.54	27.84	-
Provisions	(155.43)	(26.12)	(2.48)	-
Loss assets				
Total outstanding	185.97	150.36	-	-
Provisions	(185.97)	(150.36)	-	-
Total				
Total outstanding	99,987.41	73,178.95	66,817.82	54,897.39
Provisions	(1,296.73)	(679.77)	(280.72)	(173.73)

Note: The total outstanding amount mean principal + accrued interest + other charges pertaining to loans without netting off.

(INR in lakhs)

43 Disclosure pursuant to Notification No. NHB.HFC.CG-DIR.1/2016 dated 9 February 2017 issued by NHB *(continued)*

(iii) Concentration of public depoists, Advances*, exposure# and NPAs

S.No	Particulars	31 March 2020	31 March 2019
1	**Concentration of Public Deposits (for Public Deposit taking/holding HFCs)**	NA	NA
2	**Concentration of loans & advances**		
	Total advances to twenty largest borrowers	19,452.49	18,723.31
	Percentage of Advances to twenty largest borrowers to Total Advances of the HFC	11.66%	14.62%
3	**Concentration of all Exposures (including off-balance sheet exposures)**		
	Total Exposure to twenty largest borrowers / customers	20,205.07	19,726.75
	Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the HFC on borrowers / customers	12.11%	15.40%
4	**Concentration of NPAs**		
	Total exposure to top ten NPA accounts	633.19	522.51

* Advances represents the outstanding balances as at the respective year end

\# Exposure represents the total amount financed as at the respective year end

(iv) Sector wise NPA

Particulars	% of NPAs to total advances in that sector	% of NPAs to total advances in that sector
	31 March 2020	**31 March 2019**
A.Housing Loans:		
Individuals	3.49%	2.55%
Builders/Project Loans	0.00%	0.00%
Corporates	0.00%	0.00%
Others (specify	0.00%	0.00%
A. Non-Housing Loans:		
Individuals	0.28%	0.00%
Builders/Project Loans	0.00%	0.00%
Corporates	0.00%	0.00%
Others (specify)	0.00%	0.00%

(v) Movement of NPAs

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
(i) Net NPAs to Net Advances (%)	1.91%	1.16%
(ii) Movement of NPAs (Gross)		
(a) Opening balance	2,089.84	563.26
(b) Additions during the year	1,946.59	2,146.27
(c) Reductions during the year	(354.64)	(619.69)
(d) Closing balance	3,681.79	2,089.84
(iii) Movement of Net NPAs		
(e) Opening balance	1,637.52	302.74
(f) Additions during the year	1,848.83	1,358.69
(g) Reductions during the year	(301.81)	(23.91)
(h) Closing balance	3,184.54	1,637.52
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	452.32	260.52
(b) Provisions made during the year	306.63	787.58
(c) Write-off / write-back of excess provisions	(261.70)	(595.78)
(d) Closing balance	497.25	452.32

(INR in lakhs)

43 Disclosure pursuant to Notification No. NHB.HFC.CG-DIR.1/2016 dated 9 February 2017 issued by NHB *(continued)*

(vi) Overseas assets

The Company does not have any joint ventures and subsidiaries abroad during the year ended 31 March 2020 and 31 March 2019 and hence this disclosure is not applicable.

(vii) Off-balance sheet SPVs sponsored

There were no off-balance sheet SPVs sponsored by the Company during the year ended 31 March 2020 and 31 March 2019.

(viii) Customer Complaints*

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
(a) No. of complaints pending at the beginning of the year	-	-
(b) No. of complaints received during the year	189	134
(c) No. of complaints redressed during the year	189	134
(d) No. of complaints pending at the end of the year	-	-

* As per the records of the Company

44 Comparison of Provision under IRACP Norms and Impairment Allowance under IND AS 109 as per RBI Guidelines

Asset Classification as per RBI Norms	Asset Classification as per INDAS	Gross Carrying amount as per INDAS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
Performing assets						
Standard	Stage 1	1,43,409.15	415.96	1,42,993.19	481.27	(65.31)
	Stage 2	19,714.30	664.23	19,050.06	65.02	599.21
Subtotal - Standard		**1,63,123.45**	**1,080.19**	**1,62,043.25**	**546.29**	**533.90**
Non performing assets						
Substandard	Stage 3	1,722.44	153.37	1,569.07	258.37	(105.00)
Doubtful - upto 1 year	Stage 3	1,773.37	157.90	1,615.47	443.34	(285.44)
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal - Doubtful		**1,773.37**	**157.90**	**1,615.47**	**443.34**	**(285.44)**
Loss assets	Stage 3	185.97	185.97	-	185.97	-
Subtotal - NPA		**3,681.78**	**497.25**	**3,184.54**	**887.68**	**(390.43)**
Total	**Stage 1**	**1,43,409.15**	**415.96**	**1,42,993.19**	**481.27**	**(65.31)**
	Stage 2	**19,714.30**	**664.23**	**19,050.06**	**65.02**	**599.21**
	Stage 3	**3,681.78**	**497.25**	**3,184.54**	**887.68**	**(390.43)**
	Total	**1,66,805.23**	**1,577.44**	**1,65,227.79**	**1,433.97**	**143.47**

45 Previous year figures have been regrouped / reclassified wherever necessary to conform to current year's classification.

For and on behalf of the **Board of Directors**

S Nagarajan
Chairman
DIN No. 00009236

Sachin Pillai
Managing Director
DIN No. 06400793

Roopa Sampath Kumar
Chief Financial Officer

Srinivas Rangarajan
Company Secretary

Place : Chennai
Date : June 18, 2020