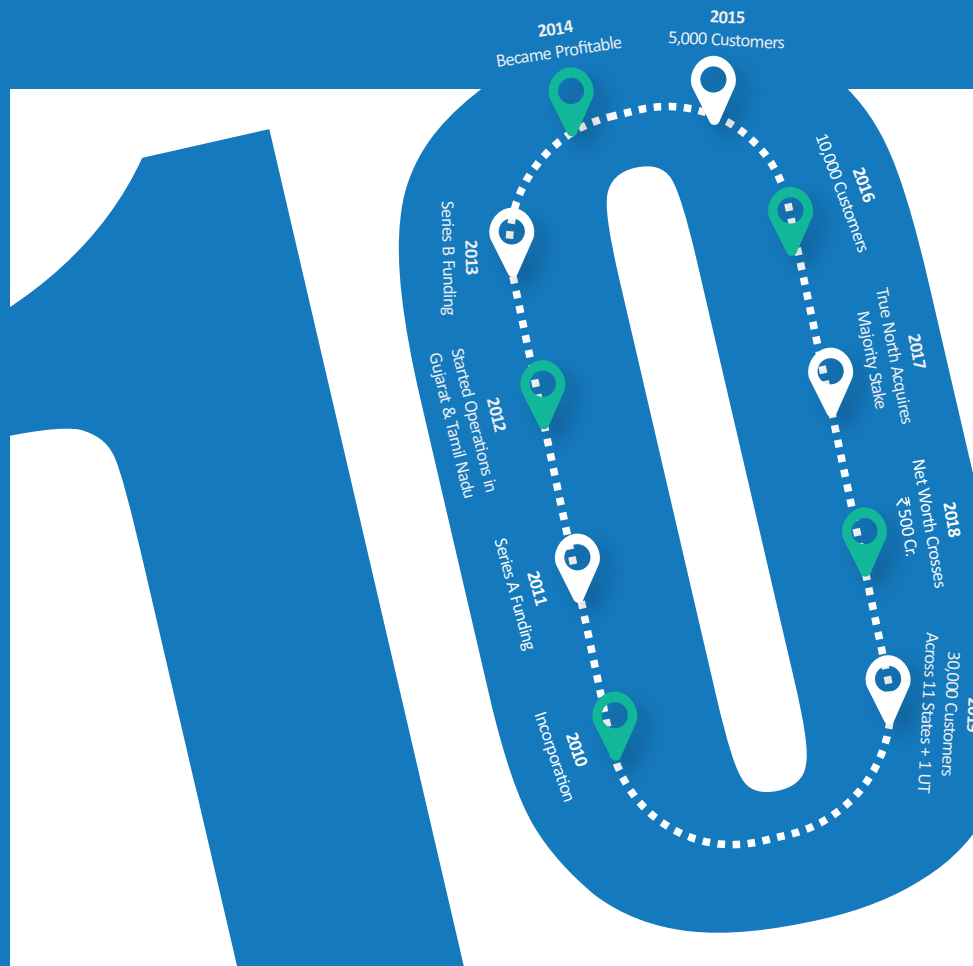


ANNUAL REPORT

2020



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Anniversary edition

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Our Board of Directors & Partners

Board of Directors

Mr. Deepak Satwalekar
Chairman & Independent Director
DIN: 00009627

Mr. Sakti Prasad Ghosh
Independent Director
DIN: 00183802

Ms. Sujatha Venkatramanan
Independent Director
DIN: 05340759

Mr. Rajagopalan Santhanam
Nominee Director
DIN: 00025669

Mr. Vishal Vijay Gupta
Nominee Director
DIN: 01913013

Mr. Divya Sehgal
Nominee Director
DIN: 01775308

Mr. Maninder Singh Juneja
Nominee Director
DIN: 02680016

Mr. Manoj Viswanathan
Director & CEO
DIN: 01741612

Our Partners

STATUTORY AUDITORS

Walker Chandiook & Co LLP
Mumbai

INTERNAL AUDITORS

Ernst & Young LLP
Mumbai

P Chandrasekar LLP
Bangalore

SECRETARIAL AUDITORS

Aashish K. Bhatt & Associates
Mumbai

BANKERS

National Housing Bank
Central Bank of India

State Bank of India

HDFC Bank Limited

IDBI Bank Limited

Vijaya Bank (now Bank of Baroda)

Bank of India

Union Bank of India

Federal Bank

DCB Bank Limited

The Catholic Syrian Bank Limited (now CSB Bank Limited)

ICICI Bank Limited

The Karur Vysya Bank Limited

Axis Bank Limited

Bajaj Finance Limited

Kotak Mahindra Bank Limited

Brief Profile of the Board of Directors

Brief Profile of the Board of Directors

Mr. Deepak Satwalekar



Deepak Satwalekar is the Chairman and Independent Director of our Company. He holds a bachelor's degree in mechanical engineering from Indian Institute of Technology, Bombay and a master's degree in business administration from the American University. Previously, he was associated with Housing Development Finance Corporation Limited as a Director and HDFC Standard Life Insurance Company Limited as the Managing Director and Chief Executive Officer. He has also been recognised as a distinguished alumnus by the Indian Institute of Technology, Bombay.

Mr. Sakti Prasad Ghosh



Sakti Prasad Ghosh is an Independent Director of our Company. He holds a master's degree in commerce from University of Calcutta, a certificate in financial management from University of Mumbai (earlier known as University of Bombay) and a certificate in industrial finance from the Indian Institute of Bankers. He has over 39 years of experience in banking and financial services institutions. Previously, he was associated with Reserve Bank of India as joint manager, National Housing Bank as executive director, Unit Trust of India as deputy general manager, Hometrust Housing Finance Company as Managing Director and Asian Development Bank as consultant.

Ms. Sujatha Venkatramanan



Sujatha Venkatramanan is an Independent Director of our Company. She holds a bachelor's degree in economics (honours) from University of Delhi and a master's degree in business administration from University of Delhi. She has over 24 years of experience in retail banking functions particularly credit risk including credit risk policy, analytics and operations, mergers and acquisitions due diligence, portfolio management, risk advisory, project monitoring, product development, business development and marketing. Previously, she was associated with Citibank as group credit policy head for the central eastern Europe, Middle East, Africa and India, AurionPro Solutions as a consultant and Experian Singapore Pte Limited as consulting director in decision analytics for Asia Pacific. Presently, she is associated with HSBC Group Management Limited as global head of credit bureau management.

Mr. Manoj Viswanathan



Manoj Viswanathan is a Director and the Chief Executive Officer of our Company. He holds a bachelor's degree in electrical and electronics engineering from the Birla Institute of Technology and Science, Pilani and a post graduate diploma in business management from XLRI, Jamshedpur. He has over 23 years of experience in consumer lending. Previously, he was associated with Computer Garage Private Limited, Asian Paints India Limited, Citibank and Citi Financial Consumer Finance India Limited as vice president of personal loans.

Mr. Rajagopalan Santhanam



Rajagopalan Santhanam is a Nominee Director of our Company. He holds a bachelor's degree in commerce from University of Delhi. He is a certified chartered accountant from the Institute of Chartered Accountants of India. He has over 27 years of experience in finance, accounting and treasury management. Previously, he was associated with ITC Limited and Monsanto (India) Limited as Chief Financial Officer. Currently, he is associated with True North Managers LLP.

Mr. Divya Sehgal

Divya Sehgal is a Nominee Director of our Company. He holds a bachelor's of technology degree in electrical engineering from Indian Institute of Technology, Delhi and a post graduate diploma in management from Indian Institute of Management, Bengaluru. He has over 22 years of experience in the financial sector. Previously, he was associated with Mc Kinsey & Company as an Associate, ANZ Grindlays Bank, E Medlife.com Limited as Director and Apollo Health Street Limited as Chief Operating Officer. Currently, he is associated with True North Managers LLP as a partner.



Mr. Maninder Singh Juneja



Maninder Singh Juneja is a Nominee Director of our Company. He holds a bachelor's degree in civil engineering from Maharaja Sayajirao University of Baroda and a post graduate diploma in management from Indian Institute of Management Society, Lucknow. He has over 25 years of experience in the banking industry. Prior to joining our Company, he was associated with Godrej and Boyce Manufacturing Company Limited as management trainee, Godrej GE Appliances Limited, SRF Finance Limited as business manager of corporate finance, DGP Windsor India Limited, Whirlpool of India Limited as Business Manager, ICICI Bank Limited as group executive and National Bulk Handling Corporation Private Limited as Managing Director and Chief Executive Officer. Currently, he is associated with True North Managers LLP as a partner.

Mr. Vishal Gupta

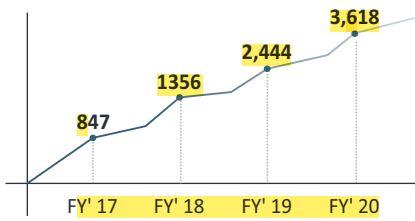
Vishal Vijay Gupta is a Nominee Director of our Company. He holds a post graduate diploma in management from Indian Institute of Management, Calcutta. He is a certified chartered accountant from the Institute of Chartered Accountants of India. He has over 14 years of experience in investments in consumer internet, financial technology and healthcare technology. Currently, he is associated with BVP India Investors Private Limited as a Director.



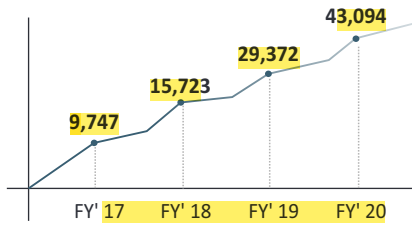
Snapshot

HIGHLIGHTS

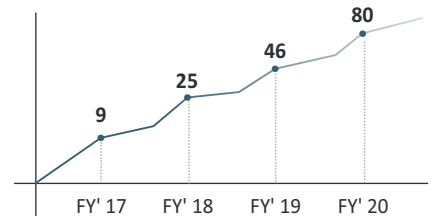
AUM (Cr.)



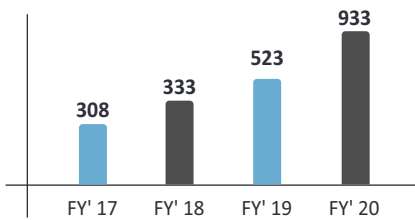
Live Loans



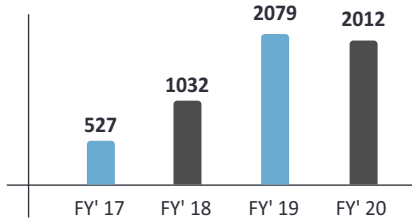
PAT (Cr.)



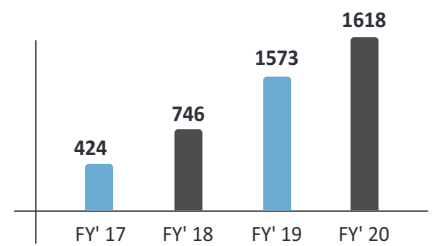
Networth (Cr.)



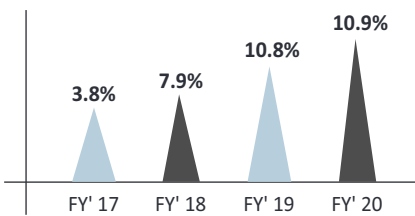
Sanction (Cr.)



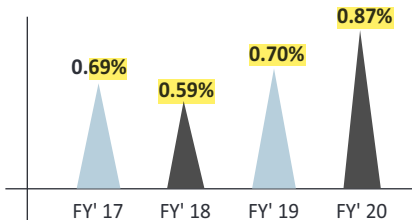
Disbursal (Cr.)



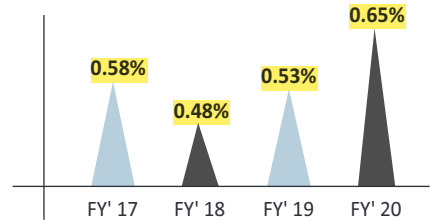
ROE



GNPA



NNPA



Note: FY17 and FY18 figures are as per IGAAP and FY19 and FY20 figures are as per IndAS

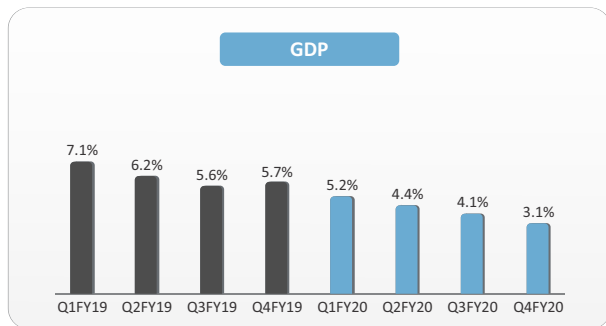


Management Discussion and Analysis

Management Discussion and Analysis

Macroeconomic Overview:

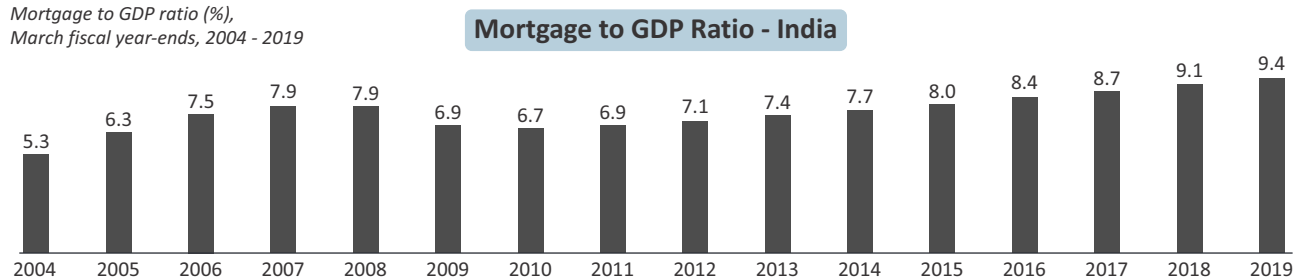
In 2019, India became a \$2.7 trillion economy with the Economic Survey outlining the blueprint to achieve the vision of making India a \$5 trillion economy by 2024-25. Following the path, India now stands at 63 among 190 countries in the World Bank's Ease of doing Business 2020 survey and has made it to world's top 10 most improved countries for the third consecutive time. However, the macro-economic environment in FY20 had been challenging with lower GDP growth rates, liquidity crunch, and peaking unemployment rate resulting in sluggish demand and weakened consumer sentiment. Underlying this decline in GDP growth is a fall in private consumption, stagnation in overall capex and contraction in trade volumes on account of the fall in global growth and demand. This is reflected in the declining GDP-growth trend.



Source: National Statistical Office (NSO), MOSPI

Global economic activity significantly slowed in 2019 following strong growth in 2018 on account of factors emanating from both advanced and emerging economies. After expanding by 4% in FY18, global growth remained somewhat buoyant at 3.6% in FY19, only to significantly drop to 2.9% in FY20. Global economy witnessed a loss in growth momentum along with generally tepid consumer and investor sentiments. Further, an unexpected

Mortgage to GDP ratio (%),
March fiscal year-ends, 2004 - 2019



Source: CSO, RBI, NHB

COVID-19 breakout engulfed the world and India towards the end of the year resulting in nationwide lockdowns globally. The COVID pandemic has not only increased the financial stability challenges and elevated market volatility, but it has also put a significant pressure on an already stressed economic environment.

Latest World Economic Outlook Growth Projections

(real GDP, annual % change)	FY20E	FY21P	FY22P
World Output	2.9	-4.9	5.4
India	4.2	-4.5	6.0

Source: IMF, World Economic Outlook, June 2020

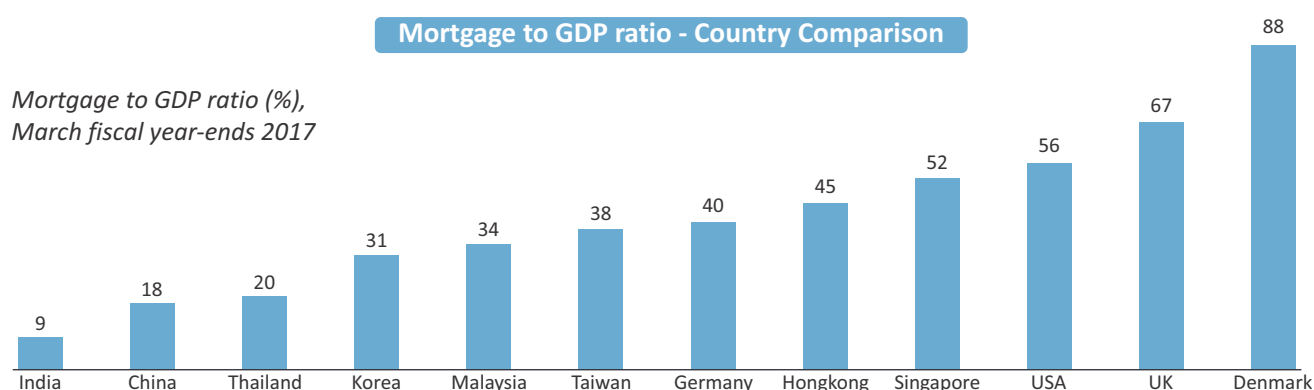
According to the June 2020 update of World Economic Outlook, the International Monetary Fund (IMF) said that the pace of growth of the world economy is projected to slump to -4.9% in FY21 from 2.9% in FY20 and further mark a V-shaped normalisation to 5.4% growth in FY22. Indian economy has fared better and has recorded a moderation in the pace of growth to 4.2% in FY20 from 6.1% in FY19. However, the IMF has predicted a sharp contraction of 4.5% for the Indian economy in FY21. Under the assumption that the pandemic fades in the second half of 2020 and containment efforts can be gradually unwound— India's GDP is projected to bounce back in FY22 with a robust 6.0% growth as economic activity normalizes, helped by policy support.

Improving Mortgage Penetration in India

As of December 2019, the total outstanding retail housing loans was ~₹21 trillion exhibiting a YoY growth of 13%. Although the mortgage penetration has improved over the years, it is still lower than other emerging and developing economies. Hence there is a potential for improving the mortgage penetration level in India.

Mortgage to GDP ratio - Country Comparison

Mortgage to GDP ratio (%),
March fiscal year-ends 2017



Source: European Mortgage Federation, Hofinet, RBI

The major growth drivers supporting higher mortgage penetration are:

1. **Urbanisation:** Urbanisation rose from 28% in 2001 to around 31% by 2011 as per Census 2011. A United Nations report, World Urbanization Prospects: The 2018 Revision, expects nearly 52.8% of the country's population to live in urban areas by 2050. This will boost demand for housing in urban areas.
2. **Nuclearization:** Reducing average household size driven by changing lifestyle of people, changing social culture, and increased mobility of labour is expected to continue in future. It has reduced from 5.5 per household in 1991 to 4.8 per household in 2011 as per Census 2011.
3. **Favourable Demographics:** As per Economic Survey 2018-19, working age population will grow by 9.7 million per year during 2021-31 and 4.2 million per year during 2031-41. Favourable demographics coupled with declining age of home loan borrowers, growth in salaries and increasing preference to accumulate assets – will also boost mortgage penetration in India.

Indian Housing Finance Market

The Indian housing finance market grew at ~20% CAGR over fiscals 2015-2019 as a result of rise in disposable income, healthy demand and more market players catering to different segments.

Further, the overall affordable housing outstanding

credit growth grew at a CAGR of 14% during the fiscals 2015-2019. The major growth drivers being increase in penetration of financiers in rural and semi-urban areas, favourable demographics, government push to promote Housing for All by 2022, and improved affordability of borrowers.

Within the affordable housing market, HFCs have managed to grow their affordable housing loan outstanding credit at a faster 18% CAGR between fiscals 2015 and 2019 on account of deeper reach, focused approach, and expertise in this niche segment and is projected to reach ~ ₹ 5 trillion by fiscal 2022.

Impact of COVID

The outbreak of COVID-19, which was declared a global pandemic on March 11, 2020 by the World Health Organisation continues to spread rapidly across the globe and has affected the world economy including India leading to significant decline and volatility in financial markets and decline in economic activities. Since March 24, 2020, the Indian government has announced a series of lockdowns. With a view to support economic activities, the government has announced several relaxation measures in geographical areas designated as red, orange and green zones depending on the prevalence of the pandemic in those areas. Further a relief package of around 10% of India's GDP in addition to previous monetary and fiscal measures was announced. 'Unlock 1' guidelines were issued on May 30, 2020 paving way for phased re-opening of most activities across the country and limiting lockdown to containment areas. The centre also issued guidelines for Unlock Phase II, beginning from July

1, with relaxations in night curfew, provision for more domestic flights and trains, and clearance for more than five people in a shop.

Housing finance market is expected to see a slower credit growth to the tune of 9-12% in FY21 (vs last 4 years CAGR of ~20%) with self-employed borrowers to be affected the most. Asset quality is expected to deteriorate and higher provisioning requirements are estimated to drive up the credit costs over the next few quarters. Operating efficiencies will also moderate as growth slows; albeit for a limited period of time.

The moratorium facility extended to the customers could pose a risk as it may impact the financial discipline of the borrowers. Besides the challenges on asset side, the funding challenges could mount again as banks become more selective in extending credit. The environment is turbulent and ever evolving and the priority for the housing finance company is to focus on asset quality, liquidity and slow return to growth path; as the economic outlook improves.

Sources: Research reports of various rating agencies

The company has been taking various measures in line with the local regulations to cope with the situation created by the pandemic:

- All Head Office and branch employees had moved to work-from-home mode at the beginning of the full 21 day lockdown. Since our customer relationship management software, lending as well as accounting applications, are on cloud, the Company did not face any challenges in this transition. As the lockdown has gradually lifted, we have opened our branches and started operations. As at June end, ~80% of our branches are operational.
- Due to lockdown imposed across the country, our employees faced hindrance in physical collections. Despite this, our collections for the month of April 2020 stood at 73%. 98% of this was collected electronically. The Company's erstwhile investments in developing electronic collection processes have proved very useful in the current situation.

- We are currently focusing on collections and keeping a control on our asset quality as well as focusing on levers to reduce cost. At the same time, we have put in place new interim credit guidelines for further business and disbursements of already approved loans.
- Although the company has enough liquidity to meet its obligations for the next 9 months, we are focusing on building cash on the balance sheet actively using measures announced by the RBI through existing and new lenders and thereby improving the funding pipeline.

Our stellar efforts at collections have resulted us in collecting 73% collections in April, 64% collections in May and 78% in the month of June'20. Our collection efficiency trend has been improving over time and in line with the lifting of the lockdown and economic activity on ground.

As of June end, we have collected at least 1 full EMI payment from 85% of our customers, at least 2 full EMI from 76% of our customers and all 3 EMI payments from 66% of our customers. It is also heartening to share that we have also collected 5% in prepayments in June'20 as compared to pre-COVID levels of 12% for FY20. Our focus on salaried customer base, high bar for bureau score and detailed assessment process has benefitted in tough times.

We continue to stay close to our customers and remain cognizant of their needs. We also continue to be agile and build on our strengths, to leverage market opportunities and to respond proactively to the challenges.

Regulatory Framework

Government has provided additional thrust to the housing finance sector by announcing various schemes and amendments to the existing rules and regulations. Some of the changes introduced in the regulatory framework are as mentioned below:

1. Time limit for PSL eligibility extended

Through a notification issued in 2019 the RBI provided that the loans extended by the banks to NBFCs on or before March 31, 2020 and which are on-lent to priority sector, shall be eligible to be classified as priority sector lending

by the bank. The maximum ticket size of loans for Housing sector (for on-lending by HFCs) is ₹ 20 lakh per borrower. The maximum PSL Target that can be fulfilled by a bank using this mode is 5% of banks' total PSL. For this purpose, on-lending done by NBFC (except MFIs) and HFCs shall be reckoned.

RBI has issued another notification dated March 23, 2020, extending the above-mentioned time limit to cover originations during FY 2020-21. Accordingly, the loans originated by banks on or before March 31, 2021 and extended to NBFCs for on-lending to Priority Sectors shall be eligible to be classified under Priority Sector Lending of such bank.

2. Additional refinance facility

NHB has been extended an additional special refinance facility (SRF) of ₹ 10,000 crs for housing finance companies. The HFCs can avail loans upto 1 year under this scheme and borrow upto 20% of Net Owned Fund (NOF) or maximum of ₹ 750 crs, whichever is lower. The scheme will be available to only eligible lending institutions, who have Net NPAs not exceeding 7.5 per cent, and must have lent at least 51 per cent of their total loans to individuals, and have at least 15 per cent or more cash flow impairment due to period of moratorium.

This scheme was further revised on June 2, 2020 whereby the SRF can be availed by HFCs whose ratio of individual housing loans to total assets is revised to a minimum of 41% vs initial 51%. Further the maximum amount disbursable is increased up to 30% of Net Owned Fund (NOF) or maximum of ₹ 2000 crs, whichever is lower from original 20% of NOF or maximum of ₹ 750 crs, whichever is lower. Lastly, hypothecation of book debts or negative lien, as applicable, is included under security for refinance.

3. Union Budget proposals for housing

(i) Interest deduction on loans taken until March 31, 2020, for the purchase of a house valued up to ₹ 45 lakhs, enhanced to ₹ 3.5 lakhs from ₹ 2 lakhs – this scheme is extended for a period of one more year.

(ii) The Union Budget 2020-21 provided for ~₹80 billion of budgetary allocation under PMAY-U. This allocation is the highest since the announcement of the scheme. This is a 17% increase over the revised estimates for 2019-20. The funding towards the scheme comes from the Central Road and Infrastructure Fund. From the total allocation for PMAY-U in 2020-21, the maximum (63%) will go towards interest payment against loans raised through extra budgetary sources (EBR) for the scheme. The credit linked subsidy scheme component received 17% of the total allocation for PMAY-U, while 16% was allocated for central assistance to states.

4. RBI measures to boost liquidity

The RBI has also taken steps to infuse liquidity into the system via targeted long-term repo operations (TLTROs) of ₹1,00,000 crs, a 100-bps cut in the cash reserve ratio (CRR) of banks (available for one year) and an increase in the marginal standing facility (MSF) by 1% (available till June 2020).

Further, RBI announced TLTRO 2.0 to provide liquidity to small and mid-sized corporates, including non-banking financial companies (NBFCs) and micro finance institutions (MFIs) that have been impacted by Covid-19 disruptions. Liquidity to be provided at the policy repo rate for tenors of up to three years for a total amount of up to ₹50,000 crs. The funds availed under TLTRO 2.0 shall be deployed in investment grade bonds, commercial paper (CPs) and non-convertible debentures (NCDs) of NBFCs with at least 50% of the funds availed under TLTRO 2.0 apportioned as 10% towards instruments/securities issued by MFIs, 15% towards instruments/securities issued by NBFCs with asset size of ₹500 crs and below and 25% towards instruments/securities issued by NBFCs with assets size between ₹500 crs and ₹5,000 crs.

5. Special liquidity facility under Atmanirbhar

Management Discussion and Analysis

Scheme to provide further stimulus

The government announced further liquidity support to non-banking financial companies (NBFCs), housing finance companies (HFCs) and microfinance institutions (MFIs) by way of a ₹30,000 crore liquidity scheme and a partial credit guarantee (PCG) scheme of ₹45,000 crore. The ₹30,000 crore liquidity scheme will be implemented through a special purpose vehicle (SPV) set up by a large PSU bank. This SPV will issue bonds guaranteed by the government which will be purchased by the Reserve Bank of India. The money will be then used by the SPV to acquire the debt of at least investment grade of short duration (residual maturity of up to 3 months) of eligible NBFCs/HFCs.

The PCG scheme allows public sector banks to purchase high-rated pooled assets from financially sound NBFCs and HFCs. This will now be extended to cover papers with ratings of AA and below, including unrated papers, which will help MFIs access fresh liquidity support. The government will provide 20% first loss sovereign guarantee to public sector banks, resulting in total liquidity infusion worth ₹ 45,000 crore to the system.

6. Realty booster shot of ₹ 25,000 crore
The government has announced establishing an alternate investment fund (AIF) worth ₹ 25,000 crs aimed at priority debt financing for the completion of stalled housing projects. The only condition that has been kept is that the project should be net worth positive and RERA registered.
7. Moratorium under COVID package
RBI permitted banks & NBFCs to allow a 3-month moratorium to their borrowers on the payment of instalments from March 1, 2020 to May 31, 2020 and further extended it by three more months till August 31, 2020 without downgrade of asset classification or of borrower's rating with credit bureau agencies.
8. RBI releases proposed changes in regulations applicable to HFCs
Key changes being definition of "housing finance" and "qualifying assets" wherein it

says that 50% of net assets of HFCs should be towards Housing finance (excluding LAP, CRE, LRD etc.) and 75% of such assets towards individual housing loans. Other changes being: defining "Housing finance" or "providing finance for housing", classifying HFCs as systemically important (asset size of ₹500 crore & above) and non-systemically important (asset size less than ₹500 crore); and Reserve Bank's directions on Liquidity Risk framework, LCR, securitisation, etc., for NBFCs, to be made applicable to HFCs.

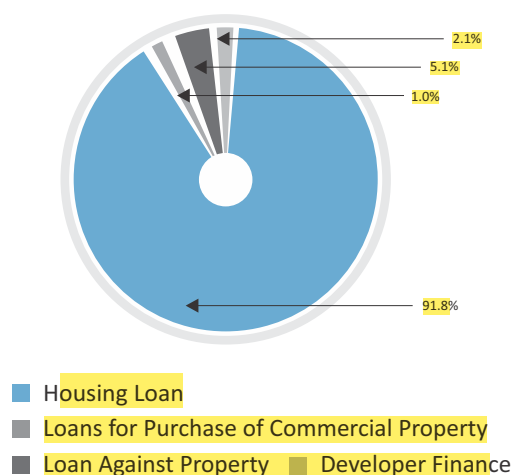
Our Performance Overview

Home First is in the business of providing housing loans to low- and mid-income affordable home buyers. Home First is a registered HFC and operates from its head office situated in Mumbai. As at March 31, 2020, the company has presence across 11 States and a union territory of the country with a network of 68 branches across 60 districts.

Loan Products

The Company offers customers home loans for the purchase or construction of residential properties and for the extension and repair of existing housing units. As at March 31, 2020, housing loans contributed ₹ 3,323.06 crs of the loan portfolio. In addition to home loans, the company also offers Loans against property which contributed ₹184.33 crs, Loans for purchase of commercial property which contributed ₹ 34.75 crs and Developer Finance loans which contributed ₹ 76.22 crs of the loan portfolio.

Product Mix as at March 31, 2020



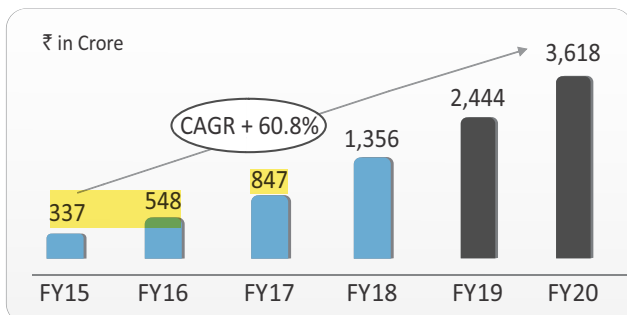
The Company has grown its Asset Under Management (AUM) from ₹ 2,443.57 crs in the previous year to ₹ 3,618.36 crs (including Direct Assignment of ₹ 576.09 crs) as at March 31, 2020 recording a growth of 48.1%. This growth has come in mainly from growth in the markets of Bangalore, Chennai, Hyderabad and Jaipur. These markets have grown by 78.7% over last year. This has helped us diversify our portfolio and reduce concentration in the States of Gujarat and Maharashtra.

Disbursements have grown from ₹ 1,618.37 crs compared to ₹ 1,572.84 crs in the previous year, an annual growth of 2.9%. We are achieving scale by driving presence in our core states of Gujarat and Maharashtra while also creating new moats in Tamil Nadu, Andhra Pradesh, Telangana and Rajasthan. This has also enabled the business to strengthen its presence in the self-construction business within the housing finance industry. With this, the company now has the knowledge and capability to grow in builder led and self-construction markets.

New originations in FY20 stood at ₹ 2,012.39 crs showing a slight decline compared to previous year ₹ 2,078.57 crs with an annual decline of 3.2%. This is mainly on account of prudent reduction in exposure to housing projects of mid and large developers. In contrast the Company has grown its origination of individual retail housing loans to 10,115 loans in FY20 from 7,778 loans in the previous period recording a growth of 30.1%

The 5-year growth of the portfolio of the Company is as follows:

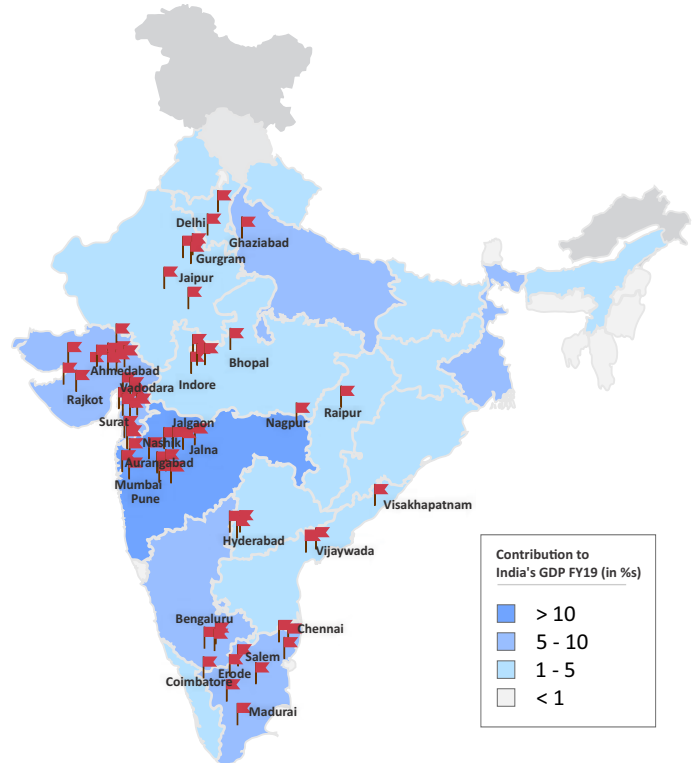
Assets Under Management



We have been consistent in delivering of our operating metrics with the 5-year AUM CAGR of ~61%. We have scaled up our book from ₹ 336.83 crsto ₹ 3,618.36 crs over the last 5 years, delivering

profitable and sustainable growth, while being guided by our key focus on asset quality and maintaining adequate liquidity.

The chart below shows our branch network:

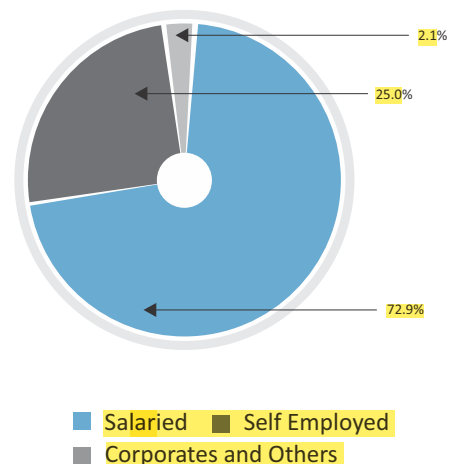


Source for Contribution of states to India's GDP: NSO, MOSPI

Customer Segment

Home First focuses on salaried customers. We believe that salaried customers are more resilient from a credit quality perspective and this will help to build a robust loan portfolio. As at March 31, 2020, the Company's customer base consisted of

Customer Segment Mix As at March 31, 2020



Management Discussion and Analysis

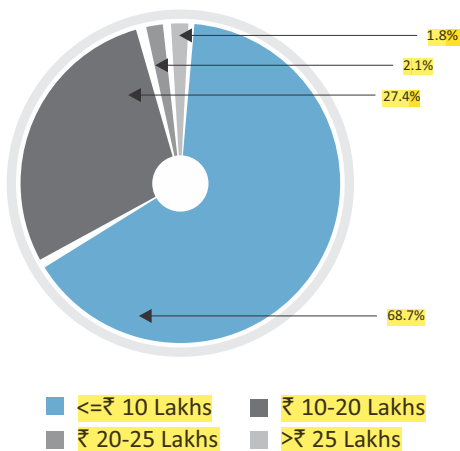
Credit Linked Subsidy Scheme under PMAY

We have been actively promoting the Credit Linked Subsidy Scheme (CLSS) under the Pradhan Mantri Awas Yojana for EWS, LIG and MIG. During the financial year 2020, the Company passed on subsidies amounting to ₹109.50 crs in respect of 5654 beneficiaries.

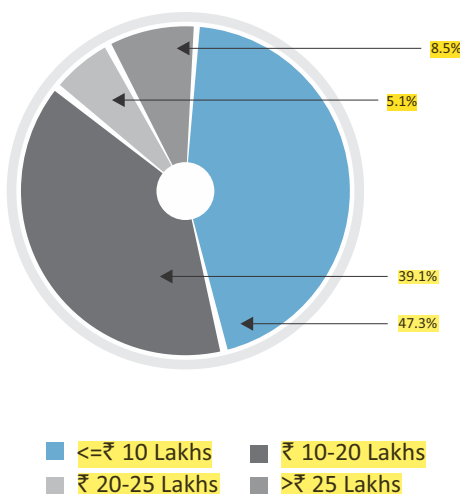
Average Ticket Size

We continue to target the affordable segment and therefore ~98% of the loans are below the ticket size of ₹25 lakhs. As at March 31, 2020, the average ticket size of the portfolio for Home Loan was ₹10.1 lakhs

Ticket size contribution by No. of Loans As at March 31, 2020



Ticket size contribution by Sanction Value As at March 31, 2020



¹As per IndAS calculations

Spread on Loans

During the financial year 2020, the average yield on loans outstanding was maintained 13.2% as in the previous year¹.

The average cost of borrowings was 8.6% per annum as compared to 8.5% in the previous year. Average Spread on Loan for the year was 4.6%

Our Results of Operations for financial year 2020

- Our total income was ₹419.67 crs which grew by 54.8% as against ₹271.02 crs in the previous year, primarily due to an increase in revenue from operations. Our revenue from operations increased by 53.3% from ₹259.98 crs in FY19 to ₹398.66 crs in FY20, mainly due to increase in interest on term loans and net gain on derecognition of financial instruments under amortised cost category. This increase in interest on term loans was consistent with the increase in our customer base and AUM.
- Our operating expenses increased from ₹73.54 crs during previous year 2019 to ₹104.61 crs during financial year 2020 on account of an increase in the number of our branches from 60 as at March 31, 2019 to 68 as at March 31, 2020 and increase in employee base from 675 as at March 31, 2019 to 696 as at March 31, 2020; to continue the expansion of the business.
- Our Profit after tax was ₹79.55 crs which grew by 74.0% as against ₹45.72 crs in the previous year, contributed by higher loan book, operating efficiency and lower tax rate.
- The EPS (basic) (Nominal value – ₹2) was ₹10.81 against previous year of ₹7.91
- Return on Average Net worth of 10.9% against previous year of 10.8%
- Return on Total Assets of 2.7% against previous year of 2.4%
- Average Debt/Equity ratio for the year stood at 3.04 times
- Special provision of ₹6.94 crs was made

towards COVID-19 impact based on an understanding of customer situation, the sectors they operate in, the impact of FOIR and LTV and is reflective of our confidence on the asset quality.

Asset Quality

We employ a structured collection process wherein we remind the customers of their payment schedules and perform predictive analytics to predict the probability of default, which helps us in obtaining early signals of potential defaults and initiate action to mitigate risks. As at March 31, 2020, our stage 3 loan assets stood at ₹ 31.54 crs which was 0.87% of the Gross Loan Assets and stage 3 loan assets (net) stood at 0.65% of Net Loan Assets. The company has not taken the moratorium benefit while classifying the assets²; for the month of March 2020. The moratorium benefit to customers was provided to customers effective April 2020.

In the financial year 2020, the Company by way of prudence and abundant caution has recognised impairment on financial instruments amounting to ₹16.50 crs out of which provision recognized towards COVID-19 impact on the Company's financial assets is ₹ 6.94 crs. As at March 31, 2020, the total impairment loss allowance stood at ₹ 26.74 crs with Provision Coverage Ratio at 87.7%.

Shareholders' Funds

As at March 31, 2020, our Shareholders' Funds was ₹933.43 crs, representing 26.8% of our total assets. As at March 31, 2019, our Shareholders' Funds was ₹522.66 crs, representing 21.1% of our total assets.

The increase in our Shareholders' Funds was primarily due to an increase in our securities premium account due to the allotment of equity shares to the existing investors and the management team of the Company by way of private placement and preferential issue.

Borrowings

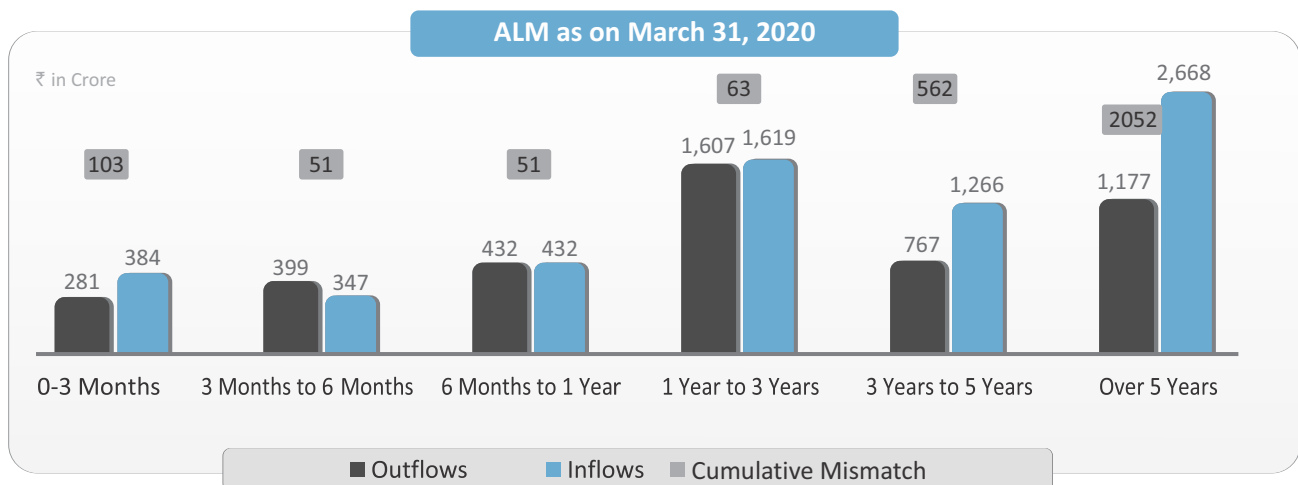
As at March 31, 2020, borrowings of the company stood at ₹ 2,493.80 crs compared to ₹ 1,925.64 crs as at March 31, 2019.

During the financial year 2020, term loan of ₹ 150 crs was sanctioned by Central bank of India, ₹ 250 crs by HDFC Bank, ₹ 150 crs by Axis Bank, ₹ 100 crs by Bank of India. The company expanded lending relationships with two new lenders : Bajaj Finance sanctioned term loan of ₹ 70 crs in 2 tranches and Kotak Bank sanctioned term loan of ₹ 25 crs.

Company received refinance from NHB for total amount of ₹ 240 crs out of which ₹ 150 crs was availed under Liquidity Infusion Facility Scheme and ₹90 crs under Regular Refinance Scheme.

Our average cost of borrowings increased from 8.5% during previous year to 8.6% during financial year 2020. Slight increase in cost of borrowing can be attributed to elevated MCLR of various Bank between Q4 2019 and Q1 2020. We have witnessed softening of rates from Q2 2020 onwards and effect of that is visible now.

We regularly monitor our funding levels to ensure that we are able to satisfy the requirements for loan disbursements and maturity of our liabilities. We have optimally matched assets and liabilities:



²As per RBI guidelines, company has granted a moratorium of three months to the eligible customers. For accounts where moratorium is granted, prudential asset classification shall remain stand still during the moratorium period. While classifying the assets according to stages, we have not taken the moratorium benefit since the applications for moratorium were received after March 31, 2020.

Direct Assignment

During the financial year 2020, we received a purchase consideration of ₹ 361.15 crs from direct assignment and the securitized assets were derecognized in the books of the company. As at March 31, 2020, the company has Direct

Assignment of ₹ 576.09 crs in the total portfolio compared to ₹ 292.06 crs as at March 31, 2019.

Capital to Risk-Weighted Assets Ratios

The following table sets forth our capital to risk-weighted assets ratios for the periods indicated:

	March 31, 2020	March 31, 2019
CRAR (%)	48.97%	38.48%
CRAR - Tier I capital (%)	47.72%	37.71%
CRAR - Tier II capital (%)	1.25%	0.77%

Credit Ratings

As at March 31, 2020, the following table sets forth our credit ratings:

Rating Agency	Instrument	Credit Ratings
CARE Ratings	Long-term Bank Facilities	A+ (Stable)
ICRA Limited	₹ 3200 crore Term Loans	A+ (Stable)
	₹ 200 crore Non-Convertible Debenture Programme	A+ (Stable)
	₹ 100 crore Commercial Paper Programme	A1+
India Ratings & Research	Commercial Paper Programme	A1+

Human Resource

We have a professional and an experienced management team, led by our CEO and founder, Manoj Viswanathan, who has over 23 years of experience in the consumer lending industry. Their experience, and industry knowledge is supported by experienced credit underwriters, business and operations teams who have in-depth knowledge and understanding of the location in which they operate.

We primarily employ people who have obtained their engineering or management degrees and we hire them directly from campuses instead of hiring them from other organizations. We have an elaborate year-long training and development program for all our new hires, which comprises of classroom-training sessions, on the job training and

a buddy program. We are a young and diverse organization with a median age of 25 years, and approximately 32.6% of our employees are women. As at March 31, 2020, the employee strength stood at 696 as compared to 675 as at March 31, 2019.

Outlook

We are positive about the outlook of the business post return to normalcy from the current situation. We aim to scale our business by expanding our reach to more markets and more customers. Our robust processes backed by an efficient risk management framework will help maintain portfolio quality. In the current situation, we are actively working on further strengthening the liquidity situation and working on further streamlining the processes to prepare the business for a quick rebound as soon as the market

opportunity arises.

Our historical focus on building a technology driven business with digital infrastructure and cloud computing has made it easy for us to transition to the new realities of working. We aim to continue our investment in technology to enhance our processes right from lead sourcing to machine assisted underwriting and build a low touch approval and fulfilment model. Our highly motivated workforce and an experience leadership team is organized to steer the growth and navigate through the challenges. Our strong fundamentals make us well poised to unlock the market

opportunities and thereby to grow and emerge stronger.

As of June end, our disbursements have reached ~22% of Pre-COVID level. We have resumed operations and 80% of our branches are open. We are in a comfortable liquidity situation; backed by steady collections and a strong ALM framework to fund the growth of the business.

We are optimistic in scaling up with sustainable and profitable growth. We continue our focus on serving the affordable housing finance segment with good asset quality, adequate liquidity and steadily improving profitability.

Directors' Report

Directors' Report 2019-20

To,
The Members,
Home First Finance Company India Limited.

Your Directors take pleasure in presenting the 11th Annual Report of the Company together with the Audited Statement of Accounts for the year ended March 31, 2020.

FINANCIAL SUMMARY:

Financial Results:

The key highlights of the audited financial statements of your Company for the financial year ended March 31, 2020 and comparison with the previous financial year ended March 31, 2019 are summarized below:

Particulars	₹ in Cr.	
	FY 2019-20	FY 2018-19
Total Income	419.67	271.02
Less: Total Expenses	312.34	205.74
Profit/ (Loss) before tax	107.33	65.28
Less: Current tax	23.19	16.05
Deferred tax	4.59	3.51
Profit after Tax	79.55	45.72
Other Comprehensive Income	(0.16)	(0.10)
Transfer of Statutory Reserve (u/s 29C of NHB Act, 1987)	(16.24)	(8.50)
Balance carried to Balance Sheet	63.16	37.12
Earnings per Share (Face Value ₹2)		
Basic (₹)	10.81	7.91
Diluted(₹)	10.57	7.74

Financial Performance:

Your Company has recorded another year of steady growth, despite a highly competitive environment in the housing finance sector. To achieve meaningful scale, and support the growth; your Company has expanded its branch network from 60 branches to 68 branches in FY 2019-20. Total employee strength stood at 696 as on March 31, 2020 as against 675 for the previous year. Despite increase in people costs and administration expenses on account of increase in employee strength during the year and expansion of branch network, the profit before tax as on March 31, 2020 increased by 64.41% to ₹107.33 crores (previous year: ₹65.28 crores). The profit after tax as on March 31, 2020 increased by 73.99% to Rs. 79.55 crores (previous year: ₹ 45.72 crores) and the Net Worth of the Company as on March 31, 2020 stood at ₹933.43 crore.

Pursuant to the requirement of the Indian Accounting Standard ("Ind AS") a provision of ₹ 19.8 crores (previous year: ₹ 11.97 crores) on total loan assets of the Company were made as at March 31,

2020. Additionally, the Company has separately incorporated estimates, assumptions and judgements specific to the impact of the COVID-19 pandemic and the associated support packages in the measurement of impairment loss allowance. The total provision recognized towards COVID- 19 impact on the Company's financial assets is ₹ 6.94 crores in addition to the existing impairment loss allowance; specified above.

Your Company has continued to maintain good asset quality with a NPA of 0.87% as on March 31, 2020 (previous year: 0.70%), (without including the benefit of moratorium for March 20) in spite of an extremely difficult macro-economic environment.

OPERATIONS AND BUSINESS HIGHLIGHTS:

The Company continues to be focused on low- and mid-income affordable housing and propelled by the growth in this segment, the Company's total AUM grew to ₹3618.36 crores as at the end of FY 20, up 48% from ₹2444 crores.

Originations, Disbursements and Yield:

FY 20 has been a year of achieving scale; driven by expanding our presence from core states of Gujarat and Maharashtra to creating new moats in Tamil Nadu, Andhra Pradesh, Telengana and Rajasthan. This has also enabled the business to strengthen its presence in the self-construction business within the housing finance industry. With this, the company now has the knowledge and capability to grow in builder led and self-construction markets. The Originations for FY20 stood at ₹2012 Crores at an origination yield of 13.2%. This accounted for Disbursements of ₹1618 Crores during the year.

During the year Company has received subsidy worth ₹ 109.5 Crores; in respect of 5654 beneficiaries and the same has been credited into to the respective customer's loan account.

For the year ended March 31, 2020; the Company ended with a network 68 branches covering 11 states and a union territory.

Resources and Liquidity:

The entire financial sector faced liquidity concerns, particularly from the second half of FY19. In a difficult year, the Company was able to raise funding of ₹985 Crores from multiple sources across term loans and refinance from NHB. The company on boarded two new lenders viz. Bajaj Finance and

Kotak Bank as part of their borrowing book within the existing consortium structure. The company's assets created a good demand under the PSL criteria and this enabled the Company to conclude direct assignments of ₹298 Crores in FY20. The Company maintained a cumulative positive Asset Liability Management (ALM) at all quarter ends during FY20.

Your Company continues to have and further diversify funding sources to include public sector banks, private sector banks, mutual funds and financial institutions. Funds were raised in accordance with the Company's Resource Planning Policy, through term loans and re-finance facility from NHB.

During the year under review, your Company has raised (i) ₹745 Crore as bank borrowings (outstanding as on March 31, 2020: ₹1844.89 Crore), (ii) ₹298.49 Crore by way of Direct Assignment and (iii) ₹240 Crore through re-finance from NHB (outstanding as on March 31, 2020: ₹654.36 Crore).

Credit Rating:

The Company's financial discipline and prudence is reflected in the strong credit ratings assigned by Credit Rating Agencies as under:

Instrument	Rating Agency	Rating	Amount	Remarks
Term Loan from Banks	ICRA	A+	3200 Crore	Stable
	CARE	A+	282.97 Crore	Stable
Commercial Paper	ICRA	A1+	100 Crore	-
	India Ratings	A1+	300 Crore	-
Non-Convertible Debentures	ICRA	A+	200 Crore	Stable

Deposits:

Your Company being a Non-Deposit taking Housing Finance Company has not accepted or renewed any amount falling within the purview of provisions of Section 73 of the Act read with the Companies (Acceptance of Deposit) Rules, 2014 during the year under review. Hence, the requirement for furnishing the details relating to deposits covered

under Chapter V of the Act or the details of deposits which are not in compliance with the Chapter V of the Act is not applicable.

Change in the nature of business:

There has been no change in the nature of business of the Company during the year under review.

Details of Companies which have become or ceased to be its subsidiary, associate and joint venture companies:

During the year under review the Company does not have any Subsidiary, Associate and Joint venture Companies.

Adoption of Indian Accounting Standards (Ind AS):

The Ministry of Corporate Affairs amended the Companies (Indian Accounting Standards) Rules, 2015 vide Companies (Indian Accounting Standards) (Amendment) Rules dated March 30, 2016 had issued directions for implementation of Ind AS for the NBFCs in a phased manner. National Housing Bank ("NHB") vide its circular dated April 16, 2018 and June 14, 2018 had directed HFCs to comply with Ind AS in the phased manner. Accordingly, the standalone financial statements for the financial year ended March 31, 2020, forming part of the annual report, have been prepared in accordance with Ind AS specified under the Companies Act, 2013 ("the Act") and other relevant provisions of the Act. The adoption of Ind AS has resulted in significant changes in the financial statements, details of which are provided in the notes to accounts. Further, in preparing the opening and comparative Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2014 (as amended) and other relevant provisions of the Act (Indian GAAP).

Material changes and commitments, if any, affecting the financial position of the Company which have occurred between the Financial year end March 31, 2020 and date of this report:

No material changes and commitments, affecting the financial position of the Company have occurred between the Financial Year ended March 31, 2020 and date of this Director's Report other than the Covid pandemic that has impacted the entire planet.

COVID-19 is a developing situation across the globe and in India. In the light of the current situation, the collections for April has been relatively good at 73%. The impact assessment of COVID-19 is a continuing

process given its nature and duration. The Company will continue to monitor the impact and take appropriate steps at each stage as guided by RBI and NHB.

Dividends & Reserves:

Considering your Company's rapid growth and future strategy and plans, your Directors consider it prudent to conserve the resources of the Company for its growth and despite having sufficient distributable profits, do not recommend any dividend on equity shares for the financial year under review.

During the year under review, pursuant to Section 29C of the NHB Act, 1987, the Company had transferred a sum of Rs.16.24 crores out of the previous year's profits available for appropriation to the Statutory Reserve Fund.

Adoption of new set of Memorandum of Association and Articles of Association:

During the year under review, the Company has adopted a new set of Memorandum of Association and Articles of Association.

Capital Adequacy Ratio:

As required under NHB Directions, 2010, the Company is presently required to maintain a minimum capital adequacy of 13% on a stand-alone basis. Further, the NHB vide its note dated March 04, 2019 has proposed certain amendments which includes to raise the capital adequacy ratio for HFCs from 12% to 15% by March 2022. The capital adequacy ratio of HFCs is to be increased from 12% to 13% by March 2020, 14% by March 2021 and 15% by March 2022 as per the said proposal.

The Company's Capital Adequacy Ratio as at March 31, 2020 was 48.80% (previous financial year 38.01%) which is far above the minimum required level of 12% as well as the proposed level of 15%.

SHARE CAPITAL:

Authorized Share Capital:

During the year under review the Company had increased its Authorized Share Capital to

₹ 250,000,000 (Rupees Twenty-Five Crores Only) divided into 25,000,000 Equity Shares of ₹ 10 each in its Annual General Meeting held on June 12, 2019 and amended clause V of Memorandum of Association accordingly. Subsequently the Company in its Extra-Ordinary General Meeting held on October 30, 2019 had approved sub division of 25,000,000 fully paid up equity shares of face value of ₹ 10 each into 125,000,000 equity shares of face value ₹ 2 each.

Issued, Subscribed and Paid-up Share Capital:

During the year under review, the Company issued and allotted 2,928,145 Equity Shares to the existing Investors as well as the management team of the Company at a price of ₹ 1,116. Further, 63,500 Equity Shares were issued and allotted on exercise of stock options granted to employees of the Company under ESOP Plan 2012 and ESOP II. Pursuant to the aforesaid allotments and the subdivision of equity shares, the issued, subscribed and paid-up share capital of the Company stands increased to ₹ 156,595,430 /- (78,297,715 Equity Shares of Face Value ₹ 2/- each).

Filing of Draft Red Herring Prospectus:

During the year under review, the Company filed Draft Red Herring Prospectus with Securities and Exchange Board of India (SEBI) on November 29, 2019 and subsequently with BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) {collectively called the 'Exchanges'}. The Exchanges have granted their in-principle approval of the Company's listing application on December 10, 2019 and December 16, 2019 respectively. SEBI vide its letter dated February 25, 2020 has given the final observation and approved the Company's application to list with the Exchanges.

Impact of COVID- 19 on Housing Finance Sector:

The housing finance market is currently exhibiting moderate to negative outlook on the backdrop of the coronavirus pandemic. The priority for the company is to focus on asset quality, liquidity and slow return to growth path; as the economic outlook improves.

Affordable housing finance market in India was estimated to touch ₹ 5.3 trillion by FY 22 from the market size of ₹ 3.3 trillion during FY 19¹. Although

the YoY growth of affordable housing finance companies is 26% as of December 31, 2019, the housing finance companies are expected to see slower credit growth in FY21 to the tune of 9-12% as compared to 16% which was the CAGR for the past 3 years². It is estimated that the HFC industry will face a slowdown in the next 12-18 months with a drop of 45% in sales of new homes³. However, demand will pick up in Tier 2 and Tier 3 cities mainly on account of self-construction and extra room/plot construction.

The self-employed borrowers' segment is estimated to be affected negatively since the income generation activities of the customers would be disrupted. Asset quality is expected to deteriorate with estimated GNPA for housing loans predicted to touch 1.8-2% in March 2021 from 1.4% as of December 2019 and for non-housing loans slippages is estimated at 3-3.5% in March 2021 from 2.1% as of December 2019⁴. Since your company has a higher proportion of salaried customers with focus on housing loans, the impact will be lesser. Your company has made good efforts in collections and has managed to keep GNPA on AUM at 0.87% for FY20 (without including the benefit of moratorium for Mar'20).

The prolonged slowdown may also increase the credit cost and thereby impact the profitability to the extent of 200-300 basis points. Operating efficiencies will also moderate as growth slows. Another impact of the pandemic is estimated to be a possible correction in prices of the properties resulting in higher LTV. This may in turn affect the recovery and liquidity of the repossessed properties adversely. The liquidity scheme worth ₹ 300 bn and extension of partial guarantee worth ₹ 450 bn to NBFCs/HFCs/MFIs as part of Stimulus 2.1 announced by government is expected to reduce the liquidity woes⁵.

Early trends in moratorium avilment amongst prime and affordable lenders shows that Maharashtra, Tamil Nadu and West Bengal lead the states who have high opt-in rate for moratorium. The sectors where highest opt-in for moratorium experienced are automobile, gems and jewellery, hotel, restaurant and tourism sectors⁶. Your company has also evaluated the trends in moratorium across sectors with real estate,

¹CRISIL ^{2&4}ICRA ³CRISIL ⁵I-Sec Industry Report

⁶IMGC Report on Early Moratorium Trends – April 2020

travel and entertainment emerging as the highest impacted sectors. These highly impacted sectors form less than 7% of the overall company AUM.

In the light of the moratorium facility availed by our customers, it remains to be seen how it will impact the financial discipline of our customers in the future. This may result in increased collection efforts. Besides the challenges on asset side, the funding challenges could mount again as banks become more selective in extending credit. The environment is turbulent with RBI taking steps for liquidity infusion measures and convincing banks to continue funding HFCs for their genuine credit requirements. Your Company is proactively raising funding to tide over the prevailing uncertainty and keeping ALM in check.

Home First approach to lockdown:

As you must all be aware that the country is going through an unprecedented lock down situation with the COVID-19 pandemic which has hit populations around the world and has resulted in significant restrictions on movements.

The Company has taken various steps to cope with the situation created by Covid-19 which can be listed out as follows:

All Head Office and branch employees have moved to work-from-home mode. Since our CRM, lending as well as accounting applications are on cloud, the Company did not face any challenges in this transition.

- Employees have been advised not to use public transport.
- All branch employees have been advised to prioritize collection activities. All our branch employees are trained and accustomed to handling collections as part of their regular activities. This has enabled a smooth transition to predominant focus on collections.
- Due to lockdown imposed across the country, our employees faced hindrance in physical collections. Despite this, our collections for the month of April, 2020 stands at 73%. 98% of this was collected electronically. The Company's investments in developing electronic collection processes have proved very useful in the current situation.
- Disbursal of loans approved earlier are continuing at a slower pace.

- The Company has enough liquidity to meet its obligation for the next 6 months and is focussed on improving the funding pipeline.

Management perspective about future growth:

The management of Home First is optimistic about the outlook of its business post return to normalcy from the current situation. The Company's significant up front investment in creating risk focused approach to doing business is helping in these trying times. With strong processes in place, the Company is confident of sustaining sound portfolio quality. With adequate capital in hand, Home First expects to sustain good growth in the medium term. The Company is well organized and structured to capitalize on the market opportunity, given its strong balance sheet, pan India network of branches, a highly motivated workforce and an experienced leadership team at its helm.

The Company, with an assumption that this pandemic is not going to ease any time soon, is working with the following action plan for FY 21

- Asset Quality – focus on collections, control NPA's
- Liquidity – build cash on the balance sheet actively using measures announced by RBI through existing and new lenders
- Digital - Review tech/digital to identify areas to prioritize and build a low touch loan approval model
- Cost control - Review all cost lines to understand levers for reducing cost
- Interim credit guidelines in place for further new business and disbursals of already approved loans
- Pivoting back to growth by segmenting markets; as lockdown opens

Your company is already working on off-balance sheet funding, options such as co-origination and assignment and securitization. In FY21 we will focus on ensuring high employee morale and safety, sustained engagement with existing customers to maximize collections efficiency and prudent practices to restart business and disbursals. As we maneuver our way through the current pandemic,

our focus is on leveraging our inherent strengths to come out stronger. Our historical focus on building a technology driven business with digital infrastructure and cloud computing has made it easy for us to transition to the new realities of working. While we remain cautious on the liquidity environment, our focus will be on judicious capital allocation with an emphasis on maximizing our return on capital.

PARTICULAR OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES:

During the financial year under review the Company has entered into certain transactions /contract with the related parties falling within the provisions of Section 188 of the Act and the rules made thereunder. However, the Company has obtained Omnibus approval for the same, accordingly requirement of disclosure of Related Party Transactions in terms of Section 134(h) of the Act is provided in Form AOC-2 as **Annexure A**.

Further as required by NHB notification no. NHB.HFC. CG-DIR.1/MD&CEO/2016 dated

February 9, 2017, "Related Party Transaction Policy" can be accessed on the website of the Company at

<https://homefirstindia.com/policy/related-party-transaction-policy/>

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Since your Company is engaged in financial services activities, its operations are not energy intensive nor does it require adoption of specific technology and hence information in terms of Section 134(3)(m) of the Act read with the Companies (Accounts) Rules, 2014 is not provided in this Board's Report.

Foreign Exchange Earnings and Outgo:

The Company has no foreign exchange earnings and has made expenditure in foreign currency as per the following table:

₹ in Cr.

Sr No.	Particulars	FY 2019-20	FY 2018-19
1.	Software fee	4.50	2.95
2.	Legal Counsel fee for IPO	1.53	-
3.	Data Room charges for IPO	0.04	-
	Total	6.07	2.95

EXTRACT OF ANNUAL RETURN:

Pursuant to the provisions of Section 134(3)(a) of the Act, the extract of Annual Return in Form MGT-9 as required under Section 92 (3) of the Act and Rule 12 of Companies (Management and Administration) Rules, 2014 is annexed as **Annexure B**.

PARTICULARS OF INVESTMENTS, LOANS, GUARANTEES AND SECURITIES:

The Company is a Housing Finance Company, the disclosures with respect to loan, guarantee or security provided in the ordinary course of the business is exempted under the provisions of

Section 186 (11) of the Act. However, the details of the loans made and particulars of investment made by the Company are provided in the financial statements.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS IN RELATION TO THE FINANCIAL STATEMENTS:

The Company has in place adequate internal financial controls with reference to its financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed. In the opinion of the Auditors of the Company, there are adequate internal financial control procedures commensurate with the size of the Company.

MATTERS RELATED TO DIRECTORS AND KEY MANAGERIAL PERSONNEL:

The composition of the Board is in accordance with Section 149 of the Act with an appropriate combination of Executive, Non-executive and Independent Directors. As of March 31, 2020, the Board of Directors of your Company comprised of 8

Directors out of which one (1) is Executive Director and three (3) Independent Directors out of which one is Woman Director and one is Chairman and rest are Nominee Directors.

Details of Board of Directors along with Key Managerial Personnel as on March 31, 2020 are mentioned below:

Name	DIN / PAN	Designation
Mr. Deepak Satwalekar	00009627	Chairman & Independent Director
Mr. Sakti Prasad Ghosh	00183802	Independent Director
Ms. Sujatha Venkatramanan	05340759	Independent Director
Mr. Rajagopalan Santhanam	00025669	Nominee Director
Mr. Vishal Vijay Gupta	01913013	Nominee Director
Mr. Divya Sehgal	01775308	Nominee Director
Mr. Maninder Singh Juneja	02680016	Nominee Director
Mr. Manoj Viswanathan	01741612	Director and Chief Executive Officer
Ms. Nutan Gaba Patwari	AGSPG3187G	Chief Financial Officer
Mr. Shreyans Bachhawat	AJDPB9500E	Company Secretary

Appointment / Resignation of Directors:

During the FY 2019-20 Mr. Deepak Satwalekar was appointed on October 23, 2019 as an Independent Director of the Company. Further, the Board at its meeting held on November 18, 2019 has elected Mr. Satwalekar as the Chairman of the Company. Mr. Rajagopalan Santhanam resigned as the Nominee Director of True North Fund V LLP and was re-appointed as the Nominee Director of Aether (Mauritius)Limited on February 28, 2020.

As per Section 134(q) of the Act read with sub-clause (iiia) of sub rule 5 of Rule 8 of Companies (Accounts) Rules, 2014 in the opinion of the Board Mr. Deepak Satwalekar, Chairman and Independent Director appointed during the year has relevant expertise and experience as well as high integrity.

Key Managerial Personnel (KMP):

During the year under review there was no change in the Key Managerial Personnel of the Company.

In terms of the Act, the following are the KMPs of the Company as on March 31, 2020:

- Mr. Manoj Viswanathan-Director & CEO
- Ms. Nutan Gaba Patwari - Chief Financial Officer
- Mr. Shreyans Bachhawat – Company Secretary

A detailed report on appointment of Directors and Key Managerial Personnel has been set out in Corporate Governance report.

Declaration by Independent Directors:

There are three Independent Directors on the Board of the Company. The Independent Directors have submitted the Declaration of Independence in accordance with the relevant provisions of Section 149 of the Act stating that they meet the criteria of Independence and are not disqualified from continuing as Independent Directors.

Declaration of Fit & Proper Criteria:

All the Directors of the Company have given the declaration to the effect that they are Fit & Proper, to be appointed as Director, as per the criteria prescribed by NHB.

Director(s) Retiring by Rotation:

In terms of Section 152(6) of the Act read with the Articles of Association of the Company, not less than one-third of the total number of retiring directors should retire by rotation, at every Annual General Meeting. For the purpose of this section,

the total number of directors to retire by rotation shall not include Independent Directors.

In accordance with provisions Section 152 of the Act, Mr. Maninder Singh Juneja (DIN:02680016), Nominee Director of the Company, being longest in the office, retires at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Corporate Governance Report:

Your Company believes that a good corporate governance system is necessary to ensure its long-term success. The Company ensures good governance through the implementation of various effective policies and procedures, which is mandated and reviewed by the Board or the Committees of the members of the Board in regular intervals. The Corporate Governance report is furnished as **Annexure C** to this report.

Internal Guidelines on Corporate Governance:

During the financial year under review, your Company adhered to the Internal Guidelines on Corporate Governance adopted in accordance with Housing Finance Companies-Corporate Governance (NHB) Directions, 2016, which inter-alia, defines the legal, contractual and social responsibilities of the Company towards its various Stakeholders and lays down the Corporate Governance practices of the Company. The said policy is available on the website of the Company can be accessed at

<https://homefirstindia.com/policy/corporate-governance-policy/>

Company's policy on Director's appointment and remuneration:

The Nomination and Remuneration Committee had laid down criteria for determining Directors Qualification, Positive Attributes & Independence of a Director, Remuneration of Directors, Key Managerial Personnel and other employees and criteria for evaluation of Directors, Chairperson, Non-Executive Directors and Board and the evaluation process of the same. The policy may be accessed on the Company's website at <https://homefirstindia.com/policy/nomination-and-remuneration-policy/>

Further as required by NHB notification no. NHB.HFC. CG-DIR.1/MD&CEO/2016 dated February 9, 2017 there were no pecuniary relationship or transactions of the non-executive directors with the Company except sitting fees paid to the Independent Directors as disclosed in the Extract of Annual Return in Form MGT-9.

Management Discussion and Analysis:

The Management Discussion and Analysis forms part of this report and is furnished in the Annual Report for FY 2019-20.

DISCLOSURES RELATED TO BOARD, COMMITTEES AND POLICIES:

Board and Committee Meetings:

During the financial year 2019-20, the Board of Directors of the Company met 9 times. The details of meetings of the Board and its Committees held during the financial year under review are further specified in the Corporate Governance Report of the Directors which forms a part of this report. The intervening gap between the two Board meetings was within the period prescribed under the Act.

Whistle Blower Policy / Vigil Mechanism:

In accordance with the provisions of Section 177 (9) of the Act and the rules made thereunder, the Company has established Vigil mechanism and also adopted a Whistle blower Policy under the surveillance of the Audit committee. The Company has adopted work culture which ensures highest standards of professionalism, honesty, integrity, moral and ethical behavior.

The Policy may be accessed on the Company's website at the link:

<http://www.homefirstindia.com/whistle-blower-policy>

Corporate Social Responsibility (CSR):

The CSR Committee has formulated a Corporate Social Responsibility (CSR) policy indicating activities to be undertaken by the Company. The CSR policy may be accessed on the Company's website at the link:

<http://www.homefirstindia.com/CSR policy>.

The Company being committed to the well-being and betterment of the Country has considered the outbreak of the fatal Covid-19 in the Country to have a significant impact on the economy and has accordingly decided to donate an amount of Rs. 49.50 Lakhs to PM Cares Fund and Rs. 25 lakhs to Masina Hospital pertaining to the FY 2019-20 on March 30, 2020. A detailed report on the CSR Expenditure is being set out in **Annexure D**.

RISK MANAGEMENT FRAMEWORK:

As a housing finance company, the Company is exposed to various risks like credit risk, market risk (interest rate and currency risk), liquidity risk and operational risk (technology, employee, transaction and reputation risk). To identify and mitigate these risks the Company has an effective Risk Management Control Framework that has been developed encompassing all the above areas.

The Company has in place the mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. The Company encourages sound risk management culture within the organization.

The Company has a Risk Management Committee (RMC) in place that comprises of its director and members of its senior management team, who have rich experience in the industry in various domains. The RMC kept an active watch on the emergent risks the Company was exposed to during the year. The Company has a robust mechanism to ensure an ongoing review of systems, policies, processes and procedures to contain and mitigate risk that arise from time to time.

The Company has adequate internal control systems in place, commensurate with its size and the industry in which it operates. The internal control framework is intended to ensure correct, reliable, complete and timely financial reporting and management information, safeguarding of company assets, and efficient conduct of business. The framework endorses ethical values, good corporate governance and risk management practices.

AUDITORS AND REPORTS:

Ratification of Appointment of Auditors:

Pursuant to the provisions of Section 139 of the Act and the Companies (Audit and Auditors) Rules, 2014, M/s. Walker Chandiok & Co LLP, Chartered Accountants, Firm registration no: 001076N/N500013, the Statutory Auditors of the Company had been appointed for a term of 5 years. The Share holders in their Annual General Meeting held on June 12, 2019 had ratified the appointment of the Auditors for the FY 2019-20. The Company has received a confirmation from the said Auditors that they are not disqualified to act as the Auditors and are eligible to hold the office as Auditors of the Company.

Observations of Statutory Auditors on Financial Statements for the year ended March 31, 2020:

The observations / qualifications / disclaimers made by the Statutory Auditors in their report for the financial year ended March 31, 2020 read with the explanatory notes therein are self-explanatory and therefore, do not call for any further explanation or comments from the Board under Section 134(3) of the Act.

Fraud Reported by Auditors:

During the year under review, the Statutory Auditors have not reported any instances of frauds committed in the Company by its officers or employees to the Board/Audit Committee under Section 143(12) of the Act, details of which needs to be mentioned in this report.

Internal Auditors:

The Company had appointed M/s. P Chandrashekhar LLP and M/s Ernst and Young LLP as its Joint Internal auditors to conduct comprehensive audits of functional areas and operations to examine the adequacy of, and compliance with policies, plans and statutory requirements. The Internal Auditors have not submitted any material qualifications, reservations or adverse remarks or disclaimers.

Maintenance of Cost records:

The Company being a Housing finance company maintenance of cost records as prescribed under section 148(1) of the Act is not applicable.

Secretarial Standards:

During the year under review, the Company has complied with the applicable secretarial standards issued by the Institute of Company Secretaries of India.

Secretarial Auditors:

In accordance with Section 204 of the Act and Rule 9 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014. The Company had appointed M/s. Aashish K. Bhatt and Associates, Practicing Company Secretaries to conduct secretarial audit of the Company for the FY 2019-20. The Secretarial Audit report has been annexed to this Report as **Annexure E**. The Secretarial Auditors have not submitted any material qualifications, reservations or adverse remarks or disclaimers.

HUMAN RESOURCE:

At Home First, we believe that our employees are our most valuable assets and endeavor to help them realize their full potential. The Human Resource function plays a crucial role in supporting the organization in meeting its dynamic needs from recruitment, on-boarding and training to performance management, compensation & benefits, and organizational development. We emphasize on continuous enhancement of our processes keeping in mind the best practices in the industry in order to attract the best talent across geographies and verticals. To further augment, we have re-engineered our recruitment processes where we do a basic intelligence check as well as psychometric assessment for attracting the right talent. Apart from this we also conduct a 12-day induction programme wherein we provide a holistic view of the sector and the product. The training also imparts the working culture of Home First.

The Company had opened 8 new branches in FY 20. The HR and Training team along with respective

functions took the primary responsibility to timely on-board experienced resources across all new locations, impart functional and system training and develop them as a homogenous and productive resources for cross functional teams. The Company also gave an opportunity to identify and develop the internal talent pool. Employees were given career enhancement opportunity by horizontal and vertical movements and were entrusted with higher functional responsibilities.

The Company's staff strength as at March 31, 2020 was 696 employees.

EMPLOYEE STOCK OPTION SCHEMES:

Your Company believes that its success is largely determined by the quality of its workforce and their commitment towards achieving the goals of the Company. In order to enable the employees of the Company to participate in the future growth and success of your Company, Employee Stock Option Scheme 2012 Policy ("ESOP 2012") and Employee Stock Option Plan II Policy ("ESOP II") as adopted by the Company. In terms of Section 62 of the Act read with Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014, the disclosures for the Financial Year ended March 31, 2020 with respect to ESOP 2012 and ESOP II have been provided in **Annexure F** to this Director's Report.

Employee Remuneration:

Statement containing details of employees as required in terms of Section 197 of the Act read with Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is available for inspection by the Members at the Registered & Corporate Office of the Company during normal business hours on all working days. A copy of the statement may be obtained by the Members by writing to the Company Secretary at the Registered & Corporate Office of the Company.

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE:

In accordance with the Act mentioned herein above and the rules made thereunder the Company has adopted and implemented a policy in this behalf.

Directors' Report

The Policy is available on the website of the Company at the below mentioned <http://www.homefirstindia.com/psh-policy>. The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the financial year 2019-20, the Company did not receive any complaint. The Annual Report as required to be prepared and submitted under Section 21 of the Act read with Rule 14 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rules, 2013 is furnished as **Annexure G** to this Report

REGULATORY COMPLIANCE:

The Company has been following guidelines, circulars and directions issued by NHB/RBI from time to time. The Company has adopted all the Policies as recommended by NHB/RBI from time to time.

The Company also has been following directions / guidelines / circulars issued by Accounting Standards, Income Tax Act, 1961 and Ministry of Corporate Affairs from time to time, applicable to the company.

OTHER DISCLOSURES:

Other disclosures as per provisions of Section 134 of the Act read with Companies (Accounts) Rules, 2014 are furnished as under:

DISCLOSURE OF ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNAL:

During the year under review there were no significant material orders passed by the Regulators / Courts which would impact the going concern status of the company and its future operations. However, NHB had issued a show cause notice dated June 26, 2019 to the Company, in relation to non-compliance with provisions of paragraph 2(1)(zg) and paragraph 30 of the NHB Directions in relation to incorrect inclusion of provisions for NPA's in the computation of Tier-II capital and wrong risk weight assignment. Your Company vide

its letter dated July 4, 2019 responded to NHB by providing certain clarifications and requesting to NHB for condonation of error and ensuring compliances in the future. NHB did not accept the submission and levied a penalty of ₹ 10,000 by its letter dated July 30, 2019. The penalty inclusive of tax has been duly paid and acknowledged by the NHB.

Further, NHB vide their letter dated March 3, 2020 had issued a show cause notice to the Company in relation to non-compliance of the provisions of paragraph 28 of the Housing Finance Companies Directions, 2010 wherein every Housing Finance Company is required to make provisions on the total outstanding amount for different categories of the loans. The Company vide their letter dated March 16, 2020 had responded appropriately to the show cause notice and had requested NHB to reconsider of levying the penalty. Pursuant to this NHB had not accepted the submission made by the Company and levied a penalty of ₹ 5,000 by its letter dated May 19, 2020.

DIRECTOR'S RESPONSIBILITY STATEMENT:

In terms of Section 134(5) of the Act, in relation to the audited financial statements of the Company for the year ended March 31, 2020, the Board of Directors hereby confirms that:

- a. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b. the directors had selected such accounting policies have been selected and applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the profit of the Company for that year;
- c. the directors had taken proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- d. the directors had prepared the annual accounts of the Company have been prepared on a going concern basis;
- e. the directors had devised proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively;

DISCLOSURE UNDER SECTION 43(a)(ii) OF THE ACT:

The Company has not issued any shares with differential rights and hence no information as per provisions of Section 43(a)(ii) of the Act read with Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

DISCLOSURE UNDER SECTION 54(1)(d) OF THE ACT:

The Company has not issued any sweat equity shares during the year under review and hence no information as per provisions of Section 54(1)(d) of the Act read with Rule 8 (13) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

DISCLOSURE UNDER SECTION 67(3) OF THE ACT:

During the year under review, there were no instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014 is furnished.

ACKNOWLEDGMENT AND APPRECIATION:

Your Board of Directors take this opportunity to express their appreciation to all stakeholders of the Company including the RBI, NHB, the Ministry of Corporate Affairs, Securities and Exchange Board of India, the Government of India and other Regulatory Authorities, Bankers, Financial Institutions, Members, Customers and Employees of the Company for their continued support and trust. Your Directors would like to express deep appreciation for the commitment shown by the employees in supporting the Company in achieving continued robust performance on all fronts.

In closing, I would like to thank all our investors, bankers and lenders who have reposed trust in us and supported us in our journey. I am confident of maintaining your trust and look forward to a long-lasting relationship with all of you.

For and on behalf of the Board of Directors

Deepak Satwalekar
Chairman & Independent Director
DIN: 00009627

Date: May 26, 2020

Place: Mumbai



FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8 (2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso there to

1. Details of contracts or arrangements or transactions not at arm's length basis: **NIL**
 - (a) Name(s) of the related party and nature of relationship: **N.A**
 - (b) Nature of contracts/arrangements/transactions: **N.A**
 - (c) Duration of the contracts/arrangements/transactions: **N.A**
 - (d) Salient terms of the contracts or arrangements or transactions including the value, if any: **N.A**
 - (e) Justification for entering into such contracts or arrangements or transactions: **N.A**
 - (f) Date of approval by the Board: **N.A**
 - (g) Amount paid as advances, if any: **N.A**
 - (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: **N.A**

2. Details of material contracts or arrangement or transactions at arm's length basis

Sr. No.	Particulars	Details	Details
1.	Name (s) of the related party	Actify Data Labs Private Limited	Perfios Software Solutions Private Limited
2.	Nature of relationship	Entity under common control	Entity with Common director
3.	Nature of contracts/arrangements/transactions	Service Agreement	Service Agreement
4.	Duration of the contracts/arrangements/transactions	One year	Five years
5.	Salient terms of the contracts or arrangements or transactions including the value, if any	<ol style="list-style-type: none"> i. Service Agreement has been entered with Actify Data Labs Private Limited for a period of Twelve Months. ii. The technology and other professional services to be provided by Actify Data Labs Private Limited to the Company. iii. Actify Data Labs Private Limited to provide resources for projects assigned by the Company. iv. The delivery time line of each assignments shall be mutually agreed. v. The Company had received services to the value of ₹ 74.70 lakhs during the year. 	<ol style="list-style-type: none"> i. Service Agreement has been entered with Perfios Software Solutions Private Limited for a period of Five years. ii. Software solutions and technological services to be provided by Perfios Software Solutions Private Limited. iii. Perfios Software Solutions Private Limited to provide online integration software to the Company. iv. The delivery timeline of each assignments shall be mutually agreed. v. The Company had received services to the value of ₹7.60 lakhs during the year.

6.	Date (s) of approval by the Board, if any	Omnibus approval granted by Audit Committee in its meeting held on May 13, 2019	Omnibus approval granted by Audit Committee in its meeting held on May 13, 2019.
7.	Amount paid as advances, if any	NIL	MIL

For and on behalf of the Board of Directors

Deepak Satwalekar
Chairman & Independent Director
DIN: 00009627

Extract of Annual Return - MGT - 9

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
As on financial year ended on March 31, 2020
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN	U65990MH2010PLC240703
Registration Date	03/02/2010
Name of the Company	HOME FIRST FINANCE COMPANY INDIA LIMITED
Category / Sub-Category of the Company	Public Company Limited by shares.
Address of the Registered office and contact details	511, Acme Plaza Andheri Kurla Road, Andheri East Mumbai City MH 400059 IN Contact details- 91 022 6694 0386
Whether listed company	No
Name, Address and Contact details of Registrar and Transfer Agent, if any:	Kfin Technologies Private Limited Selenium, Tower- B, Plot No 31-32, Gachibowli, Financial district, Nanakramguda, Hyderabad, 500032 Contact details – 91 040 67161563

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated:-

S.No.	Name and Description of main products/services	NIC Code of the Product/ service	% to total turnover of the Company
1	Housing Finance	65922	95%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES: N.A.

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):**i Category-wise Share Holding:**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	656,609	-	656,609	5.18	-	-	-	-	(5.18)
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	35,997,070	-	35,997,070	45.97	45.97
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	656,609	-	656,609	5.18	35,997,070	-	35,997,070	45.97	40.97
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	23,998,045	-	23,998,045	30.65	30.65
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	NIL	NIL	NIL	NIL	23,998,045	-	23,998,045	30.65	30.65
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	656,609	-	656,609	5.18	59,995,115	-	59,995,115	76.62	71.44
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt (s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (Foreign Investors investing through FDI)	3,890,706	2,072,424	5,963,130	47.07	12,744,235	-	12,744,235	16.28	(30.79)
Sub-total (B)(1):-	3,890,706	2,072,424	5,963,130	47.07	12,744,235	-	12,744,235	16.28	(30.79)
2. Non-Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	5,836,059	-	5,836,059	46.07	1,000,000	-	1,000,000	1.27	(44.80)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	10,000	2,000	12,000	0.12	110,800	-	110,800	0.14	0.02
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	200,100	-	200,100	1.58	4,447,565	-	4,447,565	5.69	4.11
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	6,046,159	2000	6,048,159	47.75	5,558,365	-	5,558,365	7.10	(40.67)
Total Public Shareholding (B)=(B)(1)+ (B)(2)	9,936,865	2,074,424	12,011,289	94.82	18,302,600	-	18,302,600	23.38	(71.44)
C. Shares held by Custodian for GDRs & ADRs									
	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	10,593,474	2,074,424	12,667,898	100	78,297,715	-	78,297,715	100	

Note: Pursuant to Shareholders approval dated October 30, 2019 the face value of the Equity Shares was sub-divided from ₹ 10 per Equity Share to ₹ 2 per Equity Share.

ii. Shareholding of Promoters:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1	True North Fund V LLP	5,836,059	46.07	-	35,997,070	45.97	-	(0.10)
2	Aether (Mauritius) Limited	3,890,706	30.71	-	23,998,045	30.65	-	(0.06)
	Total	9,726,765	76.78	-	59,995,115	76.62	-	(0.16)

Note: 1. True North Fund V LLP and Aether (Mauritius) Limited became Promoters of the Company vide Board approval dated July 31, 2019.

2. Mr. P.S Jayakumar was declassified as the Promoter of the Company vide Board approval dated July 31, 2019 hence changes in his shareholding forms part of Shareholding pattern of Top ten shareholders.

iii. Change in Promoters' Shareholding:

A. TRUE NORTH FUND V LLP.

Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	5,836,059	46.07	-	-
Date wise Increase /Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus / sweat equity etc.)				
Allotment on 29.06.2019.		-	894,334	-
Shareholding as on date of becoming promoters 31.07.2019.		-	6,730,393	-
Allotment on 19.09.2019.		-	447,301	-
Transfer from Mr. Amod Soratur on 1.10.2019		-	20	-
Transfer from Mr. Rushi Trivedi on 11.10.2019.		-	1,500	-
Transfer from Mr. Sakti Prasad Ghosh on 14.10.2019		-	13,200	-
Transfer from Ms. Sujatha Venkatramanan 18.10.2019.		-	7,000	-

Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	Sub-division of face value of Equity Share from ₹ 10 each to ₹ 2 each pursuant to shareholders approval dated October 30, 2019.	-	35,997,070	-
At the End of the year		-	35,997,070	45.97

B. AETHER (MAURITIUS) LIMITED

Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	3,890,706	30.71	-	-
Date wise Increase /Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	Allotment on 29.06.2019.	-	596,222	-
	Shareholding as on date of becoming promoters 31.07.2019.	-	4,486,928	-
	Allotment on 19.09.2019.	-	298,201	-
	Transfer from Mr. Amod Soratur on 1.10.2019	-	14,480	-
	Sub-division of face value of Equity Share from ₹ 10 each to ₹ 2 each pursuant to shareholders approval dated October 30, 2019.	-	23,998,045	-
At the End of the year			23,998,045	30.65

iv. SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, KEY MANAGERIAL PERSONNEL, PROMOTERS AND HOLDERS OF GDRS AND ADRS):

1. Bessemer India Capital Holdings II Ltd

Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	2,072,424	16.36	-	-
Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	Allotment on 29.06.2019.	-	476,423	-
	Sub-division of face value of Equity Share from ₹ 10 each to ₹ 2 each pursuant to shareholders approval dated October 30, 2019.	-	12,744,235	-
At the End of the year (or on the date of separation, if separated during the year)		-	12,744,235	16.28

2. Mr. Palamadai Sundararajan Jayakumar

Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	656,609	5.18	-	-
Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	Allotment on 19.06.2019.	-	150,946	-
	Sub-division of face value of Equity Share from ₹ 10 each to ₹ 2 each pursuant to shareholders approval dated October 30, 2019.	-	4,037,775	-
		-	(1,000,000)	-
At the End of the year (or on the date of separation, if separated during the year)	Transfer to Universal Trustee Private Limited on February 28, 2020	-	3,037,775	3.88

3. Universal Trustee Private Limited on behalf of Adivam Family Trust

Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	-	-	-	-
Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	Transferred from Mr. Palamadai Sundararajan Jayakumar on February 28, 2020	-	1,000,000	-
At the End of the year (or on the date of separation, if separated during the year)		-	1,000,000	1.28

4. Mr. Abhijeet Jamkhindikar

Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	-	-	-	-
Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	Allotment on 29.06.2019	-	13,440	-
	Sub-division of face value of Equity Share from ₹ 10 each to ₹ 2 each pursuant to shareholders approval dated October 30, 2019.	-	67,200	-
At the End of the year (or on the date of separation, if separated during the year)		-	67,200	0.09

5. Mr. Gaurav Mohta

Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	-	-	-	-
Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	Allotment on 29.06.2019.	-	11,648	-
	Sub-division of face value of Equity Share from ₹ 10 each to ₹ 2 each pursuant to shareholders approval dated October 30, 2019.	-	58,240	-
At the End of the year (or on the date of separation, if separated during the year)		-	58,240	0.07

6. Mr. Bhaskar Chaudhary

Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	10,000	0.08	-	-
Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	Allotment on 29.06.2019	-	650	-
	Allotment on 19.06.2019	-	900	-
	Sub-division of face value of Equity Share from ₹ 10 each to ₹ 2 each pursuant to shareholders approval dated October 30, 2019.	-	57,750	-
At the End of the year (or on the date of separation, if separated during the year)		-	57,750	0.07

7. Mr. Ajay Khetan

Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	-	-	-	-
Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	Allotment on 29.06.2019.	-	8,960	-
	Sub-division of face value of Equity Share from ₹ 10 each to ₹ 2 each pursuant to shareholders approval dated October 30, 2019.	-	44,800	-
At the End of the year (or on the date of separation, if separated during the year)		-	44,800	0.06

8. Ms. Vilasini Subramaniam

Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	-	-	-	-
Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	Allotment on 29.06.2019	-	6,720	-
	Sub-division of face value of Equity Share from ₹ 10 each to ₹ 2 each pursuant to shareholders approval dated October 30, 2019.	-	33,600	-
At the End of the year (or on the date of separation, if separated during the year)		-	33,600	0.04

9. Mr. Ramakrishna V

Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	-	-	-	-
Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	Allotment on 29.06.2019.	-	2,688	-
	Sub-division of face value of Equity Share from ₹ 10 each to ₹ 2 each pursuant to shareholders approval dated October 30, 2019.	-	13,440	-
At the End of the year (or on the date of separation, if separated during the year)		-	13,440	0.02

10. Ms. Anisha B V

Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	2,000	0.02	-	-
Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	Sub-division of face value of Equity Share from ₹ 10 each to ₹ 2 each pursuant to shareholders approval dated October 30, 2019.	-	10,000	-
At the End of the year (or on the date of separation, if separated during the year)		-	10,000	0.01

v. SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

1. Mr. Deepak Satwalekar

Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	-	-	-	-
Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus / sweat equity etc.)		-	-	-
At the End of the year		-	-	-

2. Mr. Sakti Prasad Ghosh

Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	-	-	-	-
Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus / sweat equity etc.)				
	Allotment pursuant to Exercise of Options on 19.09.2019.	-	25,000	-
	Sale to True North Fund V LLP on 14.10.2019.	-	(13,200)	-
	Sub-division of face value of Equity Share from ₹ 10 each to ₹ 2 each pursuant to shareholders approval dated October 30, 2019.	-	59,000	-
At the End of the year		-	59,000	0.08

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3. Ms. Sujatha Venkatramanan

Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	-	-	-	-
Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	Allotment pursuant to Exercise of Options on 19.09.2019.	-	22,500	-
	Sale to True North Fund V LLP on 18.10.2019.	-	(7,000)	-
	Sub-division of face value of Equity Share from ₹ 10 each to ₹ 2 each pursuant to shareholders approval dated October 30, 2019.	-	77,500	-
At the End of the year		-	77,500	0.10

4. Mr. Rajagopalan Santhanam

Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	-	-	-	-
Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus / sweat equity etc.)				
At the End of the year		-	-	-

5. Mr. Maninder Singh Juneja

Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	-	-	-	-
Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus / sweat equity etc.)				
At the End of the year		-	-	-

6. Mr. Vishal Vijay Gupta

Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	-	-	-	-
Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus / sweat equity etc.)				
At the End of the year		-	-	-

7. Mr. Divya Sehgal

Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	-	-	-	-
Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus / sweat equity etc.)				
At the End of the year		-	-	-

8. Mr. Manoj Viswanathan

Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	200,100	1.58	-	-
Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus / sweat equity etc.)				
	Allotment on 29.06.2019.	-	4,480	-
	Sub-division of face value of Equity Share from ₹ 10 each to ₹ 2 each pursuant to shareholders approval dated October 30, 2019.	-	1,022,900	-
At the End of the year		-	1,022,900	1.31

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8. Ms. Nutan Gaba Patwari

Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	-	-	-	-
Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	Allotment on 29.06.2019.	-	13,440	-
	Sub-division of face value of Equity Share from ₹ 10 each to ₹ 2 each pursuant to shareholders approval dated October 30, 2019.	-	67,200	-
At the End of the year		-	67,200	0.09

6. Mr. Shreyans Bachhawat

Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	-	-	-	-
Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	-	-	-	-
At the End of the year		-	-	-

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (₹ in crores)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1929.89	-	-	1929.89
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	4.34	-	-	4.34
Total (i+ii+iii)	1934.23	-	-	1934.23
Change in Indebtedness during the financial year				
* Addition	1025.00	-	-	1025.00
* Reduction	455.64			455.64
Net Change	569.36			569.36
Indebtedness at the end of the financial year				
i) Principal Amount	2499.25	-	-	2499.25
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	8.08	-	-	8.08
Total (i+ii+iii)	2507.33	-	-	2507.33

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**A. Remuneration to Managing Director, Whole-time Directors and/or Manager: N.A.**

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		
2	Stock Option		
3	Sweat Equity		
4	Commission - as % of profit - others, specify...		
5	Others, please specify Total (A) Ceiling as per the Act		

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B. Remuneration to other Directors:

Particulars of Remuneration	Name of Directors				Total Amount
	Mr. Sakti Prasad Ghosh	Ms. Sujatha Venkataramanan	Mr. Deepak Satwalekar	-	
1. Independent Directors					
Fee for attending Board / committee meetings	1,200,000	1,100,000	300,000	-	2,600,000
Commission	-	-	-	-	-
Others, please specify	-	-	-	-	-
Total (1)	1,200,000	1,100,000	300,000		2,600,000
2. Other Non-Executive Directors	Mr. Vishal Vijay Gupta	Mr. Rajagopalan Santhanam	Mr. Maninder Singh Juneja	Mr. Divya Sehgal	-
Fee for attending Board / committee meetings	-	-	-	-	-
Commission	-	-	-	-	-
Others, please specify	-	-	-	-	-
Total (2)	-	-	-	-	-
Total (B)=(1+2)	1,200,000	1,100,000	300,000		2,600,000
Total Managerial Remuneration					-
Overall Ceiling as per the Act					

C. Remuneration To Key Managerial Personnel other than MD/Manager/WTD:

Sr. No. Particulars of Remuneration	Key Managerial Personnel			Total
	Director & CEO	CFO	Company Secretary	
	Mr. Manoj Viswanathan*	Ms. Nutan Gaba Patwari	Mr. Shreyas Bachhawat	
1 Gross salary				
(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	9,220,944	8,004,647	1,888,044	19,113,635
(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2 Stock Option	-	-	-	-
3 Sweat Equity	-	-	-	-
4 Commission				
- as % of profit	-	-	-	-
- others, specify... (performance Bonus)	2,875,000	750,000	197,778	3,822,778
5 Others	-	-	-	-
Dividend				
Total	12,095,944	8,754,647	2,085,822	22,936,413

* Mr. Manoj Viswanathan has been paid managerial remuneration in the capacity of Director and Chief Executive Officer during the financial year 2019-20. The remuneration paid to him is within the limits of the Companies Act, 2013.

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/Compounding fees imposed	Authority [RD/NCLT /COURT]	Appeal made, if any (give Details)
A. Company					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
B. Directors					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
C. Other Officers in Default					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

For and on behalf of the Board of Directors

Deepak Satwalekar
Chairman and Independent Director
DIN:00009627

Date: May 26,2020
Place: Mumbai

Report of the Directors on Corporate Governance

Report of the Directors on the Corporate Governance

The Directors present the report on Corporate Governance for the financial year March 31, 2020.

Corporate Governance refers to a mechanism, process and relationship by which corporates are controlled and directed. The Board and Management give more emphasis on maintaining transparency and accountability in governing the Company and carrying out the business operations. The Company has adopted best practices of Corporate Governance in the best interest of the shareholders, employees, consumers and the community at large.

Board of Directors

Your Company's Board has a primary role of trusteeship to protect and enhance stakeholders' value through strategic supervision. The Board

provides direction and exercises appropriate controls. The Corporate Governance principles of your Company have been formulated to ensure that the Board remains informed, independent and participates actively in the affairs of your Company.

In addition to the basic governance practices, the Board of your Company lays strong emphasis on transparency, accountability and integrity. Your Company also strives to enhance stakeholders' value by taking measures to continuously improve Corporate Governance standards.

As at March 31, 2020, the Board of the Company comprised of 8 Directors of whom 3 were Non-Executive Independent Directors (Including Chairman and Woman Director), 4 were Non-Executive Directors representing shareholders and 1 Executive Director:

Sr. No.	Name	DIN	Designation
1	Mr. Deepak Satwalekar	00009627	Chairman and Independent Director
2	Mr. Sakti Prasad Ghosh	00183802	Independent Director
3	Ms. Sujatha Venkatramanan	05340759	Independent Woman Director
4	Mr. Rajagopalan Santhanam	00025669	Nominee Director (For Aether (Mauritius) Ltd)
5	Mr. Divya Sehgal	01775308	Nominee Director (For True North Fund V LLP)
6	Mr. Maninder Singh Juneja	02680016	Nominee Director (For True North Fund V LLP)
7	Mr. Vishal Vijay Gupta	01913013	Nominee Director (For Bessemer India Capital Holdings II Ltd)
8	Mr. Manoj Viswanathan	01741612	Director & Chief Executive Officer ("CEO")

Chief Financial Officer (CFO)

Ms. Nutan Gaba Patwari

Company Secretary (CS)

Mr. Shreyans Bachhawat

Changes in Board of Directors

During the year under review, Mr. Deepak Satwalekar was appointed as the Non-Executive Independent Director with effect from October 23, 2019. Further, the Board at its meeting held on November 18, 2019 had elected Mr. Satwalekar as Chairman of the Company.

Mr. Rajagopalan Santhanam resigned as Nominee Director of True North Fund V LLP and was re-appointed as the Nominee Director of Aether(Mauritius) Limited on February 28, 2020.

Responsibilities of the Board

The Board Members are responsible for the management of the business. Role, functions, responsibility and accountability of the Board are clearly defined. In addition to its primary role of monitoring corporate performance, functions of the Board include, but does not restricts to the following:

Report of the Directors on Corporate Governance

- formulation of strategic and business plans;
- reviewing and approving financial plans and budgets;
- monitoring corporate performance against strategic and business plans, including overseeing operations;
- ensuring ethical behavior and compliance of laws and regulations;
- reviewing and approving borrowing limits;
- formulating exposure limits; and
- keeping shareholders informed regarding plans, strategies and performance.

Board Proceedings

The schedule of the Board / Committee meetings to be held in a financial year is circulated in advance to enable the Directors / Committee Members to plan their schedule and ensure their highest participation at meetings. Directors are given an option of attending Board / Committee meetings through video conference to ensure effective

decision making through increased participation by the Directors/ Committee Members. The agenda along with detailed notes are circulated to the Directors/Committee Members well in advance and all material information is incorporated in the agenda for facilitating meaningful and focused discussions at meetings of the Board and its Committees.

During the year under review, 9 meetings of the Board of Directors of the Company were convened and held on May 13, 2019, June 26, 2019, June 29, 2019, July 31, 2019, August 24, 2019, September 19, 2019, November 18, 2019, November 28, 2019 and February 28, 2020. These meetings were held in a manner that at least a gap of not more than 120 days lapsed between two consecutive meetings. The required quorum was present at all the above meetings. Due to business exigencies, certain decisions were taken by the Board and its Committees by way of resolutions passed through circulation, from time to time.

The details of attendance of each Director at the Board meeting held during the financial year 2019-20 is given below:

Names of Directors	No. of Board Meetings convened during their tenure	No. of meetings attended	AGM Y=attended N=not attended
Mr. Deepak Satwalekar *	3	3	N.A
Mr. Sakti Prasad Ghosh	9	6	Y
Mr. Manoj Viswanathan	9	9	Y
Ms. Sujatha Venkatraman	9	5	N
Mr. Rajagopalan Santhanam	9	4	N
Mr. Divya Sehgal	9	8	N
Mr. Maninder Singh Juneja	9	8	N
Mr. Vishal Vijay Gupta	9	6	N

*Mr. Deepak Satwalekar was appointed as the Independent Director w.e.f October 23, 2019.

Audit Committee:

Composition:

The members of the Audit Committee as at March 31, 2020 were:

Sr. No.	Name	Category	Designation
1.	Ms. Sujatha Venkatramanan*	Independent Director	Chairperson
2.	Mr. Sakti Prasad Ghosh	Independent Director	Member
3.	Mr. Rajagopalan Santhanam	Nominee Director	Member
4.	Mr. Maninder Singh Juneja**	Nominee Director	Member

*Ms. Sujatha Venkatraman was appointed as the Chairman of the Committee w.e.f November 18, 2019.

**Mr. Maninder Singh Juneja ceased to be an Audit Committee member w.e.f November 18, 2019.

Report of the Directors on Corporate Governance

In terms of Section 177 of the Companies Act, 2013 read with Companies (Meetings of the Board and its Powers) Rules, 2014, the majority of the Committee comprises of the Independent Directors.

Terms of reference:

- Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that its financial statements are correct, sufficient and credible;
- Recommending to the Board the appointment, remuneration and terms of appointment of the statutory auditor of the Company;
- Reviewing and monitoring the statutory auditor's independence and performance, and effectiveness of audit process;
- Approving payments to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - (a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act;
 - (b) Changes, if any, in accounting policies and practices and reasons for the same;
 - (c) Major accounting entries involving estimates based on the exercise of judgment by management;
 - (d) Significant adjustments made in the financial statements arising out of audit findings;
 - (e) Compliance with listing and other legal requirements relating to financial statements;
 - (f) Disclosure of any related party transactions; and
 - (g) Modified opinion(s) in the draft audit report.
- Laying down the criteria for granting omnibus approval in accordance with the Company 'policy on related party transactions and such approval shall be applicable in respect of transactions which are repetitive in nature;
- Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
- Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter. This also includes monitoring the use/application of the funds raised through the proposed initial public offer by the Company;
- Approval or any subsequent modifications of transactions of the Company with related parties provided that the audit committee may give omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;
- Scrutinizing of inter-corporate loans and investments;
- Valuing of undertakings or assets of the Company, wherever it is necessary;
- Evaluating of internal financial controls and risk management systems;
- Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;
- Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussing with internal auditors on any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

Report of the Directors on Corporate Governance

- Discussing with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- Reviewing the functioning of the whistle blower mechanism;
- Approving the appointment of the chief financial officer or any other person heading the finance function or discharging that function after assessing the qualifications, experience and background, etc. of the candidate; and
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee and any other terms of reference as may be decided by the Board and/or specified/provided under the Companies Act or the Listing Regulations or by any other regulatory authority.
- Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision i.e. April 1, 2019, and henceforth.

Powers of the Audit Committee:

The powers of the Audit Committee shall include the following:

1. To investigate any activity within its terms of reference;
2. To seek information from any employee;
3. To obtain outside legal or other professional advice; and

- To secure attendance of outsiders with relevant expertise, if it considers necessary.

Reviewing Powers:

The Audit Committee shall mandatorily review the following information:

- Management's discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses;
- The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee; and
- Statement of deviations:
 - (i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of the Listing Regulations; and
 - (ii) annual statement of funds utilized for purposes other than those stated in the document/prospectus/notice in terms of the Listing Regulations.

Audit Committee Meetings and Quorum:

During the year under review, the Committee met 5 times on May 13, 2019, November 18, 2019 and December 31, 2019, January 4, 2020 and February 27, 2020. The required quorum was present at all the meetings. The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company held on June 12, 2019.

Names of Directors	No. of meetings held during the year and during their tenure	No. of meetings attended	% of total meetings attended
Mr. Sakti Prasad Ghosh	5	5	100%
Ms. Sujatha Venkatramanan	5	5	100%
Mr. Rajagopalan Santhanam	5	4	80%
Mr. Maninder Singh Juneja*	2	1	50%

*Mr. Maninder Singh Juneja ceased to be an Audit Committee member w.e.f November 18, 2019.

Report of the Directors on Corporate Governance

All recommendations made by the Audit Committee to the Board were duly accepted by the Board.

NOMINATION AND REMUNERATION COMMITTEE (NRC):

Composition:

The members of the Nomination and Remuneration Committee as at March 31, 2020 were:

Sr. No.	Name	Category	Designation
1.	Mr. Sakti Prasad Ghosh	Independent Director	Chairman
2.	Ms. Sujatha Venkatramanan	Independent Director	Member
3.	Mr. Maninder Singh Juneja*	Nominee Director	Member
4.	Mr. Rajagopalan Santhanam**	Nominee Director	Member

*Mr. Maninder Singh Juneja was appointed as member w.e.f November 18, 2019.

** Mr. Rajagopalan Santhanam ceased to be a member w.e.f November 18, 2019

In terms of Section 178 of the Companies Act, 2013 read with Companies (Meetings of the Board and its Powers) Rules, 2014, one half of the Committee comprises of Independent Directors.

Terms of reference:

- Formulating the criteria for determining qualifications, positive attributes and independence of a director & recommending to the Board a policy, relating to the remuneration of the directors and key managerial personnel;
- Formulating of criteria for evaluation of the performance of the independent directors and the Board;
- Devising a policy on Board diversity;
- Identifying persons who qualify to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal, and carrying out evaluations of every director's performance;
- Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- Analyzing, monitoring and reviewing various human resource and compensation matters;
- Determining the company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
- Determining compensation levels payable to the senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component;
- Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
- Performing such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended;
- Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
 - (i) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended; and
 - (ii) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003.
- Performing such other activities as may be delegated by the Board and/or specified /provided under the Companies Act or the Listing Regulations, or by any other regulatory authority;
- Recommend to the board, all remuneration, in whatever form, payable to senior management; and
- Performing such other functions as may be required for the performance of any of the above duties.

NRC Meeting and its Quorum:

During the year under review, the Committee met once on February 28, 2020. The required quorum

was present at the meeting. Due to business exigencies, certain decisions were taken by the Committee by way of resolutions passed through circulation, from time to time.

Names of Directors	No. of meetings held during the year and during their tenure	No. of meetings attended	% of total meetings attended
Mr. Sakti Prasad Ghosh	1	1	100%
Ms. Sujatha Venkatramanan	1	1	100%
Mr. Maninder Singh Juneja	1	1	100%

CORPORATE SOCIAL RESPONSIBILITY (CSR):

Composition:

The members of the Corporate Social Responsibility Committees at March 31, 2020 were:

Sr. No.	Name	Category	Designation
1.	Mr. Sakti Prasad Ghosh	Independent Director	Member
2.	Mr. Manoj Viswanathan	Director & CEO	Member
3.	Mr. Rajagopalan Santhanam	Nominee Director	Member

In terms of Section 135 of the Companies Act, 2013 read with Companies (Meetings of the Board and its Powers) Rules, 2014, there should be at least one Independent Directors in the Committee.

Terms of reference:

- To formulate and recommend to the Board of Directors, the CSR Policy, indicating the CSR activities to be undertaken, as prescribed under applicable law;
- To recommend the amount of expenditure to be incurred on the CSR activities, which is to be at least 2% of the average net profit of the Company in the three immediately preceding financial years;

- To monitor the CSR Policy & its implementation by the Company from time to time; and
- To perform such other functions or responsibilities and exercise such other powers as may be conferred upon the CSR Committee in terms of the provisions of Section 135 of the Companies Act, 2013 and the rules framed thereunder.

CSR Meeting and its Quorum:

During the year under review, the Committee met once on March 28, 2020. The required quorum was present at the meeting.

Names of Directors	No. of meetings held during the year and during their tenure	No. of meetings attended	% of total meetings attended
Mr. Sakti Prasad Ghosh	1	-	-
Mr. Rajagopalan Santhanam	1	1	100%
Mr. Manoj Viswanathan	1	1	100%

Further the Company had contributed ₹49.50 Lakhs to PM CARES Fund in relation to the fight against the outbreak of COVID 19 and an amount of ₹25 Lakhs to Masina Hospital.

Report of the Directors on Corporate Governance

STAKEHOLDERS RELATIONSHIP COMMITTEE (SRC):

Composition:

The members of the Stakeholders Relationship Committee as at March 31, 2020 were:

Sr. No.	Name	Category	Designation
1.	Mr. Sakti Prasad Ghosh	Independent Director	Chairman
2.	Mr. Manoj Viswanathan	Director & CEO	Member
3.	Mr. Rajagopalan Santhanam	Nominee Director	Member

In terms of Section 178 of the Companies Act, 2013 read with Companies (Meetings of the Board and its Powers) Rules, 2014, consisting of a chairperson who shall be non-executive director.

Terms of Reference:

- Consider and resolve grievances of security holders (includes shareholders, debenture holders or any other security holder) of the Company, including complaints related to transfer of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.;
 - Review of measures taken for effective exercise of voting rights by shareholders.
 - Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Share Transfer Agent.
 - Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.
 - Formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;
 - To approve, register, refuse to register transfer or transmission of shares and other securities;
 - To sub-divide, consolidate and or replace any share or other securities certificate(s) of the Company;
 - Allotment and listing of shares;
 - Approval of transfer or transmission of shares, debentures or any other securities;
 - To authorize affixation of common seal of the Company;
 - To issue duplicate share or other security(ies) certificate(s) in lieu of the original share/security(ies) certificate(s) of the Company;
 - To approve the transmission of shares or other securities arising as a result of death of the sole/any joint shareholder;
 - To dematerialize or rematerialize the issued shares;
 - Ensure proper and timely attendance and redressal of investor queries and grievances;
 - Carrying out any other functions contained in the Companies Act, 2013, the SEBI Listing Regulations and/or equity listing agreements (if applicable), as and when amended from time to time; and
- To further delegate all or any of the power to any other employee(s), officer(s), representative(s), consultant(s), professional(s), or agent(s).
- There was no meeting of the Stakeholders Relationship Committee during the financial year 2019-20.

Asset Liability and Risk Management Committee (ALCO):

The members of the Asset Liability Management Committee as at March 31, 2020 were:

Sr. No.	Name	Designation
1.	Mr. Manoj Viswanathan	Director & CEO
2.	Ms. Nutan Gaba Patwari	CFO
3.	Mr. Ajay Khetan	COO
4.	Mr. Gaurav Mohta	Head - Sales & Marketing
5.	Ms. Vilasini Subramaniam	Head - Strategic Alliances

Report of the Directors on Corporate Governance

The broad terms of reference of the Committee inter-alia includes:

- monitoring the asset liability composition of the Company's business;
- determining actions to mitigate risks associated with the asset liability mismatches;
- approve proposals and detailed terms and conditions of borrowings from banks;
- reviewing the borrowing program of the Company;

- review product pricing and desired maturity profile of assets and liabilities and also the mix of incremental assets & liabilities, etc.

Meeting and its Quorum:

During the year under review, the ALCO met 4 times on June 24, 2019, July 29, 2019, December 27, 2019 and March 27, 2020. The required quorum was present at all the above meetings.

Date of meeting	Total members	No. of members who have attended the meeting
June 24, 2019	5	5
July 29, 2019	5	5
December 27, 2019	5	5
March 27, 2020	5	5

Risk Management Committee:

The members of the Risk Management Committee as at March 31, 2020 were:

Sr. No.	Name	Designation
1.	Mr. Manoj Viswanathan	Director & CEO
2.	Ms. Nutan Gaba Patwari	CFO
3.	Mr. Ajay Khetan	COO
4.	Mr. Gaurav Mohta	Head - Sales & Marketing
5.	Ms. Vilasini Subramaniam	Head - Strategic Alliances
6.	Mr. Abhijeet Jamkindhikar	Head - Developer Finance
7.	Mr. Arunchandra Jupalli	Head - LAP
8.	Mr. Ramakrishna V	Head - Human Resource

The terms of reference of the Committee inter-alia includes:

- To assess the Company's risk profile and key areas of risk in particular.
- To recommend the Board and adaptation of risk assessment and rating procedures along with acceptable levels of Risk.
- To articulate the Company's policy for the oversight and management of business risk.
- To examine and determine the sufficiency of the Company's internal processes for reporting on and managing key risk areas.
- To develop and implement a risk management framework and internal control system.
- To review the nature and level of insurance coverage.

- To have the special investigation into areas of corporate risk and breakdowns in internal control.
- To review management's response to the Company's auditor's recommendations and whether those are adopted.
- To report the trends in the Company's risk profile reports on specific risks and the status of the risk management process.

Meeting and its Quorum:

During the year under review, the Risk Management Committee met once on March 28, 2020. The required quorum was present at the above meeting.

Report of the Directors on Corporate Governance

Date of meeting	Total members	No. of members who have attended the meeting
March 28, 2020	8	4

IT Strategy Committee:

The members of the IT Strategy Committee as at March 31, 2020 were:

Sr. No.	Name	Designation
1.	Ms. Sujatha Venkatramanan	Independent Director
2.	Mr. Manoj Viswanathan	Director & CEO
3.	Ms. Nutan Gaba Patwari	CFO
4.	Mr. Ajay Khetan	COO
5.	Mr. Gaurav Mohta	Head - Sales & Marketing
6.	Ms. Vilasini Subramaniam	Head - Strategic Alliances
7.	Mr. Abhijeet Jamkindhikar	Head - Developer Finance
8.	Mr. Arunchandra Jupalli	Head - LAP
9.	Mr. Ramakrishna V	Head - Human Resource

The terms of reference of the Committee are as follows:

- To ensure that management has an effective IT strategic planning process and is aligned with business strategy.
- To ensure that investments in Information Technology represent a balance of risks and benefits for sustaining organization's growth and within the acceptable budget.
- To monitor IT resources required to achieve strategic goals and provide high-level direction for sourcing and use of IT resources.
- To oversee implementation of processes and practices and ensuring that maximum value is delivered to business.
- To approve IT strategy and policy documents.
- To define & ensure effective implementation

of standards of IT Governance, Business Continuity and Data Governance.

- To ensure there is appropriate framework of information security risk assessment within the organization.
- To ensure effective due diligence, oversight and management of outsourcing and accountability for all outsourcing decisions.
- To ensure that a comprehensive risk assessment of HomeFirst's IT system is carried out on yearly basis.

Meeting and its Quorum:

During the year under review the committee met 2 times on June 20, 2019 and November 18, 2019 the required quorum was present at the meeting.

Date of meeting	Total members	No. of members who have attended the meeting
June 20, 2019	9	4
November 18, 2019	9	5

OTHER COMMITTEES

Internal Complaints Committee:

In terms of the Sexual Harassment of Women at

Workplace (Prevention, Prohibition & Redressal) Act, 2013, the Board of Directors of your Company have constituted an Internal Complaints Committee.

Report of the Directors on Corporate Governance

Composition of the Internal Complaints Committee:

Sr. No.	Name	Designation
1.	Ms. Vilasini Subramaniam	Chairperson [Presiding Officer]
2.	Mr. Manoj Viswanathan	Member
3.	Mr. Ajay Khetan	Member
4.	Ms. Namrata Shah	Member
5.	Ms. Sahitya Adusumilli	Member
6.	Mr. Akshay Kunte	Member
7.	Ms. Geeta Jaisinghani	External Member

The terms of reference of the Committee inter-alia includes:

- Conducting an inquiry into complaints made by any aggrieved women at the workplace and arrive at a conclusion as to whether the allegation for which the complaint has been filed was proved or not and take necessary actions to resolve the complaints.

- Preparing annual report for each calendar year and submitting the same to the Board of Directors and the District Officer.

Executive Committee:

The Composition of the Executive Committee as at March 31, 2020 for the year under review is as under:

Sr. No.	Name	Designation
1.	Mr. Manoj Viswanathan	Director & CEO
2.	Ms. Nutan Gaba Patwari	CFO
3.	Mr. Shreyans Bachhawat	CS

The broad terms of reference of the Committee inter-alia includes:

- to borrow monies subject to a maximum of ₹ 1000 Crore between two Board meetings and to open bank accounts in relation to the same.
- to grant loans or provide security in respect of loans at such terms and conditions as may be decided by the Committee from time to time.

- To assign the pool of receivables by way of Direct assignment
- to invest funds of the Company in liquid mutual funds, debt mutual funds, NCDs, CD/CPs, Fixed deposits.
- to execute documents in relation to bank accounts, addition / deletion of signatories thereof and matters related to banking operations.

Meeting and its Quorum:

During the year under review, the Executive Committee had met 8 times on May 20, 2019,

June 26, 2019 September 13, 2019, September 25, 2019, December 9, 2019, February 1, 2020, February 28, 2020 & March 11, 2020. The required quorum was present at all the above meetings.

Date of meeting	Total members	No. of members who have attended the meeting
May 20, 2019	3	3
June 26, 2019	3	3
September 13, 2019	3	3
September 25, 2019	3	3
December 9, 2019	3	3
February 1, 2020	3	3
February 28, 2020	3	3
March 11, 2020	3	3

Report of the Directors on Corporate Governance

Credit Committee:

The Composition of the Credit Committee as at March 31, 2020 for the year under review is as under

Sr. No.	Name	Designation
1.	Mr. Manoj Viswanathan	Director & CEO
2.	Mr. Ajay Khetan	Chief Operating Officer
3.	Ms. Nutan Gaba Patwari	Chief Financial Officer
4.	Mr. Gaurav Mohta	Head – Sales and Marketing
5.	Ms. Vilasini Subramaniam	Head – Strategic Alliances
6.	Mr. Anand Soni	Head – Collections
7.	Ms. Suman Ranka	Operations Manager
8.	Ms. Muthumari M	Senior operations Manager
9.	Ms. Pooja Mehta	Credit Manager
10.	Mr. Kamal Narwani	Division Manager – Credit Operations
11.	Ms. Vijaylakshmi Iyengar	Collection Manager
12.	Ms. Erica Gonsalves	Operations Manager

The broad terms of reference of the Committee inter-alia includes:

- Product mix of the previous month's sourcing,
- Portfolio analytics –analysis to get a better understanding of the portfolios on various aspects,
- Legal process for delinquent cases,
- Summary of visits to locations by credit personnel and inputs and feedback from branches,
- Key collection updates on NPAs,

- NPAs in previous months and additions and roll-backs,
- Discussion on new products to be launched/ rolled-back, geographical expansion, resource requirements & delinquency strategies.

Meetings and Quorum:

During the year under review, the Credit Committee had met 3 times on May 23, 2019, October 3, 2019 and January 13, 2020. The required quorum was present at all the above meetings.

Date of meeting	Total members	No. of members who have attended the meeting
May 23, 2019	12	9
October 3, 2019	12	8
January 13, 2020	12	7

GENERAL BODY MEETINGS:

The details of the location and time of the last five Annual General Meetings is given below:

For FY	Date	Time	Venue
2018-19	12.06.19	10.00 A.M	Registered Office
2017-18	07.07.18	10.00 A.M	Registered Office
2016-17	07.09.17	12.30 P.M	Registered Office
2015-16	25.07.16	11.00 A.M	Registered Office
2014-15	28.08.15	11.00 A.M	Registered Office
2013-14	20.06.14	1.00 P.M	Registered Office

Report of the Directors on Corporate Governance

5 Extra-ordinary General Meetings were held during the last financial year.

Year	Date	Time	Venue of the meeting
2019-20	18.03.2020	10.00 AM	511, Acme Plaza Andheri Kurla Road, Andheri East Mumbai - 400059.
2019-20	22.11.2019	10.00 AM	511, Acme Plaza Andheri Kurla Road, Andheri East Mumbai - 400059.
2019-20	30.10.2019	10.00 AM	511, Acme Plaza Andheri Kurla Road, Andheri East Mumbai - 400059.
2019-20	30.08.2019	10.00 AM	511, Acme Plaza Andheri Kurla Road, Andheri East Mumbai - 400059.
2019-20	26.06.2019	1.00 PM	511, Acme Plaza Andheri Kurla Road, Andheri East Mumbai - 400059.

The following Special Resolutions were passed at the Extra Ordinary General Meeting held during the last year:

Date	Particulars
18 March 2020	<ul style="list-style-type: none">• Amendment to Employee Stock Options Scheme 2012 Policy and ESOP Stock Option Plan II Policy.
22 November 2019	<ul style="list-style-type: none">• Adoption of new Articles of Association.• Approval to amendment to the Employee Stock Option Scheme II.• Approval of amendments to the Employee Stock Option Scheme 2012.
30 October 2019	<ul style="list-style-type: none">• Increase in investment limits for Non-resident Indians and Overseas citizens of India.• Increase in investment limits for Foreign Portfolio Investors.
30 August 2019	<ul style="list-style-type: none">• Further Issue of Equity Shares on Preferential Basis.• Initial Public Offer of Equity Shares.• Approval of the continuation of Mr. Sakti Prasad Ghosh as an Independent Director of the Company
26 June 2019	<ul style="list-style-type: none">• Further issue of Equity Shares on Private placement basis.

General Shareholder Information:

This Annual Report includes yearly financial data and a section on Shareholder Information giving required information.

Report of the Directors on Corporate Governance

Shareholding pattern of the Company as on March 31, 2020 is as under:

Sr. No.	Name of the Shareholder	No.of equity shares	% Holding
1.	True North Fund V LLP	35,997,070	45.97
2.	Aether (Mauritius) Limited	23,998,045	30.65
3.	Bessemer India Capital Holdings II Ltd.	12,744,235	16.28
4.	Mr. P S Jaya Kumar	3,037,775	3.88
5.	Mr. Manoj Viswanathan	1,022,900	1.31
6.	Universal Trustees Private Limited	1,000,000	1.27
7.	Mr. Bhaskar Chaudhry	57,750	0.07
8.	Ms. Anisha B V	10,000	0.01
9.	Mr. Ajay Khetan	44,800	0.06
10.	Ms. Nutan Gaba Patwari	67,200	0.09
11.	Mr. Gaurav Mohta	58,240	0.07
12.	Mr. Abhijeet Jamkhindikar	67,200	0.09
13.	Mr. Arunchandra Jupalli	8,960	0.01
14.	Ms. Vilasini Subramaniam	33,600	0.04
15.	Mr. Ramakrishna V	13,440	0.02
16.	Mr. Sakti Prasad Ghosh	59,000	0.08
17.	Ms. Sujatha Venkatramanan	77,500	0.10
	Total	78,297,715	100.00

Annual General Meeting:

The Annual General Meeting of the Company for FY 2018-19 was held on June 12, 2019 at 10.00A.M at Registered Office of the Company at 511, Acme Plaza, Andheri Kurla Road, Andheri East, Mumbai 400059.

Statutory and Regulatory Compliance:

The Company has been following the directions, guidelines and circulars issued by National Housing Bank and Reserve Bank of India from time to time. The Company has adopted all the applicable Policies as recommended by National Housing Bank. The Company also has been following directions / guidelines / circulars issued by Income Tax Act, 1961 and Ministry of Corporate Affairs from time to time, applicable to the company.

On behalf of the Board of Directors

Mr. Deepak Satwalekar
Chairman & Independent Director
DIN: 00009627

Date: 26 May, 2020

Place: Mumbai

Report on Corporate Social Responsibility for FY 2019-20

Report On Corporate Social Responsibility For FY 2019 - 20

Home First Finance Company India Limited (hereinafter referred to as 'HomeFirst') believes in integrating its business model with the social welfare of people and society in which it operates.

1. A brief outline of company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

The Company shall decide to undertake any of the following CSR activities/ projects as enumerated in Schedule VII of the Companies Act, 2013 or such other CSR activities/ projects as may be notified by Ministry of Corporate Affairs from time to time:

1. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set up by the Central Government for the promotion and sanitation and making available safe drinking water;
2. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
3. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
4. Ensuring environmental sustainability, ecological balance, protection of flora and

fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the clean ganga fund set-up by the Central Government for rejuvenation of river ganga;

5. Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art, setting up public libraries, promotion and development of traditional arts and handicrafts;
6. Measures for the benefit of armed forces veterans, war widows and their dependents;
7. Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports;
8. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
9. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
10. Rural development projects;
11. Slum area developments;
12. Disaster Management, including relief, rehabilitation & reconstruction activities.

The CSR Policy of the Company is available on the website of the Company at the following link: <https://homefirstindia.com/app/uploads/2020/05/CSR-Policy-1.pdf>

2. The Composition of the Corporate Social Responsibility Committee

Name of the Director	Position in the Committee	Category
Mr. Sakti Prasad Ghosh	Member	Independent Director
Mr. Rajagopalan Santhanam	Member	Nominee Director
Mr. Manoj Viswanathan	Member	Director & CEO

3. Average net profit of the Company for last three financial years

Particulars	31-Mar-19	31-Mar-18	31-Mar-17
Profit under section 198	590,150,000	383,233,000	136,663,000

Average net profit: Rs. 370,015,333/-

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): The Company is required to spend Rs. 7,400,307/- towards CSR.

5. Details of CSR spent during the financial year:

(a) Total amount to be spent for the financial year: Rs. 7,400,307/-

(b) Amount unspent, if any: Nil

(c) Manner in which the amount spent during the financial year is detailed below:

Sr. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (amount in Lakhs)	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads: (Amount in Lakhs)	Cumulative expenditure upto the reporting period (Amount in Lakhs)	Amount spent: Directly or through Implementing agency
1	Donation to PM Cares Fund	Promotion of healthcare	A fund set up by Central Government	49.50	49.50	49.50	Directly
2	Donation to Masina Hospital	Promotion of healthcare	Mumbai, Maharashtra	25.00	25.00	25.00	Directly

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report: N.A

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company: We hereby confirm that the implementation and monitoring of CSR Policy, is in compliance with CSR Objectives and Policy of the Company.

For and behalf of **Home First Finance Company India Limited**

Manoj Viswanathan
Director & CEO
DIN: 01741612

Rajagopalan Santhanam
Nominee Director
DIN: 00025669

Secretarial Auditor's Report

Form MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Home First Finance Company India Limited.

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

Based on my verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the financial year ended March 31, 2020, complied with the statutory provisions listed here under and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company, for the financial year ended on March 31, 2020, according to the provisions of:

- | | |
|--|---|
| <ul style="list-style-type: none"> i. The Companies Act, 2013 (the Act) and the rules made thereunder; ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder -Not Applicable; iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder Not Applicable; | <ul style="list-style-type: none"> iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment. Overseas Direct Investment and External Commercial Borrowings are not applicable; v. The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act,1992 ('SEBI Act') are not applicable:- <ul style="list-style-type: none"> a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client; g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; |
|--|---|

- vi. Further I report that, based on the compliance mechanism established by the Company, which has been verified on test check basis, we are of the opinion that the Company has complied with National Housing Bank Act, 1987 and its circulars, master circulars, notifications, guidelines and its directions as prescribed for Housing Finance Companies.

Further, on account of pandemic "COVID 2019" and nationwide lockdown imposed by governments, the audit process has been modified, wherein certain documents /records etc were verified in electronic mode, and have relied on the representations received from the Company for its accuracy and authenticity.

I have examined compliances with applicable clauses of the following:

- i. Secretarial Standards issued by the Institute of the Company Secretaries of India,
- ii. Listing Agreement – Not Applicable

During the financial year under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

Adequate notice, agenda and detailed notes have been given to all Directors to schedule the Board Meetings at least seven days in advance or on a shorter notice and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

The decisions at Board Meetings and Committee Meetings are carried out and recorded in the minutes of the Board of Directors and Committee of the Board accordingly.

I have relied on the representation made by the Company and its Officers for adequate systems and processes in the company commensurate with its size and operations of the Company to monitor and ensure compliance with applicable laws

I further report that during the year under review, the Company has undertaken event / action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above viz.

- (i) Appointment and Resignation of Directors;
- (ii) Granting of ESOP to eligible employees;
- (iii) Allotment of equity shares;
- (iv) Appointment of compliance officer;
- (v) Appointment of Chairman of the Board;
- (vi) Changes in promoters;
- (vii) Board approval for signing a common loan agreement with consortium bankers;
- (viii) The Company has obtained Member's approval for the following special businesses:
 - (i) Approval of offer or invitation to subscribe to Non-Convertible Debentures on private placement;
 - (ii) Increase in power to create security pursuant to Section 180 (1) (a) of the Companies Act, 2013;
 - (iii) Increase in borrowing powers under section 180 (1) (c) of the Companies Act, 2013;
 - (iv) Increase in authorized share capital of the company;
 - (v) Issuance of equity shares on private placement basis and preferential basis;
 - (vi) Increase the options pool of ESOP II;
 - (vii) Initial Public offer of equity shares including an offer for sale by existing shareholders.
 - (viii) Continuation of Mr. Sakti Prasad Ghosh as an Independent director of the Company;

Secretarial Auditor's Report

- (ix) Appointment of Mr. Deepak Satwalekar as Non-executive Independent Director;
- (x) Increase in investment limits for Foreign Portfolio Investors;
- (xi) Increase in investment limits for Non-resident Indians and Overseas Citizens of India;
- (xii) Sub-division of face value of Equity shares;
- (xiii) Adoption of new set of Articles of Association;
- (xiv) Amendment to Employee Stock Option Scheme II policy and Employee Stock Option Scheme 2012 policy.

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

Aashish Bhatt
Proprietor
ACS No.: 19639, COP No.: 7023
UDIN: A019639B000279833

Place: Mumbai
Date: May 26, 2020

This Report is to be read with our letter annexed as Appendix A, which forms integral part of this report.

To,
The Members,
Home First Finance Company India Limited

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

1. The responsibility of maintaining Secretarial record is of the management and based on my audit, I have expressed my opinion on these records.
2. I am of the opinion that the audit practices and process adopted to obtain assurance about the correctness of the secretarial records were reasonable for verification on test check basis.

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

Aashish Bhatt
Proprietor
ACS No.: 19639, COP No.: 7023
UDIN: A019639B000279833

Place: Mumbai
Date: May 26, 2020

3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. The management is responsible for compliances with corporate and other applicable laws, rules, regulations, standards etc. My examination was limited to the verification of procedure on test basis and wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations etc.
5. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Report on Employee Stock Option Plan

Disclosures under the Employee Stock Option Scheme 2012 Policy (“ESOP 2012”) and ESOP Stock Option Plan II Policy (“ESOP II”) pursuant to Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 as on financial year ended March 31, 2020:

Particulars	ESOP 2012	ESOP II
Number of options granted	2,908,180	4,413,265
Number of options vested	82,000	288,425
Number of options exercised	317,500	-
Total Number of Shares arising as a result of exercising of option	317,500	-
Number of options lapsed / cancelled	20,000	153,355
Exercise price of the options exercised in Rs./eq. share post sub-division	47.83 & 56.23	-
Variation of terms of option	The period to exercise options in the event of resignation was extended from March 13, 2020 to June 30,2020 for certain employees	The period to exercise options in the event of resignation was extended from March 13, 2020 to June 30,2020 for certain employees.
Money realised by the exercise of option	₹16,381,755	-
Total number of options in force	1,855,505	3,886,636

Note:

1. In ESOP II, the lapsed options are added back to the pool and were re-granted to the employees.
2. The shareholders vide special resolution passed in its Extra-Ordinary General Meeting held on October 30, 2019 had approved sub-division of equity shares of the Company in the ratio of five equity shares of ₹2/- each against

one equity shares of Rs. 10/- each respectively resulting in change of number of shares and exercise price proportionately.

3. The Nomination and Remuneration Committee in the interest of the option holders passed resolution by way of circulation on March 23, 2020 extending the period to exercise options in the event of resignation for certain employees.

Details of options granted to Key Managerial Personnel

Name	Designation	Options granted during March 31, 2020		Options in force as on March 31, 2020	
		ESOP 2012	ESOP II	ESOP 2012	ESOP II
Mr. Manoj Viswanathan	Director & CEO	-	-	690,680	650,000
Ms. Nutan Gaba Patwari	Chief Financial Officer	-	325,000	-	325,000
Mr. Shreyans Bachhawat	Company Secretary	-	15,750	-	25,985

*Options granted are mentioned post sub-division of equity shares from face value of ₹ 10/- to ₹ 2/-

Details of employees including director(s) who have received a grant of options in any one year, of options amounting to five percent or more of options granted during that year:

Name of the Employee	Number of options granted
Financial year 2011-12 – Total options granted under ESOP 2012	575,000
Mr. Manoj Viswanathan	250,000
Mr. Gaurav Mohta	50,000
Mr. Ajay Khetan	37,500
Mr. Sakti Prasad Ghosh	50,000
Ms. Sujatha Venkatramanan	37,500
Financial year 2012-13 – Total options granted under ESOP 2012	625,000
Mr. Manoj Viswanathan	125,000
Ms. Kiran Agarwal Todi	75,000
Mr. Gaurav Mohta	75,000
Mr. Ajay Khetan	75,000
Mr. Sakti Prasad Ghosh	37,500
Ms. Sujatha Venkatramanan	37,500
Ms. Kamini Bharti	37,500
Mr. Anand Soni	37,500
Financial year 2013-14 – Total options granted under ESOP 2012	850,000
Mr. Manoj Viswanathan	175,000
Ms. Kiran Agarwal Todi	100,000
Mr. Gaurav Mohta	100,000
Mr. Ajay Khetan	100,000
Financial year 2014-15 – Total options granted under ESOP 2012	515,680
Mr. Manoj Viswanathan	140,680
Ms. Kiran Agarwal Todi	100,000
Mr. Gaurav Mohta	100,000
Mr. Ajay Khetan	100,000
Ms. Vilasini Subramaniam	75,000
Financial year 2015-16 – Total options granted under ESOP 2012	342,500
Mr. Kiran Kumar B	37,500
Ms. Kamini Bharti	20,000
Mr. Anand Soni	37,500
Mr. Amod Soratur	37,500
Mr. Manoj Yadav	37,500

Report on Employee Stock Option Plan

Financial Year 2017-18 – Total options granted under ESOP II	2,422,220
Mr. Manoj Viswanathan	650,000
Ms. Kiran Agarwal Todi	325,000
Mr. Gaurav Mohta	325,000
Mr. Ajay Khetan	350,000
Ms. Vilasini Subramaniam	250,000
Financial Year 2018-19 – Total Options granted under ESOP II	291,795
Abhijeet Jamkhindikar	125,000
Arun Jupalli	125,000
Sunil Anjana	21,325
Financial Year 2019-20 – Total Options granted under ESOP II	1,699,250
Nutan Gaba Patwari	325,000
Ramakrishna V	150,000

*Options granted are mentioned post sub-division of equity shares from face value of ₹10/- to ₹ 2/- for all the financial years.

Details of employees including director(s) who were granted options, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant:

Name of the Employee	Number of options granted	
	ESOP 2012	ESOP II
For Financial Year 2011-12		
Mr. Manoj Viswanathan	250,000	-
For Financial Year 2013-14		
Mr. Manoj Viswanathan	175,000	-
For Financial Year 2017-18		
Mr. Manoj Viswanathan	-	650,000

*Options granted are mentioned post sub-division of equity shares from face value of ₹10/- to ₹ 2/- for all the financial years.

For and on behalf of the Board of Directors

Deepak Satwalekar
Chairman & Independent Director
DIN 00009627

Date: 26 May, 2020
Place: Mumbai

Annual Report on Sexual Harassment Cases for FY 2019-20

Annual Report on Sexual Harassment Cases

In terms of Section 21 of Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013 read with rule 14 of Sexual Harassment of Women at workplace (Prevention,

Prohibition and Redressal) Rules, 2013 the internal complaint committee submitted to the Board of Directors the below mentioned Annual Report:

No. of complaints received	No. of Complaints disposed off	No. of cases pending for more than 90 days	No. of workshops or awareness programs against sexual harassment carried out	Nature of action taken by the employer or District officer	Number of cases filed
-	-	-	24	-	-

For Home First Finance Company India Limited

Vilasini Subramaniam

Chairperson of Internal Complaints Committee (ICC)

Date: 26 May, 2020

Place: Mumbai

Auditor's Report

Independent Auditor's Report

To the Members of Home First Finance Company India Limited

(formerly known as Home First Finance Company India Private Limited)

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of **Home First Finance Company India Limited** (formerly known as Home First Finance Company India Private Limited) ('the Company'), which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2020, its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of

the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI'), together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter- Impact of COVID-19 pandemic

4. We draw attention to Note 38 to the accompanying financial statements, which describes the uncertainty relating to the effects of the COVID-19 pandemic outbreak on the Company's operations and the impact on the appropriateness of the impairment provision recognised towards the loan asset outstanding as at 31 March 2020. Our opinion is not modified in respect of this matter.

Information other than the Financial Statements and Auditor's Report thereon

5. The Company's Board of Directors is responsible for the other information. Other information does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or

otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. Reporting under this section is not applicable, as no other information is obtained at the date of this auditor's report.

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

6. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), changes in equity and cash flows of the Company, in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records, in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
7. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the

Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

9. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement, when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
10. As part of an audit, in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our

opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists, related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
11. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Matter

12. The Company had prepared separate sets of statutory financial statements for the year ended 31 March 2019 and 31 March 2018, in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts)

Rules, 2014 (as amended), on which we issued auditor's reports to the members of the Company, dated 13 May 2019 and 29 May 2018, respectively. These financial statements have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have also been audited by us. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

13. As required by section 197(16) of the Act, we report that the Company has paid remuneration to its directors during the year, in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
14. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order.
15. Further to our comments in Annexure I, as required by section 143(3) of the Act, we report that:
- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) the financial statements dealt with by this report are in agreement with the books of account;
 - d) in our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;

- e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of section 164(2) of the Act;
- f) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2020, in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 26 May 2020 as per Annexure II expressed unmodified;
- g) with respect to the other matters to be included in the Auditor's Report, in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company does not have any pending litigation, which would impact its financial position as at 31 March 2020;
 - ii. the Company did not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses as at 31 March 2020;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2020;
 - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Khushroo B. Panthaky
Partner
Membership No.: 042423
UDIN No: 20042423AAAAC5450

Place: Mumbai
Date: 26 May 2020



Annexure I to the Independent Auditor's Report of even date to the members of Home First Finance Company India Limited (formerly known as Home First Finance Company India Private Limited), on the financial statements for the year ended 31 March 2020

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) The Company has a regular program of physical verification of its property, plant and equipment under which property, plant and equipment are verified in a phased manner over a period of 3 years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain property, plant and equipment was verified during the year and no material discrepancies were noticed on such verification.
- (c) The Company does not hold any immovable property (in the nature of 'property, plant and equipment'). Accordingly, the provisions of clause 3(i) (c) of the Order are not applicable.
- (ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii) (a) Undisputed statutory dues, including employees' state insurance, income-tax, goods and service tax and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities. However, in respect of provident fund and professional tax, there have been significant delays in a number of cases comprising of amounts which are individually not material. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) There are no dues in respect of income-tax and goods and service tax, that have not been deposited with the appropriate authorities on account of any dispute.
- (viii) The Company has not defaulted in repayment of loans or borrowings to any

- bank or financial institution or government during the year. The Company did not have any outstanding debentures during the year.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purposes for which the loans were obtained, though idle/surplus funds which were not required for immediate utilisation have been invested in liquid investments, payable on demand.
- (x) In our opinion, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) In our opinion, managerial remuneration has been paid and provided by the Company, in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion, all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.
- (xiv) During the year, the Company has made preferential allotment of shares. In respect of the same, in our opinion, the Company has complied with the requirements of Section 42 of the Act and the Rules framed thereunder. Further, in our opinion, the amounts so raised have been used for the purposes for which the funds were raised. During the year, the Company did not make preferential allotment/ private placement of fully/partly convertible debentures.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is not required to be registered under Section 45-I A of the Reserve Bank of India Act, 1934.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Khushroo B. Panthaky
Partner
Membership No.: 042423
UDIN No: 20042423AAAAC5450

Place: Mumbai
Date: 26 May, 2020



Annexure II to the Independent Auditor's Report of even date to the members of Home First Finance Company India Limited (formerly known as Home First Finance Company India Private Limited) on the financial statements for the year ended 31 March 2020

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

1. In conjunction with our audit of the financial statements of Home First Finance Company India Limited (formerly known as Home First Finance Company India Private Limited) ('the Company') as at and for the year ended 31 March 2020, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Company as at that date.

Responsibility of Management and Those Charged with Governance for Internal Financial Controls

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

Auditor's Responsibility for the Audit of the Internal Financial Controls

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We

conducted our audit in accordance with the Standards on Auditing, issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control, based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's IFCoFR include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the

transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls,

material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk that the IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Company, considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandio & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Khushroo B. Panthaky
Partner
Membership No.: 042423
UDIN No: 20042423AAAAC5450

Place: Mumbai
Date: 26 May, 2020

Annual Accounts

Annual Accounts

Balance Sheet

(₹ in millions)

	Notes	As at 31 Mar 2020	As at 31 Mar 2019	As at 1 Apr 2018
Assets				
Financial assets				
Cash and cash equivalents	2	132.23	1,857.24	230.14
Bank balance other than cash and cash equivalents	3	2,088.32	62.59	72.04
Loans	4	30,139.14	21,347.05	13,087.35
Investments	5	1,455.58	1,029.17	-
Other financial assets	6	663.27	267.05	54.43
Total financial assets		34,478.54	24,563.10	13,443.96
Non-financial assets				
Current tax assets (net)	7	18.26	10.25	4.66
Deferred tax assets (net)	24.2	-	14.22	48.92
Property, plant and equipment	8	204.84	167.59	97.62
Capital work-in-progress		-	-	7.88
Intangible assets under development		-	-	2.61
Other intangible assets	8	5.17	6.71	3.50
Other non-financial assets	9	95.28	53.39	30.31
Total non-financial assets		323.55	252.16	195.50
Total assets		34,802.09	24,815.26	13,639.46
Liabilities and equity				
Liabilities				
Financial liabilities				
Payables				
Trade payables	10			
- Total outstanding dues of micro enterprises and small enterprises		-	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		4.32	13.58	5.37
Borrowings (other than debt securities)	11	24,938.05	19,256.41	10,198.76
Other financial liabilities	12	353.76	248.23	136.74
Total financial liabilities		25,296.13	19,518.22	10,340.87
Non-financial liabilities				
Deferred tax liabilities (net)	24.2	31.15	-	-
Provisions	13	66.39	29.62	18.74
Other non-financial liabilities	14	74.16	40.81	37.66
Total non-financial liabilities		171.70	70.43	56.40
Total liabilities		25,467.83	19,588.65	10,397.27
Equity				
Equity share capital	15	156.60	126.68	103.23
Other equity	16	9,177.66	5,099.93	3,138.96
Total equity		9,334.26	5,226.61	3,242.19
Total liabilities and equity		34,802.09	24,815.26	13,639.46

The accompanying notes are an integral part of the financial statements

This is the Balance Sheet referred to in our report of even date.

For Walker Chandiook & Co LLP
Chartered Accountants
Firm registration no.: 001076N/N500013

For and on behalf of the Board of Directors

Manoj Viswanathan
Director and CEO
Din No.: 01741612
Place: Mumbai
Date: 26 May 2020

Rajagopalan Santhanam
Director
Din No.: 00025669
Place: Mumbai
Date: 26 May 2020

Nutan Gaba Patwari
Chief Financial Officer
Place: Mumbai
Date: 26 May 2020

Shreyans Bachhawati
Company Secretary
Place: Mumbai
Date: 26 May 2020

Khushroo B. Panthaky
Partner
Membership No.: 042423
Place: Mumbai
Date: 26 May 2020

Statement of Profit and Loss

(₹ in millions, except per share data)

	Notes	Year ended 31 Mar 2020	Year ended 31 Mar 2019
Revenue from operations			
Interest income	17	3,548.39	2,320.28
Fees and commission income		38.40	33.38
Net gain on derecognition of financial instruments under amortised cost category		371.22	214.76
Other operating income	18	28.57	31.37
Total revenue from operations		3,986.58	2,599.79
Other income	19	210.17	110.45
Total income		4,196.75	2,710.24
Expenses			
Finance costs	20	1,938.28	1,265.44
Impairment on financial instruments	21	165.04	73.13
Employee benefits expense	22	610.75	431.74
Depreciation and amortisation	8	72.39	45.77
Other expenses	23	336.96	241.29
Total expenses		3,123.42	2,057.37
Profit before tax		1073.33	652.87
Tax expense:			
Current tax	24	231.90	160.53
Deferred tax	24	45.91	35.10
		277.81	195.63
Profit after tax		795.52	457.24
Other comprehensive income (OCI)			
Items that will not be reclassified to profit / (loss)			
- Remeasurements of the defined benefit plans		(2.14)	(1.37)
- Income tax relating to items that will not be reclassified to profit/(loss)		0.54	0.40
Other comprehensive income		(1.60)	(0.97)
Total comprehensive income		793.92	456.27
Earnings per share			
	25		
Basic earnings per share (₹) (Nominal value - ₹ 2)		10.81	7.91
Diluted earnings per share (₹) (Nominal value - ₹ 2)		10.57	7.74
Nominal value of equity shares		2.00	10.00

The accompanying notes are an integral part of the financial statements

This is the Statement of Profit and Loss referred to in our report of even date

For **Walker Chandiook & Co LLP**
Chartered Accountants
Firm registration no.: 001076N/N500013

Khushroo B. Panthaky
Partner
Membership No.: 042423
Place: Mumbai
Date: 26 May 2020

For and on behalf of the Board of Directors

Manoj Viswanathan
Director and CEO
Din No.: 01741612
Place: Mumbai
Date: 26 May 2020

Nutan Gaba Patwari
Chief Financial Officer
Place: Mumbai
Date: 26 May 2020

Rajagopalan Santhanam
Director
Din No.: 00025669
Place: Mumbai
Date: 26 May 2020

Shreyans Bachhawar
Company Secretary
Place: Mumbai
Date: 26 May 2020

Statement of changes in equity for the year ended 31 March 2020

Equity share capital (refer note 15)

(₹ in millions)

Particulars	No. of shares	Amount
Balance as at 1 April 2018	10,323,331	103.23
Changes in equity share capital during the year	2,344,567	23.45
Balance as at 31 March 2019	12,667,898	126.68
Changes in equity share capital during the year (prior to subdivision)	2,991,645	29.92
Increase in shares on account of subdivision (refer note 15 (iii a))	62,638,172	-
Balance as at 31 March 2020	78,297,715	156.60

Other equity

(₹ in millions)

Particulars	Reserves and surplus				Total
	Statutory reserve	Securities premium	Stock options Outstanding account	Retained earnings	
Balance as at 1 April 2018	94.19	2,803.10	22.65	219.02	3,138.96
Profit for the year	-	-	-	457.24	457.24
Other comprehensive income for the year	-	-	-	(0.97)	(0.97)
Expenses on employee stock options scheme for the year	-	-	19.87	-	19.87
Transfer to statutory reserves from retained earnings	85.00	-	-	(85.00)	-
Premium received on allotment of equity shares	-	1,500.33	-	-	1,500.33
Exercise of stock options outstanding	-	0.63	(0.63)	-	-
Share issue expense	-	(15.50)	-	-	(15.50)
Stock options lapsed	-	-	(0.14)	0.14	-
Balance as at 31 March 2019	179.19	4,288.56	41.75	590.43	5,099.93
Profit for the year	-	-	-	795.52	795.52
Other comprehensive income for the year	-	-	-	(1.60)	(1.60)
Expenses on employee stock options scheme for the year	-	-	32.89	-	32.89
Transfer to statutory reserves from retained earnings	162.35	-	-	(162.35)	-
Premium received on allotment of equity shares	-	3,254.28	-	-	3,254.28
Exercise of stock options outstanding	-	0.27	(0.27)	-	-
Share issue expense	-	(3.36)	-	-	(3.36)
Balance as at 31 March 2020	341.54	7,539.75	74.37	1,222.00	9,177.66

The accompanying notes are an integral part of the financial statements

This is the Statement of Profit and Loss referred to in our report of even date

For **Walker Chandio & Co LLP**
Chartered Accountants
Firm registration no.: 001076N/N500013

Khushroo B. Panthaky
Partner
Membership No.: 042423
Place: Mumbai
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Din No.: 00025669
Place: Mumbai
Date: 26 May 2020

Shreyans Bachhawat
Company Secretary
Place: Mumbai
Date: 26 May 2020

Cash Flow Statement

(₹ in millions)

Particulars	Year ended 31 Mar 2020	Year ended 31 Mar 2019
Cash flow from operating activities:		
Profit before tax	1,073.33	652.87
Adjusted for:		
Financial asset measured at amortised cost	117.67	117.82
Financial liabilities measured at amortised cost	(12.14)	(21.73)
Interest accrued but not due on borrowings	37.37	20.76
Upfront gain on direct assignment	(258.42)	(195.84)
Depreciation, amortisation and impairment	72.39	45.77
Interest income on bank deposits	(70.17)	(21.64)
Loss on sale of property, plant and equipment (net)	0.05	-
Adjustments on account of financial lease liability	8.82	7.12
Unrealised gain on investment held for trading	1.44	(2.02)
Impairment on financial instruments	165.04	73.13
Dividend income	-	(7.69)
Fair valuation of ESOPs	32.89	19.87
Actuarial loss recognised in other comprehensive income	(2.14)	(1.37)
Operating profit before working capital changes	1,166.13	687.05
Adjustment for working capital:		
- (Increase) in loans given	(9,045.01)	(8,449.16)
- (Increase) in other financial assets	(139.85)	(16.78)
- (Increase) in other non financial assets	(38.79)	(23.06)
- Increase / (decrease) in trade payables	(9.26)	8.21
- Increase / (decrease) in other financial liabilities	(10.80)	41.64
- Increase in other non financial liabilities	5.87	1.66
- Increase in provisions	36.77	10.88
Cash used in operating activities	(8,034.94)	(7,739.56)
Income tax paid (net)	(239.91)	(166.12)
Net cash used in operating activities	(8,274.85)	(7,905.68)
Cash flows from investing activities:		
Purchase of property, plant & equipment & other intangible assets	(41.41)	(66.51)
Proceeds from sale of property, plant & equipment & other intangible assets	0.04	-
Purchase of investments	(28,558.20)	(19,919.48)
Proceeds from investments	28,130.35	18,892.33
Bank deposits [net]	(2,008.34)	7.41
Interest received on bank deposits	52.78	23.68
Dividend income on investments	-	7.69
Net cash used in investing activities	(2,424.78)	(1,054.88)
Cash flows from financing activities:		
Proceeds from issuance of share capital (including share premium)	3,284.20	1,523.78
Share issue expenses	(3.36)	(15.50)
Proceeds of borrowings from banks and financial institutions	10,250.00	10,870.13
Repayment of borrowings from banks and financial institutions	(4,556.25)	(1,790.80)
Proceeds from debt securities	-	492.49
Repayment of debt securities	-	(492.49)
Proceeds of loans repayable on demand	0.03	0.05
Net cash generated from financing activities	8,974.62	10,587.66

Cash Flow Statement

(₹ in millions)

Particulars	Year ended 31 Mar 2020	Year ended 31 Mar 2019
Net increase / (decrease) in cash and cash equivalents	(1,725.01)	1,627.10
Cash and cash equivalents at the beginning of the year	1,857.24	230.14
Cash and cash equivalents at the end of the year (refer note 2)	132.23	1,857.24
Components of cash and cash equivalents:		
Cash in hand	0.22	0.61
Balances with banks		
- with banks in current accounts	131.11	1,856.00
- held as wallet money	0.90	0.63
Cash and cash equivalents	132.23	1,857.24

Cash Flow Statement (Cont....)**Changes in liabilities arising from financing activities**

(₹ in millions)

Particulars	As at 31 Mar 2020	As at 31 Mar 2019
Opening balance (Borrowings and debt securities)	19,256.41	10,198.76
Proceeds from borrowings	10,250.00	10,870.13
Proceeds from debt securities	-	492.49
Repayments of borrowings	(4,556.25)	(1,790.80)
Repayments of debt securities	-	(492.49)
Proceeds of loans repayable on demand	0.03	0.05
Others	(12.14)	(21.73)
Closing balance (Borrowings and debt securities)	24,938.05	19,256.41

The accompanying notes are an integral part of the financial statements
This is the cash flow statement referred to in our report of even date.

For **Walker Chandiook & Co LLP**
Chartered Accountants
Firm registration no.: 001076N/N500013

Khushroo B. Panthaky
Partner
Membership No.: 042423
Place: Mumbai
Date: 26 May 2020

For and on behalf of the Board of Directors

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Director and CEO
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Din No.: 00025669
Place: Mumbai
Date: 26 May 2020

Shreyans Bachhawat
Company Secretary
Place: Mumbai
Date: 26 May 2020

Company information

Home First Finance Company India Limited (Formerly known as Home First Finance Company India Private Limited) (the 'Company') is a Housing Finance Company founded on 3 February 2010 with offices across various cities in India. It's registered head office is located at 511, Acme Plaza, Andheri Kurla Road, Andheri East, Mumbai – 400 059. The Company obtained its license to carry on the business of a housing finance institution from National Housing Bank ('NHB') on 11 August 2010. The Company was converted to a public limited Company with effect from 14 March 2018.

The Company is primarily engaged in the business of lending of housing loans, loans for the purpose of purchasing commercial property, loan against property and construction finance.

1. Summary of significant accounting policies

1.1 Basis of preparation of financial statements

The financial statements ("financial statements") have been prepared in accordance with the companies (Indian Accounting Standards) Rules, 2015 as per Section 133 of the Companies Act, 2013 and relevant amendment rules issued thereafter ("Ind AS") on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period as explained below, the relevant provisions of the Companies Act, 2013 (the "Act") and the guidelines issued by the National Housing Bank ("NHB") to the extent applicable.

Effective April 1, 2019, the Company has adopted Ind AS and the adoption was carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards, with April 1, 2018 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 as amended ("IGAAP"), which was the previous generally accepted accounting principles.

The Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity are prepared and presented in the format prescribed in the Division III of

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".

The financial statements are prepared in Indian Rupees (INR) rounded off to the nearest millions unless otherwise stated.

As required by Division III issued under Schedule III of the Act, the Company has presented the assets and liabilities in the balance sheet in the order of liquidity.

1.2 Use of estimates

The preparation of financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. Examples of these estimates include useful lives of property, plant and equipment, expected credit loss allowance, future obligations under employee retirement benefit plans, income taxes, etc. Actual results could differ from these estimates. Any revisions to accounting estimates are recognised in the period in which such revisions are made.

1.3 Financial instruments

i) Financial assets

Initial recognition and measurement

Financial assets are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those financial assets classified as at FVTPL. Transaction costs directly attributable to the acquisition of financial assets classified as FVTPL are recognised immediately in statement of profit and loss.

Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through statement of profit and loss), and
- those measured at amortised cost.

Subsequent measurement

Financial instruments at amortised cost – the financial instrument is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. All the debt instruments of the Company are measured at amortised cost.

Financial instruments at FVTPL/FVOCI - For assets measured at fair value, gains and losses will either be recorded in Statement of Profit and Loss or Other comprehensive income. Investments in equity instruments are classified as FVTPL unless the Company irrevocably elects at initial recognition to present subsequent changes in fair value through other comprehensive income for Investments in equity instruments which are not held for trading.

Reclassifications within classes of financial assets

A change in the business model would lead to a prospective re-classification of the financial asset and accordingly the measurement principles applicable to the

new classification will be applied. During the current financial year and previous accounting period there was no change in the business model under which the Company holds financial assets and therefore no reclassifications were made.

Impairment of financial assets

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 ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies.

The measurement of ECL is calculated using three main components:

- (i) probability of default (PD)
- (ii) loss given default (LGD) and
- (iii) the exposure at default (EAD).

The 12-month ECL is calculated by multiplying the 12-month PD, LGD and the EAD. The 12 months and lifetime PDs represent the PD occurring over the next 12 months and the remaining maturity of the instruments, respectively. The EAD represents the expected balance at default, taking into account the repayment of principal and interest from the balance sheet date to the default event together with any expected drawdowns of committed facilities. The LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is expected to be realised and the time value of money.

The Company applies a three-stage approach to measure ECL on financial assets accounted

for at amortised cost and FVTOCI. Assets migrate through the following three stages based on the change in credit quality since initial recognition.

The Company has provided ECL on the undisbursed loan commitments classified under Stage 1.

Stage 1: 12-months ECL

For exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months is recognised. Exposures with days past due (DPD) less than or equal to 29 days are classified as stage 1. The Company has identified zero bucket and bucket with DPD less than or equal to 29 days as two separate buckets.

Stage 2: Life time ECL – not credit impaired

For credit exposures where there has been a significant increase in credit risk since initial recognition but that are not credit impaired, a lifetime ECL is recognised. Exposures with DPD equal to 30 days but less than or equal to 89 days are classified as stage 2. At each reporting date, the Company assesses whether there has been a significant increase in credit risk for financial asset since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Company has identified cases with DPD equal to or more than 30 days and less than or equal to 59 days and cases with DPD equal to or more than 60 days and less than or equal to 89 days as two separate buckets.

Stage 3: Lifetime ECL – credit impaired

Financial asset is assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred. For financial asset that have become credit

impaired, a lifetime ECL is recognised on principal outstanding as at period end. Exposures with DPD equal to or more than 90 days are classified as stage 3.

Exposures are considered to have resulted in a significant increase in credit risk and are moved to Stage 2 when the accounts are overdue for more than 30 days. Accounts that are overdue for 90 days or more are moved to Stage 3.

Inputs, assumptions and estimation techniques used for estimating ECL: Refer note 4

De-recognition of financial assets

A financial asset is derecognised only when

- the Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in 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) shall be recognised in profit or loss.

On derecognition of a part of financial asset in its entirety, the previous carrying amount of the larger financial asset shall be allocated between the part that continues to be recognised and the part that is derecognised, on the basis of the relative fair values of those parts on the date of the transfer. For this purpose, a retained servicing asset shall be treated as a part that continues to be recognised. The difference between the carrying amount (measured at the date of derecognition) allocated to the part derecognised and the consideration received for the part derecognised (including any new asset obtained less any new liability assumed) shall be recognised in profit or loss.

Write offs

Impaired loans and receivables are written off, against the related allowance for loan impairment on completion of the Company's internal processes and when the Company concludes that there is no longer any realistic prospect of recovery of part or all of the loan. For loans that are individually assessed for impairment, the timing of write off is determined on a case by case basis. A write-off constitutes a de-recognition event. The Company has a right to apply enforcement activities to recover such written off financial assets. Subsequent recoveries of amounts previously written off are credited to the income statement.

ii) Financial liability

A financial liability is a contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Company or a contract that will or may be settled in the Company's own equity instruments and is a non-derivative contract for which the Company is or may be obliged to

deliver a variable number of its own equity instruments, or a derivative contract over own equity that will or may be settled other than by the exchange of a fixed amount of cash (or another financial asset) for a fixed number of the Company's own equity instruments.

Classification

The Company classifies its financial liability as "Financial liability measured at amortised cost" except for those classified as financial liabilities measured at fair value through profit and loss (FVTPL).

Initial recognition and measurement

Financial liability is recognised initially at cost of acquisition net of transaction costs and incomes that is attributable to the acquisition of the financial liability. Cost equates the fair value on acquisition.

De-recognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these

models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility. For further details about determination of fair value please refer note 28.

Offsetting financial instruments

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

1.4 Property, plant and equipment, other intangible assets and depreciation /amortisation

Property, plant and equipment and other intangible assets are stated at cost less accumulated depreciation, amortisation and impairment losses. Cost includes purchase price, inward freight, taxes and expenses incidental to acquisition and installation, up to the point the asset is ready for its intended use.

Cost of property, plant and equipment and other intangible assets not ready for their intended use before such date is disclosed under Capital work-in-progress.

Depreciation/amortisation in respect of assets is provided on the Straight-Line Method as per the over the useful life of the assets. The Company has used the following useful lives to provide depreciation /amortisation on its property, plant and equipment and intangible asset:

Property, plant and equipment	Estimated useful life (In years)
Furniture and fixtures	10
Office equipment	5
Computers	3
Leasehold improvements	Over the lease period
Other intangible assets	
Computer software	3
Licenses	3
Scoring algorithm	3

Property, plant and equipment purchased/ sold during the half year are depreciated on a pro-rata basis.

1.5 Revenue Recognition

i) Interest income

Interest income is recorded using the effective interest rate (EIR) method. EIR is the rate that exactly discounts the estimated future cash flows over the expected life of the financial instrument or a shorter year, where appropriate, to the gross carrying amount of the financial asset. The calculation takes into account all contractual terms of the financial

instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable and are an integral part of the EIR, but not future credit losses. The Company calculates interest income by applying the 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 by applying the effective interest rate to the net amortised cost of the

financial asset (Gross Value less ECL provision). If the financial assets cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

ii) Fee and other revenue

Project appraisal fees and other ancillary fees is recognised on the basis of actual receipt. Display income is accounted on accrual basis.

iii) Dividend income

Dividend are recognised in statement of profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

1.6 Taxes on income

Income tax expense comprises current tax expenses and net change in the deferred tax assets or liabilities during the period. Current and deferred taxes are recognised in the Statement of profit and loss, except when they relate to item that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

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

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period.

Deferred income tax is recognised using balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of an assets and liabilities and their carrying amount in the financial statements, except when the deferred income tax arises from the initial

recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting or taxable profit or loss at the time of recognition.

Deferred tax asset is recognised to the extent that sufficient taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable sufficient taxable profit will be available to allow or part of deferred income tax assets to be utilised. At each reporting date, the Company reassesses unrecognised deferred tax assets. It recognises unrecognised deferred tax asset to the extent that it has become reasonably certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

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

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India which is likely to give future economic benefit in the form of availability of setoff against future income tax liability. Accordingly, MAT is recognised as deferred tax assets in the Balance sheet when the assets can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

1.7 Leases: Company as a lessee

The Company's leased assets primarily consist of leases for buildings. The Company

assesses whether a contract contains lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- i. the contract involves the use of an identified asset;
- ii. the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- iii. the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset (ROU) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a lease term of twelve months or less (short-term leases) and low value leases.

For these short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the fixed lease payments including variable lease payments that depend on an index or a rate. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rate of the Company.

Lease liability and ROU asset have been separately presented in the balance sheet and lease payments have been classified as financing cash flows.

1.8 Foreign currency transactions

The functional currency of the Company is Indian rupee.

Transactions in foreign currency are recorded at exchange rate prevailing on the date of transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date and exchange gain or loss arising on their settlement and restatement are recognised in the statement of profit and loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

1.9 Impairment of non-financial assets

The carrying amount of the non-financial assets are reviewed at each balance sheet date if there is any indication of impairment based on internal /external factors. An impairment loss is recognised whenever the carrying amount of an asset or a cash generating unit exceeds its recoverable amount. The recoverable amount of the assets (or where applicable, that of the cash generating unit to which the asset belongs) is estimated as the higher of its net selling price and its value in use. Impairment loss is recognised in the statement of profit and loss.

After impairment, depreciation / amortisation is provided on the revised carrying amount of the asset over its remaining useful life.

A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation / amortisation if there were no impairment.

1.10 Cash and cash equivalents

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

1.11 Provisions, contingent liabilities and contingent assets

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects the current market assessments of time value of money and the risks specific to the liability. The increase in the provision due to passage of time is recognised as interest expense. The provisions are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Contingent assets are not recognised in the financial statements. However, it is disclosed only when an inflow of economic benefits is probable.

1.12 Employee benefits

a) Short term employee benefits: All employee benefits which are due within twelve months of rendering the services are classified as short term employee benefits. Benefits such as salaries, wages, short term compensated absences, etc. and the expected cost of bonus, ex-gratia are recognised in the period in which the employee renders the related service. All short-term employee benefits are accounted on undiscounted basis during the accounting year based on services rendered by employees.

b) Post-employment benefits

The Company makes contribution to statutory provident fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952 which is a defined contribution plan and contribution

paid or payable is recognised as an expense in the period in which services are rendered by the employees.

The Company's gratuity benefit scheme is an unfunded defined benefit plan. The Company's obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their services in the current and prior periods recognised as a liability at the present value of the defined benefit obligations at the balance sheet date based on an actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method. The discount rates used for determining the present value of the obligations under the defined benefit plan are based on the market yields on government bonds as at the balance sheet date. Actuarial gains or losses on such valuation are recognised immediately in the other comprehensive income.

1.13 Share-based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based payments transactions are set out in Note 33.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting year, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting year, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in statement of profit and loss such that the cumulative expenses reflects the revised estimate, with a corresponding adjustment to the share-based payments reserve.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

1.14 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss (excluding other

comprehensive income) for the half year attributable to equity shareholders by the weighted average number of equity shares outstanding during the half year. The weighted average number of equity shares outstanding during the half year is adjusted for events such as bonus issue, bonus element in a right issue, shares split and reserve share splits (consolidation of shares) that have changed the number of equities shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss (excluding other comprehensive income) for the half year attributable to equity shareholders and the weighted average number of shares outstanding during the half year are adjusted for the effects of all dilutive potential equity shares.

1.15 Share issue expense

Share issue expenses are adjusted from share premium account in terms of section 52 of the Companies Act, 2013.

1.16 Critical estimates and judgements

The preparation of financial statements in conformity with Ind AS requires estimates and assumptions to be made by the management of the Company that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognised in the period in which the results are known.

The management believes that these estimates are prudent and reasonable and are based upon the management's best knowledge of current events and actions. Actual results could differ from these estimates and differences between actual results and estimates are recognised in the periods in which the results are known or materialised.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

Examples of such estimates include the useful life of property, plant and equipment, provision for doubtful debts/advances, future obligation in respect of retirement benefit plans, provision for inventory obsolescence, impairment of investments / assets, etc.

i) 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 considers the frequency, volume and timing of sales in prior years, the reason for such sales, and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of a holistic assessment of how Company's stated objective for managing the financial assets is achieved and how cash flows are realised. Therefore, the Company considers information about past sales in the context of the reasons for those sales, and the conditions that existed at that time as compared to current conditions.

Based on this assessment and future business plans of the Company, the management has measured its financial assets at amortised cost as the asset is held within a business model whose objective is to collect contractual cash flows, and the contractual terms of the financial asset give rise to cash flows that are solely payments of principle and interest (the 'SPPI criterion').

ii) Effective interest rate method

The Company's EIR methodology, recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans and recognises the effect of potentially different interest rates charged at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges). This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to the Company's base rate and other fee income/expense that are integral parts of the instrument.

iii) Income tax

The Company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to an adjustment to the amounts reported in the financial statements.

iv) Contingencies

Management has estimated the possible outflow of resources at the end of each annual reporting financial year, if any, in respect of contingencies/claim/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

v) Impairment of financial assets

The measurement of impairment losses on loan assets and commitments, requires judgement, in estimating the amount and timing of future cash flows and recoverability of collateral values while determining the impairment losses and assessing a significant increase in credit risk. The Company's Expected Credit Loss (ECL) calculation is the output of a complex model with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL model that are considered accounting judgements and estimates include:

The Company's criteria for assessing if there has been a significant increase in credit risk

- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL model, including the various formulae and the choice of inputs

- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL model.

The measurement of all expected credit losses for financial assets held at the reporting date are based on historical experience, current conditions and reasonable and supportable forecasts. The measurement of ECL involves increased complexity and judgement, including estimation of PDs, LGD, a range of unbiased future economic scenarios, estimation of expected lives and estimation of EAD and assessing significant increases in credit risk.

It has been the Company's policy to regularly review its model in the context of actual loss experience and adjust when necessary (refer note 4 and 30)

vi) Share based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

1.17 Finance costs

Borrowing costs primarily includes interest on amounts borrowed for the revenue operations of the Company. These are expensed to the statement of profit and loss using the EIR.

Significant accounting policies and other explanatory information

2 Cash and cash equivalents

(₹ in millions)

	As at 31 Mar 2020	As at 31 Mar 2019	As at 1 Apr 2018
Cash on hand	0.22	0.61	0.05
Balances with banks in current accounts	131.11	1,856.00	229.45
Balances with the banks held as wallet money	0.90	0.63	0.64
	132.23	1,857.24	230.14

3 Bank balance other than cash and cash equivalents

(₹ in millions)

	As at 31 Mar 2020	As at 31 Mar 2019	As at 1 Apr 2018
Deposits with maturity of more than 3 months but less than 12 months	1,935.35	-	-
Deposits with maturity of more than 12 months*	152.97	62.59	72.04
	2,088.32	62.59	72.04

*Bank deposits include deposits of ₹ 102.97 millions (31 March 2019: 12.59 millions; 1 April 2018: ₹ 12.04 millions) held as security against the bank guarantee.

Also, bank deposits of ₹ 50.00 millions (31 March 2019: ₹ 50.00 millions; 1 April 2018: ₹ 50.00 millions) is held as security against the bank overdraft.

4 Loan

(₹ in millions)

	As at 31 Mar 2020	As at 31 Mar 2019	As at 1 Apr 2018
Secured			
Loans carried at amortised cost			
Term loans (gross)*	30,406.60	21,466.74	13,144.09
Total gross	30,406.60	21,466.74	13,144.09
Less - Impairment loss allowance (refer note 4.1 (a))	(267.46)	(119.69)	(56.74)
Total term loans (net)	30,139.14	21,347.05	13,087.35

* The term loans are secured by tangible assets. Further, all the term loans are disbursed in India to parties other than public sector.

4. Impairment allowance for loans and advances to customers

4.1 a) An analysis of changes in the gross carrying amount and the corresponding ECL allowances is as follows:

Home loan	31 Mar 2020			31 Mar 2019			Total	Total
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3		
Gross carrying amount - opening balance	19,181.23	188.41	168.30	12,438.05	96.49	78.71	19,537.94	12,613.25
New assets originated	13,953.85	34.56	27.78	11,642.09	24.38	20.81	14,016.19	11,687.28
Assets derecognised or repaid	(5,939.13)	(76.49)	(73.70)	(4,680.05)	(39.68)	(42.86)	(6,089.32)	(4,762.59)
Transfers from Stage 1	(304.78)	217.29	87.49	(243.93)	156.16	87.77	-	-
Transfers from Stage 2	18.86	(112.86)	94.00	23.45	(48.94)	25.49	-	-
Transfers from Stage 3	4.64	0.69	(5.33)	1.62	-	(1.62)	-	-
Gross carrying amount - closing balance	26,914.67	251.60	298.54	19,181.23	188.41	168.30	27,464.81	19,537.94

Home loan	31 Mar 2020			31 Mar 2019			Total	Total
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3		
ECL allowance - opening balance	42.90	15.75	41.77	27.75	7.21	16.02	100.42	50.98
New assets originated/ significant increase in credit risk	86.84	28.66	46.48	25.52	14.46	32.26	161.98	72.24
Assets derecognised or repaid	(14.90)	(4.35)	(18.23)	(11.75)	(2.84)	(8.21)	(37.48)	(22.80)
Transfers from Stage 1	(1.82)	1.00	0.82	(0.86)	0.53	0.33	-	-
Transfers from Stage 2	1.67	(9.29)	7.62	1.69	(3.61)	1.92	-	-
Transfers from Stage 3	1.02	0.12	(1.14)	0.55	-	(0.55)	-	-
ECL allowance - closing balance	115.71	31.89	77.32	42.90	15.75	41.77	224.92	100.42

Loan against property	31 Mar 2020			31 Mar 2019			Total	Total
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3		
Gross carrying amount - opening balance	843.15	5.26	2.15	274.57	5.30	1.97	850.56	281.84
New assets originated/ significant increase in credit risk	1,086.33	0.21	0.22	629.72	0.03	0.18	1,086.76	629.93
Assets derecognised or repaid	(102.08)	(0.50)	(0.03)	(59.20)	(2.01)	-	(102.61)	(61.21)
Transfers from Stage 1	(18.91)	17.84	1.07	(4.84)	4.84	-	-	-
Transfers from Stage 2	-	(1.65)	1.65	2.90	(2.90)	-	-	-
Transfers from Stage 3	0.41	-	(0.41)	-	-	-	-	-
Gross carrying amount - closing balance	1,808.90	21.16	4.65	843.15	5.26	2.15	1,834.71	850.56



(₹ in millions)

Loan against property	31 Mar 2020			31 Mar 2019				
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	7.99	0.41	0.63	9.03	2.51	0.39	0.48	3.38
New assets originated/ significant increase in credit risk	12.28	1.46	0.67	14.41	6.06	0.32	0.15	6.53
Assets derecognised or repaid	(1.02)	(0.01)	-	(1.03)	(0.67)	(0.21)	-	(0.88)
Transfers from Stage 1	(0.21)	0.20	0.01	-	(0.04)	0.04	-	-
Transfers from Stage 2	-	(0.14)	0.14	-	0.13	(0.13)	-	-
Transfers from Stage 3	0.07	-	(0.07)	-	-	-	-	-
ECL allowance - closing balance	19.11	1.92	1.38	22.41	7.99	0.41	0.63	9.03

(₹ in millions)

Commercial loan	31 Mar 2020			31 Mar 2019				
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount - opening balance	243.27	-	-	243.27	74.57	-	-	74.57
New assets originated/ significant increase in credit risk	136.48	0.02	0.05	136.55	181.67	-	-	181.67
Assets derecognised or repaid	(35.21)	(0.01)	-	(35.22)	(12.97)	-	-	(12.97)
Transfers from Stage 1	(4.08)	2.70	1.38	-	-	-	-	-
Transfers from Stage 2	-	-	-	-	-	-	-	-
Transfers from Stage 3	-	-	-	-	-	-	-	-
Gross carrying amount - closing balance	340.46	2.71	1.43	344.60	243.27	-	-	243.27

(₹ in millions)

Commercial loan	31 Mar 2020			31 Mar 2019				
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	2.31	-	-	2.31	0.72	-	-	0.72
New assets originated/ significant increase in credit risk	1.73	0.28	0.33	2.34	1.73	-	-	1.73
Assets derecognised or repaid	(0.34)	-	-	(0.34)	(0.14)	-	-	(0.14)
Transfers from Stage 1	(0.04)	0.03	0.01	-	-	-	-	-
Transfers from Stage 2	-	-	-	-	-	-	-	-
Transfers from Stage 3	-	-	-	-	-	-	-	-
ECL allowance - closing balance	3.66	0.31	0.34	4.31	2.31	-	-	2.31

Construction finance	31 Mar 2020			31 Mar 2019		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
	Total	Total	Total	Total	Total	Total
Gross carrying amount - opening balance	834.97	-	-	174.43	-	-
New assets originated/ significant increase in credit risk	255.37	0.24	0.11	689.60	-	-
Assets derecognised or repaid	(328.21)	-	-	(29.06)	-	-
Transfers from Stage 1	(16.24)	5.61	10.63	-	-	-
Transfers from Stage 2	-	-	-	-	-	-
Transfers from Stage 3	-	-	-	-	-	-
Gross carrying amount - closing balance	745.89	5.85	10.74	834.97	-	-

Construction finance	31 Mar 2020			31 Mar 2019		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
	Total	Total	Total	Total	Total	Total
Gross carrying amount - opening balance	7.93	-	-	1.66	-	-
New assets originated/ significant increase in credit risk	7.95	0.23	2.08	6.55	-	-
Assets derecognised or repaid	(2.37)	-	-	(0.28)	-	-
Transfers from Stage 1	(0.15)	0.05	0.10	-	-	-
Transfers from Stage 2	-	-	-	-	-	-
Transfers from Stage 3	-	-	-	-	-	-
ECL allowance - closing balance	13.36	0.28	2.18	7.93	-	-

4.1(b) An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to loan commitments is as follows:

Loan commitments	31 Mar 2020			31 Mar 2019		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
	Total	Total	Total	Total	Total	Total
Gross carrying amount - opening balance	5,705.61	22.80	24.60	3,764.28	8.77	16.30
New assets originated/ significant increase in credit risk	5,022.98	1.14	-	5,195.02	-	-
Assets derecognised or repaid	(4,881.29)	(5.28)	(9.94)	(3,213.34)	(12.04)	(5.98)
Transfers from Stage 1	(83.32)	58.71	24.61	(49.24)	33.07	16.17
Transfers from Stage 2	0.21	(18.88)	18.67	4.10	(7.00)	2.90
Transfers from Stage 3	-	-	-	4.79	-	(4.79)
Gross carrying amount - closing balance	5,764.19	58.49	57.94	5,705.61	22.80	24.60

(₹ in millions)

Loan commitments	31 Mar 2020			31 Mar 2019				
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	14.51	-	-	14.51	10.21	-	-	10.21
New assets originated/ significant increase in credit risk	7.36	-	-	7.36	13.30	-	-	13.30
Assets derecognised or repaid	(12.76)	-	-	(12.76)	(9.00)	-	-	(9.00)
Transfers from Stage 1	-	-	-	-	-	-	-	-
Transfers from Stage 2	-	-	-	-	-	-	-	-
Transfers from Stage 3	-	-	-	-	-	-	-	-
ECL allowance - closing balance	9.11	-	-	9.11	14.51	-	-	14.51

4.2 Impairment assessment

The references below show where the Company's impairment assessment and measurement approach is set out in these notes.

Definition of default

The Company considers a financial instrument as defaulted and considered it as Stage 3 (credit-impaired) for expected credit loss (ECL) calculations in all cases, when the assets become more than 90 days past due on its contractual payments. The probability of default 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.

Exposure at default

The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the client's ability to increase its exposure while approaching default and potential early repayments too.

To calculate the EAD for a Stage 1 loan, the Company assesses the possible default events within 12 months for the calculation of the 12 months ECL. For Stage 2 and Stage 3 financial assets, the exposure at default is considered for events over the lifetime of the instruments.

Loss given default

The Company segments its lending products into smaller homogeneous portfolios (housing, construction finance, loan against property and commercial loan), based on key characteristics that are relevant to the estimation of future cash flows. The data applied is collected loss data and involves a wider set of transaction characteristics (e.g., product type, days past due, LTV) as well as borrower characteristics.

Significant increase in credit risk

The Company continuously monitors all assets subject to ECL. In order to determine whether an instrument or a portfolio of instruments is subject to 12 months ECL or Lifetime ECL, the Company assesses whether there has been a significant increase in credit risk since initial recognition. The Company considers an exposure to have significantly increased in credit risk when contractual payments are more than 30 days past due.

When estimating ECLs on a collective basis for a group of similar assets, the Company applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

Grouping financial assets measured on a collective basis

As explained above, the Company calculates ECL on a collective basis on the

following asset classes:

- Home loans
- Loan against property
- Commercial loan
- Construction finance

Risk assessment model

The Company has designed and operates its risk assessment model that factors in both quantitative as well as qualitative information on the loans and the borrowers. The model uses historical empirical

data to arrive at factors that are indicative of future credit risk and segments the portfolio on the basis of combinations of these parameters into smaller homogenous portfolios from the perspective of credit behaviour.

Collateral

The Company holds collateral to mitigate credit risk associated with financial assets. The main types of collateral include residential and commercial properties. The collateral presented relates to instruments that are measured at amortised cost.

	(₹ in millions)		
	As at 31 Mar 2020	As at 31 Mar 2019	As at 1 Apr 2018
Properties (amount of collateral)	65,905.38	45,720.79	23,588.32

Assets possessed under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002

Loan Portfolio includes gross loans amounting to ₹ 20.66 millions (31 March 2019: ₹ 31.56 millions, 1 April 2018: ₹ 15.68 millions) against which the Company has

taken possession of the properties under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 and held such properties for disposal. The value of assets possessed against the loan is ₹ 24.11 millions (31 March 2019: ₹ 35.07 millions, 1 April 2018: ₹ 18.66 millions).

5 Investments

	(₹ in millions)		
	As at 31 Mar 2020	As at 31 Mar 2019	As at 1 Apr 2018
At fair value through profit and loss			
Unquoted: Mutual funds			
Sundaram money fund	-	99.80	-
Kotak liquid fund	115.04	336.39	-
SBI liquid fund	-	279.99	-
INVESCO India liquid fund	100.04	41.54	-
IDFC cash fund	40.02	271.45	-
Nippon India mutual fund	100.04	-	-
Tata liquid fund	150.06	-	-
UTI liquid plan	100.04	-	-
Axis liquid fund	150.06	-	-
HSBC liquid fund	50.02	-	-
L&T liquid fund	100.04	-	-
Mirae cash management fund	100.04	-	-
Baroda liquid fund	150.06	-	-
LIC liquid fund	150.06	-	-
SBI overnight fund	50.00	-	-
ICICI prudential liquid fund	100.06	-	-
	1,455.58	1,029.17	-

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(₹ in millions)

	As at 31 Mar 2020	As at 31 Mar 2019	As at 1 Apr 2018
Investment in India	1,455.58	1,029.17	-
Investment outside India	-	-	-
	1,455.58	1,029.17	-

Number of Units

	As at 31 Mar 2020	As at 31 Mar 2019	As at 1 Apr 2018
Unquoted: Mutual funds			
- Sundaram money fund	-	2,532,338	-
- Kotak liquid fund	28,655	88,890	-
- SBI liquid fund	-	95,607	-
- INVESCO India liquid fund	36,667	16,148	-
- IDFC cash fund	16,660	119,765	-
- Nippon India mutual fund	20,625	-	-
- Tata liquid fund	47,911	-	-
- UTI liquid plan	30,769	-	-
- Axis liquid fund	68,074	-	-
- HSBC cash fund	25,294	-	-
- L&T liquid fund	36,758	-	-
- Mirae cash management fund	47,758	-	-
- Baroda liquid fund	65,548	-	-
- LIC liquid fund	41,640	-	-
- SBI overnight fund	15,367	-	-
- ICICI prudential liquid fund	340,582	-	-
	822,308	2,852,748	-

6 Other financial assets

(₹ in millions)

	As at 31 Mar 2020	As at 31 Mar 2019	As at 1 Apr 2018
Interest receivable strip*	494.15	235.74	39.89
Less: provision for expected credit loss	(2.31)	-	-
Security deposits	18.31	14.20	9.13
Advances to employees	11.93	8.36	3.39
Other deposits	0.29	0.10	0.10
Other receivables **	140.90	8.65	1.92
	663.27	267.05	54.43

* Under Ind AS, with respect to assignment deals, Company has created an interest receivable strip, with corresponding credit to statement of profit and loss for the year, which has been computed by discounting excess interest spread to present value.

**Other receivables as at 31 March 2020 include ₹ 102.69 millions pertaining to expenses incurred towards securities offering (project darwin), which shall be receivable from the selling shareholders once the project is successfully completed.

7 Current tax assets (net)

(₹ in millions)

	As at 31 Mar 2020	As at 31 Mar 2019	As at 1 Apr 2018
Advance tax (net)*	18.26	10.25	4.66
	18.26	10.25	4.66

*Net of provision for tax Rs. 231.90 millions (31 March 2019: Rs. 160.53 millions; 1 April 2018: Rs. 120.36 millions).



8. Property, plant and equipment and other intangible assets

	(₹ in millions)										
	Furniture & fixtures	Property, plant and equipment	Office equipment	Computers	Leasehold improvements	Right of use building	Total tangible assets	Computer software	Other intangible assets Licenses	Scoring algorithm	Total other intangible assets
Gross carrying value											
As at 1 April 2018	38.26	7.36	18.58	-	-	73.12	137.32	10.04	0.06	0.30	10.40
Additions for the year ended 31 March 2019	20.72	6.80	14.91	28.59	-	41.97	112.99	5.96	-	-	5.96
Sale / deletion for the year ended 31 March 2019	-	-	-	-	-	(6.77)	(6.77)	-	-	-	-
As at 31 March 2019	58.98	14.16	33.49	28.59	17.97	108.32	243.54	16.00	0.06	0.30	16.36
Additions for the year ended 31 March 2020	3.82	2.76	12.45	17.97	-	69.88	106.88	2.24	-	-	2.24
Sale / deletion for the year ended 31 March 2020	(0.12)	(0.03)	-	-	-	(14.15)	(14.30)	-	-	-	-
As at 31 March 2020	62.68	16.89	45.94	46.56	17.97	164.05	336.12	18.24	0.06	0.30	18.60
Accumulated depreciation / amortisation											
As at 1 April 2018	5.90	3.01	7.90	-	-	22.89	39.70	6.54	0.06	0.30	6.90
Charge for the year ended 31 March 2019	4.94	2.00	6.81	4.79	-	24.48	43.02	2.75	-	-	2.75
Sale / deletion for the year ended 31 March 2019	-	-	-	-	-	(6.77)	(6.77)	-	-	-	-
As at 31 March 2019	10.84	5.01	14.71	4.79	14.08	40.60	75.95	9.29	0.06	0.30	9.65
Charge for the year ended 31 March 2020	5.81	2.58	10.29	14.08	-	35.85	68.61	3.78	-	-	3.78
Sale / deletion for the year ended 31 March 2020	(0.03)	(0.03)	-	-	-	(13.22)	(13.28)	-	-	-	-
As at 31 March 2020	16.62	7.56	25.00	18.87	14.08	63.23	131.28	13.07	0.06	0.30	13.43
Net carrying value											
As at 1 April 2018	32.36	4.35	10.68	-	-	50.23	97.62	3.50	-	-	3.50
As at 31 March 2019	48.14	9.15	18.78	23.80	-	67.72	167.59	6.71	-	-	6.71
As at 31 March 2020	46.06	9.33	20.94	27.69	-	100.82	204.84	5.17	-	-	5.17

Note: On conversion to Ind AS, the Company has elected to continue with all its property, plant and equipment and other intangible assets recognised as at 1 April 2018 measured as per the previous Indian GAAP and use the carrying value as the deemed cost of the property, plant and equipment and other intangible assets.

9 Other non-financial assets

	(₹ in millions)		
	As at 31 Mar 2020	As at 31 Mar 2019	As at 1 Apr 2018
Prepayments	44.57	45.30	24.87
Advance to creditors	38.73	2.59	3.44
Capital advances	5.12	2.02	2.00
Balance with government authorities	6.86	3.48	-
	95.28	53.39	30.31

10 Trade payables

(₹ in millions)

	As at 31 Mar 2020	As at 31 Mar 2019	As at 1 Apr 2018
Total outstanding dues of micro enterprises and small enterprises	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	4.32	13.58	5.37
	4.32	13.58	5.37

The management has identified enterprises which qualify under the definition of micro enterprises and small enterprises, as defined under Micro, Small and Medium Enterprises Development (MSMED) Act, 2006. Accordingly, the disclosure in respect of the

amounts payable to such enterprises as at the year end has been made in the financial statements based on information received and available with the Company and has been relied upon by the statutory auditors.

(₹ in millions)

	As at 31 Mar 2020	As at 31 Mar 2019	As at 1 Apr 2018
Principal amount remaining unpaid	-	-	-
<u>Interest due thereon</u>			
Interest paid by the Company in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the year	-	-	-
Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-	-
Amount of interest accrued and remaining unpaid at the end of the year	-	-	-
Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-	-

11 Borrowings (other than debt securities)

(₹ in millions)

	As at 31 Mar 2020	As at 31 Mar 2019	As at 1 Apr 2018
Secured			
<u>At amortised cost</u>			
Term loans			
- from banks	17,692.89	13,388.73	7,743.75
- from National Housing Bank (NHB)	6,543.66	5,867.63	2,455.01
- from other parties	601.42	-	-
- working capital loan	100.00	-	-
Loans repayable on demand - from banks	0.08	0.05	-
	24,938.05	19,256.41	10,198.76
Borrowings in India	24,938.05	19,256.41	10,198.76
Borrowings outside India	-	-	-
	24,938.05	19,256.41	10,198.76

Notes:

- (i) All borrowings are secured against the loan assets of the Company.
- (ii) The repayment of the borrowing is done in monthly, quarterly, half - yearly and annual instalment as per the sanctioned terms.
- (iii) The Company has not made any default in repayment of instalments due over the reporting period.
- (iv) Bank guarantees of ₹ 90.00 millions and ₹ 10.00 millions for term loans from NHB is provided by Axis Bank and Central Bank of India respectively (31 March 2019: ₹ 10 millions, 31 March 2018: ₹ 10.00 millions by Central bank of India) on behalf of Company to NHB. Total outstanding balance as at 31 March 2020 for such loans is ₹ 1,518.30 millions (31 March 2019: ₹ 33.89 millions, 1 April 2018: ₹ 37.28 millions)

Terms of repayment of term loans

(₹ in millions)

Rate of interest (p.a.)	Maturity	As at 31 Mar 2020	As at 31 Mar 2019	As at 1 Apr 2018
		Secured	Secured	Secured
4%-5%	1-5 Years	1,472.84	1,498.97	565.84
6%-7%		252.98	259.94	259.94
7%-8%		1,092.44	98.17	98.17
8%-9%		13,305.88	5,698.24	6,193.81
9%-10%		6,537.99	7,564.04	1,795.58
10%-11%		519.43	1,203.55	-
4%-5%	5-7 Years	219.12	483.31	238.22
6%-7%		39.68	109.42	109.45
7%-8%		348.61	30.96	41.22
8%-9%		783.28	297.36	307.75
9%-10%		23.02	824.64	6.78
10%-11%		-	208.00	-

4%-5%		48.89	160.95	267.62
6%-7%		-	33.92	88.62
7%-8%	7-10 Years	242.40	19.40	29.80
8%-9%		106.00	-	-
9%-10%		-	535.13	202.28
10%-11%		-	272.00	10.19
9%-10%	More than 10 years	-	0.82	4.21
Total borrowings (excluding loans repayable on demand)		24,992.56	19,298.82	10,219.48
Adjustment of unamortised processing fee (EIR)		(54.59)	(42.46)	(20.72)
Total adjusted borrowings (excluding loans repayable on demand)		24,937.97	19,256.36	10,198.76

12 Other financial liabilities

(₹ in millions)

	As at 31 Mar 2020	As at 31 Mar 2019	As at 1 Apr 2018
Interest accrued but not due on borrowings	80.80	43.43	22.67
Lease liability (also refer note 35)	109.47	75.89	55.74
Payable to Central Bank of India (CBol) on account of direct assignment	84.04	62.02	15.90
Payable to NHB against credit linked subsidy scheme (CLSS)	7.52	1.24	3.28
Employee benefits payable	42.55	34.41	20.67
Other financial liabilities	29.38	31.24	18.48
	353.76	248.23	136.74

13 Provisions

(₹ in millions)

	As at 31 Mar 2020	As at 31 Mar 2019	As at 1 Apr 2018
Provision for employee benefits - gratuity (also refer note 32.2)	13.13	8.58	5.63
Provision for employee benefits - compensated absences (refer note 32 (c))	1.34	-	-
Provision for expected credit loss on undisbursed loan commitment (refer note 4.1(b))	9.11	14.51	10.21
Provision for expenses	42.81	6.53	2.90
	66.39	29.62	18.74

14 Other non-financial liabilities

(₹ in millions)

	As at 31 Mar 2020	As at 31 Mar 2019	As at 1 Apr 2018
Deferred income	57.89	30.41	28.92
Statutory dues	14.20	10.40	8.74
Others	2.07	-	-
	74.16	40.81	37.66

15 Share capital

Details of authorised, issued, subscribed and paid-up share capital

	As at 31 March 2020		As at 31 March 2019	
	No. of shares	Amount (₹ in millions)	No. of shares	Amount (₹ in millions)
Authorised share capital				
Equity shares of ₹ 10 each	-	-	15,000,000	150.00
Equity shares of ₹ 2 each (refer note iii-a)	125,000,000	250.00	-	-
	125,000,000	250.00	15,000,000	150.00
Issued, subscribed and paid-up				
Equity shares of ₹ 10 each	-	-	12,667,898	126.68
Equity shares of ₹ 2 each (refer note iii-a)	78,297,715	156.60	-	-
	78,297,715	156.60	12,667,898	126.68

Details of authorised, issued, subscribed and paid-up share capital (cont...)

	As at 1 April 2018	
	No. of shares	Amount (₹ in millions)
Authorised share capital		
Equity shares of Rs 10 each	10,991,185	109.91
1% Series A Compulsorily convertible preference shares of ₹ 10 each*	1,600,004	16.00
1% Series B Compulsorily convertible preference shares of ₹ 10 each*	2,408,811	24.09
	15,000,000	150.00
Issued, subscribed and paid-up		
Equity shares of ₹ 10 each	10,323,331	103.23
	10,323,331	103.23

*The Company has reclassified 1,600,004 authorised unissued 1 % Series A compulsorily convertible preference shares and 2,408,811 authorised unissued 1% Series B compulsorily convertible preference shares into equity shares of ₹ 10 each on 7 July 2018.

The Company has altered the capital clause of Memorandum of Association during the period for which resolution was passed in general meeting on 12

July 2019 due to which the authorised capital of the Company is increased from 15,000,000 equity shares of ₹ 10 each to 25,000,000 equity shares of ₹ 10 each. (post subdivision 125,000,000 shares, refer note iii-a).

i. **The reconciliation of the number of shares outstanding and the amount of share capital as at 31 March 2020, 31 March 2019 and 1 April 2018 is set out below:**

Equity shares	As at 31 March 2020		As at 31 March 2019	
	No. of shares	Amount (₹ in millions)	No. of shares	Amount (₹ in millions)
Shares outstanding at the beginning of the year	12,667,898	126.68	10,323,331	103.23
Add: Shares issued during the year (prior to subdivision) (also refer note 26.2)	2,991,645	29.92	2,344,567	23.45
Add: Increase in shares on account of subdivision (refer note iii-a)	62,638,172	-	-	-
Shares outstanding at the end of the year	78,297,715	156.60	12,667,898	126.68

Equity shares	As at 1 April 2018	
	No. of shares	Amount (₹ in millions)
Shares outstanding at the beginning of the year	10,320,531	103.21
Add: Shares issued during the year	2,800	0.02
Shares outstanding at the end of the year	10,323,331	103.23

ii. Shareholders holding more than 5% of the shares in the Company

Equity shares	As at 31 March 2020		As at 31 March 2019	
	No. of shares	% of holding	No. of shares	% of holding
True North Value Fund V LLP (Formerly known as India Value Fund V LLP)	35,997,070	45.97%	5,836,059	46.07%
Aether (Mauritius) Limited	23,998,045	30.65%	3,890,706	30.71%
Bessemer India Capital Holdings II Limited	12,744,235	16.28%	2,072,424	16.36%
Mr. P S Jayakumar*	-	-	656,609	5.18%

* Shareholding of Mr. P S Jayakumar has reduced to less than 5% as at 31 March 2020, accordingly it has not been disclosed in the table above.

ii. Shareholders holding more than 5% of the shares in the Company (contd..)

Equity shares	As at 1 April 2018	
	No. of shares	% of holding
True North Value Fund V LLP (Formerly known as India Value Fund V LLP)	4,428,839	42.90%
Aether (Mauritius) Limited	2,952,559	28.60%
Bessemer India Capital Holdings II Limited	2,072,424	20.08%
Mr. P S Jayakumar	656,609	6.36%

iii. Terms, rights, preferences and restrictions attached to shares

Equity shares:

- The shareholders, vide a special resolution, have approved subdivision of equity shares of the Company in the ratio of five equity shares of ₹ 2 each against one equity share of ₹ 10 each respectively. Accordingly, 15,659,543 shares of ₹ 10 each, were subdivided to 78,297,715 shares of ₹ 2 each as at 30 October 2019. The requisite approvals for modification of the memorandum and article of association of the Company had been accorded by the shareholders on 30 October 2019 in extraordinary general meeting (EGM).
- The Company has only one class of equity share having face value of ₹ 2 per share (before subdivision ₹ 10 per share). Each holder of equity share is entitled to one vote per share. The dividend proposed, if any, by the board of directors is subject to the approval of shareholders in the ensuing

general meeting. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive any of the remaining assets of the Company.

Preference shares:

- Right to dividend: Each '1% Series A Compulsorily convertible preference shares' and '1% Series B Compulsorily convertible preference shares' shall be entitled to annual dividend on each share at the rate of 1% and will be payable when declared by the Board of Directors, prior and in preference to the dividend on the equity shares. The dividends shall not be cumulative in nature. Notwithstanding anything provided above, each Series A and Series B preference shares shall also participate equally with equity shares of the Company, on and as converted basis for all other dividends and declarations made by the Company.

- b) Right in case of liquidation: In case of any liquidation event, winding up or dissolution of the Company, merger, or any Company sale, each of the holders of Series A and Series B preference shares shall be entitled to first receive the aggregate of (i) their respective investments in preference shares as on that date; and (ii) an amount being the pro rata share of each holder of the preference shares in the net assets of the Company resulting from the liquidation event based on the then existing shareholding in the Company on a fully diluted basis, prior to any payments being made to any equity shareholders or to any holders of any securities irrespective as to whether other shares are convertible, redeemable or exchangeable as on that date.
- c) Conversion ratio: Each '1% Series A Compulsorily convertible preference shares' and '1% Series B Compulsorily convertible preference shares' is converted into 1 equity share of the Company (subject to anti-dilution rights and appropriate adjustment in the event of any stock dividend, stock split, combination, anti-dilution or any other similar recapitalisation).
- iv. **Issue of bonus shares or buyback of shares**
The Company has not issued / allotted any shares pursuant to contracts without payment being received in cash, nor issued any bonus shares nor there has been any buyback of shares during five years immediately preceding 31 March 2020.
- v. For details of shares reserved for issue under the employee stock option plan (ESOP) of the Company, refer note 33

16 Other equity

(₹ in millions)

	Notes	As at 31 Mar 2020	As at 31 Mar 2019	As at 1 Apr 2018
Statutory reserve	16.2	341.54	179.19	94.19
Securities premium	16.3	7,539.75	4,288.56	2,803.10
Stock option outstanding account	16.4	74.37	41.75	22.65
Retained earnings	16.5	1,222.00	590.43	219.02
		9,177.66	5,099.93	3,138.96

16.1 Particulars

(₹ in millions)

	As at 31 Mar 2020	As at 31 Mar 2019
Statutory reserve		
Opening balance	179.19	94.19
Add: Current year transfer	162.35	85.00
	341.54	179.19
Securities premium		
Opening balance	4,288.56	2,803.10
Add: Premium received on allotment of shares	3,254.28	1,500.33
Add: Transferred from employee stock option reserve pursuant to stock options exercised	0.27	0.63
Less: Share issue expenses adjusted in accordance with Section 52 of Companies Act, 2013	(3.36)	(15.50)
	7,539.75	4,288.56
Stock options outstanding account		
Opening balance	41.75	22.65
Add: Charge for the year	32.89	19.87
Less: Transferred to securities premium pursuant to stock options exercised	(0.27)	(0.63)
Less: Transferred to retained earnings pursuant to stock options lapsed	-	(0.14)
	74.37	41.75

(₹ in millions)

	As at 31 Mar 2020	As at 31 Mar 2019
Retained earnings		
Opening balance	590.43	219.02
Add: Transferred from statement of profit and loss	793.92	456.27
Less: Transfer to statutory reserve	(162.35)	(85.00)
Add: Transferred from stock option outstanding account pursuant to stock options lapsed	-	0.14
	1,222.00	590.43
	9,177.66	5,099.93

16.2 Statutory Reserve

As per Section 29C of National Housing Bank Act (NHB), 1987, the Company is required to transfer at least 20% of its net profits every year to a reserve before any dividend is declared. For this purpose, any Special Reserve created by the Company under Section 36(1)(viii) of the Income Tax Act, 1961 is considered to be an eligible transfer. Thus, during the year ended 31 March 2020 and 31 March 2019, the Company has transferred to Statutory Reserve, an amount arrived in accordance with Section 29C of the NHB Act, 1987.

16.3 Securities premium

Securities premium is credited when shares

are issued at premium. It can be used to issue bonus shares, to provide for premium on redemption of shares or debentures, share issue related expenses like underwriting costs etc. in accordance with Sec 52 of the Companies Act 2013.

16.4 Stock options outstanding account

The stock option outstanding account is used to recognise grant date fair value of options issued to employees under the Company's stock option schemes.

16.5 Retained earnings

Retained earnings represents the amount of accumulated earnings of the Company.

17 Interest income

(₹ in millions)

	Year ended 31 Mar 2020	Year ended 31 Mar 2019
On financial assets measured at amortised cost		
Interest on term loans	3,424.98	2,289.15
Interest on bank deposits	70.17	21.64
Other interest income	53.24	9.49
	3,548.39	2,320.28

18 Other operating income

(₹ in millions)

	Year ended 31 Mar 2020	Year ended 31 Mar 2019
Processing fees on credit-linked subsidy scheme (CLSS)	10.37	25.99
Gain on modification of financial asset	7.58	-
Miscellaneous income	10.62	5.38
	28.57	31.37

19 Other income

(₹ in millions)

	Year ended 31 Mar 2020	Year ended 31 Mar 2019
Display income	87.50	72.91
Dividend income on mutual fund	-	7.69
Net gain on financial instruments (investment in mutual funds)	121.69	29.22
Other non-operating income	0.98	0.63
	210.17	110.45
Total net gain on fair value changes on financial instruments measured at fair value through profit and loss		
Fair value changes:		
- Realised	121.11	27.20
- Unrealised - MTM gain	0.58	2.02
Total net gain on fair value changes	121.69	29.22
*Fair value changes in this schedule are other than those arising on account of accrued interest income/expense.		

20 Finance cost

(₹ in millions)

	Year ended 31 Mar 2020	Year ended 31 Mar 2019
On financial liabilities measured at amortised cost		
Interest on borrowings	1,912.23	1,241.32
Interest on debt securities	-	7.51
Interest on lease liability (refer note 35)	9.41	7.12
Bank charges and others	16.64	9.49
	1,938.28	1,265.44

21 Impairment on financial instruments (measured at amortised cost)

(₹ in millions)

	Year ended 31 Mar 2020	Year ended 31 Mar 2019
Impairment loss allowance on loans	142.36	67.23
Write-offs on loans	20.37	5.90
Impairment loss allowance on other financial instrument	2.31	-
	165.04	73.13

22 Employee benefit expense

(₹ in millions)

	Year ended 31 Mar 2020	Year ended 31 Mar 2019
Salaries, wages and bonus	517.13	375.76
Contribution to provident fund (refer note 32 (b))	21.53	15.42
Gratuity expenses (refer note 32.4 (a))	3.05	2.17
Compensated absences expenses (refer note 32 (c))	1.34	-
Expenses on employee stock options scheme (refer note 33.5(i))	32.89	19.87
Staff welfare expenses	34.81	18.52
	610.75	431.74

23 Other expenses

(₹ in millions)

	Year ended 31 Mar 2020	Year ended 31 Mar 2019
Power and fuel	5.07	3.14
Rent (refer note 35)	0.23	0.35
Repairs and maintenance	1.21	1.93
Telephone and communication expense	3.26	1.92
Office administrative expenses	11.16	10.65
Marketing and sales promotion expense	13.81	11.79
Net loss on foreign currency transaction and translation (other than considered as finance cost)	0.35	0.43
Auditor's remuneration (excluding GST)		
- Statutory audit and certification fees	3.80	3.65
- Tax audit fees	0.20	0.20
Legal and professional charges (also refer note 26.2)	95.83	62.42
Travelling expense	48.04	39.63
Software license fees	46.25	31.52
Technology fees (refer note 26.2)	29.59	16.56
Rates and taxes	33.45	24.19
Loss on modification of financial asset	-	2.89
Corporate social responsibility (refer note 37)	7.45	4.10
Miscellaneous expenses	37.26	25.92
	336.96	241.29

24 Tax expense

(₹ in millions)

	Year ended 31 Mar 2020	Year ended 31 Mar 2019
Current tax expense		
Current tax for the year	231.90	160.53
	231.90	160.53
Deferred taxes (net)		
Change in deferred tax assets	(52.53)	(46.50)
Change in deferred tax liabilities	98.44	81.60
Net deferred tax expense / (income)	45.91	35.10
Total income tax expense	277.81	195.63

24.1 Tax Reconciliation

(₹ in millions)

	Year ended 31 Mar 2020	Year ended 31 Mar 2019
Profit before income tax expense	1,073.33	652.87
Income tax rate	25.17%	29.12%
Tax at statutory income tax rate	270.14	190.12
Tax effect of amounts which are not deductible / not taxable in calculating taxable income		
Items disallowed	(12.08)	(2.37)
Exempt income	-	(2.24)
Provision for special reserve [Sec 36 (1) (viii) and Sec 36 (1) (viia) of Income tax Act, 1962]	(6.05)	(5.17)
Employee stock option plan (ESOP) expense	(8.27)	-
Impact on account of financial assets and other items	35.09	14.89
Deduction under section 80G	(1.56)	-
Tax on other comprehensive income	0.54	0.40
Income tax expense	277.81	195.63

24.2 Deferred tax movement related to the following:

(₹ in millions)

Deferred tax assets / (liability) (net)	As at 31 Mar 2020	Recognised in statement of profit and loss	Recognised in OCI	As at 31 Mar 2019
Deferred tax asset on account of:				
Provision for employee benefits	3.64	(0.60)	(0.54)	2.50
Expected credit loss	70.19	(31.11)	-	39.08
Unamortised processing fee	112.83	(16.55)	-	96.28
Lease liability	28.09	(5.99)	-	22.10
Employee stock option plan (ESOP)	10.44	1.72	-	12.16
	225.19	(52.53)	(0.54)	172.12
Deferred tax liability on account of:				
Difference between tax depreciation and depreciation charged for the financial reporting	22.53	2.48	-	20.05
Special reserve u/s Sec 36 (1) (viii)	85.96	33.78	-	52.18
Unamortised borrowing cost	13.74	(0.41)	-	14.15
Interest income on non performing assets	7.49	3.77	-	3.72
Fair valuation of investment in mutual funds	0.15	(0.44)	-	0.59
Deduction claimed for provision for bad debts u/s 36(1)(viiia)	7.16	7.16	-	-
Gain on direct assignment of loans	119.31	52.10	-	67.21
	256.34	98.44	-	157.90
Deferred tax asset/ (liability) (net) and charge/ (credit) for the year	(31.15)	45.91	(0.54)	14.22

(₹ in millions)

Deferred tax assets / (liability) (net)	As at 31 Mar 2019	Recognised in statement of profit and loss	Recognised in OCI	As at 1 Apr 2018
Deferred tax asset on account of:				
Provision for employee benefits	2.50	(0.15)	(0.40)	1.95
Expected credit loss	39.08	(16.59)	-	22.49
Unamortised processing fee	96.28	(22.63)	-	73.65
Lease liability	22.10	(2.81)	-	19.29
Employee stock option plan (ESOP)	12.16	(4.32)	-	7.84
	172.12	(46.50)	(0.40)	125.22
Deferred tax liability on account of:				
Difference between tax depreciation and depreciation charged for the financial reporting	20.05	1.90	-	18.15
Special reserve u/s Sec 36 (1) (viii)	52.18	19.58	-	32.60
Unamortised borrowing cost	14.15	4.27	-	9.88
Interest income on non performing assets	3.72	1.36	-	2.36
Fair valuation of investment in mutual funds	0.59	0.59	-	-
Gain on direct assignment of loans	67.21	53.90	-	13.31
	157.90	81.60	-	76.30
Deferred tax asset/ (liability) (net) and charge/ (credit) for the year	14.22	35.10	(0.40)	48.92

25 Earnings per share (EPS)

	As at 31 Mar 2020	As at 31 Mar 2019
Net profit after tax attributable to equity holders (₹ in millions)	795.52	457.24
Weighted average number of equity shares for calculating basic EPS (Nominal value ₹ 10)	NA	11,556,025
Adjustment for subdivision (refer note below)	NA	46,224,100
Weighted average number of equity shares for calculating basic EPS after subdivision (Nominal value ₹ 2)	73,583,973	57,780,125
Diluted effect of outstanding stock options (Nominal value ₹ 10)	NA	256,570
Adjustment for subdivision (refer note below)	NA	1,026,280
Weighted average number of equity shares for calculating diluted EPS after sub division (Nominal value ₹ 2)	75,253,001	59,062,975
Earnings per share		
Basic earning per share (₹) (Nominal value - ₹ 2)	10.81	7.91
Diluted earning per share (₹) (Nominal value - ₹ 2)	10.57	7.74
Nominal value per share (₹)	2.00	10.00

Note:

The shareholders vide a special resolution have approved sub-division of equity shares of the Company in the ratio of five shares of face value of ₹ 2 each against each existing equity share of the

face value of ₹ 10 each. The requisite approvals for modification of the memorandum and article of association of the Company had been accorded by the shareholders on 30 October 2019 in extraordinary general meeting (EGM).

26 Related party disclosures

Related party disclosures as required under Indian Accounting standard 24, " Related party disclosure" are given below.

26.1 List of related parties

Nature of relationship	Name of related party
Entity having significant influence	True North Fund V LLP (Formerly known as India Value Fund V LLP with effect from 10 April 2017)
Entity having significant influence	Aether (Mauritius) Limited
Entity having significant influence	True North Managers LLP
Key Management Personnel (KMP)	Mr. Manoj Viswanathan - Director and Chief Executive Officer
Key Management Personnel (KMP)	Ms. Kiran Agarwal Todi - Chief Financial Officer (till 30 November 2018)
Key Management Personnel (KMP)	Mr. Shreyans Bachhawat - Company Secretary
Key Management Personnel (KMP)	Ms. Nutan Gaba Patwari - Chief Financial Officer (with effect from 4 March 2019)
Key Management Personnel (KMP)	Mr. Sakti Prasad Ghosh - Independent Director
Key Management Personnel (KMP)	Ms Sujatha Venkatramanan - Independent Director
Key Management Personnel (KMP)	Mr. Deepak Satwalekar - Independent Director (with effect from 23 Oct. 2019)
Key Management Personnel (KMP)	Mr. Rajagopalan Santhanam - Nominee Director
Key Management Personnel (KMP)	Mr. Divya Sehgal - Nominee Director
Key Management Personnel (KMP)	Mr. Maninder Singh Juneja - Nominee Director
Key Management Personnel (KMP)	Mr. Vishal Vijay Gupta - Nominee Director
Entity under common control	Actify Data Labs Private Limited (with effect from 1 January 2018)

26.2 Transactions during the year with related parties :

(₹ in millions)

Transactions with	Nature of Transaction	Year ended 31 Mar 2020	Year ended 31 Mar 2019
Mr. Manoj Viswanathan	Remuneration	12.10	9.40
Ms. Kiran Agarwal Todi	Remuneration	-	9.80
Ms. Nutan Gaba Patwari	Remuneration	8.75	1.99
Mr. Shreyans Bachhawat	Remuneration	2.09	1.79
Ms. Kiran Agarwal Todi	Exercise of ESOP	-	20.03
Ms. Kiran Agarwal Todi	ESOP exercised - perquisite	-	23.79
True North Managers LLP	Reimbursement of expenses	5.82	5.78
Mr. Sakti Prasad Ghosh	Exercise of ESOP	6.29	-
Ms Sujatha Venkatramanan	Exercise of ESOP	5.70	-
Mr. Sakti Prasad Ghosh	Sitting fees paid	1.20	1.10
Ms Sujatha Venkatramanan	Sitting fees paid	1.10	0.70
Mr. Deepak Satwalekar	Sitting fees paid	0.30	-
True North Fund V LLP	Equity infusion	1,497.26	900.00
Aether (Mauritius) Limited	Equity infusion	998.18	600.00
Mr. Manoj Viswanathan	Equity infusion	5.00	-
Ms. Nutan Gaba Patwari	Equity infusion	15.00	-
Actify Data Labs Private Limited	Technology fees	3.66	1.00
Actify Data Labs Private Limited	Legal and professional fees	3.81	1.50

Note:

'The KMPs are covered under the Company's gratuity policy and ESOP scheme along with other eligible employees of the Company. Proportionate

amount of gratuity expenses, compensated absences and ESOP expenses are not included in the aforementioned disclosures as it cannot be separately ascertained.

26.3 Amount due to related parties:

(₹ in millions)

Particulars	Nature	As at 31 Mar 2020	As at 31 Mar 2019	As at 1 Apr 2018
Mr. Manoj Viswanathan	Payable	-	0.25	0.43
Ms. Nutan Gaba Patwari	Payable	-	0.11	-
Ms. Kiran Agarwal Todi	Payable	-	0.09	0.08
True North Managers LLP	Payable	1.30	5.78	-

27 Capital management

The Company's capital management strategy is to effectively determine, raise and deploy capital to cover risk inherent in business and is meeting the capital adequacy requirements of National Housing Bank (NHB). The same is done through a mix of either equity and / or combination of short term / long term debt as may be appropriate. The Company determines the amount of capital required on the basis of operations and capital expenditure. The adequacy of the Company's

capital is monitored using, among other measures, that includes the regulations issued by NHB.

The capital structure is monitored on the basis of net debt to equity and maturity profile of overall debt portfolio. The Company's policy is in line with Housing finance Companies (National Housing Bank) Directions, 2010 (the "NHB Directions") which currently permits HFCs to borrow up to 14 times of their net owned funds ("NOF").

The Company has complied in full with all its externally imposed capital requirements over the reported periods.

Particulars	As at 31 Mar 2020	As at 31 Mar 2019	As at 1 Apr 2018
Net total debt including interest accrued and not due thereon (net of cash and cash equivalents) (₹ in millions)	24,886.62	17,442.60	9,991.29
Total equity (₹ in millions)	9,334.26	5,226.61	3,242.19
Net debt to equity ratio	2.67	3.34	3.08

Loan covenants

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets the financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. The breach in meeting these

financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any borrowing in the reporting period.

Loan covenants mainly include minimum CRAR of 12%, the ratio of total outstanding liability to total net worth to be less than or equal to 12 times etc.

28 Fair value measurement

28.1 Financial instruments by category

(₹ in millions)

Particulars	Category	As at 31 Mar 2020	As at 31 Mar 2019	As at 1 Apr 2018
Financial assets:				
Cash and cash equivalents	Amortised Cost	132.23	1,857.24	230.14
Bank balance other than cash & cash equivalents	Amortised Cost	2,088.32	62.59	72.04
Loans	Amortised Cost	30,406.60	21,466.74	13,144.09
Less : Impairment loss allowance		(267.46)	(119.69)	(56.74)
Investments	FVTPL	1,455.58	1,029.17	-
Other financial assets	Amortised Cost	663.27	267.05	54.43
Total financial assets		34,478.54	24,563.10	13,443.96
Financial liabilities:				
Trade payables	Amortised Cost	4.32	13.58	5.37
Borrowings (other than debt securities)	Amortised Cost	24,938.05	19,256.41	10,198.76
Other financial liabilities*	Amortised Cost	244.29	172.34	81.00
Total financial liabilities		25,186.66	19,442.33	10,285.13

* Other financial liabilities exclude liability pertaining to lease liabilities covered under Indian accounting standard - 116 (31 March 2020: ₹ 109.47 millions, 31 March 2019 ₹ 75.89 millions, 1 April 2018 ₹ 55.74 millions).

28.2 Fair value hierarchy

The fair values of the financial assets and liabilities are included at the amount 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.

This section explains the judgements and estimates

made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the Indian Accounting standard. An explanation of each level follows underneath the table.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. For example, listed equity instruments that have quoted market price.



Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Open-ended mutual funds are valued at Net Asset Value (NAV) declared by respective fund house and are classified under Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

28.3 Financial assets and liabilities measured at fair value through profit or loss at each reporting date

(₹ in millions)

Particulars	Level 2		
	As at 31 Mar 2020	As at 31 Mar 2019	As at 1 Apr 2018
Financial assets measured at FVTPL			
Investments	1,455.58	1,029.17	-

28.4 Financial assets and liabilities measured at amortised cost at each reporting date

The carrying value of loans given, interest strip receivable, bank deposits and borrowings represents its fair value. Further, the carrying value of cash and cash equivalents, other financial assets, trade payables and other payables and other financial liabilities are considered to be approximately equal to the fair value due to their short term maturities.

The above mentioned financial assets and liabilities are classified under level 2 of the fair valuation hierarchy.

28.5 Valuation techniques

The fair value of the financial assets and liabilities is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

Loans - The fair value of floating rate loans are deemed to be equivalent to the carrying value.

Borrowings - The fair value of certain fixed rate borrowings is determined by discounting expected future contractual cash flows using current market interest rates charged for similar new loans. The fair

value of floating rate borrowings are deemed to be equivalent to the carrying value.

During the periods mentioned above, there have been no transfers amongst the levels of hierarchy.

29. Financial risk management

The Company is exposed to certain financial risks namely credit risk, liquidity risk and market risk i.e. interest risk, foreign currency risk and price risk. The Company's primary focus is to achieve better predictability of financial markets and minimise potential adverse effects on its financial performance by effectively managing the risks on its financial assets and liabilities.

The principal objective in Company's risk management processes is to measure and monitor the various risks associated with the Company and to follow policies and procedures to address such risks. The Company's risk management framework is driven by its Board and its subcommittees including the Audit Committee, the Asset Liability Management Committee and the Risk Management Committee. The Company gives due importance to prudent lending practices and have implemented suitable measures for risk mitigation, which include verification of credit history from credit information bureaus, personal verification of a customer's business and residence, valuation of collateral, technical and legal verifications, conservative loan to value, and required term cover for insurance.

A. Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. For the Company, liquidity risk arises from obligations on account of financial liabilities - borrowing, trade payables and other financial liabilities. The Company manages

liquidity risk by maintaining adequate cash reserves by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The tables below summarises the maturity profile of the undiscounted cash flows of the Company's financial liabilities:

(₹ in millions)

As at 31 Mar 2020	Within 1 year	1 - 5 years	5 - 10 years	Beyond 10 years	Total
Trade payables	4.32	-	-	-	4.32
Borrowings (other than debt securities) (refer note (i) below)	5,468.92	17,712.72	1,811.00	-	24,992.64
Other financial liabilities (refer note (ii) below)	244.29	-	-	-	244.29
Total	5,717.53	17,712.72	1,811.00	-	25,241.25

(₹ in millions)

As at 31 Mar 2019	Within 1 year	1 - 5 years	5 - 10 years	Beyond 10 years	Total
Trade payables	13.58	-	-	-	13.58
Borrowings (other than debt securities) (refer note (i) below)	3,203.01	13,119.95	2,975.09	0.82	19,298.87
Other financial liabilities (refer note (ii) below)	172.34	-	-	-	172.34
Total	3,388.93	13,119.95	2,975.09	0.82	19,484.79

(₹ in millions)

As at 1 Apr 2018	Within 1 year	1 - 5 years	5 - 10 years	Beyond 10 years	Total
Trade payables	5.37	-	-	-	5.37
Borrowings (other than debt securities) (refer note (i) below)	1,522.97	7,390.37	1,301.93	4.21	10,219.48
Other financial liabilities (refer note (ii) below)	81.00	-	-	-	81.00
Total	1,609.34	7,390.37	1,301.93	4.21	10,305.85

Notes:

- (i) Borrowings (other than debt securities) does not carry adjustment of unamortised processing fee (EIR).
- (ii) Other financial liabilities exclude liability pertaining to lease liabilities covered under Indian accounting standard - 116 (31 March 2020: ₹ 109.47 millions, 31 March 2019: ₹ 75.89 millions, 1 April 2018: ₹ 55.74 millions).
- (iii) Amounts repayable on demand are included in 'within 1 year'.

B. Market risk**(i) Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign

currency rates. The Company's exposure to the risk of changes in foreign exchange rates relates primary to certain vendors in trade payables.

Foreign currency exposure risk

There were no foreign currency exposure as at 31 March 2020, 31 March 2019 and 1 April 2018.

(ii) Interest rate risk

The Company is subject to interest rate risk, since the rates of loans and borrowing might fluctuate over the tenure of instrument. Interest rates are highly sensitive to many factors beyond control, including the monetary policies of the Reserve Bank of India, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors.



In order to manage interest rate risk, the Company seeks to optimise borrowing profile between short-term and long-term loans. The liabilities are categorised into various time

buckets based on their maturities and Asset Liability Management Committee supervise an interest rate sensitivity report periodically for assessment of interest rate risks.

Exposure to loans and borrowings

(₹ in millions)

Particulars	As at 31 Mar 2020	As at 31 Mar 2019	As at 1 Apr 2018
Loans (variable)	30,406.60	21,466.74	13,144.09
Borrowings and debt securities			
Borrowings (variable)	22,788.50	16,512.91	8,444.23
Borrowings (fixed rate)	2,149.55	2,743.50	1,754.53
Total borrowings	24,938.05	19,256.41	10,198.76

Sensitivity analysis

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) of the Company's statement of profit and loss:

(₹ in millions)

Interest rate	Impact on profit before tax	
	Year ended 31 Mar 2020	Year ended 31 Mar 2019
Loans		
Increase by 50 basis points	152.03	107.33
Decrease by 50 basis points	(152.03)	(107.33)
Borrowings and debt securities		
Increase by 50 basis points	(113.94)	(82.56)
Decrease by 50 basis points	113.94	82.56

(iii) Price risk

The Company is exposed to price risk from its investment in mutual funds measured at fair value through statement of profit and loss

(₹ in millions)

Sensitivity	Impact on profit before tax	
	Year ended 31 Mar 2020	Year ended 31 Mar 2019
Increase by 50 basis points	7.28	5.15
Decrease by 50 basis points	(7.28)	(5.15)

30. Credit risk management

Credit quality of assets

Credit risk is the risk that the Company will incur a loss because the counter party might fail to discharge their contractual obligations. The Company has a comprehensive framework for monitoring credit quality of its retail and other loans primarily based on number of days past due.

The Company manage credit risks by using a set of credit procedures and guidelines, laid down in our credit risk policy, to ensure effective credit risk management and health of our portfolio. The adherence to the policy and various process is monitored and appraised in credit committee meetings on a quarterly basis. The policy is amended periodically and to ensure compliance with the guidelines of NHB as well as other regulatory bodies.



We have implemented a structured credit approval process, including multi-step customer verification and comprehensive credit risk assessment, which encompasses analysis of relevant quantitative and qualitative information to ascertain the credit worthiness of a potential customer. As part of our multi-step customer verification, we have established a process by which separate set of verifications are conducted by a customer relationship manager and customer service officer to ensure the quality of customers acquired as well as eliminate misuse of borrowing practices.

Portfolio quality, credit limits, collateral quality and credit exposure limits are regularly monitored at various levels.

The following table sets out information about credit quality of loans and investments measured at amortised cost based on days past due information. The amount represents gross carrying amount. (Also refer note 4 - Loans for detailed disclosure on gross carrying value and ECL amount on loans.)

(₹ in millions)

Loan	As at 31 Mar 2020			Total
	Stage 1	Stage 2	Stage 3	
Home loan	26,914.67	251.60	298.54	27,464.81
Loan against property	1,808.90	21.16	4.65	1,834.71
Commercial loan	340.46	2.71	1.43	344.60
Construction finance	745.89	5.85	10.74	762.48
Total	29,809.92	281.32	315.36	30,406.60

(₹ in millions)

Loan	As at 31 Mar 2019			Total
	Stage 1	Stage 2	Stage 3	
Home loan	19,181.23	188.41	168.30	19,537.94
Loan against property	843.15	5.26	2.15	850.56
Commercial loan	243.27	-	-	243.27
Construction finance	834.97	-	-	834.97
Total	21,102.62	193.67	170.45	21,466.74

(₹ in millions)

Loan	As at 1 Apr 2018			Total
	Stage 1	Stage 2	Stage 3	
Home loan	12,438.05	96.49	78.71	12,613.25
Loan against property	274.57	5.30	1.97	281.84
Commercial loan	74.57	-	-	74.57
Construction finance	174.43	-	-	174.43
Total	12,961.62	101.79	80.68	13,144.09

(₹ in millions)

Loan commitments	As at 31 Mar 2020			Total
	Stage 1	Stage 2	Stage 3	
Home loan	5,387.57	13.49	48.31	5,449.37
Loan against property	146.13	-	-	146.13
Commercial loan	26.30	-	-	26.30
Construction finance	204.19	45.00	9.63	258.82
Total	5,764.19	58.49	57.94	5,880.62

(₹ in millions)

Loan commitments	As at 31 Mar 2019			Total
	Stage 1	Stage 2	Stage 3	
Home loan	4,975.38	22.80	24.60	5,022.78
Loan against property	153.82	-	-	153.82
Commercial loan	55.82	-	-	55.82
Construction finance	520.59	-	-	520.59
Total	5,705.61	22.80	24.60	5,753.01

(₹ in millions)

Loan commitments	As at 1 Apr 2018			Total
	Stage 1	Stage 2	Stage 3	
Home loan	3,277.82	8.77	16.30	3,302.89
Loan against property	26.89	-	-	26.89
Commercial loan	26.57	-	-	26.57
Construction finance	433.00	-	-	433.00
Total	3,764.28	8.77	16.30	3,789.35

Customer type

(₹ in millions)

	As at 31 Mar 2020			Total
	Stage 1	Stage 2	Stage 3	
Salaried	21,726.59	161.98	154.45	22,043.02
Self employed	8083.33	119.34	160.91	8,363.58
	29,809.92	281.32	315.36	30,406.60

(₹ in millions)

	As at 31 Mar 2019			Total
	Stage 1	Stage 2	Stage 3	
Salaried	15,270.94	94.10	86.85	15,451.89
Self employed	5,831.68	99.57	83.60	6,014.85
	21,102.62	193.67	170.45	21,466.74

(₹ in millions)

	As at 1 Apr 2018			Total
	Stage 1	Stage 2	Stage 3	
Salaried	9,607.81	47.19	30.04	9,685.04
Self employed	3,353.81	54.60	50.64	3,459.05
	12,961.62	101.79	80.68	13,144.09

31. Transfers of assets**Assignment deal:**

The Company has sold some loans and advances measured at amortised cost as per assignment deals, as a source of finance. As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the buyer, the assets have been derecognised from the Company's balance sheet.

The management has evaluated the impact of assignment transactions done during the year for its business model. Based on the future business plan, the Company business model remains to hold the assets for collecting contractual cash flows. The table below summarises the carrying amount of the derecognised financial assets measured at amortised cost and the gain on derecognition, per type of asset.

(₹ in millions)

Loans measured at amortised cost	Year ended 31 Mar 2020	Year ended 31 Mar 2019
Carrying amount of derecognised financial assets	5,760.90	2,920.65
Gain from derecognition	371.22	214.76

32. Employee benefits**(A) Defined benefit obligation**

The Company has an unfunded defined benefit plan i.e., Gratuity, for its employees. Under the gratuity plan every employee who has completed at least five years of service gets a gratuity on departure at 15 days of salary for each year of service.

Contribution to gratuity fund (unfunded scheme)

In accordance with Indian Accounting Standard 19 'Employee benefits', actuarial valuation was done in respect of the aforesaid defined benefit plan of gratuity based on the following assumptions:

32.1 Actuarial assumptions

(₹ in millions)

Particulars	As at 31 Mar 2020	As at 31 Mar 2019
Mortality rate	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Discount rate (% p.a.)	5.21%	6.66%
Rate of salary increase (% p.a.)	10.00%	15.00%
Rate of employee turnover (% p.a.)	35.00%	35.00%

32.2 Changes in the present value of defined benefit obligation

(₹ in millions)

Particulars	As at 31 Mar 2020	As at 31 Mar 2019
Present value of obligation at the beginning of the year	8.58	5.63
Interest expense	0.57	0.40
Current service cost	2.48	1.77
Benefit paid directly by the employer	(0.64)	(0.59)
Actuarial (gains) on obligations - due to change in demographic assumptions	-	(1.08)
Actuarial (gains) / losses on obligations - due to change in financial assumptions	(1.05)	1.29
Actuarial losses on obligations - due to experience	3.19	1.16
Present value of obligation at the end of the year	13.13	8.58

32.3 Assets and liabilities recognised in the balance sheet

(₹ in millions)

Particulars	As at 31 Mar 2020	As at 31 Mar 2019
Present value of the defined benefit obligation at the end of the year	(13.13)	(8.58)
Funded status (deficit)	(13.13)	(8.58)
Net liability recognised in the balance sheet	(13.13)	(8.58)

32.4 Expenses recognised in the statement of profit and loss

(₹ in millions)

Particulars	Year ended 31 Mar 2020	Year ended 31 Mar 2019
Current service cost	2.48	1.77
Past service cost	-	-
Net interest expense	0.57	0.40
Expenses recognised in the statement of profit and loss for the year	3.05	2.17

32.5 Expenses recognised in the statement of other comprehensive income (OCI)

(₹ in millions)

Particulars	Year ended 31 Mar 2020	Year ended 31 Mar 2019
Actuarial loss on post employment defined benefit obligation	2.14	1.37
Expenses recognised in the statement of OCI	2.14	1.37

32.6 Reconciliation of net liability recognised:

(₹ in millions)

Particulars	As at 31 Mar 2020	As at 31 Mar 2019
Opening net liability	8.58	5.63
Expenses recognised at the end of year in profit and loss	3.05	2.17
Amount recognised in other comprehensive income	2.14	1.37
Benefit paid directly by the employer	(0.64)	(0.59)
Net liability recognised in the balance sheet	13.13	8.58

32.7 Sensitivity analysis:

(₹ in millions)

Particulars	Year ended 31 Mar 2020	Year ended 31 Mar 2019
Delta effect of +1% change in rate of discounting	(0.34)	(0.24)
Delta effect of -1% change in rate of discounting	0.36	0.25
Delta effect of +1% change in rate of salary increase	0.31	0.22
Delta effect of -1% change in rate of salary increase	(0.30)	(0.21)
Delta effect of +1% change in rate of employee turnover	(0.19)	(0.16)
Delta effect of -1% change in rate of employee turnover	0.20	0.17

32.8 Maturity analysis of projected benefit obligation

(₹ in millions)

Year	As at 31 Mar 2020	As at 31 Mar 2019	As at 1 Apr 2018
1	2.85	1.80	0.90
2	2.50	1.51	0.92
3	2.13	1.39	0.82
4	2.03	1.27	0.82
5	1.71	1.23	0.79
Sum of years 6 to 10	3.38	2.74	2.23
Sum of years 11 and above	0.70	0.74	1.20

(B) Defined contribution plan

The Company contributes towards provident fund for employees which is the defined contribution plan for qualifying employees. Under this Scheme, the Company is required to contribute specified percentage of the payroll cost to fund the benefits. The Company recognised ₹ 21.53 millions (31 March 2019 : ₹ 15.42 millions) for provident fund contributions in the statement of profit and loss.

(C) Compensated absence expenses

The Company has introduced a leave encashment policy with effect from 1 April 2019. According to this policy, an employee is eligible for encashing it's accumulated leave balance only through employee's full and final settlement (i.e. once an employee has left the organisation). Leave encashment will be computed on the basic component of the employee's salary. Provision for compensated absence for current year is ₹ 1.34 millions (31 March 2019 : Nil).

33 Employee stock options**33.1 The Company has an Employee stock options scheme, under which grants were made as per details provided below:**

The Board has granted 581,636 options, convertible into 581,636 equity shares of the Company, under the Employee Stock Option Scheme (ESOP) 2012 and the Board Resolutions dated 14 March 2012, 25 March 2013, 19 March 2014, 30 March 2015 and 4 January 2016 which is in accordance with the provisions of the law and/or guidelines issued by the relevant authority applicable at the date of the grant.

The Company has further issued 687,548 options vide board resolution dated 28 February 2018 under a new Policy termed as ESOP scheme II which is in accordance with the provisions of the law and/or guidelines issued by relevant authority applicable at the date of the grant.

The Company has further approved 137,510 options via board resolution dated 13 May 2019 under ESOP scheme II.

Particulars	ESOP I (Scheme 2012)				
	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 5
No. of options approved			581,636 options		
No. of options approved (post subdivision) (refer note ii below)			2,908,180 options		
No. of options granted	115,000	125,000	170,000	103,136	68,500
No. of options granted (post subdivision) (refer note ii below)	575,000	625,000	850,000	515,680	342,500
Date of grant	14 March 2012	25 March 2013	19 March 2014	30 March 2015	4 January 2016
Exercise price per option	₹ 239.13	₹ 239.13	₹ 281.13	₹ 281.13	₹ 281.13
Exercise price per option (post subdivision) (refer note ii below)	₹ 47.83	₹ 47.83	₹ 56.23	₹ 56.23	₹ 56.23

33.1 The Company has an Employee stock options scheme, under which grants were made as per details provided below (cont...):

Particulars	ESOP scheme II			
	Tranche 1*	Tranche 2	Tranche 3*	Tranche 4*
No. of options approved			825,058 options*	
No. of options approved (post subdivision) (refer note ii below)			4,125,290 options**	
No. of options granted	484,444	58,359	331,700	8,150
No. of options granted (post subdivision) (refer note ii below)	2,422,220	291,795	1,658,500	40,750
Date of grant	1 April 2017	1 April 2018	1 April 2019	1 October 2019
Exercise price per option	₹ 586.21	₹ 586.05	₹ 696.48	₹ 1,116.00
Exercise price per option (post subdivision) (refer note ii below)	₹ 117.24	₹ 117.21	₹ 139.30	₹ 223.20

*57,595 options lapsed in Tranche 1 of ESOP scheme II and was reissued in Tranche 3 (49,445 options) and Tranche 4 (8,150 options).

**2,87,975 options lapsed in Tranche 1 of ESOP scheme II and was reissued in Tranche 3 (2,47,225 options) and Tranche 4 (40,750 options) (post subdivision) (refer note ii below)

Note: Amortisation of option cost for the year ended 31 March 2020 and 31 March 2019 are ₹ 32.89 millions and ₹ 19.87 millions respectively.

ESOP I Scheme 2012

Particulars	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 5
Vesting start period	31 March 2012	31 March 2013	31 March 2014	31 March 2015	31 March 2016
1st Year (post subdivision) (refer note ii below)	86,250	93,750	127,500	77,350	51,375
2nd Year (post subdivision) (refer note ii below)	86,250	93,750	127,500	77,350	51,375
3rd Year (post subdivision) (refer note ii below)	172,500	187,500	255,000	154,705	102,750
4th Year (post subdivision) (refer note ii below)	230,000	250,000	340,000	206,275	137,000

ESOP II :

Management option: Vesting will be in two parts- 66% will be performance plus time based which will vest in 6 equal instalments; and 34% will be exit linked.

33.2 Vesting condition:

ESOP I: Vesting of options would be subject to continued employment with the Company and thus the options would vest on passage of time. Options vest in four instalments - 15% each in first two instalments, 30% in third instalment and balance 40% in the last instalment. All the management options are time based and also exit linked, i.e. they shall vest in four instalments as described above or on exit of promoters / investors, whichever is earlier.

Non Management option: Vesting will be in 6 equal instalments starting from 1 April 2018. If the grant is after 1 April 2018, then the vesting will start from 1 April 2019 and so on.

ESOP Scheme II

Particulars	Tranche 1*	Tranche 2	Tranche 3*	Tranche 4*
Vesting start period	1 April 2018	1 April 2019	1 April 2020	1 October 2020
Management				
1st Year (post subdivision) (refer note ii below)	209,000	27,500	52,250	-
2nd Year (post subdivision) (refer note ii below)	209,000	27,500	52,250	-
3rd Year (post subdivision) (refer note ii below)	209,000	27,500	52,250	-
4th Year (post subdivision) (refer note ii below)	209,000	27,500	52,250	-
5th Year (post subdivision) (refer note ii below)	209,000	27,500	52,250	-
6th Year (post subdivision) (refer note ii below)	209,000	27,500	52,250	-
Exit linked (post subdivision) (refer note ii below)	646,000	85,000	161,500	-
Non- Management				
1st Year (post subdivision) (refer note ii below)	88,775	7,105	201,195	6,930
2nd Year (post subdivision) (refer note ii below)	88,775	7,105	201,195	6,930
3rd Year (post subdivision) (refer note ii below)	88,775	7,105	201,195	6,930
4th Year (post subdivision) (refer note ii below)	88,775	7,105	201,195	6,930
5th Year (post subdivision) (refer note ii below)	88,775	7,105	201,195	6,930
6th Year (post subdivision) (refer note ii below)	78,345	6,270	177,525	6,100

*2,87,975 options lapsed in Tranche 1 of ESOP scheme II and was reissued in Tranche 3 (2,47,225 options) and Tranche 4 (40,750 options) (post subdivision) (refer note ii below).

33.3 Contractual life

ESOP I: The contractual life (vesting period plus exercise period) ranges from 11 to 14 years i.e. vesting period ranging from 1 to 4 years and exercise

period of 10 years from the date of vesting of the option. In case of resignation/ termination of any employee, the exercise period shall be 6 months from the last working day of the employee.

ESOP II: The contractual life (vesting period plus exercise period) ranges from 11 to 16 years i.e. vesting period ranging from 1 to 6 years and exercise period of 10 years from the date of vesting of the option. In case of resignation/ termination of any employee, the exercise period shall be 6 months from the last working day of the employee.

Method of settlement: ESOP I and ESOP scheme II is to be settled through:

- i) issue of equity shares or
- ii) the board may purely at its discretion, subject to the compliance of applicable laws, settle vested options prior to listing of shares on recognised stock exchange, in cash.

33.4 Computation of fair value of options granted

Particulars	ESOP I (Scheme 2012)				
	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 5
Share price (post subdivision) (refer note ii below)	47.83	47.83	49.00	56.00	56.00
Exercise price (post subdivision) (refer note ii below)	47.83	47.83	56.23	56.23	56.23
Volatility	37.05%	35.51%	34.95%	34.17%	33.51%
Risk free rate	1st year- 8.06%	1st year- 7.73%	1st year- 8.66%	1st year- 7.88%	1st year- 7.05%
	2nd year- 7.93%	2nd year- 7.66%	2nd year- 8.58%	2nd year- 7.84%	2nd year- 7.22%
	3rd year- 8.01%	3rd year- 7.74%	3rd year- 8.72%	3rd year- 7.79%	3rd year- 7.32%
	4th year- 8.10%	4th year- 7.84%	4th year- 8.88%	4th year- 7.75%	4th year- 7.43%
Dividend yield	-	-	-	-	-
Fair value of options (post subdivision) (refer note ii below)*	1st year- 8.80	1st year- 8.40	1st year- 5.80	1st year- 9.60	1st year- 9.20
	2nd year- 13.00	2nd year- 12.60	2nd year- 10.20	2nd year- 14.40	2nd year- 13.80
	3rd year- 16.60	3rd year- 16.00	3rd year- 14.00	3rd year- 18.20	3rd year- 17.80
	4th year- 19.60	4th year- 19.00	4th year- 17.40	4th year- 21.60	4th year- 21.00

Particulars	ESOP Scheme II			
	Tranche 1	Tranche 2	Tranche 3	Tranche 4
Share price (post subdivision) (refer note ii below)	117.24	117.21	139.30	222.32
Exercise price (post subdivision) (refer note ii below)	117.24	117.21	139.30	223.20
Volatility	30.00%	30.00%	31.29%	20.88% to 24.47%
Risk free rate	1st year- 6.63%	1st year- 6.79%	1st year- 6.43%	1st year- 5.49%
	2nd year- 6.66%	2nd year- 7.33%	2nd year- 6.52%	2nd year- 5.71%
	3rd year- 6.79%	3rd year- 7.57%	3rd year- 6.66%	3rd year- 5.92%
	4th year- 6.93%	4th year- 7.74%	4th year- 6.85%	4th year- 6.10%
	5th year- 7.05%	5th year- 7.78%	5th year- 6.93%	5th year- 6.27%
	6th year- 6.92%	6th year- 7.89%	6th year- 7.17%	6th year- 6.42%
	7th year- 7.08%	-	-	-
Dividend yield	-	-	-	-
Fair value of options (post subdivision) (refer note ii below)*	1st year- 17.60	1st year- 17.80	1st year- 21.40	1st year- 27.00
	2nd year- 26.60	2nd year- 27.40	2nd year- 32.40	2nd year- 38.80
	3rd year- 34.20	3rd year- 35.40	3rd year- 41.40	3rd year- 50.40
	4th year- 41.00	4th year- 42.60	4th year- 49.60	4th year- 61.80
	5th year- 47.00	5th year- 48.80	5th year- 56.60	5th year- 74.40
	6th year- 52.00	6th year- 54.40	6th year- 63.60	6th year- 84.40
	7th year- 57.00	-	-	-

*The fair value of option has been determined based on Black - Scholes - Merton formula.

33.5 Reconciliation of outstanding share options:

Particulars (No. of options)	As at 31 March 2020		As at 31 March 2019	
	ESOP I	ESOP II	ESOP I	ESOP II
Options outstanding at beginning of year (refer note ii below)	2,193,005	2,340,740	2,614,930	2,422,220
Options vested at beginning of year (refer note ii below)	2,091,005	253,810	2,427,680	-
Number of options granted during the year (refer note ii below)	-	1,699,250	-	291,795
Number of options vested during the year (refer note ii below)	82,000	288,426	76,500	297,765
Lapsed (refer note ii below)	20,000	153,354	48,250	337,525
- Forfeited (vested - lapsed)	-	-	39,500	8,205
- Lapsed (unvested - lapsed)	20,000	153,354	8,750	329,320
Exercised (refer note ii below)	317,500	-	373,675	35,750
Options outstanding at end of the year (refer note ii below)	1,855,505	3,886,636	2,193,005	2,340,740
Options vested & exercisable at end of the year (refer note ii below)	1,855,505	542,236	2,091,005	253,810
Weighted average exercise price per option of options outstanding (Amount in Rs.) (refer note ii below)	53.05	127.12	52.71	117.24
Weighted average remaining contractual life of options	6.82 years	11.92 years	7.69 years	12.69 years

Note:

- (i) Amortisation of option cost for the for year ended 31 March 2020 and 31 March 2019 are ₹ 32.89 millions and ₹ 19.87 millions respectively.
- (ii) The shareholders, vide a special resolution, have approved sub-division of equity shares of the Company in the ratio of five equity shares of ₹ 2 each against one equity share of ₹ 10 each respectively resulting to change in share price and exercise price proportionately. (Also refer note 15 (iii-a)).

34 Segment information

34.1 Operating segment

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM regularly monitors and reviews the operating result of the whole Company as one segment of "Financing". Thus, as defined in Ind AS 108 "Operating Segments", the Company's entire business falls under this one operational segment.

34.2 Entity wide disclosures

No revenue from transactions with a single external customer or counterparty amounted to 10% or more of the Company's total revenue in the year ended 31 March 2020 and 31 March 2019.

The Company operates in single geography i.e. India and therefore geographical information is not required to be disclosed separately.

35 Lease disclosure

Where the Company is the lessee:

The Company has entered into agreements for taking its office premises under leave and license arrangements. These agreements are for tenures between 1 year and 9 years and majority of the agreements are renewable by mutual consent on mutually agreeable terms, lease rentals have an escalation ranging between 5% to 15%. Some of the leases for which the lease term is less than 12 months has been accounted as short term leases.

Lease liability	(₹ in millions)		
	As at 31 Mar 2020	As at 31 Mar 2019	As at 1 Apr 2018
Not later than one year	46.25	31.93	20.97
Later than one year and not later than five years	75.09	53.99	45.05
Later than five years	7.36	2.28	-
Total undiscounted lease liabilities	128.70	88.20	66.02
Lease liabilities included in the balance sheet			
Total finance lease liabilities	109.47	75.89	55.74

(₹ in millions)

Amount recognised in the statement of profit and loss account	Year ended 31 Mar 2020	Year ended 31 Mar 2019
Interest on lease liabilities	9.41	7.12
Expenses relating to short term leases	0.23	0.35

(₹ in millions)

Amount recognised in statement of cashflow	Year ended 31 Mar 2020	Year ended 31 Mar 2019
Total cash outflow for leases	42.28	29.28

36 First time adoption of Ind AS**A First Ind AS financial statements**

The Company has prepared the opening Balance Sheet in accordance with Ind AS applicable as at 1 April 2018 (transition period).

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 March 2020 and 31 March 2019 and in the preparation of an opening Ind AS balance sheet at 1 April 2018 (the date of transition). In preparing its opening and comparative Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2014 (as amended) and other relevant provisions of the Act (Indian GAAP).

An explanation of how the transition from Indian GAAP to Ind AS has affected the Company's financial position, financial performance is as follows:

Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemption and mandatory exemption applied in the transition from Indian GAAP to Ind AS. The Company has applied the following exemptions/exceptions:

(i) Optional exemptions availed

A first-time adopter is not required to apply Ind AS 102, Share-based payment to equity

instruments that vested before date of transition to Ind AS. The Company has availed this exemption and has not made any adjustments for options vested before the date of transition.

(ii) Mandatory exceptions applied**Estimates**

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Indian GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as on 1 April 2018 are consistent with the estimates as at the same date made in conformity with Indian GAAP, other than estimates for Expected Credit Loss model in accordance with Ind AS at the date of transition as these were not required under Indian GAAP.

De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions. The

Company has elected to apply the derecognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS. The Company has complied with the same.

Impairment of financial assets

Ind AS 101 provides relaxation from applying the impairment related requirements of Ind AS 109 retrospectively. At the date of transition, it requires an entity to use reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised and compare that to the credit risk at the date of transition to Ind AS or recognise a loss allowance at an amount equal to lifetime expected credit losses at each reporting date until that financial instrument is de-recognised, if at the date of transition to Ind AS, determination of credit risk involves undue cost or effort. The Company has elected to apply Ind AS 109 prospectively from the date of transition to Ind AS.

B First time adoption reconciliations

Equity reconciliation:

(₹ in millions)

Particulars	Notes	Equity as at 31 Mar 2019	Equity as at 1 Apr 2018
Equity as per Indian GAAP (A)		5,261.72	3,331.06
Ind AS Adjustments			
Impact of EIR of borrowings measured at amortised cost	B.1	48.60	28.57
Impact of EIR of loans measured at amortised cost	B.1	(317.86)	(206.01)
Impact on account of provision for expected credit loss on financial assets	B.2	(26.28)	(5.78)
Fair valuation of investment in mutual funds	B.3	2.02	-
Recognition of interest only strip receivable on assigned loans	B.4	230.74	38.47
Impact on account of lease accounting as per Ind AS 116	B.6	(3.86)	(3.11)
Deferred tax on above adjustments	B.8	31.53	58.99
Total adjustments		(35.11)	(88.87)
Equity as per Ind AS (A)		5,226.61	3,242.19

Reconciliation of total comprehensive income

(₹ in millions)

Particulars	Notes	Year ended 31 Mar 2019
Total net profit after tax as per Indian GAAP		422.38
Ind AS Adjustments		
Impact of EIR of borrowings measured at amortised cost	B.1	20.03
Impact of EIR of loans measured at amortised cost	B.1	(111.86)
Impact on account of provision for expected credit loss on financial assets	B.2	(20.51)
Amortisation of option cost for equity settled ESOP's	B.5	(19.87)
Fair valuation of investment in mutual funds	B.3	2.02
Gain on direct assignment of loans	B.4	192.27
Impact on account of lease accounting as per Ind AS 116	B.6	(0.74)
Remeasurement of actuarial (losses) on defined benefit plans	B.7	1.37
Deferred tax on above adjustments	B.8	(27.85)
Total adjustments		34.86
Profit after tax as per Ind AS		457.24
Other comprehensive income		
Remeasurement of actuarial (losses) on defined benefit plans	B.7	(1.37)
Deferred tax on above adjustment	B.8	0.40
Total		(0.97)
Total comprehensive income under Ind AS		456.27

Explanations to reconciliations**B.1 Interest income and expense measured using effective interest method****Borrowings**

Under Indian GAAP, the transaction costs related to borrowings were recognised upfront upon disbursement in the statement of profit and loss. Under Ind AS, such costs are amortised over the contractual term of the borrowing and recognised as interest expense using effective interest method in the statement of profit and loss.

Loans and advances

Under Indian GAAP, origination fees was recognised on cash basis and transaction cost was recognised on accrual basis upfront. Under Ind AS, such fees and costs is amortised over the expected life of the loan assets and recognised as interest income using effective interest method. Under Indian GAAP, interest income on non performing assets (i.e. loans that are 90 days past due) was not accrued. Under Ind AS interest income on such loans are recognised on their net carrying amount.

B.2 Impairment allowance for expected credit loss

Under Indian GAAP, the Company has created provision for loans based on the Guidelines on prudential norms issued by National Housing Bank. Under Ind AS, impairment allowance has been determined based on Expected Loss model (ECL).

B.3 Fair valuation of investment in mutual funds

Under Indian GAAP, investment in mutual funds was carried at lower of cost or net realisable value. Under Ind AS, these investments are measured at FVTPL.

B.4 Recognition of interest only strip receivable on assigned loans

Under Indian GAAP, gain/(loss) on account of assignment deals was recognised as and when due. Under Ind AS, gain/(loss) on account of assignment is recognised on the date of derecognition. Accordingly, Company has created an Interest only strip receivable with corresponding credit to the statement of profit and loss for the year/retained earnings, which has been computed by discounting Excess Interest Spread (EIS) to present value. Necessary adjustment with respect to credit risk has also been made.

B.5 Share based payments

Under Indian GAAP, the Company recognised only the intrinsic value for the share based payments plans as an expense. Ind AS requires the fair value of the share options to be determined using an appropriate pricing model recognised over the vesting period. An additional expense has been recognised in the statement of profit and loss for the year ended 31 March 2019. Further on account of above adjustment, an amount of ₹ 22.65 millions has been referred from retained earnings to ESOP reserve as at 1 April 2018, net impact of such adjustment on equity is nil.

B.6 Lease accounting

Under the Indian GAAP, lease rentals related to operating lease were accounted as expense in the statement of profit and loss. Under Ind AS, lease liability and right of use is recorded at present value of future contractual rent payment on initial date of lease. Subsequently, finance cost is accrued on lease liability and lease payments are recorded by way of reduction in lease liability. ROU is depreciated over lease term.

B.7 Remeasurement of employee benefits

Under the Indian GAAP, actuarial gains / losses on defined benefit obligations were recognised in the statement of profit and loss. Under Ind AS, remeasurements i.e. actuarial gains and losses, excluding

amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of the statement of profit and loss.

B.8 Deferred tax

Under the Indian GAAP, deferred tax was accounted as per the income statement approach which required creation of deferred tax asset/ liability on timing

differences between taxable income and accounting income. Under Ind AS, deferred tax is accounted as per the balance sheet approach which requires creation of deferred tax asset/ liability on temporary differences between the carrying amount of an asset/ liability in the Balance Sheet and its corresponding tax base. The adjustments in equity and net profit, as discussed above, resulted in additional temporary differences on which deferred taxes are calculated.

37 Corporate social responsibility expenses

(₹ in millions)

Particulars	Year ended 31 Mar 2020	Year ended 31 Mar 2019
(a) Total amount to be spent for the financial year (including amount unspent in previous year)	7.40	4.10
(b) Total amount spent during the year pertaining to previous year	-	-
(c) Total amount spent during the year pertaining to current year	7.45	4.10
(d) Amount unspent, if any	-	-

38 The outbreak of COVID-19, which was declared a global pandemic on 11 March 2020 by the World Health Organisation continues to spread rapidly across the globe and has affected the world economy including India leading to significant decline and volatility in financial markets and decline in economic activities. Various governments, civil society and many organisations, including the Company have introduced a variety of measures to contain the spread of the virus to protect lives and livelihood. Since 24 March 2020, the Indian government had announced a series of lock-down which was further extended into May 2020 and most of our employees have started to work remotely and securely. Further, due to the restrictions in the economic activities and cautious approach by the Company, loan disbursement subsequent to the balance sheet date of the Company has been on hold. The recent directions from Government allows for calibrated and gradual withdrawal of lockdown and partial resumption of selected economic activities. However, there is a high level of uncertainty about the time required for life and business to get normal. As of the audit signing date, lot of branches have opened across districts

where permissions have been granted and the company will start progressing with the business based on the on ground situation.

To alleviate the lingering impact of COVID-19 pandemic, the Reserve Bank of India (RBI) has issued guidelines relating to COVID-19 Regulatory Package dated 27 March 2020 in accordance therewith, Company has provided a moratorium of three months on the payment of all principal amounts and interest falling due between 01 March 2020 and 31 May 2020. Further, vide Statement on Developmental and Regulatory Policies dated 22 May 2020, RBI extended the moratorium on loan instalments by another three months, i.e., from 01 June 2020 to 31 August 2020. Management is in the process of determining the action plan in line with such policy.

The impact of COVID-19 on the global economy, and how governments, businesses and consumers respond is uncertain. This uncertainty is reflected in the Company's assessment of impairment loss allowance on its loans which are subject to a number of management judgements and estimates. In relation to COVID-19, judgements and

assumptions include the extent and duration of the pandemic, the impacts of actions of governments and other authorities, and the responses of businesses and consumers in different industries, along with the associated impact on the global economy. While the methodologies and assumptions applied in the impairment loss allowance calculations remained unchanged, the Company has separately incorporated estimates, assumptions and judgements specific to the impact of the COVID-19 pandemic and the

associated support packages in the measurement of impairment loss allowance. The total provision recognised towards COVID-19 impact on the Company's financial assets is ₹ 69.42 millions, in addition to the existing impairment loss allowance.

However the impact assessment of COVID 19 is a continuing process given its nature and duration. The Company will continue to monitor for any material changes on account of future economic conditions.

39 Maturity analysis of assets and liabilities

(₹ in millions)

Assets	As at 31 March 2020			As at 31 March 2019		
	Within 1 year	After 1 year	Total	Within 1 year	After 1 year	Total
Financial assets						
Cash and cash equivalents	132.23	-	132.23	1,857.24	-	1,857.24
Bank balance other than cash and cash equivalents	1,935.35	152.97	2,088.32	-	62.59	62.59
Loans	787.26	29,351.88	30,139.14	573.88	20,773.17	21,347.05
Investments	1,455.58	-	1,455.58	1,029.17	-	1,029.17
Other financial assets	302.13	361.14	663.27	113.88	153.17	267.05
Non-financial assets						
Current tax assets (net)	-	18.26	18.26	-	10.25	10.25
Deferred tax asset (net)	-	-	-	-	14.22	14.22
Property, plant and equipment	-	204.84	204.84	-	167.59	167.59
Capital work-in-progress	-	-	-	-	-	-
Intangible assets under development	-	-	-	-	-	-
Other intangible assets	-	5.17	5.17	-	6.71	6.71
Other non-financial assets	86.20	9.08	95.28	48.02	5.37	53.39
Total assets	4,698.75	30,103.34	34,802.09	3,622.19	21,193.07	24,815.26
Liabilities						
Financial liabilities						
Trade payables	4.32	-	4.32	13.58	-	13.58
Borrowings (other than debt securities)	5,455.38	19,482.67	24,938.05	3,194.65	16,061.76	19,256.41
Other financial liabilities	290.54	63.22	353.76	204.26	43.97	248.23
Non financial-liabilities						
Deferred tax liabilities	-	31.15	31.15	-	-	-
Provisions	46.09	20.30	66.39	8.33	21.29	29.62
Other non-financial liabilities	74.16	-	74.16	40.81	-	40.81
Total liabilities	5,870.49	19,597.34	25,467.83	3,461.63	16,127.02	19,588.65
Net	(1,171.74)	10,506.00	9,334.26	160.56	5,066.05	5,226.61

(₹ in millions)

Assets	As at 1 April 2018		Total
	Within 1 year	After 1 year	
Financial assets			
Cash and cash equivalents	230.14	-	230.14
Bank balance other than cash and cash equivalents	-	72.04	72.04
Loans	343.79	12,743.56	13,087.35
Investments	-	-	-
Other financial assets	22.29	32.14	54.43
Non-financial assets			
Current tax assets (net)	-	4.66	4.66
Deferred tax asset (net)	-	48.92	48.92
Property, plant and equipment	-	97.62	97.62
Capital work-in-progress	-	7.88	7.88
Intangible assets under development	-	2.61	2.61
Other intangible assets	-	3.50	3.50
Other non-financial assets	27.66	2.65	30.31
Total assets	623.88	13,015.58	13,639.46
Liabilities			
Financial liabilities			
Trade payables	5.37	-	5.37
Borrowings (other than debt securities)	1,519.01	8,679.75	10,198.76
Other financial liabilities	101.96	34.78	136.74
Non financial-liabilities			
Deferred tax liabilities	-	-	-
Provisions	3.79	14.95	18.74
Other non-financial liabilities	37.66	-	37.66
Total liabilities	1,667.79	8,729.48	10,397.27
Net	(1,043.91)	4,286.10	3,242.19

Disclosures required by the NHB vide Policy no. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated 9 February 2017 and in terms of the circular no. NHB/ND/DRS/Pol-No.35/2010-11 dated 11 October 2010

40 Capital to risk assets ratio ('CRAR')

The following table sets forth, for the periods indicated, the details of capital to risk assets ratio:

Particulars	As at	As at
	31 Mar 2020	31 Mar 2019
i) CRAR (%)	48.97%	38.48%
ii) CRAR – Tier I Capital (%)	47.72%	37.71%
iii) CRAR – Tier II Capital (%)	1.25%	0.77%
iv) Amount of subordinated debt raised as Tier - II capital	-	-
v) Amount of subordinated debt raised as Tier - II capital	-	-

The following table sets forth, for the periods indicated, the details of capital to risk assets ratio under NHB Guidelines:

Particulars	As at	As at
	31 Mar 2020	31 Mar 2019
i) CRAR (%)	48.80%	38.01%
ii) CRAR – Tier I Capital (%)	48.03%	37.42%
iii) CRAR – Tier II Capital (%)	0.77%	0.59%
iv) Amount of subordinated debt raised as Tier - II capital	-	-
v) Amount of subordinated debt raised as Tier - II capital	-	-

41 Reserve fund under section 29C of NHB Act, 1987

(₹ in millions)

Particulars	As at 31 Mar 2020	As at 31 Mar 2019
Balance at the beginning of the year		
a) Statutory reserve u/s 29C of NHB Act, 1987	0.71	0.71
b) Amount of special reserve u/s 36(1) (viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	178.48	93.48
	179.19	94.19
Addition/ Appropriation/ Withdrawal during the year		
Add:		
a) Amount transferred u/s 29C of NHB Act, 1987	24.49	-
b) Amount of special reserve u/s 36(1) (viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory reserve under Section 29C of the NHB Act, 1987	137.86	85.00
Less:		
a) Amount appropriated from Statutory reserve u/s 29C of the NHB Act, 1987	-	-
b) Amount withdrawn from the special reserve u/s 36(1) (viii) of Income Tax Act, 1961 which has been taken into account for the purposes of provision u/s 29C of the NHB Act, 1987	-	-
Balance at the end of the year		
a) Statutory Reserve u/s 29C of NHB Act, 1987	25.20	0.71
b) Amount of special reserve u/s 36(1) (viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory reserve under Section 29C of the NHB Act, 1987	316.34	178.48
Total	341.54	179.19

42 Investments

(₹ in millions)

Particulars	As at 31 Mar 2020	As at 31 Mar 2019
Value of investments		
i) Gross value of investments		
(a) In India	1,455.58	1,029.17
(b) Outside India	-	-
ii) Provision for depreciation		
(a) In India	-	-
(b) Outside India	-	-
iii) Net value of investments		
(a) In India	1,455.58	1,029.17
(b) Outside India	-	-
Movement of provision held towards depreciation on investments		
i) Opening balance	-	-
ii) Add: Provision made during the year	-	-
iii) Less: write off / written back of excess provision during the year	-	-
iv) Closing balance	-	-

Investments (cont...)

The following table sets forth, for the periods indicated, the details of investment under NHB Guidelines: (₹ in millions)

Particulars	As at 31 Mar 2020	As at 31 Mar 2019
Value of investments		
i) Gross value of investments		
(a) In India	1,455.00	1,027.15
(b) Outside India	-	-
ii) Provision for depreciation	-	-
(a) In India	-	-
(b) Outside India	-	-
iii) Net value of investments	-	-
(a) In India	1,455.00	1,027.15
(b) Outside India	-	-
Movement of provision held towards depreciation on investments		
i) Opening balance	-	-
ii) Add: Provision made during the year	-	-
iii) Less: write off / written back of excess provision during the year	-	-
iv) Closing balance	-	-

43 Derivatives

derivatives during the year ended 31 March 2020 and 31 March 2019.

43.1 Forward rate agreement (FRA) / Interest rate swap (IRS)

The Company has not entered into any transaction in forward rate agreements and interest rate swaps during the year ended 31 March 2020 and 31 March 2019.

43.2 Exchange traded interest rate (IR) derivative

The Company has not entered into any transaction in exchange traded interest rate

44 Securitisation

44.1 Details of financial assets sold to securitisation / reconstruction Company for asset reconstruction

The Company has not sold any financial assets to Securitisation / Reconstruction Company for asset reconstruction during the year ended 31 March 2020 and 31 March 2019.

44.2 Details of assignment transactions

Particulars	As at 31 Mar 2020	As at 31 Mar 2019
(i) Number of accounts	11,672	5,178
(ii) Aggregate value (net of provisions) of accounts assigned* (Rs. in millions)	5,760.90	2,920.65
(iii) Aggregate consideration (Rs. in millions)	7,096.41	3,462.82
(iv) Additional consideration realised in respect of accounts transferred in earlier years (Rs. in millions)	-	-
(v) Aggregate gain / loss over net book value (Rs. in millions)	-	-

* The aggregate value excludes minimum retention ratio (MRR) retained by the Company

44.3 Details of Non-performing financial assets purchased / sold

The Company has not purchased / sold any non performing assets during the year ended 31 March 2020 and 31 March 2019.

46.2 Rating assigned by credit rating agency and migration of rating

As at 31 March 2020

Instrument	Rating	Rating Agency	Comments
Commercial paper	ICRA A1+	ICRA	Instruments with this rating are considered to have very strong degree of safety regarding timely payment of financial obligations. Such instruments carry lowest credit risk.
Commercial paper	IND A1+	India Ratings & Research	Instruments with this rating are considered to have very strong degree of safety regarding timely payment of financial obligations. Such instruments carry lowest credit risk.
Term loans	ICRA A+ (stable)	ICRA	Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.
Non-convertible debentures	ICRA A+ (stable)	ICRA	Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.
Term loans	Care A+ (stable)	CARE	Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.

As at 31 March 2019

Instrument	Rating	Rating Agency	Comments
Commercial paper	ICRA A1+	ICRA	Instruments with this rating are considered to have very strong degree of safety regarding timely payment of financial obligations. Such instruments carry lowest credit risk.

45 Exposure**45.1 Exposure to real estate sector**

(₹ in millions)

Category	As at 31 Mar 2020	As at 31 Mar 2019
a) Direct exposure		
(i) Residential mortgages		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented;	29,281.53	20,378.80
Individual housing loans up to ₹ 1.50 millions (included in above)	22,621.36	15,451.02
(ii) Commercial real estate		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits	1,125.07	1,087.94
(iii) Investments in Mortgage Backed Securities (MBS) & other securities exposures		
a) Residential	Nil	Nil
b) Commercial real estate	Nil	Nil
b) Indirect exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	Nil	Nil

45.2 Exposure to capital market

The Company does not have any exposure to capital market sector as at 31 March 2020 and 31 March 2019.

licenses, authority as collateral security during the year ended 31 March 2020 and 31 March 2019.

46 Miscellaneous**45.3 Details of financing of parent company products: 31 March 2020 - Nil, 31 March 2019 - Nil.****46.1 Disclosure of penalties imposed by NHB and other regulators****45.4 Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the Company**

The Company has not exceeded single or group borrower exposure limit during the year ended 31 March 2020 and 31 March 2019.

During year ended 31 March 2020, the Company has paid penalty of Rs 0.01 millions levied by NHB for non-compliance of provision of paragraph 2(1) (zg) and paragraph 30 of the Housing Finance Companies (NHB) Directions, 2010 (31 March 2019: Nil).

45.5 Unsecured advances

There are no unsecured advances against intangible securities such as rights,

On 19 May 2020, the Company has received a notice for penalty of Rs 0.01 millions from NHB for non-compliance with the provisions of paragraph 28 of the Housing Finance Companies (NHB) Directions, 2010 (31 March 2019: Nil).



Instrument	Rating	Rating Agency	Comments
Commercial paper	IND A1+	India Ratings & Research	Instruments with this rating are considered to have very strong degree of safety regarding timely payment of financial obligations. Such instruments carry lowest credit risk.
Term loans	ICRA A+ (stable)	ICRA	Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.
Non-convertible debentures	ICRA A+	ICRA	Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.
Term loans	Care A+	CARE	Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.

47 Provisions and commitments

47.1 Break up of 'Provisions and Contingencies' shown under the head expenditure in the statement profit and loss

(₹ in millions)

	As at 31 Mar 2020	As at 31 Mar 2019
1) Provisions for depreciation on investment	-	-
2) Provision made towards income tax	231.90	160.53
3) Provision towards non performing assets (NPA)	38.82	25.79
4) Provision for standard assets		
-Commercial real estate	1.57	1.59
-Commercial real estate - RH	4.14	4.69
-Others	103.23	30.86
5) Other Provisions and Contingencies		
- Provision for gratuity and compensated absences (including Other Comprehensive Income)	6.53	3.54

47.2 Break up of loan and advances and provisions thereon

(₹ in millions)

	Housing loan		Non Housing loan	
	As at 31 Mar 2020	As at 31 Mar 2019	As at 31 Mar 2020	As at 31 Mar 2019
Standard assets				
a) Total outstanding amount	27,338.58	19,797.08	27,52.66	14,99.21
b) Provisions made	154.64	63.79	31.59	13.50
Sub - Standard assets				
a) Total outstanding amount	208.62	133.37	4.84	0.24
b) Provisions made	49.98	28.75	1.05	0.06
Doubtful Assets – Category-I				
a) Total outstanding amount	83.57	23.32	-	2.15
b) Provisions made	24.41	6.54	-	0.63
Doubtful Assets – Category-II				
a) Total outstanding amount	16.52	11.37	1.81	-
b) Provisions made	5.01	6.42	0.78	-
Doubtful Assets – Category-III				
a) Total outstanding amount	-	-	-	-
b) Provisions made	-	-	-	-
Loss Assets				
a) Total outstanding amount	-	-	-	-
b) Provisions made	-	-	-	-
Total				
a) Total outstanding amount	27,647.29	19,965.14	2,759.31	1,501.60
b) Provisions made	234.04	105.50	33.42	14.19

The following table sets forth, for the periods indicated, the break up of loans and advances under NHB Guidelines:

(₹ in millions)

	Housing loan		Non Housing loan	
	As at 31 Mar 2020*	As at 31 Mar 2019	As at 31 Mar 2020*	As at 31 Mar 2019
Standard assets				
a) Total outstanding amount	27,681.19	19,850.86	2,797.97	1,504.83
b) Provisions made	79.14	61.65	14.52	8.53
Sub - Standard assets				
a) Total outstanding amount	195.09	126.73	4.52	0.24
b) Provisions made	33.93	23.14	0.68	0.06
Doubtful Assets – Category-I				
a) Total outstanding amount	73.61	20.42	-	1.85
b) Provisions made	23.12	6.92	-	0.61
Doubtful Assets – Category-II				
a) Total outstanding amount	13.37	10.15	1.50	-
b) Provisions made	6.11	7.02	0.75	-
Doubtful Assets – Category-III				
a) Total outstanding amount	-	-	-	-
b) Provisions made	-	-	-	-
Loss Assets				
a) Total outstanding amount	-	-	-	-
b) Provisions made	-	-	-	-
Total				
a) Total outstanding amount	27,963.26	20,008.16	2,803.99	1,506.92
b) Provisions made	142.30	98.73	15.95	9.20

*The total outstanding amount includes accrued interest pertaining to loans.

47.3 Commitments

(₹ in millions)

	As at 31 Mar 2020	As at 31 Mar 2019
Other commitments - Undisbursed amount of housing and other loans	5,880.62	5,753.01

48 Draw down reserves

The Company has not made any draw down from reserves during the year ended 31 March 2020 and 31 March 2019.

49 Concentration of public deposits, advances, exposures and NPA's**49.1 Concentration of public deposits (for public Deposit taking/holding HFCs)**

The Company do not accept any public deposits and hence the same is not applicable.

49.2 Concentration of loans and advances

	As at 31 Mar 2020	As at 31 Mar 2019
Total loans and advances to twenty largest borrowers (Rs. in millions)	796.54	813.65
Percentage of Loans and Advances to twenty largest borrowers to total advances of the HFC	2.62%	3.79%

49.3 Concentration of all exposures (including off - balance sheet exposure)

	As at 31 Mar 2020	As at 31 Mar 2019
Total exposure to twenty largest borrowers / customers (Rs. in millions)	1,030.32	1,274.80
Percentage of exposures to twenty largest borrowers / customers to total exposure of the HFC on borrowers / customers	2.84%	4.68%

49.4 Concentration of Non performing assets (NPA)

(₹ in millions)

	As at 31 Mar 2020	As at 31 Mar 2019
Total exposure to top ten NPA accounts*	43.58	20.12

* The exposure is disclosed at customer level.

49.5 Concentration of Non performing assets (NPA)

Sector wise percentage of NPAs to total advances in that sector	As at 31 Mar 2020	As at 31 Mar 2019
A Housing loans :		
1 Individuals	1.10%	0.87%
2 Builders/Project loans	1.93%	-
3 Corporates	-	-
4 Others	-	-
B Non housing loans :		
1 Individuals	0.26%	0.18%
2 Builders/Project loans	-	-
3 Corporates	-	-
4 Others	-	-

49.6 Movement of Non performing assets (NPAs)

	As at 31 Mar 2020	As at 31 Mar 2019
(I) Net NPAs to net advances (%)	0.77%	0.60%
(II) Movement of NPAs (Gross)		
a) Opening balance (₹ in millions)	170.45	80.68
b) Additions during the year (net) (₹ in millions)	211.89	133.64
c) Reductions during the year (₹ in millions)	66.98	43.87
d) Closing balance (₹ in millions)	315.36	170.45
(III) Movement of Net NPAs		
a) Opening balance (₹ in millions)	128.05	64.18
b) Additions during the year (net) (₹ in millions)	153.59	98.86
c) Reductions during the year (₹ in millions)	47.51	34.99
d) Closing balance (₹ in millions)	234.13	128.05
(IV) Movement of provisions for NPAs (excluding provisions on standard assets)		
a) Opening balance (₹ in millions)	42.40	16.50
b) Provision made during the year (net) (₹ in millions)	58.30	34.78
c) Reductions during the year (₹ in millions)	19.47	8.88
d) Closing balance (₹ in millions)	81.23	42.40

Note: In accordance with the RBI guidelines relating to COVID-19 Regulatory Package dated 27 March 2020, the Company is granting a moratorium of three months on the payment of all instalments and / or interest, as applicable, falling due between 1 March 2020 to 31 May 2020 to all eligible customers. For all such accounts where moratorium is granted, the prudential assets classification shall remain stand still during the moratorium period in accordance with the RBI circular DOR. No.BP. BC.63/21.04.048/2019-20 (circular) dated 17 April 2020. The Company has not considered applications for moratorium received post 31 March 2020 for freezing the days past due in case of loans availing moratorium, for asset classification purpose as of 31 March 2020. Following is the disclosure of additional information as required by the circular;

i. The Company has not considered applications received for moratorium up to 31 March 2020 for freezing the days past due (DPD) in case of loans availing moratorium, for asset classification purpose as of 31 March 2020. Accordingly, the asset classification and provisioning for year ended on 31 March 2020 is done based on the actual DPD i.e. benefit of provisions defined

under para 5 of Circular, has not been availed for the purpose of these financial statements hence, the amount of loans pertaining to SMA/overdue category where the moratorium/deferment was extended for the purpose of asset classification and provisioning under the "Prudential norms on Income Recognition, Asset Classification (IRAC)" as at 31 March 2020 is Nil.

ii. Moratorium / deferment for the period of three months from 1 March 2020 to 31 May 2020 has been applied for loans amounting to Rs 14,685.65 millions subsequent to 31 March 2020, considering the applications for moratorium received up to 13 May 2020.

iii. Since there is no benefit of provision taken under para 5 of the circular as of 31 March 2020, the residual provision is Rs Nil.

50. Overseas assets and off-balance sheet special purpose vehicle (SPVs) sponsored

The Company does not own any assets overseas during the year ended 31 March 2020 and 31 March 2019.

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

51 Disclosure of complaints

Particulars	As at 31 Mar 2020	As at 31 Mar 2019
a) Number of complaints pending at the beginning of the year	-	-
b) Number of complaints received during the year	132	38
c) Number of complaints redressed during the year	132	38
d) Number of complaints pending at the end of the year	-	-

52 Asset liability management (Maturity pattern of certain items of assets and liabilities) (₹ in millions)

	As at 31 Mar 2020			As at 31 Mar 2019		
	Bank Borrowings	Loans and Advances**	Investments	Bank Borrowings	Loans and Advances**	Investments
Upto one month	323.32	21.79	2,255.00	153.29	440.10	1,027.15
Over 1 month and upto 2 months	167.96	28.40	600.00	44.12	431.00	-
Over 2 months and upto 3 months	494.05	180.33	518.00	231.62	422.09	-
Over 3 months and upto 6 months	1,610.45	534.52	-	1,046.46	1,214.63	-
Over 6 months and upto 1 year	2,873.06	2,049.91	-	1,727.47	2,212.36	-
Over 1 year and upto 3 years	11,073.34	6,861.37	-	7,424.39	6,532.30	-
Over 3 years and upto 5 years	6,639.38	5,185.41	-	5,695.56	4,011.24	-
Over 5 years and upto 7 years	1,413.71	3,881.85	-	1,953.68	2,415.44	-
Over 7 years and upto 10 years	397.29	4,058.41	-	1,021.41	1,958.49	-
Over 10 years	-	7,463.55	-	0.82	1,769.51	-
Total	24,992.56	30,265.54	3,373.00	19,298.82	21,407.16	1,027.15

*Classification of assets and liabilities under different maturity buckets is based on the same estimates and assumptions as used by the Company for compiling the return submitted to NHB.

**Classification of assets and liabilities under different maturity buckets is based on the same estimates and assumptions as used by the Company for compiling the return submitted to NHB. Given the COVID 19 impact, assumptions note the subdued customer collections and its impact on inflows.

Note: The Company does not have market borrowing, foreign currency liabilities, deposits, foreign currency assets and investments as at 31 March 2020 and 31 March 2019.

53 There were no instances of fraud reported during the year ended 31 March 2020 (31 March 2019: ₹ 2.32 millions).

54 Figures for the previous year have been regrouped/ re-arranged wherever considered necessary to confirm to the figures presented in the current year.

For Walker Chandiook & Co LLP
Chartered Accountants
Firm registration no.: 001076N/N500013

Khushroo B. Panthaky
Partner
Membership No.: 042423
Place: Mumbai
Date: 26 May 2020

For and on behalf of the Board of Directors

Manoj Viswanathan
Director and CEO
Din No.: 01741612
Place: Mumbai
Date: 26 May 2020

Nutan Gaba Patwari
Chief Financial Officer
Place: Mumbai
Date: 26 May 2020

Rajagopalan Santhanam
Director
Din No.: 00025669
Place: Mumbai
Date: 26 May 2020

Shreyans Bachhawat
Company Secretary
Place: Mumbai
Date: 26 May 2020

Auditor's Report as per NHB Directions

Auditor's Report as per NHB Directions

To,
The Board of Directors of
Home First Finance Company India Limited
(formerly known as Home First Finance Company
India Private Limited)

**Independent Auditor's Additional Report for the
year ended 31 March 2020 pursuant to the
requirement of Master Circular - Housing Finance
Companies - Auditor's Report (National Housing
Bank) Directions, 2016 issued by the National
Housing Bank**

1. This report is issued in accordance with the terms of our engagement letter dated 12 March 2020 with Home First Finance Company India Limited (formerly known as Home First Finance Company India Private Limited) (the 'Company') and in accordance with the requirements of the Master Circular - Housing Finance Companies - Auditor's Report (National Housing Bank) Directions, 2016 (the 'Auditor's Report Directions') issued by the National Housing Bank (the 'NHB').
2. We have audited the accompanying financial statements of the Company which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit (including Other Comprehensive Income) and Loss, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information and have issued an unqualified opinion vide our report dated 26 May 2020.

Management and Those Charged with Governance's Responsibility for the financial statements

3. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements that give a true and fair view of the state of affairs (financial position),

profit or loss (financial performance including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

4. The management of the Company is also responsible for compliance with the National Housing Bank Act, 1987 ('the NHB Act'), Master Circular- The Housing Finance Companies (NHB) Directions, 2010 (the 'NHB Directions'), and other circulars and directions issued by the NHB thereunder and for providing all the required information to the NHB.

Auditor's Responsibility

5. Pursuant to the requirements of the Auditor's Report Directions, it is our responsibility to provide reasonable assurance on the matters specified in paragraph 3 and 4 of the Auditor's Report Directions, to the extent applicable to the Company, on the basis of our audit of the financial statements of the Company for the year ended 31 March 2020 and examination of books of accounts and other records maintained by the Company for the year then ended.

6. We conducted our examination of the audited books of accounts other records of the Company in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) (the 'Guidance Note') issued by the Institute of Chartered Accountants of India ('the ICAI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements issued by the ICAI.

Opinion

8. Based on our audit of the financial statements for the year ended 31 March 2020 and examination as above, evidences obtained and the information and explanations, along with the representations provided by the management, we report that:
 - a. The Company has obtained Certificate of Registration (CoR) number DOR-00086 dated 12 February 2020 issued by the Mumbai Regional Office of the NHB;
 - b. The Company has met the required net owned fund requirement during the year ended 31 March 2020 as prescribed under section 29A of the NHB Act;
 - c. The Company has complied with the provisions of section 29C of the NHB Act with respect to statutory reserves during the year ended 31 March 2020;
 - d. The Board of Directors of the Company in their meeting held on 13 May 2019 has passed a resolution for non-acceptance of any public deposits for the financial year 1 April 2019 to 31 March 2020;
 - e. The Company has not accepted any public deposits during the year ended 31 March 2020;
 - f. The total borrowings of the Company are within the limits prescribed under paragraph 3(2) of the NHB Directions during the year ended 31 March 2020;
 - g. The financial statements of the Company for the year ended 31 March 2020 have been prepared in accordance with Ind AS notified by Ministry of Corporate Affairs ('MCA') under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended). In preparation of the financial statements; the prudential norms relating to the income recognition, accounting standards, asset classification, disclosure in balance sheet and provisioning norms which are specified in the NHB Directions; have been complied in accordance with the applicable Ind AS. Further, the Company has complied with the prudential norms on loan-to-value ratio and concentration of credit as specified in the NHB Directions as maybe applicable;
 - h. The capital adequacy ratio as at 31 March 2020 as disclosed in the Schedule II return submitted to NHB in terms of the NHB Directions on 26 May 2020 was correctly determined and this ratio is in compliance with the minimum capital to risk weighted asset ratio ('CRAR') prescribed therein;
 - i. The Company has furnished to the NHB the Schedule – II return during the year ended 31 March 2020 within the stipulated period as specified in the NHB Directions;
 - j. The Company has furnished to the NHB the Schedule – III return on Statutory Liquid Assets to the NHB for the year ended 31 March 2020 within the stipulated period as specified in the NHB Directions;
 - k. In case of opening of new branches/offices or in the case of closure of existing branches/offices, the Company has complied with the requirements of the NHB Directions for the year ended 31 March 2020; and
 - l. The Company has complied with the provisions contained in paragraph 38 and 38A of the NHB Directions for the year ended 31 March 2020;

Restriction on Distribution or Use

9. Our work was performed solely to assist you for compliance with Auditor's Report Directions. Our obligations in respect of this report are entirely separate from, and our responsibility and liability is in no way changed by any other role we may have as statutory auditors of the Company or otherwise. Nothing in this report, nor anything said or done in the course of or in connection with the services that are subject of this report, will extend any duty of care we may have in our capacity as statutory auditors of the Company.

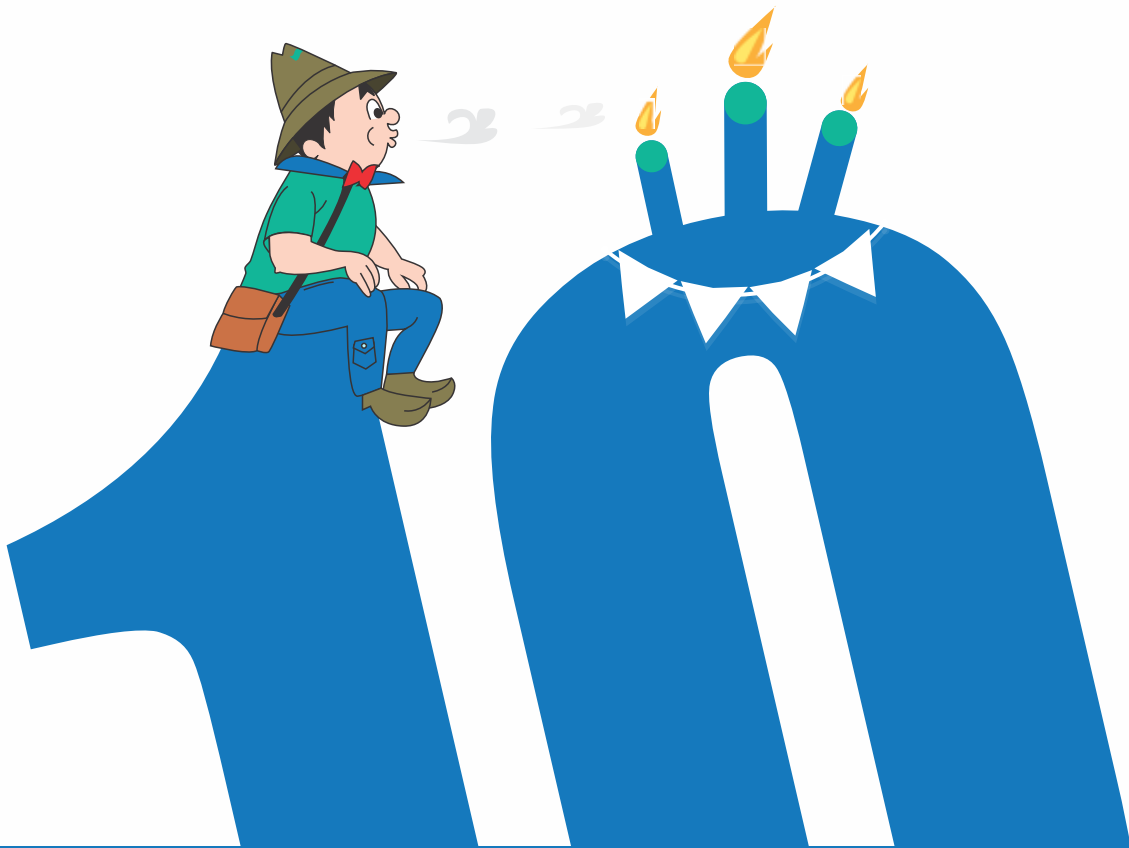
10. This report is addressed to and provided to the Board of Directors of the Company pursuant to our obligations under the Auditor's Report Directions requiring us to submit a report on the additional matters as stated in the aforesaid directions and should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other party to whom this report is shown or into whose hands it may come without our prior consent in writing.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Khushroo B. Panthaky
Partner
Membership No.: 042423
UDIN No: 20042423AAAACT5450

Place: Mumbai
Date: 26 May, 2020

homefirst
We'll take you home



HomeFirst Finance Company India Ltd.

Registered Office: 511, Acme Plaza,
Andheri - Kurla Road, Andheri East, Mumbai - 400 059

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