CENTRUM Home Loans

Aao milkar ghar banaye

TOGETHER TOWARDS TOMORROW

Centrum Housing Finance Limited

5th Annual Report 2019-20

Corporate Information

Board of Directors

Mr. Sridar Venkatesan
Chairman and Independent Director

Mr. Mohan Tanksale
Independent Director

Ms. Anjali Seth
Independent Director

Mr. Vivek Vig
Non-Executive Director

Mr. Rajendra Naik
Non-Executive Director

Mr. Arjun Saigal
Non-Executive Director

Mr. Sanjay Shukla
Managing Director & CEO

Chief Financial Officer
Mr. Mehul Jatania

Company Secretary
Mr. Alpesh Shah

Registered & Corporate Office
Centrum Housing Finance Limited
Unit-801, Centrum House,
CST Road, Vidyanagari Marg,
Kalina, Santacruz (East),
Mumbai - 400 098
Tel: +91 22 4215 9100
Email: query.chfl@centrum.co.in
Website: www.chfl.co.in
(CIN No.: U65922MH2016PLC273826)

Statutory Auditors
M/s. Haribhakti & Co. LLP
Chartered Accountants
705, Leela Business Park,
Andheri Kurla Road,
Andheri (East),
Mumbai - 400059

Bankers
Allahabad Bank (Now Indian Bank)
Andhra Bank (Now Union Bank of India)
Bank of Baroda
Bank of Maharashtra
Canara Bank
DCB Bank Limited
Federal Bank Limited
Karur Vysya Bank
South Indian Bank
Union Bank of India
Yes Bank Limited

REGISTRAR AND SHARE TRANSFER AGENTS
Link Intime India Private Limited
C–101 , 247 park L B Marg,
Vikhroli West, Mumbai 400 083
Tel. No. 022 – 4918 6000
Fax No.: 022 – 4918 6060
Website : www.linkintime.co.in

NSDL Database Management Limited
4th Floor, Trade World A Wing,
Kamala Mills Compound,
Senapati Bapat Marg, Lower Parel,
Mumbai - 400 013
Tel No: 022 4914 2597
Website: www.nsdl.co.in
www.ndml-nsdl.co.in

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Group Chairman's Message

Dear Shareholders,

I hope you and your families have been safe and in good health through the long lock down. COVID-19 has had a very significant impact on the lives of citizens across the spectrum, both in terms of earnings and well-being. It is going to take us all a long time to recover from this set back. I am happy to share that the team at Centrum Housing Finance Limited (CHFL) strictly followed Government guidelines and protocols and has been back to our offices across the country servicing clients.

FY2020 was a challenging year for the Indian economy, especially the BFSI sector, which witnessed significant headwinds due to liquidity constraints, subdued demand and asset quality issues. However, the Affordable Housing Finance sector in particular fared well. The government, through its initiatives of 'Housing for All', significant reduction in lending rates, tax deductions for first time home buyers and the recent extension of availing credit subsidies under the PMAY, has helped to create a growing demand for affordable housing finance. With more rate cuts expected, rapidly rising numbers of nuclear families and increased migration from rural to semi-urban and urban areas, the affordable housing segment will continue to grow.

For CHFL, FY2020 was a year of achievements and steady growth. It gives me great pleasure in sharing that, in February 2020, CHFL received an investment of ₹ 190 crore from a fund managed by Morgan Stanley Private Equity Asia, making it the first external institutional investor in the Company. We are excited about this partnership and together we will work to grow the business nationally. We see a big opportunity in the low to middle income segment in tier 2 & 3 cities and will continue to grow without compromising on credit quality and keeping our agenda of financial inclusion at the forefront.

Dear Shareholders, as mentioned earlier, COVID-19 has resulted in a significant economic slowdown. The economy is expected to lose close to two quarters of business growth, making it challenging to recover during the rest of the year. However, in every adversity lies an opportunity. Real estate prices are expected to correct and a further reduction in lending rates, will augur well for the affordable housing sector. The RBI and government, too recently announced measures to re-finance HFCs, thereby improving credit flows. We have invested substantially during the year to maintain robust credit risk controls, adopt the highest levels of corporate governance, strengthen our backend technology and reduce turn around times, to provide a superior experience to clients. We are confident that we will be able to leverage these strengths effectively.

I congratulate the CHFL team on a successful year and thank all our Board Members, Regulators and Stakeholders for their continued support.

Wishing you continued good health and cheer.

Yours Sincerely

Jaspal Bindra
Executive Chairman
Centrum Group

Chairman's Message

On behalf of the Board of Directors, it is my privilege to present the Annual Report and the financial statements of the Company for the year ended March 31, 2020.

Your Company has completed its third full year of operations and delivered strong results along with laying a strong foundation for the coming years. The NBFC industry while trying to recover from the liquidity crisis of FY19, faced further headwinds in FY20. Just as the industry was recovering, the outbreak of the Covid-19 pandemic pushed the entire world economy to the brink of a recession. The impact of Covid-19 was felt towards the last fortnight of FY20 as it halted disbursements and collections and further made the prospects for FY21 uncertain. The government and the RBI have announced several measures including a stimulus package amounting to 10% of the country's GDP to contain the economic impact of coronavirus. While the potential of the housing finance business, especially the affordable segment, remains structurally intact, the growth of the industry will depend on the easing of the pandemic in the short term.

During the year, the Company has developed strong internal systems and will continue to make meaningful investments in people, processes, and technology. As on March 31st, 2020 the AUM stood at ₹ 441 crore registering a growth of over 25% YoY, servicing close to 5000 happy clients from 40 offices in Madhya Pradesh, Chhattisgarh, Gujarat, Rajasthan, Delhi, and Maharashtra. The Company has also raised resources of close to ₹ 400 crore including an investment from a fund managed by Morgan Stanley Private Equity Asia who acquired a significant minority stake in the Company. The fact that the Company was able to attract the investment at this early growth stage is a testament to the strength of the company's business model, robust underwriting and collection mechanism, and disciplined ALM management. The investment will further help the Company to increase penetration across chosen geographies. The Board of Directors has great confidence in the Company's prospects. We are geared to seize growth opportunities, despite challenges that may lie ahead.

We would like to thank the National Housing Bank for guidance and support, the Directors on the Board for their valuable insights, Centrum group companies for their support, our employees for their hard work & dedication, our customers for their business, and shareholders for the trust on us. We remain ever committed to grow the Company into a best in class institution and hope that our enthusiasm will be reciprocated with continued support from all the stakeholders in the future.

Sincerely,

V. Sridar
Chairman

Management Discussions and Analysis

Economic Overview

The Indian economy witnessed a slowdown - the GDP growth for FY20 is estimated at 4.2% compared to 6.1% in the previous year - on account of sluggish investments, contraction in manufacturing, weakening consumption, and risk averseness in lending especially to MSME and NBFC sectors.

The Union Budget 2019-20 provided support to MSMEs and the Infrastructure sector with a renewed focus on reducing red-tapism, building social infrastructure and initiatives such as Digital India and Make in India. India's GDP growth slowdown was seen to be bottoming out, but the unexpected lockdown on account of COVID-19 in Q4FY20 crippled most commercial activities. Although the full impact of the pandemic is yet to be ascertained, major global economies including India are likely to witness a sharp downturn in FY21 with an expectation for a strong rebound in FY22.

In response to the COVID-19 crisis, the Indian government, despite its extant constraints on fiscal finances, announced a wide-sweeping stimulus package ranging from humanitarian measures such as distribution of food and direct benefit transfers to the most vulnerable segments of society, sector specific measures for businesses sharply impacted by the lockdown, guarantee schemes, tax concessions and a slew of policy measures and structural reforms to help revive economic growth and improve the ease of doing business in India.

Housing Finance Industry Overview & Outlook

FY2020 began on a positive note for Housing Finance Companies (HFCs). The incumbent Government retaining power at the center, signaled continuity in policy measures with commitment to promote affordable housing through schemes like 'Housing for All' and the ₹Pradhan Mantri Awas Yojana'. However, the liquidity crunch witnessed across the BFSI sector, impacted HFCs as well. The RBI adopted an Accommodative stance by reducing interest rates. Additionally, it also announced multiple re-finance schemes to boost liquidity. During the year, the government too announced a series of measures to boost growth in the sector through sops such as tax benefits for first time homebuyers, extension of availing credit subsidies for affordable home loans amongst others. However, the overall credit growth in the industry remained marginal. Going forward, the industry focus will be more on asset quality and liquidity, rather than growth. While all HFCs are facing significant headwinds because of the currently evolving situation, their ability to keep adequate liquidity and control the asset quality would be the key differentiator.

The total housing credit outstanding stood at ₹20.7 lakh crore as on December 31, 2019, recording a growth of 13% YoY. Housing credit growth is expected to be in the range of 9-12% in FY21 (lower than the last three years' CAGR of 16%). The growth is expected to be slower in H1FY21, while recovery in H2FY21 would depend on the overall economic turnaround. The GNPA of housing finance companies rose from 1.6% in March 2019 to 2.2% in December 2019. The pressure on asset quality is expected to mount due to the lockdown and the consequent impact on borrower cash flows and viability.

Mortgage penetration in India continues to increase steadily and the long-term prospects of the housing segment remain strong. In the near term, some people may defer their home purchases and home improvement/ extension decisions till they are able to achieve stability in income levels/resumption in business activities. However, the long term outlook remains intact.

Opportunities & Challenges

There is an immense potential in the affordable housing segment as there are millions of Indian households with aspirations of becoming homeowners and are searching for homes that they can afford within their budget. Given the low penetration of mortgage finance in the country, especially in the affordable segment, the opportunity for housing finance companies is immense. A substantial section of customers in this segment require innovative ways to assess cash flows and increased diligence and over the last few years the industry has significantly evolved in this aspect. The housing sector has also benefitted from the government's flagship housing programme, Pradhan Mantri Awas Yojana (PMAY).

One of the biggest challenges faced by affordable housing finance companies is high operational costs on account of increased diligence and presence in distributed geographies which have smaller portfolios. Scaling of operations in these geographies is also challenging because of want of skilled manpower. The industry has made significant progress in these aspects through use of technology which will be a key going forward. The extent to which COVID-19 outbreak will impact the business models and portfolio risk is difficult to estimate as the situation is still evolving.

Company Overview & Highlights

Centrum Housing Finance Limited is a professionally managed housing finance company. It provides financial inclusion to Lower and Middle Income (LMI) families in Tier II and III cities, by giving them access to hassle-free long-term housing finance. The business offers Home Loans, Self-Construction Loans, Top-Up Loans and Loans against Property to cater to specific needs, using a combination of traditional methods and superior technology. The business has built its operations on a hub-and-spoke model to penetrate deeper into its target markets. It has strategically selected to grow its presence in the states of Madhya Pradesh, Chhattisgarh, Gujarat, Rajasthan, Delhi, and Maharashtra, as they offer immense opportunity and are relatively under-penetrated.

During the year, Centrum Housing Finance Limited raised ₹190 crore of equity from a fund managed by Morgan Stanley Private Equity Asia. The fund will acquire a significant minority stake, making it the first external institutional investor in the company. As on 31st March 2020, the AUM stood at ₹ 441 crore, registering a growth of nearly 25% YoY. The gross disbursements were around ₹150 crore with an average portfolio Loan to Value Ratio (LTV) of about 54% and Average Ticket Size (ATS) of approximately ₹11.5 lakh. The business enhanced its geographical presence and operates from 40 locations across 6 states. The focus continues to remain on catering to middle and low-income group customers.

For FY20, the Company's total revenue and profit after taxes were ₹52 crore and ₹1.8 crore respectively. The Company closed the financial year with ₹205 crore of debt on its balance sheet. It has diversified its banking relationship to 11 banks and also received NHB refinance sanction of ₹40 crore during the year. The Company has retained its long term rating of CARE A- (Stable).

The Company has instituted adequate internal control systems commensurate with the nature of its business and the size of its operations. Internal audit is carried out that covers all the offices and key areas of business.

The Company believes in creating an ecosystem of growth and development for its employees built on a foundation of trust, transparency and meritocracy. To support the fast-paced growth, the Company has recruited talent with strong ethics and deep domain knowledge and has 121 employees on its roll. The Company recognises people as a source of competitive advantage and believes in nurturing their skillsets in this dynamic business environment. Importantly, supervisors are encouraged to dedicate time to mentor their team. During the year, the Company provided on-the-job training to the branch employees in the areas of product, processes, systems and compliance.

Directors' Report

To The Members,

Your Directors are pleased to present before you the 5th Annual Report together with the Audited Financial Statements of the Company for the year ended 31st March, 2020.

STATE OF COMPANY'S AFFAIRS:

Financial Results:

The financial performance of the Company for the year ended 31st March, 2020 is as summarized below:

(₹ in lakh)

Particulars	*Year ended 31st March, 2020	*Year ended 31st March, 2019
Total Income	5,209.30	3,816.14
Total expenditure	4,949.46	3,709.03
Profit Before Tax	259.84	107.11
Less: Provision for Tax	79.52	81.77
Profit After Tax	180.32	25.34
Other Comprehensive income (OCI)	3.20	(2.89)
Total Comprehensive income for the year	183.53	22.45
Transfer to statutory reserve u/s 29C of the NHB Act, 1987	3.38	1.31
Transfer to special reserve u/s 36(1)(viii)of Income Tax Act, 1961 read with section 29C of the NHB Act, 1987	32.69	28.73
Balance carried to Balance Sheet	12,072.00	-55.69

*The financial statements have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 (the "Act").

Financial Highlights:

During the year, the Company has earned a total income of ₹5,209.30 lakh as compared to ₹3,816.14 lakh in the previous year, recording a growth of 37%. Total expenses, provisions and write offs during the year were ₹4,949.46 lakh as compared to ₹3,709.03 lakh in the previous year, a growth of 33%.

During the year, the Company has earned pre-provisioning operating profit (PPOP) of ₹ 569.10 lakh as compared to ₹ 319.35 lakh in the previous year, recording a growth of 78.21%. The net profit after tax for the year was ₹ 180.32 lakh as compared to ₹ 25.34 lakh in the previous year, a growth of 611.60%.

Borrowings:

As on 31st March 2020, the Company's outstanding term loans from banks stood at ₹20,200.64 lakh as compared to ₹16,169.45 lakh in the previous year. The Company's bank borrowings enjoy a rating of CARE A-(Stable).

NHB Refinance:

During the year under review, your Company has been granted refinance sanction amounting to ₹4,000 lakh by the National Housing Bank ('NHB') including ₹2,000 lakh under the Liquidity Infusion Facility (LIFt) scheme.

TRANSFER TO RESERVES:

The Company has transferred an amount of ₹36.07 lakh to the statutory reserve as per the requirement of the section 29C of National Housing Bank Act, 1987 and section 36(1)(viii) of the Income Tax Act, 1961.

DIVIDEND:

With a view to conserve the resources of the Company and building up its reserves, your Directors do not propose any dividend for the year under review.

CHANGES IN SHARE CAPITAL:

During the financial year, pursuant to the approval of the Members, the Authorised Share Capital of the Company was increased from ₹225 crore to ₹300 crore on 30th January, 2020.

The Issued, Subscribed and Paid-up Share Capital of the Company as on 31st March , 2020 was ₹ 266,86,83,990 consisting of 26,68,68,399 Equity shares of ₹10/- each.

During the financial year, the following allotments were made by the Company:

1. The Board vide their meeting held on 4th June, 2019, approved the issue and allotment of 7,44,80,000 equity shares of ₹10 each to M/s. Centrum Capital Limited pursuant to their request for conversion of the 7,44,80,000 unrated, unlisted, unsecured,

Compulsory Convertible Debenture (CCDs) held by them.

2. The Board at their meeting held on 6th August , 2019, approved the issue and offer of 21,78,000 equity shares of ₹10 each on private placement basis to Mr. Vivek Vig, Non-Executive Director of the Company, aggregating to ₹2,17,80,000. The said shares were allotted to Mr. Vivek Vig, vide the Board meeting held on 19th November, 2019.

3. The Board vide their meeting held on 24th January, 2020, approved the issue and allotment of 23,52,00,000 equity shares of ₹10 each to M/s. BG Advisory Services LLP, pursuant to their request for conversion of 23,52,00,000 unrated, unlisted, unsecured, Compulsory Convertible Debenture (CCDs) held by them.

4. The Board vide their meeting held on 6th February, 2020, approved the issue and allotment of 6,66,90,413 equity shares of ₹10 each for a premium of ₹18.50 per share aggregating to ₹190,06,76,771 on a preferential allotment basis to M/s. NHPEA Kamet Holding BV, which was subsequently approved by the Members at their duly convened Extra Ordinary General Meeting. M/s. NHPEA Kamet Holding BV, an investment holding Company managed by the private equity arm of Morgan Stanley Asia, is a company incorporated under the laws of Netherlands, and having its registered office in Amsterdam, Netherlands.

The Company has neither issued sweat equity nor equity shares with differential voting rights as on 31st March, 2020. None of the Directors of the Company hold convertible instruments of the Company.

ESOP:

Pursuant to the approval of the Members of the Company, 77,74,999 options have been granted at par to certain eligible employees of the Company during the year, under the CHFL Employee Stock Option Scheme 2018 – Series I and Series II.

During the year under review, 1,50,000 options have been vested but no options have been exercised. Apart from the above, 2,80,000 options have been forfeited during the year.

As per Rule 12(9) of Companies (Share Capital and Debentures) Rules, 2014, details of options granted to Key Managerial Personnel, employee options amounting to five percent or more of the total options granted during the year, and employee options amounting to one percent or more of the issued capital at the time of grant are as below:

Name of the Employee	No. of options granted
Sanjay Shukla	39,99,999
Mehul Jatania	7,50,000
Vivek Mannan	7,00,000
Elvis Patel	4,00,000
Vishwajeet Singh Bais	4,00,000

The details of ESOP are shown in the note no. 45 of Notes to the Accounts, forming part of the Financial Statements.

CAPITAL ADEQUACY RATIO:

The NHB had, vide its Notification No. NHB.HFC.DIR.22/MD&CEO/2019 dated 17th June, 2019, amended the Master Circular – The Housing Finance Companies (NHB) Directions, 2010 stipulating that every Housing Finance Company is required to maintain capital adequacy ratio of 13% on or before 31st March 2020, 14% on or before 31st March, 2021, and 15% on or before 31st March, 2022, on a stand-alone basis, of which the Tier- I capital, at any point of time, shall not be less than 10% and Tier-II capital, at any point of time, shall not exceed 100% of Tier-I capital.

The Company's total CRAR stood at 174.52% for the financial year ended 31st March, 2020.

REGULATORY GUIDELINES:

(i) RESERVE BANK OF INDIA (RBI) DIRECTIONS:

Vide the powers delegated by the Government of India, and the Notification No. RBI/2019-20/98 DOR NBFC (PD) CC.No.105/03.10.136/2019-20 dated 11th November, 2019 issued by the Reserve Bank of India ('RBI'), the powers to regulate, control, issue directions, regulations or guidelines for the monitoring and controlling the Housing Finance Companies (HFCs) have been vested with the RBI. The HFCs are also monitored and regulated by RBI through the National Housing Bank and /or direct orders issued to the HFCs from time to time.

During the financial year, the Company has complied with all regulatory notifications, guidelines, circulars, rules and directions laid down by the RBI with respect to the Foreign Direct Investment through the Automatic Route. There have been no delays in filing the necessary disclosures, returns and necessary forms in this regard for the year under review.

The Company is registered with RBI Firms portal and has duly filed/ reported Form FCGPR with respect to Foreign Direct Investment received by the Company by issue and allotment of fully paid up Equity Shares through Preferential Allotment to NHPEA Kamet Holding BV within the stipulated time limit.

(ii) NATIONAL HOUSING BANK DIRECTIONS:

The Company is having a valid NHB licence for carrying on business of Housing Finance Company, and further the Company has complied with the provisions of the Housing Finance Companies (NHB) Directions, 2010 and RBI Directions issued from time to time, and as applicable. The Circulars and the Notifications issued by NHB are also placed before the Board of Directors at regular intervals to update the members on the compliance of the same.

As per the NHB Directions, 2010 and various circulars, guidelines, notifications issued thereunder, the Company has duly complied and submitted all the required monthly/ quarterly/ half yearly NHB reports/ returns, intimation of opening/ closing (shifting/relocation) within prescribed time-limit during the financial year.

The Company has complied with the Housing Finance Companies(NHB) Directions, 2010 and other directions/guidelines prescribed by NHB/ RBI regarding deposit acceptance, accounting standards, prudential norms for asset classification, income recognition, provisioning, capital adequacy, credit rating, corporate governance, information technology framework, fraud monitoring, concentration of investments, capital market exposure norms and know your customer and anti-money laundering.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Pursuant to the Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2019, a separate Section titled 'Management Discussion and Analysis' forms part of this report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Mr. Sanjay Shukla is the Managing Director and CEO of the Company, Mr. Mehul Jatania is the Chief Financial Officer and Mr. Alpesh Shah is the Company Secretary of the Company.

Appointment and Cessation

(i) Mr. Rajasekhara Reddy has resigned from the Board with effect from 5th June, 2019. The Company and the Board benefitted immensely from Mr. Reddy's vast experience and knowledge. The Board places on record its deep appreciation for the outstanding contribution made by Mr. Rajasekhara Reddy.

(ii) During the financial year, Mr. Arjun Saigal (DIN: 07556188) was appointed as an Additional Non-Executive Director in the capacity of Nominee Director, which was subsequently approved by the Members at their Extra Ordinary General Meeting held on 11th February, 2020.

Re-appointment of Retiring Director

In accordance with the provisions of the Companies Act, 2013 (hereinafter referred to as "the Act") and the Articles of Association of the Company Mr. Rajendra Naik, Non-Executive Director of the Company, is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The necessary resolutions and his profile for re-appointment have been included in the notice and in the explanatory statement annexed the notice convening the Annual General Meeting.

BOARD MEETINGS:

The Board is chaired by Mr. Sridar Venkatesan, and comprises of other Directors who are experts from various fields like banking sector, corporate affairs etc. The Board met 8 (eight) times during the financial year. The Company held a minimum of one board meeting in every quarter with a gap not exceeding 120 days between two consecutive board meetings, the details of which are given as under:

Sr.No	Board Meeting date	Quarter	Number of days from previous Board meeting
1.	7th May , 2019	April- June	89
2.	4th June , 2019	April-June	27
3.	6th August , 2019	July- September	62
4.	19th November , 2019	October-December	104
5.	24th January , 2020	January-March	65
6.	30th January , 2020	January-March	5
7.	6th February , 2020	January-March	5
8.	11th February , 2020	January-March	5

Attendance of Directors at the Board Meetings are as under:

Sr.No	Name of Director	Board Meeting held in Directors tenure	Board Meeting attended
1	Mr. Sridar Venkatesan (Chairman and Independent Director)	8	8
2	Mr. Mohan Tanksale (Independent Director)	8	6
3	Ms. Anjali Seth (Independent Director)	8	8
4	Mr. Vivek Vig (Non-Executive Director)	8	7
5	Mr. Rajendra Naik (Non-Executive Director)	8	8
6	Mr. Sanjay Shukla (Managing Director and CEO)	8	8
7	Mr. Arjun Saigal (Nominee Director)	1	1
8	Mr. Rajasekhara Reddy (Independent Director)	2	2

The Company has paid sitting fees of ₹ 8,40,000 to Mr. Sridar Venkatesan, ₹ 8,40,000 to Ms. Anjali Seth, ₹ 7,20,000 to Mr. Mohan Tanksale and ₹ 1,80,000 to Mr. Rajasekhara Reddy for the meetings attended by them during the financial year.

AUDIT COMMITTEE:

The Audit Committee is duly constituted as per the provisions of Section 177 of the Companies act, 2013. During the year under review, the Audit Committee met 4 times on 7th May, 2019, 6th August, 2019, 19th November, 2019 and 11th February, 2020. Mr. Rajasekhara Reddy ceased to be a Member of the Committee pursuant to his resignation on 5th May, 2019. As on 31st March, 2020 the Committee comprises Ms. Anjali Seth as the Chairperson, and Mr. Sridar Venkatesan, Mr. Mohan Tanksale, and Mr. Rajendra Naik as the other members. All the members were present for the meetings held during their tenure.

NOMINATION AND REMUNERATION COMMITTEE:

During the year under review, the Committee met 4 times on 7th May, 2019, 6th August, 2019, 19th November, 2019 and 11th February, 2020. Mr. Rajasekhara Reddy ceased to be a Member of the Committee pursuant to his resignation on 5th May, 2019. As on 31st March, 2020 the Committee comprises Mr. Mohan Tanksale as the Chairperson, and Mr. Sridar Venkatesan, Ms. Anjali Seth, and Mr. Vivek Vig as the other members. All the members were present for the meetings held during their tenure.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION:

The Company follows a policy on remuneration of Directors, Key Managerial Personnel and Senior Management Employees. This Policy lays down the process of appointment of Directors, Key Managerial

Personnel and Senior Management Employees and norms for determining qualifications, positive attributes and independence of a director and other matters. The policy is approved by the Nomination and Remuneration Committee and the Board and reviewed from time to time.

BOARD EVALUATION:

The Board, at its meeting held on 3rd June, 2020 carried out the annual evaluation of its own performance as well as the evaluation of the working of its Committees and individual directors, including the Chairperson of the Board for the financial year 2019-20 and expressed its satisfaction as to their performance. This exercise was carried out through a structured questionnaire prepared separately for Board, Committees and individual Directors. The questionnaire for Board evaluation was prepared taking into consideration various aspects of the Board's functioning such as adequacy of the composition and role of the Board, Board meeting and reporting process, effectiveness of strategies, risk management systems, external relationships, ethics and governance framework. Performance of the Committees were evaluated on the basis of their composition, effectiveness in carrying out their mandates, relevance of their recommendations and allocation of adequate time to fulfil their mandates.

INDEPENDENT DIRECTORS:

The Board of Directors of the Company, comprises of three Independent Directors, they are 1) Mr. Sridar Venkatesan, 2) Ms. Anjali Seth and 3) Mr. Mohan Tanksale. The Company has received intimations from all three Directors regarding their registration on the Independent Director's Databank maintained by the Indian Institute of Corporate Affairs.

Pursuant to Schedule VII of the Companies Act, 2013, the independent directors of the company shall hold at least one meeting in a financial year, without the attendance of non-independent directors and members of management. Owing to the outbreak of the COVID-19 pandemic the Independent Directors meeting could not be held before the end of the financial year 2019-20. Further, pursuant to the General Circular No.11/2020 issued by the Ministry of Corporate Affairs, the Directors vide Video Conference, held their meeting on 3rd June, 2020.

DISCLOSURE BY DIRECTORS:

The Company has received notices under Section 184(1) and intimations under Section 164(2) from all the Directors, and the necessary declaration from each Independent Director under Section 149(7) of the Act that he/she meets the criteria of Independence laid down in Section 149(6) of the said Act.

The Managing Director of the Company does not receive any remuneration or commission from the Holding hence, provision of Section 197(14) of the Act is not applicable to the Company.

AUDITORS AND AUDITORS' REPORT:

M/s. Haribhakti & Co LLP, Chartered Accountants, having firm registration number 103523W/W100048, were appointed as the Statutory Auditors of the Company for a term of 5 years commencing from the conclusion of the 1st Annual General Meeting till the conclusion of the 6th Annual General Meeting.

The Report of Statutory Auditors on annual accounts is enclosed along with Directors' Report.

SECRETARIAL AUDIT:

Pursuant to the provisions of section 204 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has appointed Mr. Umesh P Maskeri, Company Secretary in practice to conduct secretarial audit for the financial year ended 31st March, 2020. The report of the Secretarial Auditor is annexed to this report.

INTERNAL AUDITOR:

During the year, the Board has appointed Mr. Ganesh Nema as the Internal Auditor to conduct Internal Audit of the Company for the financial year 2019-20.

REPORTING OF FRAUDS BY AUDITORS:

During the year under review, neither the statutory auditors nor the secretarial auditors have reported any instances of fraud against the Company by its officers or employees as laid down under Section 143(12) of the Act, details of which would need to be mentioned in the Board's report.

AUDITOR'S QUALIFICATION/RESERVATION / ADVERSE REMARK:

Neither of the aforesaid auditors have expressed any adverse qualification/ reservation/ remark in their report for financial year 2019-20 which requires any explanation or comments from the Board. The Notes on financial statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments and explanations.

INTERNAL FINANCIAL CONTROL AND ADEQUACY:

The Company has put in place adequate policies and procedures to ensure that the system of internal financial control commensurate with the size and nature of the Company's business.

These systems provide a reasonable assurance in respect of providing financial and operational information, complying with applicable statutes, safeguarding of assets of the Company, prevention and detection of frauds, accuracy and completeness of accounting records and ensuring compliance with Company's policies.

RISK MANAGEMENT POLICY:

The Company is committed to manage its risk in a proactive manner and has adopted a structured and disciplined approach of risk management by developing and implementing a risk management framework. With a view to manage its risk effectively, the Company has in place a Comprehensive Risk Management Framework.

The Company's Risk Management Framework provides the mechanism for risk assessment and mitigation. The Company has a Risk Management Committee in place. The Risk Management Committee assists the Board in its oversight of various risks and review of compliance with risk policies, monitoring risk tolerance limits, reviewing and analysing risk exposures related to specific issues and provide oversight of risk across the organisation.

At present the Company has not identified any element of risk which may threaten the existence of the Company.

VIGIL MECHANISM/WHISTLE BLOWER POLICY:

Pursuant to Section 177(9) of the Act and Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, the Company has established a vigil mechanism and adopted a Whistle Blower Policy which provides a formal mechanism for all Directors and employees to approach the Chairperson of the Audit Committee and make protective disclosures about the actual or suspected fraud and other unethical events set out in Vigil Mechanism Policy.

During the year under review, the Company did not receive any complaints under Vigil Mechanism Policy.

During the year Whistle Blower Policy of the Company have been duly amended/modified by the Board of Directors, at their meeting held on 19th November, 2019, as per NHB circulars and notifications.

CONTRACTS/ ARRANGEMENT WITH RELATED PARTY:

In line with the requirements of the Act and the directions issued by the National Housing Bank, your Company has formulated a policy on Related Party Transactions, which describes the transactions requiring requisite approvals and requirements of appropriate reporting and disclosure of transaction between the Company and its related parties. The said policy has also been uploaded on the Company's website www.chfl.co.in

All Related Party Transactions that are entered into by the Company are placed before the Audit Committee for review and approval, before approval by Board, as per requirements of Section 188 of the Act. There was no materially significant related party transaction entered by the Company during the year under review as per the provisions of sub-section (1) of Section 188 of the Act. Accordingly, particulars of contracts or arrangements with related party referred to in Section 188(1) along with the justification for entering into such contract or arrangement in form AOC-2 does not form part of the report.

Pursuant to Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016, the Related Party Transaction Policy of the Company forms part of this Board's Report.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:

As on 31st March, 2020, the Company had a total of 121 full time employees on its rolls. In accordance with the provisions of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and other particulars of such employees are set out in annexure to the Directors' Report. In terms of the provisions of section 136 (1) of the Act read with the rule, the Directors' Report is being sent to all shareholders of the Company excluding the annexure. Any shareholder interested in obtaining a copy of the said annexure may write to the company secretary at the registered office of the Company.

HUMAN RESOURCE AND EMPLOYEE RELATIONSHIP:

Human resources are most valuable assets of your Company. Your Company is focused on continuously training and upgrading the work skills of its staff across the organization. During the Financial Year, new recruits participated in an induction programs conducted by the Company.

The Company ensures prevention, prohibition and redressal of Sexual Harassment complaints at workplace, as per the policy and procedure with the approval of Board During the year under review, the committee received no complaint.

HOLDING, SUBSIDIARIES, JOINT VENTURE, AND ASSOCIATE COMPANIES:

Centrum Capital Limited is the holding company. The Company does not have any subsidiary, joint venture or associate Company as on the date of end of the Financial Year, hence AOC-1 does not form part of the report.

DIRECTORS' RESPONSIBILITY STATEMENT:

In accordance with the provisions of section 134(3)(c) of the Act and based on the information provided by the management, your directors state that:

a. in the preparation of the annual accounts, the applicable accounting standards have been followed;

b. the Company has selected such accounting policies and applied them consistently and 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 on 31st March , 2020 and of the profit and loss account for the Financial Year ended 31st March 2020;

c. the Company has taken proper and sufficient care for the 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 fraud and other irregularities;

d. the Company has prepared the annual accounts on a going concern basis;

e. the Company has laid down internal financial controls which are adequate and operating effectively;

f. the Company has devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

PARTICULARS OF LOANS GIVEN, INVESTMENT MADE, GUARANTEE GIVEN, AND SECURITIES PROVIDED:

Details of loans, guarantees and investments have been disclosed in the Financial Statements forming part of the Annual Report.

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:

The provisions of section 135 and Schedule VII of the Act are not applicable to the Company for the Financial Year 2019-2020 and hence the Company has not developed and implemented any Corporate Social Responsibility initiative.

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

A. CONSERVATION OF ENERGY

The Company's' operations call for nominal energy consumption cost and there were no major areas where conservation measures could be applied on. However, the Company is making continuous efforts to conserve energy and optimize energy consumption practicable by economizing the use of power.

B. TECHNOLOGY ABSORPTION

The Company has always been using the latest technology available in the industry. Accordingly, efforts are made to maintain and develop the quality of the product to meet the expectations of the market.

C. FOREIGN EXCHANGE EARNINGS AND OUTFLOW

There were no foreign exchange earnings and outflow during the Financial Year under review.

EXTRACT OF ANNUAL RETURN:

As required under section 92(3) of the Act and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return in Form No. MGT- 9 as a part of the Directors' Report is annexed.

An extract of annual return in Form MGT-9 is uploaded on the website of the Company, i.e., www.chfl.co.in

COMPLIANCE WITH SECRETARIAL STANDARDS:

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and Annual General Meetings.

MATERIAL CHANGES AND COMMITMENTS:

There were no material changes or commitments affecting the financial position of the Company between the end of financial year and date of the report.

GENERAL:

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transaction on these items during the Financial Year under review.

i. Details relating to Deposits covered under Chapter V of the Act.

ii. Issue of equity shares with differential rights as to dividend, voting or otherwise.

iii. Issue of equity shares (including sweat equity shares) and ESOS to employees of the Company under any scheme.

iv. There was no instance of non-exercising of voting rights in respect of shares purchased directly by the employees under a scheme pursuant to section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debenture) Rules, 2014 and hence no information has been furnished.

v. Maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Act, is not required by the Company and accordingly such accounts and records are not made and maintained.

ACKNOWLEDGEMENT:

Your Directors would like to express their sincere appreciation of the co-operation and assistance received from customers, shareholders, business partners, all bankers, and National Housing Bank and Reserve Bank of India.

Your Directors also wish to place on record their deep sense of appreciation for the commitment, hard work and dedication displayed by all executives, officers and employees of the Company during the financial year. Your Directors look forward to the continued support of all stakeholders in the future.

By order of the Board
For Centrum Housing Finance Limited

Mr. Sridar Venkatesan
DIN:02241339
Chairman

Place: Mumbai
Date: 3rd June, 2020

Annexure to the Directors' Report

Extract of Annual Return as on the financial year ended on 31st March, 2020

FORM No. MGT-9

[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:

i.	CIN	U65922MH2016PLC273826
ii.	Registration Date	3rd March, 2016
iii.	Name of the Company	Centrum Housing Finance Limited
iv.	Category / Sub-Category of the Company	Public Limited Company
v.	Address of the Registered office and contact details	Registered Office : Unit 801, Centrum House, Vidyanagari Marg, Kalina , Santacruz (East), Mumbai 400098.
vi.	Whether listed company	No
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Pvt. Ltd C 101, 247 Park, L.B.S.Marg, Vikhroli (West), Mumbai - 400083.

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:-

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Carrying out activities of Housing Finance Companies Housing loan and non-housing loan	63912	88.66

III) PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr No	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
1	Centrum Capital Limited Corporate Office :Centrum House, CST Road, Vidyanagari Marg, Kalina, Santacruz (East), Mumbai-400098	L65990MH1977PLC019986	Holding	56.39	2(46)

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. Promoter (including promoter group)									
1) Indian									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	99,999,986	-	99,999,986	100	197,274,373	-	197,274,373	73.92	(26.08)
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total(A)(1):-	**99,999,986**		**99,999,986**	**100**	**197,274,373**	**-**	**197,274,373**	**73.92**	**(26.08)**
2) Foreign									
g) NRIs-Individuals	-	-	-	-	-	-	-	-	-
h) Other-Individuals	-	-	-	-	-	-	-	-	-
i) Bodies Corp.	-	-	-	-	-	-	-	-	-
j) Banks / FI	-	-	-	-	-	-	-	-	-
k) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A)(2):-	-	-	-	-	-	-	-	-	-
Total Promoter holding (A)= (A1+A2)	**99,999,986**		**99,999,986**	**100**	**197,274,373**	**-**	**197,274,373**	**73.92**	**(26.08)**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-

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	
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	-	-	-	-	-	-	-	-	-
2. Non Institutions									
a) Bodies Corp.									
(i) Indian	-	-	-	-	-	-	-	-	-
(ii) Overseas	-	-	-	-	66,690,413	-	66,690,413	24.99	24.99
b) Individuals									
(i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	-	-	-	-	-	-	-	-	-
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	29,03,613	-	29,03,613	1.09	1.09
c) Others(Specify)	-	-	-	-	-	-	-	-	
Sub-total (B)(2)	-	-	-	-	69,594,026	-	69,594,026	26.08	26.08
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	**69,594,026**	**-**	**69,594,026**	**26.08**	**26.08**
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**99,999,986**	**-**	**99,999,986**	**100**	**266,868,399**	**-**	**266,868,399**	**100**	**0**

ii. Shareholding of Promoters (including promoter group)

Sr No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding 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	Centrum Capital Limited (Promoter)	75,999,986	76	-	150,479,986	56.39	-	(19.61)
2	*BG Advisory Services LLP	24,000,000	24	-	46,794,387	17.53	17.53	(6.47)
	Total	**99,999,986**	**100**	**-**	**197,274,373**	**73.92**	**17.53**	**(26.08)**

*Forms part of Promoter group.

iii. Change in Promoters' (including promoter group) Shareholding (please specify, if there is no change)

Sr. No	Name	Shareholding		Date	Increase/ Decrease	Reason	Cumulative Shareholding during the year	
		No. of shares at the beginning of the year (01.04.2019)/ end of the year (31.03.2019)	% of the total shares of the Company				No. of shares	% of the total shares of the Company
1.	Centrum Capital Limited (Promoter)	75,999,986	76	1st April, 2019			75,999,986	76
				4th June, 2019	74,480,000	Conversion of CCDs into Equity Shares	150,479,986	56.39
2.	*BG Advisory Services LLP	24,000,000	24	1st April, 2019			24,000,000	24
				24th January, 2020	23,520,000	Conversion of CCDs into Equity Shares	47,520,000	17.80
				3rd March, 2020	(7,25,613)	Transfer of shares to Mr.Vivek Vig	46,794,387	17.53

*Forms part of Promoter group.

iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No.	Name	Shareholding		Date	Increase / decrease	Reason	Cumulative	
		No of Shares at the beginning	% of total shares of the / company				No of shares	% of total shares of the Company
1.	NHPEA Kamet Holding BV	-	-	11th February, 2020	66,690,413	Preferential Allotment	66,690,413	24.99

v. Shareholding of Directors and Key Managerial Personnel :

Sr. No.	Name	Shareholding at the beginning of the year		Date	Increase / decrease	Reason	Cumulative	
		No of Shares at the beginning	% of total shares of the / company				No of shares	% of total shares of the Company
1.	Mr.Vivek Vig	-	-	19th November, 2019	21,78,000	Preferential Allotment	21,78,000	1.23
				3rd March, 2020	725,613	Transfer of Shares by BG Advisory Services LLP to Mr.Vivek Vig	29,03,613	1.09

V. INDEBTEDNESS

(Amount in Rs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (1.04.2019)				
i) Principal Amount	1,63,05,95,223	98,00,00,000	-	2,61,05,95,223
ii) Interest due but not paid	29,752	-	-	29,752
iii) Interest accrued but not due	-	5,17,55,043	-	5,17,55,043
Total (i+ii+iii)	**1,63,06,24,975**	**1,03,17,55,043**	**-**	**2,66,23,80,018**
Change in Indebtedness during the financial year				
- Addition	89,00,00,000	2,00,00,000	-	91,00,00,000
- Reduction	49,35,78,375	1,03,17,55,043	-	1,52,53,33,418
Net Change	**39,64,21,625**	**(1,01,17,55,043)**	**-**	**(61,53,33,418)**
Indebtedness at the end of the financial year (31.03.2020)				
i) Principal Amount	2,02,70,46,600	2,00,00,000	-	2,04,70,46,600
ii) Interest due but not paid	90,55,399	-	-	90,55,399
iii) Interest accrued but not due	-	52,603	-	52,603
Total (i+ii+iii)	**2,03,61,01,999**	**2,00,52,603**	**-**	**2,05,61,54,602**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

(Amount in Rs)

Sl. No.	Particulars of Remuneration	Mr.Sanjay Shukla (MD and CEO)
1.	Gross salary	
2.	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,85,94,480/-
3.	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	3,06,264/-
4	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-
5.	Stock Option	-
6.	Sweat Equity	-
7.	Commission - as % of profit - others, specify...	-
8.	Others, please specify	-
9.	Total (A)	1,89,00,744/-
	Ceiling as per the Act	-

B. Remuneration to other directors:

(Amount in Rs)

Sl. No.	Particulars of Remuneration	~~Name of MD/WTD/ Manager~~				Total Amount
	Independent Directors	**Mr.Sridar Venkatesan**	**Mr.Mohan Tanksale**	**Ms.Anjali Seth**	***Mr. Rajasekhara Reddy**	
	· Fee for attending board committee meetings	8,40,000	7,20,000	8,40,000	1,80,000	25,80,000
	· Commission	NIL	NIL	NIL	NIL	NIL
	· Others, please specify	NIL	NIL	NIL	NIL	NIL
	Total (1)	8,40,000	7,20,000	8,40,000	1,80,000	25,80,000
	Other Non-Executive Directors	**Mr.Rajendra Naik**	**Mr.Vivek Vig**	****Mr.Arjun Saigal**	**-**	-
	· Fee for attending board committee meetings	NIL	NIL	NIL	-	-
	· Commission	NIL	NIL	NIL	-	-
	· Others, please specify	NIL	NIL	NIL	-	-
	Total (2)	NIL	NIL	NIL	-	-
	Total (B)=(1+2)	**8,40,000**	**7,20,000**	**8,40,000**	**1,80,000**	**25,80,000**
	Total Managerial Remuneration	-	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-	-

*Mr.Rajasekhara Reddy resigned w.e.f 5th June, 2019;

**Mr.Arjun Saigal was appointed w.e.f. 11th February, 2020.

C. Remuneration to Key Managerial Personnel Other Than MD /Manager /WTD

(Amount in Rs)

Sl. no.	Particulars of Remuneration	Key Managerial Personnel
		Mehul Jatania (CFO)
1.	Gross salary	
2.	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	66,65,600/-
3.	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1,28,000/-
4.	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-
5.	Stock Option	-
6.	Sweat Equity	-
7.	Commission - as % of profit - others, specify...	-
8.	Others, please specify	-
9.	Total	67,93,600/-

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

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

By Order of the Board

For Centrum Housing Finance Limited

Mr.Sridar Venkatesan
DIN: 02241339
Chairman

Annexure B to the Directors' Report

SALIENT FEATURES OF NOMINATION AND REMUNERATION POLICY

REMUNERATION POLICY

The remuneration package of the Company ensures that:

- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the person to ensure the quality required to run the Company successfully
- the balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goal
- the relationship of remuneration to performance is clear and meets appropriate performance benchmarks

POLICY FOR REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT PERSONNEL

1) Remuneration to Managing Director/Whole Time Directors:

(a) The Remuneration/Commission etc. to be paid to Managing Director/Whole-time Directors etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any enactment for the time being in force and the approvals obtained from the Members of the Company.

(b) The Nomination and Remuneration Committee shall make such recommendation to the Board of Directors as it may consider appropriate with regards to remuneration to Managing Director/Whole Time Directors.

2) Remuneration to Non-Executive/Independent Directors:

(a) The Non-Executive /Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.

(b) All the remuneration of the Non- Executive/Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.

(c) An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.

(d) Any remuneration paid to Non- Executive/Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:

(i) The Services are rendered by such Director in his capacity as the professional; and

(ii) In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

(e) The Compensation Committee of the Company, constituted for the purpose of administering the Employee Stock Option/Purchase Schemes, shall determine the stock options and other share based payments to be made to Directors (other than Independent Directors).

3) Remuneration to Key Managerial Personnel and Senior Management:

(a) The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.

(b) The Compensation Committee of the Company, constituted for the purpose of administering the Employee Stock Option/Purchase Schemes, shall determine the stock options and other share based payments to be made to Key Managerial Personnel and Senior Management.

(c) The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from to time.

(d) The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

IMPLEMENTATION

- The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.

- The Committee may Delegate any of its powers to one or more of its members.

By order of the Board
For Centrum Housing Finance Limited

Mr. Sridar Venkatesan
DIN:02241339
Chairman

Place: Mumbai
Date: May 07, 2019

Secretarial Audit Report

FORM NO. 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 9 of the
Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014
& Regulation 24 -A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Members,
Centrum Housing Finance Limited
Registered Office: Unit 801, Centrum House, CST Road
Vidyanagari Marg, Kalina, Santa Cruz (East)
Mumbai-400098

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Centrum Housing Finance Limited** (hereinafter called "the Company") incorporated on March 3, 2016, having CIN U65922MH2016PLC273826 and Registered Office at Unit 801, Centrum House, CST Road, Vidyanagari Marg, Kalina, Santa Cruz (East), Mumbai- 400098 for the financial year ended on March 31, 2020**.** 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 books, papers, minute 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 audit period covering the financial year ended on March 31, 2020 complied with the statutory provisions listed hereunder 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:

(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;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(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;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):,

  (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, 1992;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

(d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(e) The Securities and Exchange Board of India (Registrars to Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

(g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

(h) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with effect from December 1, 2015.

I have relied on the representation made by the Company and its officers for the systems and the mechanism formed by the Company for the compliances under the applicable Acts/laws and regulations to the Company. The list of major head/groups of Acts/laws and regulations applicable to the Company is enclosed and marked as **Annexure I**.

I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India: Applicable with effect from July 1, 2015

(ii) The Listing Agreement entered into by the Company with BSE Limited and the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Not applicable-

During the year under review:

1. The Shareholders of the Company, at the Annual General Meeting held on June 4, 2019 approved the issue of 21,78,000 Equity Shares of Rs 10/- each for cash at par on preferential allotment/private placement basis aggregating upto ₹ 2,17,80,000, pursuant to Section 62(1) and 42 of Companies Act, 2013

2. The Shareholders of the Company, at the Extra Ordinary General Meeting held on August 30, 2019 approved the following matter by way of Special Resolutions**:**

   i) Issue of partly paid up 21,78,000 equity shares of face value of ₹ 10/- each for cash on preferential/private placement basis, pursuant to the provisions of Section 62(1) and 42 of Companies Act, 2013 ;

   ii) Grant of 20,00,000 Employee Stock Options to Mr. Sanjay Shukla, MD and CEO, pursuant to Section 62(1)(3) of Companies Act, 2013 and Rule 22 of Companies (share Capital and Debenture) Rules, 2014;

   iii) Payment of performance bonus of ₹ 75 lakhs to Mr. Sanjay Shukla, Managing Director and CEO pursuant to the provisions of Section 197 and 203 of Companies Act, 2013 read with Schedule V ;

   iv) Revision of terms of appointment of Mr. Sanjay Shukla, MD and CEO pursuant to the provisions of Section 197 and 203 of Companies Act, 2013 read with Schedule V

3. The Shareholders of the Company, at the Extra Ordinary General Meeting held on January 30, 2020 approved the following matters by way of Ordinary Resolutions**:**

   i) Increase of authorized Share capital from Rs 225 crores to Rs 300 crore of the Company pursuant to Section 61(1)(a) and 64 Companies Act, 2013;

   ii) Amendment to the Memorandum of Association pursuant to Section 13 and 61 of Companies Act, 2013

4. The Shareholders of the Company, at the Extra Ordinary General Meeting held on February 6, 2020 have approved the issue of 6,66,90,413 Equity Shares of face value of ₹ 10/- each at a premium of Rs 18.50/- per Equity Share, on a preferential basis to NHPEA Kamet Holding B.V. for a total consideration of ₹190,06,76,771 pursuant to Sections 62(1)(c) and Section 42 of Companies Act, 2013 by way of a Special Resolution

5. The Shareholders of the Company, at the Extra Ordinary General Meeting held on February 11, 2020 approved the following matters:

i) Special resolution: Approval of the amended and restated Articles of Association of the Company, pursuant to Section 14 of Companies Act, 2013;

ii) Ordinary Resolution: Appointment of Mr. Arjun Saigal as an Non-Executive Director of the Company pursuant to the provisions of Section 152, 161(1) and 161(3) of Companies Act, 2013.

I further report that

owing to complete lockdown, curfew and restrictions imposed by the Government of India and Government of Maharashtra owing to the spread of COVID 19, I have not been able to visit the office of the Company to verify the original records and I have relied on the email communications and scanned copies of some of the documents made available to me, during the course secretarial audit. Company has agreed to make available the original records as soon as the lock down is lifted and normalcy of operations is restored.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors and Independent Directors including the woman director, except as mentioned above. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance as per the requirement of the regulations, 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.

Majority decisions are carried through /recorded as part of the minutes. All the resolutions were passed unanimously.

I further report that based on review of compliance mechanism established by the Company, I am of the opinion that the Company has adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

UMESH P MASKERI
PRACTICING COMPANY SECRETARY
COP No. 12704 FCS No 4831
UDIN

Place: Mumbai
Date: May 20, 2020

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

ANNEXURE I
OTHER LAWS APPLICABLE TO COMPANY
CENTRUM HOUSING FINANCE LIMITED

1	The Income-tax Act, 1961
2	Goods and Service Tax Act, 2016
3	The Employees Provident Fund Act, 1952
4	The Payment of Gratuity Act, 1972
5	The Maharashtra Stamp Act (Bombay . Act LX 1958)
6	Micro, Small and Medium Enterprises Development Act, 2006
7	Negotiable Instruments Act, 1881
8	Indian Registration Act, 1908
9	Information Technology Act, 1996
10	Prevention of Sexual Harassment of women at Workplace Act, 2013
11	Motor Vehicle Act, 1988
12	The Minimum Wages Act, 1948
13	Weekly Holidays Act, 1942
14	Maharashtra Shops and Establishment Act, 1948
15	The Employees State Insurance Act, 1948
16	Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975
17	Prevention of Money Laundering Act, 2002
18	The Maternity Benefit Act, 1961
19	The Contract Labour (Regulation & Abolition) Act, 1971
20	The Equal Remuneration Act,1976 and Rules 1976
21	The Export and Import Policy of India
22	The Trade Marks Act, 1999
23	Payment of Bonus Act, 1965

UMESH P MASKERI
PRACTICING COMPANY SECRETARY
FCS No 4831 COP No. 12704

Place: Mumbai
Date : May 20, 2020

ANNEXURE II

To
The Members,
Centrum Housing Finance Limited
Unit 801, Centrum House, CST Road
Vidyanagari Marg, Kalina, Santa Cruz (East)
Mumbai-400098

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.

2. I have followedW the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. I believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.

6. 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.

UMESH P MASKERI
PRACTICING COMPANY SECRETARY
FCS No 4831 COP No. 12704

Place: Mumbai
Date : May 20, 2020

Independent Auditor's Report

To the Members of Centrum Housing Finance Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of **Centrum Housing Finance Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and notes to the Ind AS financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act, of the state of affairs of the Company as at March 31, 2020, its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act and 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 on the Ind AS financial statements.

Emphasis of Matter

We draw attention to Note 48 to the Ind AS financial statements, which explains that the extent to which the COVID-19 pandemic will impact the Company's financial performance is dependent on future developments, which are highly uncertain.

Our opinion is not modified in respect of this matter.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors report, but does not include the Ind AS financial statements and our auditor's report thereon.

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

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Ind AS prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs 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 this Ind AS financial statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures 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 Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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 Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

The comparative financial information of the Company for the year ended March 31, 2019 and the transition date opening balance sheet as at April 1, 2018 included in these Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by us whose report for the year ended March 31, 2019 and March 31, 2018 dated May 7, 2019 and May 9, 2018 respectively expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

(1) 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 "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(2) 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 purposes 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 Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account;

   d. In our opinion, the aforesaid Ind AS financial statements comply with the Ind AS prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;

   e. On the basis of the written representations received from the directors as on March 31, 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of section 164(2) of the Act;

f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure 2";

g. With respect to the other matter to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act:

   In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/ provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act;

h. 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, 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 litigations which would impact its financial position;

   (ii) The Company did not have any long-term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise;

   (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W / W100048

Sumant Sakhardande
Partner
Membership No.034828
UDIN: 20034828AAAACD7313

Place: Mumbai
Date: June 03, 2020

Annexure 1 to the Independent Auditor's Report

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section in the Independent Auditor's Report of even date to the members of Centrum Housing Finance Limited on the Ind AS financial statements for the year ended March 31, 2020]

Based on the audit procedures performed for the purpose of reporting a true and fair view on the Ind AS 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, we report that:

(i)

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) During the year, the fixed assets of the Company have been physically verified by the management and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) The Company does not have any immovable property. Accordingly, clause 3(i)(c) of the Order in not applicable to the Company.

(ii) The Company is in the business of providing services and does not have any inventory. Accordingly, clause 3(ii)(c) of the Order is not applicable to the Company.

(iii) The Company has granted unsecured loans to companies covered in the register maintained under section 189 of the Act. However, the Company has not granted any secured or unsecured loans to firms, Limited Liability Partnerships or other parties.

(a) The terms and conditions of the aforesaid loans granted by the Company are not prejudicial to the interest of the Company.

(b) The schedule of repayment of principal and payment of interest in respect of such loans has been stipulated and the repayments or receipts of principal amounts and interest are regular.

(c) In respect of the aforesaid loans, there is no overdue amount of loans granted to companies listed in the register maintained under section 189 of the Act.

(iv) The Company has not granted any loans or provided any guarantees or security to the parties covered under section 185 of the Act. Further, the Company has complied with the provisions of section 186 of the Act.

(v) The Company has not accepted any deposits from the public within the provisions of sections 73 to 76 of the Act and the rules framed there under. Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) The Central Government has not prescribed the maintenance of cost records for any of the products of the Company under sub-section (1) of section 148 of the Act and the rules framed there under.

(vii)

(a) The Company is regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and services tax (GST), customs duty, cess and any other material statutory dues applicable to it, except that there have been slight delay in few cases. During the year 2017-18, sales tax, value added tax, service tax and duty of excise subsumed in GST and are accordingly reported under GST.

No undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, GST, customs duty, cess and any other material statutory dues applicable to it, 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 with respect to income tax, sales tax, service tax, value added tax, GST, customs duty, excise duty which have not been deposited on account of any dispute.

(viii) During the year, the Company has not defaulted in repayment of loans or borrowings to banks or dues to debenture holders. Further, the Company has not taken any loan or borrowing from financial institution or government 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.

(x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.

(xi) Managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion, the Company is not a Nidhi Company. Therefore, clause 3(xii) of the Order is not applicable to the Company.

(xiii) All transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of Act, where applicable and the details have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.

(xiv) The Company has made preferential allotment of equity shares during the year and in our opinion, the requirement of section 42 of the Act have been complied with and the amounts so raised were used for the purposes for which funds was raised, further, funds which were not required for immediate utilisation have been temporarily invested in fixed deposits with banks.

(xv) The Company has not entered into any non-cash transactions with directors or persons connected with them during the year and hence provisions of section 192 of the Act are not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W / W100048

Sumant Sakhardande
Partner
Membership No.034828
UDIN: 20034828AAAACD7313

Place: Mumbai
Date: June 03, 2020

Annexure 2 to the Independent Auditor's Report

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section in our Independent Auditor's Report of even date to the members of **Centrum Housing Finance Limited** on the Ind AS financial statements for the year ended March 31, 2020]

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **Centrum Housing Finance Limited** ("the Company") as of March 31, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements 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 and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both 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 internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness.

Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes 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 with reference to Financial Statements

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

Opinion

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

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W / W100048

Sumant Sakhardande
Partner
Membership No.034828
UDIN: 20034828AAAACD7313

Place: Mumbai
Date: June 03, 2020

Balance Sheet as at March 31,2020

	Particulars	Note No.	As at March 31, 2020 ₹ in lakh	As at March 31, 2019 ₹ in lakh	As at April 1, 2018 ₹ in lakh
	ASSETS				
(1)	**Financial assets**				
(a)	Cash and cash equivalents	5	2,919.76	1,142.90	1,526.55
(b)	Bank balance other than (a) above	6	13,096.11	-	-
(c)	Loans	7	45,295.82	34,863.96	17,777.96
(d)	Investments	8	-	790.67	500.85
(e)	Other financial assets	9	49.50	28.49	21.54
(2)	**Non-financial assets**				
(a)	Current tax assets (net)	10	20.63	31.38	16.40
(b)	Deferred tax assets (net)	11	99.37	49.15	35.88
(c)	Property, plant and equipment	13	188.98	184.48	158.58
(d)	Right of use of assets	14	116.05	131.51	105.02
(e)	Intangible assets under development		-	-	30.00
(f)	Other intangible assets	15	23.78	29.18	2.10
(g)	Other non-financial assets	12	222.65	163.85	61.22
	Total assets		**62,032.65**	**37,415.57**	**20,236.10**
	LIABILITIES AND EQUITY				
	LIABILITIES				
(1)	**Financial liabilities**				
(a)	Payables				
	(I) Trade payables	16			
	(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		10.48	8.88	1.85
(b)	Debt securities	17	-	9,800.00	-
(c)	Borrowings (other than debt securities)	18	20,521.17	16,469.10	8,371.45
(d)	Lease Liability		122.44	138.48	107.65
(e)	Other financial liabilities	19	2,469.91	941.16	1,822.59
(2)	**Non-financial liabilities**				
(a)	Provisions	20	38.32	25.16	9.67
(b)	Other non-financial liabilities	21	111.49	88.48	21.07
(3)	**Equity**				
(a)	Equity share capital	22	26,686.84	10,000.00	10,000.00
(b)	Other equity	23	12,072.00	(55.69)	(98.18)
	Total equity		**38,758.84**	**9,944.31**	**9,901.82**
	Total liabilities and equity		**62,032.65**	**37,415.57**	**20,236.10**

As per our attached report of even date

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No.103523W/W100048

For and on behalf of the Board of
Centrum Housing Finance Limited

Sumant Sakhardande
Partner
Membership No 034828

Sridar Venkatesan
Chairman
DIN 02241339

Sanjay Shukla
Managing Director & CEO
DIN 06577462

Place: Mumbai
Date : June 03, 2020

Mehul Jatania
Chief Financial Officer

Alpesh Shah
Company Secretary

Profit and Loss Statement for the year ended March 31, 2020

	Particulars	Note No.	For the Year Ended March 31, 2020 ₹. in lakh	For the Year Ended March 31, 2019 ₹. in lakh
(1)	Revenue from operations			
(a)	Interest income	24	4,928.69	3,494.15
(b)	Fees income	25	105.19	171.18
(c)	Net gain on fair value changes	26	80.41	89.69
	Total revenue from operations (a)+(b)+(c)		**5,114.29**	**3,755.02**
(2)	Other income	27	95.01	61.12
(3)	**Total income (3) = (1) + (2)**		**5,209.30**	**3,816.14**
(4)	Expenses			
(a)	Finance costs	28	2,239.01	1,728.89
(b)	Impairment on financial instruments	29	177.37	100.06
(c)	Employee benefits expenses	30	1,309.08	1,033.67
(d)	Depreciation, amortisation and impairment	13-15	131.89	112.18
(e)	Others expenses	31	1,092.11	734.23
	Total expenses (a)+(b)+(c)+(d)+(e)		**4,949.46**	**3,709.03**
(5)	**Profit/(loss) before tax (3) - (4)**		**259.84**	**107.11**
(6)	Tax expense:			
(a)	Current tax		130.83	78.84
(b)	Tax expense for earlier years		-	15.09
(c)	Deferred tax		(51.31)	(12.16)
	Total tax expense (a)+(b)+(c)		**79.52**	**81.77**
(7)	**Profit/(loss) for the year (5) - (6)**		**180.32**	**25.34**
(8)	Other comprehensive income			
(a)	Items that will not be reclassified to profit or loss			
	- Remeasurements gain/(loss) on defind benefit plans		4.28	(4.00)
	- Income tax relating to these items		(1.08)	1.11
(b)	Items that will be reclassified to profit or loss			
	Other comprehensive income for the year (a)+(b)		**3.20**	**(2.89)**
(9)	**Total comprehensive income for the year (7) + (8)**		**183.53**	**22.45**
(10)	Earnings per equity share (Face value Rs 10 each)			
	- Basic EPS (₹)		**0.102**	**0.025**
	- Diluted EPS (₹)		**0.102**	**0.025**

As per our attached report of even date

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No.103523W/W100048

For and on behalf of the Board of
Centrum Housing Finance Limited

Sumant Sakhardande
Partner
Membership No 034828

Sridar Venkatesan
Chairman
DIN 02241339

Sanjay Shukla
Managing Director & CEO
DIN 06577462

Place: Mumbai
Date : June 03, 2020

Mehul Jatania
Chief Financial Officer

Alpesh Shah
Company Secretary

Cash Flow Statement for the year ended March 31, 2020

Particulars	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
	₹. in lakh	₹. in lakh
A.CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	259.84	107.11
Adjustments for:		
Depreciation and amortisation	131.89	112.18
Loss / (profit) on sale of investments	(82.21)	(89.69)
Net gain on fair value changes	1.80	(0.95)
Impairment on financials instruments (ECL)	177.37	100.06
Employee Stock Option scheme	105.16	-
Operating profit before working capital changes	334.00	121.60
Adjustments for:		
Increase / (Decrease) in financial assets	(23,705.33)	(17,186.06)
Increase / (Decrease) in Other financial assets	153.01	63.41
Increase / (Decrease) in financial assets	(59.17)	(102.98)
Increase in Trade payables	1.60	7.03
Increase / (Decrease) in Other financial liabilities	1,564.69	(857.79)
Increase / (Decrease) in Provisions	17.44	19.49
Increase / (Decrease) in Non financial liabilities	23.01	67.42
Cash used in operations	(22,004.76)	(17,989.48)
Taxes paid (net of refunds)	(120.07)	(78.73)
Net cash used in operating activities (A)	**(21,530.99)**	**(17,839.50)**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipment	(53.35)	(66.69)
Interest received on ICDs	(174.01)	(70.36)
Purchase of mutual fund units	(16,185.00)	(19,110.84)
Sale proceeds from mutual fund units	17,056.09	18,910.70
Net cash used in investing activities (B)	**643.73**	**(337.19)**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of shares (including securities premium) - net	18,714.47	-
Proceeds from issue of Compulsorily Convertible Debentures	-	9,800.00
Interest paid toward ICDs	(23.78)	(9.61)
Lease payments	(90.02)	(139.48)
Proceeds from Borrowings	9,100.00	10,850.00

Particulars	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
	₹. in lakh	₹. in lakh
Repayment of Borrowings	(5,024.48)	(2,707.87)
Dividend paid (including Dividend Distribution Tax)	(12.06)	-
Net cash from financing activities (C)	**22,664.13**	**17,793.04**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	1,776.87	(383.65)
Cash and cash equivalents as at the beginning of the year	1,142.90	1,526.55
Cash and cash equivalents as at the end of the year	**2,919.77**	**1,142.90**
Operating cash flow from interest	2,694.99	1,939.82
Interest paid	2,630.36	1,190.04
Interest received	5,325.35	3,129.86

For disclosures relating to changes in liability arising from financing activity - refer note no. 34
The above cash flow statements have been prepared under the indirect method set out in in Ind AS 7 on 'Statement of Cash Flows'.

As per our attached report of even date

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No.103523W/W100048

For and on behalf of the Board of
Centrum Housing Finance Limited

Sumant Sakhardande
Partner
Membership No 034828

Sridar Venkatesan
Chairman
DIN 02241339

Sanjay Shukla
Managing Director & CEO
DIN 06577462

Place: Mumbai
Date : June 03, 2020

Mehul Jatania
Chief Financial Officer

Alpesh Shah
Company Secretary

a) Equity Share Capital

₹. in lakh

Particulars	Outstanding as on April 01, 2018	Issued during the year	Outstanding as on March 31, 2019	Issued during the year	Outstanding as on March 31, 2020
Issued, subscribed and paid up (Equity shares of ₹ 10 each)	10,000.00	-	10,000.00	16,686.84	26,686.84
Total	10,000.00	-	10,000.00	16,686.84	26,686.84

b) Other equity

₹. in lakh

Particulars	Reserves and surplus				Employee stock option reserve	Deemed Capital Contribution	Total other equity
	Statutory reserve created under section 29C of the National Housing Bank Act, 1987	Special Reserve Created under of Section 36(1) (viii) of the Income Tax Act, 1961 read with Section 29C of National Housing Bank Act, 1987	Securities Premium	Retained Earnings			
As at April 01, 2018	4.69	-	-	(125.96)	-	23.09	(98.18)
Profit for the year	-	-	-	25.34	-	-	25.34
Dividends	-	-	-	-	-	-	-
Financial guarantee	-	-	-	-	-	20.04	20.04
Other comprehensive income	-	-	-	(2.89)	-	-	(2.89)
Total comprehensive income for the year	-	-	-	22.45	-	20.04	42.49
Transfer to Statutory Reserve	1.30	-	-	(1.30)	-	-	-
Transfer to Special Reserve	-	28.73	-	(28.73)	-	-	-
As at March 31, 2019	5.99	28.73	-	(133.54)	-	43.13	(55.69)

₹. in lakh

Particulars	Reserves and surplus				Employee stock option reserve	Deemed Capital Contribution	Total other equity
	Statutory reserve created under section 29C of the National Housing Bank Act, 1987	Special Reserve Created under of Section 36(1) (viii) of the Income Tax Act, 1961 read with Section 29C of National Housing Bank Act, 1987	Securities Premium	Retained Earnings			
Profit for the year	-	-	-	180.32	-	-	180.32
Dividends	-	-	-	(12.06)	-	-	(12.06)
Employee Stock Option	-	-	-	-	105.16	-	105.16
Financial guarantee	-	-	-	-	-	23.45	23.45
Other comprehensive income	-	-	-	3.20	-	-	3.20
Issue of equity instrument	-	-	12,337.73	-	-	-	12,337.73
Less-Share issue expenses	-	-	(510.10)	-	-	-	(510.10)
Total comprehensive income for the year	-	-	11,827.63	171.46	105.16	23.45	12,127.70
Transfer to Statutory Reserve	3.38	-	-	(3.38)	-	-	-
Transfer to Special Reserve	-	32.69	-	(32.69)	-	-	-
As at March 31 ,2020	9.37	61.42	11,827.63	1.86	105.16	66.58	12,072.00

As per our attached report of even date

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No.103523W/W100048

For and on behalf of the Board of Centrum Housing Finance Limited

Sumant Sakhardande
Partner
Membership No 034828

Sridar Venkatesan
Chairman
DIN 02241339

Sanjay Shukla
Managing Director & CEO
DIN 06577462

Place: Mumbai
Date : June 03, 2020

Mehul Jatania
Chief Financial Officer

Alpesh Shah
Company Secretary

Notes forming part of the Financial Statements for the year ended March 31, 2020

CORPORATE INFORMATION

1. Corporate Information:

Centrum Housing Finance Limited ("the Company") was incorporated on March 03, 2016 under the provisions of Companies Act 2013. The Company has received certificate of registration, under Section 29A of the National Housing Bank (NHB) Act, 1987 from the NHB on November 10, 2016 to carry on the business of a housing finance institution without accepting public deposits. The Company is a subsidiary of Centrum Capital Limited.

The main objects of the Company, inter alia, are to carry on the business of making loans and advances, providing financial and consultancy services to manage, invest in, acquire, and hold, sale, buy, or otherwise to deal in houses, apartments, flats, real estate and building of all descriptions.

2. Basis of preparation:

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015. The Company has adopted Ind AS from April 1, 2019 with effective transition date as April 1, 2018. These financial statements have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 (the "Act"). The transition was carried out from Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 ("IGAAP" or "previous GAAP").

Refer to note no 47 for information on how the Company has adopted Ind AS.

These financial statements have been prepared on a historical cost basis, except for certain financial instruments which have been measured at fair value at the end of each reporting period as explained in the accounting policies below. The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest rupee except when otherwise indicated.

2.1 Presentation of financial statements:

The Company presents its balance sheet in order of liquidity in compliance with the Division III of the Schedule III to the Companies Act, 2013. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in 'Note No. 38 Maturity Analysis of assets and liabilities"

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

- The normal course of business
- The event of default
- The event of insolvency or bankruptcy of the Company and or its counterparties

3. Significant accounting policies:

3.1 Recognition of Interest income and Fees income:

3.1.1 Effective Interest Rate (EIR):

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

The EIR is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Company recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loan. Hence, it recognises the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle including prepayments penalty interest and charges.

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

3.1.2 Interest Income:

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 EIR to the amortised cost (net of expected credit loss) of the financial asset. If the financial assets cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

Default Interest income on delayed **EMI /** pre EMI is recognised on receipt basis.

3.1.3 Fees Income:

Fees income, i.e., login fee, pre-payment / other charges etc. (other than for those items to which Ind AS 109 - Financial Instruments are applicable) is measured at fair value of the consideration received or receivable when the Company satisfies the performance obligation.

3.2 Financial Instruments:

3.2.1 Date of recognition:

Financial assets and liabilities with exception of loans and borrowings are initially recognized on the trade date, i.e., the date the Company becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place. Loans are recognised when funds are transferred to the customers' account or cheques are issued to the customer. The Company recognises borrowings when funds are available for utilisation to the Company.

3.2.2 Initial measurement of financial instruments:

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit and loss account.

3.2.3 Classification and Measurement categories of financial assets and liabilities:

The Company classifies all of its financial assets based on the business model for managing the assets and the assets' contractual terms, measured at either:

- Amortised cost
- Fair value through other comprehensive income (FVOCI)
- Fair value through profit or loss (FVTPL)

The Company measures debt financial assets that meet the following conditions at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the financial asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at FVTPL.

Financial assets carried at amortised cost (AC):

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The changes in carrying value of financial assets are recognised in profit and loss account.

Financial assets at fair value through other comprehensive income (FVTOCI):

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The changes in fair value of financial assets are recognised in Other Comprehensive Income.

Financial assets at fair value through profit or loss (FVTPL):

A financial asset which is not classified in any of the above categories is measured at FVTPL. The Company measures all financial assets classified as FVTPL at fair value at each reporting date. The changes in fair value of financial assets are recognised in profit and loss account.

3.3 Financial Assets and Liabilities:

3.3.1 Financial assets held for trading:

The Company classifies financial assets as held for trading when they have been purchased primarily for short-term profit making through trading activities or form part of a portfolio of financial instruments that are managed together, for which their evidence of a recent pattern of short-term profit is taking. Held-for-trading assets are recorded and measured in the balance sheet at fair value. Changes in fair value are recoganised in net gain on fair value changes.

3.3.2 Debt securities and other borrowed funds:

The Company measures debt issued and other borrowed funds at Amortised cost at each reporting date. Amortised cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the EIR.

3.3.3 Financial Guarantee:

Financial guarantees are contract that requires the Company to make specified payments to reimburse to holder for loss that it incurs because a specified debtor fails to make payment when it is due in accordance with the terms of a debt instrument.

Financial guarantee issued or commitments to provide a loan at below market interest rate are initially measured at fair value and the initial fair value is amortised over the life of the guarantee or the commitment. Subsequently they are measured at higher of this amortised amount and the amount of loss allowance.

3.3.4 Loan Commitments:

Undrawn loan commitments are commitments under which, the Company is required to provide a loan with pre-specified terms to the customer over the duration of the commitment. Undrawn loan commitments (Loan sanctioned and partially disbursed) are in the scope of the ECL requirements.

3.4 Reclassification of Financial assets and liabilities:

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. The Company didn’t reclassify any of its financial assets or liabilities in current year and previous year.

3.5 Derecognition of financial instruments:

3.5.1 Derecognition of financial asset:

A financial asset (or, where applicable a part of a financial asset or a part of a group of similar financial assets) is derecognised when the rights to receive contractual cash flows from the financial asset have expired. The Company also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Company has transferred the financial asset if, and only if, either

- the Company has transferred the rights to receive cash flows from the financial asset; or
- it retains the contractual rights to receive the cash flows of the financial asset, but assumed a contractual obligation to pay the cash flows in full without material delay to third party.

A transfer only qualifies for derecognition if either:

- the Company has transferred substantially all the risks and rewards of the asset; or
- the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

The Company also derecognises a financial asset, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new financial asset, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded.

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Company records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

3.5.2 Derecognition of financial liabilities:

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

3.6 Impairment of financial assets:

The Company records provisions based on expected credit loss model ("ECL") on all loans, other financial assets not measured at FVTPL together with undrawn loan commitment and financial guarantee contracts, in this section all referred to as "Financial instrument". Equity instruments are not subject to impairment.

ECL is a probability-weighted estimate of credit losses. A credit loss is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive discounted at the original EIR. Because ECL considers the amount and timing of payments, a credit loss arises even if the entity expects to be paid in full but later than when contractually due.

Simplified Approach:

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on portfolio of its receivables. The provision matrix is based on its historically observed default rates over the expected life of receivables.

General Approach:

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk (SICR) since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses (12m ECL). The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of an evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12m ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The measurement of expected credit losses is a function of the probability of default (PD), loss given default (LGD) (i.e., the magnitude of the loss if there is a default), and the exposure at default (EAD). The assessment of the probability of default (PD) and loss given default (LGD) is based on historical data adjusted by forward-looking information. As for the EAD, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for loan commitments and financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Company's understanding of the specific future financing needs of the customers, and other relevant forward-looking information.

The Company categories its financial assets as follows:

Stage 1:
Stage 1 assets include financial instruments that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date. For these assets, 12-month ECL allowances are recognised.

Stage 2:
Stage 2 assets include financial instruments that have had a significant increase in credit risk since initial recognition. For these assets lifetime ECL allowances are recognised.

Stage 3:
Stage 3 assets are considered credit-impaired and the Company recognises the lifetime ECL allowances for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

The Company recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

The ECL on the loan commitment are recognised together with the loss allowance for the financial asset.

3.7 Collateral Valuation:
To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, letters of credit /guarantees, real estate, receivables, inventories, other non-financial assets and credit enhancements such as netting agreements. Collateral, unless repossessed, is not recorded on the Company's balance sheet. However, the fair value of collateral affects the calculation of ECLs. It is generally assessed, at a minimum, at inception and re-assessed on a periodic basis.

To the extent possible, the Company uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market value are valued using models.

3.8 Write-Offs:
Financial assets are written off either partially or in their entirety only when the Company has no reasonable expectation of recovery.

3.9 Determination of Fair Value:
The Company measures financial instruments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data points are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

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

Level 2 financial instruments:
Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available.

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The Company periodically reviews its valuation techniques including the adopted methodologies and model calibrations.

Therefore, the Company applies various techniques to estimate the credit risk associated with its financial instruments measured at fair value, which include a portfolio-based approach that estimates the expected net exposure per counterparty over the full lifetime of the individual assets, in order to reflect the credit risk of the individual counterparties for non-collateralised financial instruments.

The Company evaluates the levelling at each reporting period on an instrument-by-instrument basis and reclassifies instruments when necessary based on the facts at the end of the reporting period.

3.10 Leases:

The Company as a lessee

The Company assesses whether a contract contains a 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: (1) the contract involves the use of an identified asset (2) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes 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 term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized 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 amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

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

The Company as a lessor:
Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

Transition:
Effective April 1, 2018, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2018 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the lessee's incremental borrowing rate at the date of initial application.

The following is the summary of practical expedients elected on initial application:

- applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date;
- applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application;
- excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application;
- applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

3.11 Earnings per Share:

Basic earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding for the year.

Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by weighted average number of equity shares considered for deriving basic earnings per share and weighted average number of equity shares that could have been issued upon conversion of all potential equity shares.

3.12 Retirement and other employee benefits:

3.12.1 Provident fund and national pension scheme:

The Company contributes to a recognised provident fund and national pension scheme which is a defined contribution scheme. The contributions are accounted for on an accrual basis and recognised in the statement of profit and loss.

3.12.2 Gratuity:

The Company's gratuity scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that the employees have earned in return for their service in the current and prior periods, that benefit is discounted to determine its present value, and the fair value of any plan assets, if any, is deducted. The present value of the obligation under such benefit plan is determined based on independent actuarial valuation using the Projected Unit Credit Method.

Re-measurement, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur.

Remeasurements are not reclassified to profit or loss in subsequent periods.

3.12.3 Compensated Absences:

The eligible employees of the Company are permitted to carry forward certain number of their annual leave entitlement to subsequent years, subject to a ceiling. The Company recognises the charge in the statement of profit and loss and corresponding liability on such non-vesting accumulated leave entitlement based on a valuation by an independent actuary. The cost of providing annual leave benefits is determined using the projected unit credit method.

3.12.4 Share-based payment arrangements:

Equity-settled share-based payments to employees that are granted by the Company are measured by reference to the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed over the vesting period, 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 period, 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 profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

3.13 Property, plant and equipment:

Property plant and equipment is stated at cost, less accumulated depreciation and accumulated impairment in value. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

Subsequent costs incurred on an item of property, plant and equipment is recognised in the carrying amount thereof when those costs meet the recognition criteria as mentioned above. Repairs and maintenance are recognised in profit or loss as incurred.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives. Depreciation is provided on a written down value basis from the date the asset is ready for its intended use or put to use whichever is earlier. In respect of assets sold, depreciation is provided up to the date of disposal.

As per the requirement of Schedule II of the Companies Act, 2013, the Company has evaluated the useful lives of the respective fixed assets which are as per the provisions of Part C of the Schedule II for calculating the depreciation. The estimated useful lives of the fixed assets are as follows:

Nature of assets	**Estimated useful lives**
Furniture and fixtures	10 years
Vehicles	8 years
Office Equipment	5 years
Computers - Servers and networks	6 years
Computers - End user devices, such as desktops, laptops, etc.	3 years

Leasehold improvements are amortised on a straight-line basis over the estimated useful lives of the assets or the period of lease whichever is earlier.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The carrying amount of those components which have been separately recognised as assets is derecognised at the time of replacement thereof. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss account.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

For transition to Ind AS, the Company has elected to continue with carrying value of all of its property, plant and equipment recognised as of April 01, 2018 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

3.14 Intangible Assets:

Intangible assets are recorded at the consideration paid for the acquisition of such assets and are carried at cost less accumulated amortization and impairment, if any.

Intangibles such as software are amortised over a period of 3 years based on its estimated useful life. For transition to Ind AS, the Company has elected to continue with carrying value of all of its intangible assets recognised as of April 01, 2018 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

3.15 Impairment of non-financial assets:

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired based on internal/external factors. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of cash generating unit which the asset belongs to is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of the depreciable historical cost.

3.16 Provisions and other contingent liabilities:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessment of the time value of money and, where appropriate, the risk specific to the liability.

A present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Claims against the Company, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

3.17 Cash and cash equivalents:

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less.

3.18 Income tax expenses:

Income tax expense represents the sum of the tax currently payable and deferred tax.

3.18.1 Current tax:

The tax currently payable is based on taxable profit for the year. Taxable profit differs from ‘profit before tax’ as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company’s current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

3.18.2 Deferred tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3.18.3 Current and Deferred tax for the year:

Current and deferred tax are recognised in profit or loss, except when they relate to items 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.

4. Significant accounting judgements, estimates and assumptions:

The preparation of these financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the standalone financial statements are included are given below:

4.1 Business model assessment:

The Company determines the business model at a level that reflects how the financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held.

4.2 Significant increase in credit risk:

ECL is measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. Ind AS 109 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Company takes into account qualitative and quantitative reasonable and supportable forward-looking information.

4.3 Key sources of estimation uncertainty:

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, as described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

4.4 Fair value of financial instruments:

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses its judgement to select a variety of methods and make assumptions based on market conditions existing at the end of each reporting period. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk, funding value adjustments, correlation and volatility.

4.5 Effective Interest Rate (EIR) Method:

The Company's EIR methodology, as explained in Note 3.1.1, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the contractual life of loans given / taken and recognises the effect of potentially different interest rates 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 behavior and life cycle of the instrument, as well expected changes India's base rate and other fee income, expenses that are integral part of the instrument

4.6 Impairment of Financial assets:

The impairment provisions for the financial assets are based on assumptions about estimation of the amount and timing of future cash flows, collateral values, assessment of a significant increase in credit risk, probability of default (PD) and Loss given default (LGD) rates. The Company uses judgements in making these assumptions and selecting the inputs for impairment calculations based on its past history, existing market conditions and forward looking estimates at the end of each period.

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

- The Company's internal credit grading model, which assigns PDs to the individual grades based on ageing.
- The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a Life Time ECL basis and the qualitative assessment.
- Development of ECL models, including the various formulas and the choice of inputs, determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EADs and LGDs.
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

It is the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

4.7 Impairment of Non-Financial assets:

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indications exist, the Company estimates the asset's recoverable amount. An asset's recoverable amount is higher of an asset's fair value less cost of disposal and its value in use. Where the carrying amount exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

4.8 Provisions and contingent liabilities:

The Company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in various litigation, arbitration and regulatory investigations and proceedings in the ordinary course of its business.

When the Company can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Company records a provision against the case. Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

Given the subjectivity and uncertainty of determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

4.9 Provisions for Income Taxes:

Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectation of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

4.10 Standards issued but not effective:

There are no standards that are issued but not yet effective on March 31, 2020.

5 Cash and cash equivalents

₹. in lakh

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Cash on hand	5.85	8.14	0.71
Cheques on hand	-	0.20	1,375.21
Balances with banks:			
In current accounts	323.98	965.10	56.22
In deposit accounts with original maturity less than 3 months (including interest accrued)	2,589.93	169.46	94.41
Total	**2,919.76**	**1,142.90**	**1,526.55**

6 Bank balance other than cash and cash equivalents

₹. in lakh

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Balances with banks:			
In earmarked accounts	-	-	-
Fixed deposits with banks (including interest accrued)	13,096.11	-	-
Total	13,096.11	-	-

i) Balances with banks include deposits under lien of ₹ Nil (previous year ₹ Nil) against bank guarantees and overdraft facility

ii) Balances with banks include deposits of ₹ Nil (previous year ₹ Nil) having original maturity of more than 3 months

7 Loans

₹. in lakh

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
At amortised cost			
Term loans (secured)			
Housing Loans	35,534.11	27,497.62	13,243.97
Non Housing Loans	8,092.88	7,522.22	4,589.81
Others	2,002.08	-	
Total (A) - Gross	45,629.07	35,019.84	17,833.78
(Less): Impairment loss allowance (Expected Credit Loss) - refer note no. 32	(333.25)	(155.88)	(55.82)
Total (A) - Net	**45,295.82**	**34,863.96**	**17,777.96**
Secured by property, plant and equipments	45,629.07	35,019.84	17,833.78
Secured by intangible assets	-	-	-
Covered by bank/government guarantees	-	-	-
Unsecured	-	-	-

Total (B) - Gross	45,629.07	35,019.84	17,833.78
(Less): Impairment loss allowance	(333.25)	(155.88)	(55.82)
Total (B) - Net	**45,295.82**	**34,863.96**	**17,777.96**
(I) Loans in India			
- Public sector	-	-	-
- Others	45,629.07	35,019.84	17,833.78
Total (C) (I) - Gross	45,629.07	35,019.84	17,833.78
(Less): Impairment loss allowance	(333.25)	(155.88)	(55.82)
Total (C) (I) - Net	**45,295.82**	**34,863.96**	**17,777.96**
(II) Loans outside India	**-**	**-**	**-**
(Less): Impairment loss allowance	-	-	-
Total (C) (II) - Net	**-**	**-**	**-**
Total (C) (I) and (II)	**45,295.82**	**34,863.96**	**17,777.96**

8 Investments

₹. in lakh

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Mutual funds (measured at FVTPL)			
Investment in ICICI liquid income plan	-	383.18	500.85
Investment in Reliance Liquid Fund- Growth Plan	-	407.49	-
Total (A) - Gross	**-**	**790.67**	**500.85**
Investments outside India	-	-	-
Investments in India	-	790.67	500.85
Total (B) - Gross	**-**	**790.67**	**500.85**
(Less): Impairment loss allowance (Expected Credit Loss) (C)	-	-	-
Total - Net (D) = (A) - (C)	**-**	**790.67**	**500.85**

9 Other financial assets

₹. in lakh

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Security Deposits	49.50	28.49	21.54
Total	**49.50**	**28.49**	**21.54**

10 Current tax assets (net)

₹. in lakh

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Advance tax (Net of provision ₹ 240.51 lakh) (PY ₹ 109.68 lakh)	20.63	31.38	16.40
Total	**20.63**	**31.38**	**16.40**

11 Deferred tax liabilities (net)

₹. in lakh

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Deferred tax liabilities			
Depreciation on Property, plant and equipments	15.79	12.45	5.55
Special Reserve	-	7.99	-
Unamortised loan origination cost	78.34	60.64	18.92
Fair value of investments	-	0.50	0.22
Total deferred tax liabilities (A)	**94.13**	**81.58**	**24.69**
Deferred tax assets			
Provision for employee benefits	9.64	7.32	3.01
Expected Credit Loss	83.87	39.88	14.51
Fair valuation of financial instruments (net)	0.04	0.04	0.02
Lease	2.47	2.79	1.37
Unamortised processing fees	97.49	80.69	41.66
Total deferred tax assets (B)	193.50	130.72	60.57
Opening DTL/(DTA)	(49.15)	35.88	-
Closing DTL/(DTA)	(99.37)	(49.15)	(35.88)
Charged to PL	**51.31**	**12.16**	**35.88**
Charged to OCI	**(1.08)**	**1.11**	**-**

12 Other non-financial assets

₹. in lakh

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Unamortised expenses: Loan acquisition cost	96.30	114.61	40.97
Other advances - unsecured, considered good	19.50	2.31	18.22
Balance with Government Authorities	106.70	29.75	-
Insurance advance	0.15	0.49	0.16
Prepaid expenses	-	16.70	1.87
Total	**222.65**	**163.85**	**61.22**

13 Property, plant and equipment

₹. in lakh

Particulars	Office Equipment	Computer	Furniture & Fixtures	Vehicles	Total
Gross carrying amount					
Deemed cost as at April 01, 2018	2.32	36.52	31.72	88.02	158.58
Additions	-	23.62	34.46	8.61	66.69
Disposals and transfers					-
Closing gross carrying amount as at March 31, 2019	**2.32**	**60.14**	**66.17**	**96.63**	**225.26**
Accumulated depreciation as at April 01, 2018	-	-	-	-	-
Depreciation charged	0.40	18.74	10.23	11.42	40.79
Disposals and transfers					
Closing accumulated depreciation as at March 31, 2019	**0.40**	**18.74**	**10.23**	**11.42**	**40.79**
Net carrying amount as at March 31, 2019	**1.92**	**41.39**	**55.95**	**85.22**	**184.48**
Gross carrying amount as at March 31, 2019	2.32	60.14	66.17	96.63	225.26
Additions	0.09	10.01	15.85	27.40	53.35
Disposals and transfers	-	-	-	-	-
Closing gross carrying amount as at March 31, 2020	**2.41**	**70.15**	**82.02**	**124.03**	**278.61**
Accumulated depreciation as at March 31, 2019	0.40	18.74	10.23	11.42	40.79
Depreciation charged	0.41	22.43	13.07	12.93	48.84
Disposals and transfers	-	-	-	-	-
Closing accumulated depreciation	**0.81**	**41.17**	**23.30**	**24.35**	**89.63**
Net carrying amount as at March 31, 2020	**1.60**	**28.97**	**58.73**	**99.69**	**188.98**

14 Right to use

₹. in lakh

Particulars	Right to use - premises	Total
Gross carrying amount		
Deemed cost as at April 01, 2018	105.02	105.02
Additions	94.96	94.96
Disposals and transfers		-
Closing gross carrying amount as at March 31, 2019	**199.98**	**199.98**
Accumulated depreciation as at April 01, 2018		
Depreciation charged	68.48	68.48
Disposals and transfers		
Closing accumulated depreciation as at March 31, 2019	**68.48**	**68.48**
Net carrying amount as at March 31, 2019	**131.51**	**131.51**
Gross carrying amount as at March 31, 2019	199.98	199.98
Additions	62.20	62.20
Disposals and transfers		-
Closing gross carrying amount as at March 31, 2020	**262.18**	**262.18**
Accumulated depreciation as at March 31, 2019	68.48	68.48
Depreciation charged	77.64	77.64
Disposals and transfers		-
Closing accumulated depreciation	**146.12**	**146.12**
Net carrying amount as at March 31, 2020	**116.05**	**116.05**

15 Intangible assets

₹. in lakh

Particulars	Computer Software	Intangible assets under development
Gross carrying amount		
Deemed cost as at April 1, 2018	2.10	30.00
Additions	30.00	-
Disposals and transfers	-	(30.00)
Closing gross carrying amount as at March 31, 2019	**32.10**	**-**
Accumulated depreciation as at April 1, 2018	-	-
Depreciation charged	2.92	-
Disposals and transfers	-	-
Closing accumulated depreciation as at March 31, 2019	**2.92**	**-**
Net carrying amount as at March 31, 2019	**29.18**	**-**

₹. in lakh

Particulars	Computer Software	Intangible assets under development
Gross carrying amount as at March 31, 2019	32.10	-
Additions	-	-
Disposals and transfers	-	-
Closing gross carrying amount as at March 31, 2020	**32.10**	**-**
Accumulated depreciation as at March 31, 2019	2.92	-
Depreciation charged	5.41	
Disposals and transfers	-	-
Closing accumulated depreciation as at March 31, 2020	**8.32**	**-**
Net carrying amount as at March 31, 2020	**23.78**	**-**

16 Trade payables

₹. in lakh

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
- Total outstanding dues of micro enterprises and small enterprises	-	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	10.48	8.88	1.85
Total	**10.48**	**8.88**	**1.85**

17 Debt securities

₹. in lakh

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
At amortised cost			
Liability component of compound financial instruments			
- 9% Compulsorily Convertible Debentures	-	9,800.00	-
Total (A)	**-**	**9,800.00**	**-**
Debt securities in India	-	9,800.00	-
Debt securities outside India	-	-	-
Total (B)	**-**	**9,800.00**	**-**

18 Borrowings (other than debt securities)

₹. in lakh

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
At amortised cost			
Term loan (secured) - refer note no. 44			
- From banks	20,020.64	16,169.45	8,085.57
- From other parties	-	-	-
Overdraft against fixed deposit	200.53	-	-
Cash credit from banks	300.00	299.65	285.88
Total (A)	**20,521.17**	**16,469.10**	**8,371.45**
Borrowings in India	20,521.17	16,469.10	8,371.45
Borrowings outside India	-	-	-
Total (B)	**20,521.17**	**16,469.10**	**8,371.45**

19 Other financial liabilities

₹. in lakh

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Interest accrued and due on borrowings	89.10	0.30	20.00
Interest accrued but not due on borrowings	1.45	517.55	-
Leave travel allowances	24.77	16.52	-
Book Overdraft	2,314.84	385.48	1,775.85
Others	39.75	21.32	26.73
Total	**2,469.91**	**941.16**	**1,822.59**

20 Provisions

₹. in lakh

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Provision for Employee benefits - refer note no. 37			
- Provision for gratuity	20.29	12.11	1.11
- Provision for compensated absences	18.03	13.05	8.57
Total	**38.32**	**25.16**	**9.67**

21 Other non-financial liabilities

₹. in lakh

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Statutory dues payable	111.49	88.48	21.07
Total	**111.49**	**88.48**	**21.07**

22 Equity share capital

Particulars	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
	Number in lakh	₹. in lakh	**Number in lakh**	₹. in lakh	**Number in lakh**	₹. in lakh
Authorised shares						
Equity shares of ₹ 10 each	3,000.00	30,000.00	2,250.00	22,500.00	1,000.00	10,000.00
Issued, subscribed & paid-up shares						
Issued and subscribed equity shares of ₹ 10 each	1,688.69	16,886.94	1,000.00	10,000.00	1,000.00	10,000.00
26,68,68,399 (as at March 31, 2019: 9,99,99,986) equity shares of ₹ 10 each fully paid up	1,000.02	10,000.17	1,000.00	10,000.00	1,000.00	10,000.00
Total	**1,688.69**	**16,886.94**	**1,000.00**	**10,000.00**	**1,000.00**	**10,000.00**

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

Particulars	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
	Number in lakh	₹. in lakh	**Number in lakh**	₹. in lakh	**Number in lakh**	₹. in lakh
Outstanding at the beginning of the year	1,000.00	10,000.00	1,000.00	10,000.00	500.00	5,000.00
Addition during the year	688.68	6,886.84	-	-	500.00	5,000.00
Shares allotted pursuant to conversion of Compulsorily Convertible Debentures into equity shares	980.00	9,800.00	-	-	-	-
Outstanding at the end of the year	**2,668.68**	**26,686.84**	**1,000.00**	**10,000.00**	**1,000.00**	**10,000.00**

7,44,80,000 shares were issued for consideration other than cash, as a result of conversion of CCDs, to Centrum Capital Limited on June 4, 2019.

2,35,20,000 shares were issued for consideration other than cash, as a result of conversion of CCDs, to B.G. Advisory Services LLP on January 24, 2020

Aggregate number of bonus share issued and shares bought back during the period of three years immediately preceeding the reporting date is NIL.

b) Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 each. Each holder of equity share is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all the preferential amounts. The distribution will be in proportion to the number of equity shares held by the Shareholders.

c) Shares of the Company held by the holding/ultimate holding company

Equity shareholders	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
	Number in lakh	**% holding**	**Number in lakh**	**% holding**	**Number in lakh**	**% holding**
Centrum Capital Limited	1,504.80	56.39%	760.00	76.00%	760.00	76.00%

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

Equity shareholders	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
	Number in lakh	% holding	Number in lakh	% holding	Number in lakh	% holding
Centrum Capital Limited	1,504.80	56.39%	760.00	76.00%	760.00	76.00%
NHPEA Kamet Holding B.V.	666.90	24.99%	-		-	-
B.G. Advisory Services LLP	467.94	17.53%	240.00	24.00%	240.00	24.00%

23 Other equity

₹. in lakh

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Statutory reserve	9.37	5.99	4.69
Special reserve	61.42	28.73	-
Securities premium	11,827.63	-	-
Retained earnings	1.86	(133.54)	(125.96)
Employee stock option reserve	105.16	-	-
Deemed capital contribution	66.58	43.13	23.09
Total	**12,072.00**	**(55.69)**	**(98.18)**

Nature and purpose of reserves

a) Securities premium

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

b) Reserve under section 29C of National Housing Bank Act, 1987

The company is required to create reserve by transferring a sum not less than twenty per cent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared.

c) Deemed capital contribution

This reserve relates to corporate guarantee issued by the parent company.

d) Retained earnings

Retained Earnings comprise of the Company's undistributed earnings after taxes.

24 Interest income

₹. in lakh

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
On financial assets measured at amortised cost:		
Interest on loans	4,618.46	3,414.43
Interest on inter corporate deposits	174.01	70.36
Interest on deposits with banks	136.22	9.36
Total	**4,928.69**	**3,494.15**

25 Fees income

₹. in lakh

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Fees income	105.19	171.18
Total	**105.19**	**171.18**

26 Net gain on fair value changes

₹. in lakh

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Net gain /(loss) on financial instruments at FVTPL		
On trading portfolio		
-Investment	80.41	89.69
Total (A)	**80.41**	**89.69**
Fair Value changes:		
Realised	82.21	87.89
Unrealised	(1.80)	1.80
Total (B)	**80.41**	**89.69**

27 Other income

₹. in lakh

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Unwinding of interest on security deposits	2.05	1.93
Other income	92.50	59.19
Profit/(loss) on modification of lease term	0.46	-
Total	**95.01**	**61.12**

28 Finance cost

₹. in lakh

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
On financial liabilities measured at amortised cost:		
Interest on borrowings	1,910.87	1,166.98
Other interest expense (including bank charges)	23.78	9.61
Interest expense - leases	12.16	14.04
Interest on debt securities	292.20	538.26
Total	**2,239.01**	**1,728.89**

29 Impairment on financial instruments

₹. in lakh

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
On financial instruments measured at amortised cost:		
Loans		
Provision for Expected Credit Loss (including on loan commitment)	177.37	100.06
Total	**177.37**	**100.06**

30 Employee benefits expenses

₹. in lakh

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries and wages	1,108.61	971.77
Expense on Employee Stock Option Scheme (ESOP)	105.16	-
Gratuity expense	12.46	7.00
Contribution to provident and other funds	65.68	50.42
Staff welfare expense	3.08	2.66
Others	14.09	1.82
Total	**1,309.08**	**1,033.67**

31 Other expenses

₹. in lakh

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Advertisement	0.59	0.95
Audit fees	10.06	7.93
Communication cost	12.61	14.78
Directors' sitting fees	25.80	9.27
Filing fees	63.90	121.15
Legal and professional fees	42.93	28.50
Loan origination costs	37.44	26.14
Manpower outsourcing	101.07	63.47
Office expenses	36.16	32.36
Printing & stationery	11.35	16.38
Rent, rates and taxes	138.07	106.57
Repairs and maintenance	9.08	8.47
Shared support cost	344.44	-
Software subscription	66.77	69.74
Travelling and conveyance	50.86	39.16
Travelling expenses for Directors	10.41	11.03
Underwriting expenses	86.35	166.01
Miscellaneous expenses	44.22	12.32
Total	**1,092.11**	**734.23**

31.1 Breakup of Auditor's remuneration

₹. in lakh

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Statutory audit	6.00	4.50
Limited review	2.25	1.96
Certification fees	1.45	1.24
Out of pocket expenses	0.36	0.23
Total	**10.06**	**7.93**

32. The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system and policies on whether ECL allowances are calculated on an individual or collective basis are disclosed.

₹. in lakh

Internal rating grade	As at March 31, 2020			Total
	Stage 1	Stage 2	Stage 3	
Performing				
High grade	40,088.28	-	-	40,088.28
Standard grade	-	2,893.63	-	2,893.63
Sub-standard grade	-	-	-	-
Past due but not impaired	-	-	-	-
Non- performing				
Individually impaired	-	-	645.07	645.07
Total	**40,088.28**	**2,893.63**	**645.07**	**43,626.98**

Note- The Loan assets figure of ₹ 43,626.98 lakh and its classification / bifurcation where ever disclosed in notes is net of EIR.

₹. in lakh

Internal rating grade	As at March 31, 2019			Total
	Stage 1	Stage 2	Stage 3	
Performing				
High grade	33,736.60	-	-	33,736.60
Standard grade	-	1,096.45	-	1,096.45
Sub-standard grade	-	-		-
Past due but not impaired	-	-	-	-
Non- performing				
Individually impaired	-	-	186.79	186.79
Total	**33,736.60**	**1,096.45**	**186.79**	**35,019.84**

Note- The Loan assets figure of ₹ 35,019.84 lakh and its classification / bifurcation where ever disclosed in notes is net of EIR.

₹. in lakh

Internal rating grade	As at April 1, 2018			Total
	Stage 1	Stage 2	Stage 3	
Performing				
High grade	17,811.79	-	-	17,811.79
Standard grade	-	21.99	-	21.99
Sub-standard grade	-	-	-	-
Past due but not impaired	-	-	-	-
Non- performing				
Individually impaired	-	-	-	-
Total	**17,811.79**	**21.99**	**-**	**17,833.78**

Note- The Loan assets figure of ₹ 17,833.78 lakh and its classification/ bifurcation where ever disclosed in notes is net of EIR.

₹. in lakh

Particulars	As at March 31, 2020			Total
	Stage 1	Stage 2	Stage 3	
Opening balance	33,736.60	1,096.45	186.79	35,019.84
New assets originated or purchased	13,360.39	73.14	-	13,433.53
Assets derecognised or repaid	(5,681.33)	(525.34)	(27.19)	(6,233.86)
Transfers to Stage 1	(1,293.05)	2,235.26	180.35	1,122.56
Transfers to Stage 2	(34.33)	(4.59)	289.24	250.32
Transfers to Stage 3	-	18.71	15.88	34.59
Amounts written off	-	-	-	-
Closing balance	**40,088.28**	**2,893.63**	**645.07**	**43,626.98**

₹. in lakh

Particulars	As at March 31, 2019			Total
	Stage 1	Stage 2	Stage 3	
Opening balance	17,811.79	21.99	-	17,833.78
New assets originated or purchased	19,339.34	185.75	3.03	19,528.12
Assets derecognised or repaid	(3,335.56)	(21.99)	-	(3,357.55)
Transfers to Stage 1	(78.97)	910.70	162.33	994.06
Transfers to Stage 2	-	-	21.43	21.43
Transfers to Stage 3	-	-	-	-
Amounts written off	-	-	-	-
Closing balance	**33,736.60**	**1,096.45**	**186.79**	**35,019.84**

The table below shows the ECL charges on financial instruments for the year recorded in the profit and loss based on evaluation stage:

₹. in lakh

Particulars	As at March 31, 2020			Total
	Stage 1	Stage 2	Stage 3	
Loans	113.03	54.95	161.27	329.25
Investments	4.00	-	-	4.00
Others				
Total	**117.03**	**54.95**	**161.27**	**333.25**

₹. in lakh

Particulars	As at March 31, 2019			Total
	Stage 1	Stage 2	Stage 3	
Loans	96.99	3.30	55.59	155.88
Investments	-	-	-	-
Others	-	-	-	-
Total	**96.99**	**3.30**	**55.59**	**155.88**

33 Tax expenses:

33.1 The components of income tax expenses:

₹. in lakh

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Current tax	130.83	78.84
Adjustment in respect of prior years	-	15.09
Deferred tax relating to origination and reversal of temporary differences	(51.31)	(12.16)
Total tax charge	79.52	81.77
Current tax	130.83	93.93
Deferred tax- refer note no. 11	(51.31)	(12.16)

33.2 Reconciliation of total tax charge:

₹. in lakh

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit before tax as per financial statements	259.84	107.11
Tax rate (in percentage)	25.17%	27.82%
Income tax expense	65.40	29.80
Adjustment in respect of prior years	-	15.09
Effect of non-deductible expenses:		
Financial guarantee	16.85	12.04
ROC filing expenses for increase in authorized capital	61.25	118.50
Revised Profit before tax	337.94	237.64
Tax charge for the year recorded in P&L	79.52	66.68
Effective tax rate	30.60%	62.26%

34. Cash Flow disclosure

Change in liabilities arising from financing activities:

₹. in lakh

Particulars	As at April 1, 2018	Cash flows	Other	As at March 31, 2019	Cash flows	Other	As at March 31, 2020
Debt securities including accrued interest thereon	-	-	-	-	-	-	-
Debt securities	-	9,800.00	484.44	10,284.44	-	-	-
Borrowings other than debt securities including accrued interest thereon	8,391.46	8142.13	(31.08)	16,502.51	4,075.52	33.69	20,611.72
Total liabilities from financing activities	**8,391.46**	**17,942.13**	**453.36**	**26,786.95**	**4,075.52**	**33.69**	**20,611.72**

35. Earnings per Share (EPS):

₹. in lakh

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit after tax	180.32	25.34
Add: Preference dividend (including dividend distribution tax)	-	-
Profit after tax attributable to equity holders.	180.32	25.34
Weighted average number of Equity shares used in computing Basic / Diluted EPS	1,763.98	1,000.00
Face value of equity shares	10/-	10/-
Earnings per share (Basic and Diluted)	**0.102**	**0.025**

36. Contingent liability and Commitments:

₹. in lakh

Particulars	As at March 31, 2020	As at March 31, 2019
a. Contingent Liability	-	-
b. Commitment		
Estimated amount of contracts remaining to be executed on capital account (net of advance)	-	-
Loans sanctioned pending disbursements	1,720.46	3,108.06

37. Employee benefit expenses:

a. Defined contribution plans:

The Company has recognised the following amounts in the statement of profit and loss towards contribution to defined contribution plans which are included under contribution to provident and other funds:

₹. in lakh

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Provident fund	46.14	42.76

b. **Defined benefit plan:**

In accordance with the Accounting Standard (IND AS 19), actuarial valuation was performed by independent actuaries in respect of the aforesaid defined benefit plan based on the following assumptions:

₹. in lakh

Assumptions	As at March 31, 2020	As at March 31, 2019
Expected Return on Plan Assets	6.56%	7.78%
Rate of Discounting	6.56%	7.78%
Rate of Salary Increase	6.26%	5.00%
Rate of Employee Turnover	10.00%	2.00%

Table Showing Change in the Present Value of Projected Benefit Obligation:

₹. in lakh

Particulars	As at March 31, 2020	As at March 31, 2019
Present Value of Benefit Obligation at the Beginning of the year	17.61	6.20
Interest Cost	1.37	0.49
Current Service Cost	11.52	6.91
Past Service Cost	-	-
Liability Transferred In/ Acquisitions	-	-
(Liability Transferred Out/ Divestments)	-	-
(Gains)/ Losses on Curtailment	-	-
(Liabilities Extinguished on Settlement)	-	-
(Benefit Paid Directly by the Employer)	-	-
(Benefit Paid From the Fund)	(0.45)	-
The Effect Of Changes in Foreign Exchange Rates	-	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	(0.84)	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	0.17	0.21
Actuarial (Gains)/Losses on Obligations - Due to Experience	(3.60)	3.80
Present Value of Benefit Obligation at the End of the year	**25.78**	**17.61**

Table Showing Change in the Fair Value of Plan Assets:

₹. in lakh

Particulars	As at March 31, 2020	As at March 31, 2019
Fair Value of Plan Assets at the Beginning of the year	5.50	5.10
Interest Income	0.43	0.40
Contributions by the Employer	-	-
Expected Contributions by the Employees	-	-
Assets Transferred In/Acquisitions	-	-
(Assets Transferred Out/ Divestments)	-	-
(Benefit Paid from the Fund)	(0.45)	-
(Assets Distributed on Settlements)	-	-
(Expenses and Tax for managing the Benefit Obligations- paid from the fund)	-	-
Effects of Asset Ceiling	-	-
The Effect of Changes In Foreign Exchange Rates	-	-
Return on Plan Assets, Excluding Interest Income	-	-
Fair Value of Plan Assets at the End of the year	5.49	5.50

Amount Recognized in the Balance Sheet:

₹. in lakh

Particulars	As at March 31, 2020	As at March 31, 2019
(Present Value of Benefit Obligation at the end of the year)	(25.78)	(17.61)
Fair Value of Plan Assets at the end of the year	5.49	5.50
Funded Status (Surplus/ (Deficit))	(20.29)	(12.11)
Net (Liability)/Asset Recognized in the Balance Sheet	(20.29)	(12.11)

Net Interest Cost:

₹. in lakh

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Present Value of Benefit Obligation at the Beginning of the year	17.61	6.20
(Fair Value of Plan Assets at the Beginning of the year)	(5.50)	(5.10)
Net Liability/(Asset) at the Beginning	12.11	1.10
Interest Cost	1.37	0.49
Interest Income	(0.43)	(0.40)
Net Interest Cost for Current year	0.94	0.09

Expenses Recognized in the Statement of Profit or Loss:

₹. in lakh

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Current Service Cost	11.52	6.91
Net Interest Cost	0.94	0.09
Past Service Cost	-	-
(Expected Contributions by the Employees)	-	-
(Gains)/Losses on Curtailments And Settlements	-	-
Net Effect of Changes in Foreign Exchange Rates	-	-
Expenses Recognized	12.46	7.00

Expenses Recognized in the Other Comprehensive Income (OCI):

₹. in lakh

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Actuarial (Gains)/Losses on Obligation For the year	(4.28)	4.01
Return on Plan Assets, Excluding Interest Income	-	(0.01)
Change in Asset Ceiling	-	-
Net (Income)/Expense For the Period Recognized in OCI	(4.28)	4.00

Balance Sheet Reconciliation:

₹. in lakh

Particulars	As at March 31, 2020	As at March 31, 2019
Opening Net Liability	12.11	1.11
Expenses Recognized in Statement of Profit or Loss	12.46	7.00
Expenses Recognized in OCI	(4.28)	4.00
Net Liability/(Asset) Transfer In	-	-
Net (Liability)/Asset Transfer Out	-	-
(Benefit Paid Directly by the Employer)	-	-
(Employer's Contribution)	-	-
Net Liability/(Asset) Recognized in the Balance Sheet	20.29	12.11

Maturity Analysis of the Benefit Payments from the Fund:

₹. in lakh

Projected Benefits Payable in Future Years From the Date of Reporting	As at March 31, 2020	As at March 31, 2019
1st Following Year	0.26	0.09
2nd Following Year	0.58	0.10
3rd Following Year	2.44	0.17
4th Following Year	2.94	0.56
5th Following Year	2.93	0.72
Sum of Years 6 To 10	15.17	8.67
Sum of Years 11 and above	22.36	49.15

₹. in lakh

Sensitivity Analysis	As at March 31, 2020	As at March 31, 2019
Projected Benefit Obligation on Current Assumptions	25.77	17.61
Delta Effect of +1% Change in Rate of Discounting	(1.87)	(2.12)
Delta Effect of -1% Change in Rate of Discounting	2.11	2.53
Delta Effect of +1% Change in Rate of Salary Increase	2.15	2.57
Delta Effect of -1% Change in Rate of Salary Increase	(1.46)	(2.19)
Delta Effect of +1% Change in Rate of Employee Turnover	0.44	(0.05)
Delta Effect of -1% Change in Rate of Employee Turnover	0.43	(0.04)

The sensitivity analysis has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognized in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

c. **Compensated Absences:**

The Company provides for accumulated compensated absences as at the balance sheet date using projected unit credit method based on actuarial valuation.

38. Maturity Analysis of Assets and liabilities:

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

₹. in lakh

Particulars	As at March 31, 2020			As at March 31, 2019			As at April 1, 2018		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS									
Financial assets									
Cash and cash equivalents	2,919.76	-	2,919.76	1,142.90	-	1,142.90	1,526.55	-	1,526.55
Bank balance other than (a) above	13,096.11	-	13,096.11	-	-	-	-	-	-
Loans	3,240.39	42,055.43	45,295.82	1,062.62	33,801.34	34,863.96	550.91	17,227.05	17,777.96
Investments	-	-	-	790.67	-	790.67	500.85	-	500.85
Other financial assets	-	49.50	49.50	-	28.49	28.49	-	21.54	21.54
Non-financial assets									
Current tax assets (Net)	-	20.63	20.63	-	31.38	31.38	-	16.40	16.40
Deferred tax assets (Net)	-	99.37	99.37	-	49.15	49.15	-	35.88	35.88
Property, plant and equipment	-	188.98	188.98	-	184.48	184.48	-	158.58	158.58
Right of use of assets	-	116.05	116.05	-	131.51	131.51	-	105.02	105.02
Intangible assets under development	-	-	-	-	-	-	-	30.00	30.00
Other intangible assets	-	23.78	23.78	-	29.18	29.18	-	2.10	2.10
Other non-financial assets	133.24	89.41	222.65	75.38	88.47	163.85	23.72	37.50	61.22
Total assets	**19,389.50**	**42,643.15**	**62,032.65**	**3,071.57**	**34,344.00**	**37,415.57**	**2,602.03**	**17,634.07**	**20,236.10**

₹. in lakh

Particulars	As at March 31, 2020			As at March 31, 2019			As at April 1, 2018		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
LIABILITIES									
Financial liabilities									
Trade payables									
(i) total outstanding dues of micro enterprises and small enterprises									
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	10.48	-	10.48	8.88	-	8.88	1.85	-	1.85
Debt securities	-	-	-	-	9,800.00	9,800.00	-	-	-
Borrowings (other than debt securities)	6,490.32	14,030.85	20,521.17	4,209.44	12,259.66	16,469.10	1,692.52	6,678.93	8,371.45
Lease liabilities	80.94	41.50	122.44	80.29	58.19	138.48	49.42	58.23	107.65
Other financial liabilities	2,469.91	-	2,469.91	456.72	484.44	941.16	1,822.59	-	1,822.59
Non-financial Liabilities				-	-		-	-	
Provisions	20.29	18.03	38.32	12.11	13.05	25.16	1.11	8.56	9.67
Other non-financial liabilities	111.49	-	111.49	88.48	-	88.48	21.07	-	21.07
Total liabilities	**9,183.43**	**14,090.38**	**23,273.81**	**4,855.92**	**22,615.34**	**27,471.26**	**3,588.56**	**6,745.72**	**10,334.28**
Net	**10,206.07**	**28,552.77**	**38,758.84**	**(1,784.35)**	**11,728.66**	**9,944.31**	**(986.53)**	**10,888.35**	**9,901.82**

39. Segment information:

The Company's main business is to provide loans against/for purchase, construction, repairs & renovations of houses/Flats etc. All other activities of the Company revolve around the main business. Hence no disclosure is made under Ind AS 108 - 'Operating Segment Reporting'.

Further, segmentation based on geography has not been presented as the Company operates only in India.

40. Related party transactions:

In terms of Indian Accounting Standard (Ind AS 24) 'Related Party Disclosures', notified in the Companies (Accounting Standards) Rules, 2014, the disclosures of transactions with the related parties as defined in IND AS 24 are given below:

Holding Company	Centrum Capital Limited
Names of other related parties with whom transactions have taken place during the period	
Fellow subsidiaries:	Centrum Retail Services Limited
Fellow subsidiaries:	Centrum Microcredit Limited
Fellow subsidiaries:	Centrum Capital Advisory Limited
Fellow subsidiaries:	Centrum Financial Services Limited

(a) Enterprise that exercises significant influence
BG Advisory Services LLP

(b) Entities with substantial interest in the Company
NHPEA Kamet Holding B.V.

(c) Key Managerial Personnel
- (i) Mr. Sanjay Shukla, Managing Director & CEO
- (ii) Mr. Mehul Jatania, Chief Financial Officer
- (iii) Mr. Alpesh Shah, Company Secretary

(d) Board of directors
- (i) Mr. Sridar Venkatesan, Independent Director
- (ii) Mr. Mohan Tanksale, Independent Director
- (iii) Ms. Anjali Seth, Independent Director
- (iv) Mr. Vivek Vig, Non-Executive Director
- (v) Mr. Rajendra Naik, Non-Executive Director
- (vi) Mr. Arjun Saigal, Nominee Director
- (vii) Mr. Sanjay Shukla, Managing Director & CEO

a. Transactions carried out with the related parties

₹. in lakh

Nature of transaction	Related party name	For the year ended March 31, 2020	For the year ended March 31, 2019
Reimbursement of expenses	Centrum Capital Limited	-	71.48
	Centrum Financial Services Limited	-	(0.20)
Expenses paid	Centrum Retail Services Limited	414.13	70.74
	Centrum Capital Limited	10.00	-
Interest Expenses on CCD	Centrum Capital Limited	119.37	409.08
	BG Advisory Services LLP	172.82	129.18

₹. in lakh

Nature of transaction	Related party name	For the year ended March 31, 2020	For the year ended March 31, 2019
Subscription to Compulsorily Convertible Debentures	Centrum Capital Limited	-	9,800.00
Conversion of Compulsorily Convertible Debentures to Equity share capital	Centrum Capital Limited	7,448.00	-
	BG Advisory Services LLP	2,352.00	-
Dividend Paid	Centrum Capital Limited	7.60	-
	BG Advisory Services LLP	2.40	-
ICD taken	Centrum Capital Limited	450.00	-
	Centrum Retail Services Limited	-	1,000.00
ICD matured	Centrum Capital Limited	450.00	-
	Centrum Retail Services Limited	-	1,000.00
ICD given	Centrum Capital Limited	1,500.00	-
	Centrum Retail Services Limited	3,700.00	1,170.00
	Centrum Microcredit Limited	500.00	1,000.00
	Centrum Capital Advisory Limited	1,000.00	-
	Centrum Financial Services Limited	500.00	1,000.00
ICD redeemed	Centrum Capital Advisory Limited	1,000.00	-
	Centrum Financial Services Limited	500.00	1,000.00
	Centrum Retail Services Limited	2,200.00	1,170.00
	Centrum Capital Limited	1,000.00	-
	Centrum Microcredit Limited	500.00	1,000.00
Interest expense on ICD	Centrum Capital Limited	1.36	-
	Centrum Retail Services Limited	-	3.29
Interest income on ICD	Centrum Capital Limited	30.96	-
	Centrum Retail Services Limited	100.37	18.17
	Centrum Microcredit Limited	3.74	15.32
	Centrum Capital Advisory Limited	30.99	-
	Centrum Financial Services Limited	7.84	19.29
Proceeds from Issue of equity shares	NHPEA Kamet Holding BV	19,006.77	-
	Vivek Vig	217.80	-
Managerial remuneration	Mr. Sanjay Shukla (Managing Director & CEO)	189.01	166.98
	Mr. Mehul Jatania (Chief Financial Officer)	67.94	60.96
Sitting Fees	Ms. Anjali Seth	8.40	3.60
	Mr. Mohan Tanksale	7.20	0.40
	Mr. RS Reddy	1.80	1.40
	Mr. Sridar Venkatesan	8.40	3.60

₹. in lakh

Closing balances	Related Party Name	As at March 31, 2020	As at March 31, 2019
Compulsorily Convertible Debentures (CCD)	Centrum Capital Limited	-	7,448.00
	BG Advisory Services LLP	-	2,352.00
Interest Payable (Net of TDS)	Centrum Capital Limited	-	368.17
	BG Advisory Services LLP	-	116.26
ICD given	Centrum Capital Limited	500.00	-
	Centrum Retail Services Limited	1,500.00	-
Interest Income receivable on ICD	Centrum Capital Limited	0.64	-
	Centrum Retail Services Limited	1.44	-
Expenses payable	Centrum Retail Services Limited	1.81	-

41. Leases:

This note provides the information for lease and right to use where the company is a lessee. Following are the changes in the carrying value of right of use assets:

₹. in lakh

As at April 01, 2018	Office premises	Total
Gross carrying amount		
Deemed cost as at April 1, 2018	105.02	105.02
Additions	94.96	94.96
Disposals and transfers	-	-
Closing gross carrying amount	199.98	199.98
Accumulated depreciation		
Depreciation charged	68.48	68.48
Disposals and transfers	-	-
Closing accumulated depreciation	68.48	68.48
Net carrying amount as at March 31, 2019	131.51	131.51
Gross carrying amount		
Opening gross carrying amount	199.98	199.98
Additions	62.20	62.20
Disposals and transfers	-	-
Closing gross carrying amount	262.18	262.18
Accumulated depreciation		
Opening accumulated depreciation	68.48	68.48
Depreciation charged	77.64	77.64
Disposals and transfers	-	-
Closing accumulated depreciation	146.12	146.12
Net carrying amount as at March 31, 2020	116.06	116.06

The aggregate depreciation expense on ROU assets is included under depreciation and amortization in the statement of profit and loss.

The weighted average lessee’s incremental borrowing rate applied to the lease liabilities is 10%

₹. in lakh

Particulars	As at 31 March 2020	As at 31 March 2019
Balance as at beginning	**138.48**	**107.65**
Additions	65.09	92.62
Finance cost accrued during the year	12.16	14.04
Deletions	(3.73)	-
Payment of lease liabilities	(89.56)	(75.83)
Balance as at end	**122.44**	**138.48**

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

₹. in lakh

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Less than one year	80.94	80.29	49.42
One to five years	54.09	78.92	74.25
More than five years	-	-	-
Total	**135.03**	**159.21**	**123.67**

Rental expense recorded for short-term leases (less than one year) was ₹80.94 lakh and ₹80.29 lakh for the year ended March 31, 2020 and March 31, 2019 respectively.

42. Risk Management:

Risk Management Framework:

The Company's overall objective is to manage its businesses, and the associated risks, in a manner that balances serving the interests of all its stakeholders and at the same time minimise potential adverse effects on its financial performance. The Company places emphasis on risk management practices to ensure an appropriate balance between risks and returns.

The Board of Directors of the Company along with the management are primarily responsible for the risk management. The Board's oversight of risk includes review of and approval of key strategies and policies. These are monitored and governed through the Risk Management Committee (RMC). Audit Committee (AC) ensures that an independent assurance is provided to the Board. AC is assisted in its assurance role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the AC.

The Company's risks are generally categorized in the following risk types:

Risk	Exposure Arising from	Management
Credit Risk	Cash equivalents, financial assets measured at amortised cost.	RMC is actively involved in the following: • Oversight of the implementation of credit policies • Review of the overall portfolio credit performance and establishing guardrails • Review of product programs

Risk	Exposure Arising from	Management
Liquidity Risk	Financial liabilities	The Board is responsible for setting the strategic direction of the Company including establishing liquidity risk appetite and tolerance limits. Liquidity risk is managed by the Asset Liability Management Committee (ALCO) based on the Company's ALM policy which is approved by the RMC. ALCO not only ensures that the Company has adequate liquidity on an on-going basis but also examines how liquidity requirements are likely to evolve under different assumptions.
Market Risk - **Interest Rate Risk** - **Price Risk** - **Foreign exchange Risk**	Investments in Mutual fund, bonds etc.	RMC is involved in the formulation of policies for monitoring market risk. The risk is managed through close identification, supervision and monitoring of risks arising from movements in market rates such as interest rates, foreign exchange rates, traded prices and credit spreads, which may result in a loss of earnings and capital.

42.1 Credit Risk:

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's loans, financial assets measured at amortised cost. The Company has a policy of dealing with creditworthy counterparties and obtains sufficient collateral, as appropriate, as a means of mitigating the risk of financial loss from defaults. In case the loans are to be restructured, similar credit assessment process is followed by the Company.

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

The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties/groups (Single Borrowing Limit/Group Borrowing Limit) and for industry concentrations, and by monitoring exposures in relation to such limits.

The Board has delegated credit approval authority to the Company's officials under the Company's credit policy. The Company's credit officials evaluate credit proposals on the basis of credit underwriting policies and procedures approved by the management. The criteria typically include factors such as the customer eligibility, income and debt obligation assessment, nature of product, credit bureau scores wherever applicable, historical experience, type of collateral provided and demographic parameters. Any deviations need to be approved at the designated levels. External agencies such as field investigation agencies facilitate a due diligence process including visits to offices and residences, risk containment agencies for document frauds, legal & valuation agencies for property evaluation. The branch credit team/operations team monitors compliance with the terms and conditions of credit facilities prior to disbursement. It also reviews the completeness of documentation and creation of security by the borrower. The central operations team verifies adherence to the terms of the credit approval prior to the disbursement of credit facilities.

The Company additionally takes the following measures:

- Credit team is tasked with monitoring of borrowers and to facilitate proactive action wherever required.
- Enhanced monitoring of portfolio through periodic reviews.
- Periodic trainings of its credit/operations officials

a. Impairment assessment:

The Company applies the expected credit loss methodology based on historically available information and projection of macroeconomic indicators in order to determine the impairment allowance required.

The expected credit loss is a product of exposure at default, probability of default and loss given default. The Company has devised an internal model to evaluate the probability of default and loss given default based on the parameters set out in Ind AS. Accordingly, the loans are classified into various stages as follows:

Description	Stages
0 dpd and 1 to 29 dpd	Stage 1
30 to 89 dpd	Stage 2
90 dpd and above	Stage 3

b. Expected credit loss:

Credit loss is the difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. Expected Credit loss (ECL) computation is not driven by any single methodology, however methodology and approach used must reflect the following:

An unbiased and probability weighted amount that evaluates a range of possible outcomes

Reasonable and supportable information that is available without undue cost and effort at the reporting date about past events, current conditions and forecasts of future economic conditions;

Time value of money

While the time value of money element is currently being factored into ECM measurement while discounting cash flows by the Effective Interest Rate (EIR), the objective of developing a macroeconomic model using exogenous macroeconomic variables is to address the first two requirements. This has been achieved by using the model output to adjust the PD risk component in order to make it forward looking and probability- weighted.

c. Significant increase in credit risk (SICR):

Company considers a financial instrument defaulted, classified as Stage 3 (credit-imparted) for ECL calculations, in all cases when the borrower becomes 90 days past due. Classification of assets form Stage 1 to Stage 2 has been carried out based on SICR criterion. Accounts which are more than 30 days past due have been identified as accounts where significant increase in credit risk has been observed. These accounts have been classified as Stage 2 assets. When such events occur, the Company carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate.

d. Probability of default:

Probability of default (PD) is an estimate of the likelihood of default over a given time horizon. PD estimation process is done based on historical internal data available with the Company. While arriving at the PD, the Company also ensures that the factors that affect the macro economic trends are considered to a reasonable extent, wherever necessary. Company calculates the 12 month PD by taking into account the past historical trends of the Loans/portfolio and its credit performance. In case of assets where there is a significant increase in credit risk /credit impaired assets, lifetime PD has been applied.

e. Loss Given Default (LGD):

The Loss Given Default (LGD) is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due (net of recovery cost) and those that the lender would expect to receive. They are calculated on a discounted cash flow basis using the effective interest rate as the discounting factor. It is usually expressed as a percentage of the EAD. The Company collects list of all the defaulters and tracked from the first time they become Stage 3 assets. The Company calculates the LGD based on the present value of month on month recovery post default for Stage 1 and 2 and takes into account of the Stage 3 recovery and present value of the actual Stage 3. In absence of adequate historical data, the Company uses industry proxy data of peer companies as sourced from external agencies

f. Exposure at Default (EAD):

The amount which the borrower will owe to the portfolio at the time of default is defined as Exposure at Default (EAD). While the drawn credit line reflects the explicit exposure for the Company, there might be variable exposure that may increase the EAD. These exposures are of the nature where the Company provides future commitments, in addition to the current credit. Therefore, the exposure will contain both on and off balance sheet values. The value of exposure is given by the following formula:

EAD = Drawn Credit Line Credit + Conversion Factor * Undrawn Credit Line

Where,

Drawn Credit Line = Current outstanding amount

Credit Conversion Factor (CCF) = Expected future drawdown as a proportion of undrawn amount

Undrawn Credit Line = Difference between the total amount which the Company has committed and the drawn credit line While the drawn exposure and limits for the customer are available, the modelling of CCF is required for computing the EAD

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

42.1.1 Risk concentration:

The following table shows the risk concentration by industry for the components of the balance sheet. Since the Company provides only retail loans, there is not significant concentration risk at the borrower / counterparty level. Additional disclosures for credit quality and the maximum exposure for credit risk per categories based on the Company's internal credit assessment system and year- end stage classification are further disclosed.

₹. in lakh

As at March 31, 2020	Housing Loan	Non Housing Loan	Total
Loans	35,534.11	10,094.96	45,629.07
Loan commitments	1,674.58	45.88	1,720.46
Total	**37,208.69**	**10,140.84**	**47,349.53**

Note- The Loan assets figure of ₹ 45,629.07 lakh and its classification / bifurcation where ever disclosed in notes is net of EIR and Inclusive of Inter corporate deposit of ₹ 2,002.08 lakh.

₹. in lakh

As at March 31, 2019	Housing Loan	Non Housing Loan	Total
Loans	27,497.62	7,522.22	35,019.84
Loan commitments	2,975.61	132.45	3,108.06
Total	**30,473.23**	**7654.67**	**38,127.90**

₹. in lakh

As at April 1, 2018	Housing Loan	Non Housing Loan	Total
Loans	13,243.97	4,589.81	17,833.78
Loan commitments	1,606.62	561.56	2,168.18
Total	**14,850.59**	**5,151.37**	**20,001.96**

42.1.2 Collateral held and other credit enhancements:

a. The tables on the following pages show the maximum exposure to credit risk by class of financial asset along with details of principal type of collateral:

Maximum exposure to credit risk (carrying amount before ECL):

₹. in lakh

Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018	Principle type of collateral
Housing Loan	35,534.11	27,497.62	13,243.97	Property
Non Housing Loan	10,094.96	7,522.22	4,589.81	Property
Total (A)	45,629.07	35,019.84	17,833.78	
Loan commitments	1,720.46	3,108.06	2,168.18	Property
Total (B)	1,720.46	3,108.06	2,168.18	
Total (A+B)	**47,349.53**	**38,127.90**	**20,001.96**	

a. Financial assets that are Stage 3 and related collateral held in order to mitigate potential losses are given below:

₹. in lakh

As at March 31, 2020	Maximum exposure to credit risk (carrying amount before ECL)	Associated ECL	Carrying amount	Fair value of collateral
Housing Loan	411.20	102.80	308.40	723.88
Non Housing Loan	233.87	58.47	175.40	604.45
Total (A)	**645.07**	**161.27**	**483.80**	**1,328.33**
Loan commitments	-	-	-	-
Total (B)	**-**	**-**	**-**	**-**
Total (A+B)	645.07	161.27	483.80	1,328.33

₹. in lakh

As at March 31, 2019	Maximum exposure to credit risk (carrying amount before ECL)	Associated ECL	Carrying amount	Fair value of collateral
Housing Loan	111.73	32.94	78.79	328.75
Non Housing Loan	75.06	22.65	52.41	243.14
Total (A)	**186.79**	**55.59**	**131.20**	**571.89**
Loan commitments	-	-	-	-
Total (B)	**-**	**-**	**-**	**-**
Total (A+B)	186.79	55.59	131.20	571.89

₹. in lakh

As at March 31, 2018	Maximum exposure to credit risk (carrying amount before ECL)	Associated ECL	Carrying amount	Fair value of collateral
Housing Loan	-	-	-	-
Non Housing Loan	-	-	-	-
Total (A)	-	-	-	-
Loan commitments	-	-	-	-
Total (B)	-	-	-	-
Total (A+B)	-	-	-	-

42.2 Liquidity Risk:

Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances.

Liquidity risk management involves estimating and managing the liquidity requirements of the Company within acceptable structural boundaries and in a cost-efficient manner, and involves the Board and senior management's development and oversight of a comprehensive process that identifies, measures, monitors and controls the Company's liquidity risk exposure. The Company maintains a reliable management information system designed to provide the senior management with timely and forward-looking information on the liquidity position of the Company.

The Company has financing arrangement from banks/ financial institutions in form of committed credit lines.

42.2.1. Analysis of non-derivative financial assets and liabilities by remaining contractual maturities:

₹. in lakh

As at March 31, 2020	Carrying amount	Gross nominal inflow/ (outflow)	upto 3 months	3 to 6 months	6 to 12 months	1 year to 3 year	Over 3 year
Non-derivative financial liabilities							
Trade payables	10.48	10.48	10.48	-	-	-	-
Borrowings (other than debt securities)	20,521.17	20,770.60	1,997.98	1,497.44	2,994.90	11,445.29	2,834.99
Debt securities	-	-	-	-	-	-	-
Lease liabilities	122.44	135.03	26.12	21.02	33.80	52.11	1.98
Other financial liabilities	2,469.91	2,469.91	90.55	2,314.84	64.52	-	-
Total	**23,124.00**	**23,386.02**	**2125.13**	**3,833.30**	**3,093.22**	**11,497.40**	**2,836.97**
Non-derivative financial assets							
Cash and cash equivalents	2,919.76	2,919.76	2,919.76	-	-	-	-
Bank balance other than cash and cash equivalents above	13,096.11	13,096.11	-	13,096.11	-	-	-
Loans	45,295.82	46,007.54	289.76	2,289.32	661.31	3,316.94	39,450.21
Investments	-	-	-	-	-	-	-
Other financial assets	49.50	49.50	-	-	-	49.50	-
Total	**61,361.19**	**62,072.91**	**3,209.52**	**15,385.43**	**661.31**	**3,366.44**	**39,450.21**

₹. in lakh

As at March 31, 2019	Carrying amount	Gross nominal inflow/ (outflow)	upto 3 months	3 to 6 months	6 to 12 months	1 year to 3 year	Over 3 year
Non-derivative financial liabilities							
Trade payables	8.88	8.88	8.88	-	-	-	-
Borrowings (other than debt securities)	16,469.10	16,605.60	1,277.10	977.44	1,954.90	7,819.60	4,576.56
Debt securities	9,800.00	9,800.00	-	-	-	9,800.00	-
Lease liabilities	138.48	159.22	22.35	20.52	37.42	64.90	14.03
Other financial liabilities	941.16	941.16	33.41	385.48	37.83	484.44	-
Total	**27,357.62**	**27,514.86**	**1,341.74**	**1,383.44**	**2,030.15**	**18,168.94**	**4,590.59**

₹. in lakh

As at March 31, 2019	Carrying amount	Gross nominal inflow/ (outflow)	upto 3 months	3 to 6 months	6 to 12 months	1 year to 3 year	Over 3 year
Non-derivative financial assets							
Cash and cash equivalents	1,142.90	1,142.90	1,142.90	-	-	-	-
Bank balance other than cash and cash equivalents above	-	-	-	-	-	-	-
Loans	34,863.96	34,904.33	254.36	261.75	546.51	2,545.21	31,296.50
Investments	790.67	790.67	790.67	-	-	-	-
Other financial assets	28.49	28.49	-	-	-	28.49	-
Total	**36,826.02**	**36,866.39**	**2,187.93**	**261.75**	**546.51**	**2,573.70**	**31,296.50**

₹. in lakh

As at April 1, 2018	Carrying amount	Gross nominal inflow/ (outflow)	upto 3 months	3 to 6 months	6 to 12 months	1 year to 3 year	Over 3 year
Non-derivative financial liabilities							
Trade payables	1.85	1.85	1.85	-	-	-	-
Borrowings (other than debt securities)	8,371.45	8,423.66	351.66	351.66	989.20	3,428.80	3,302.34
Debt securities	-	-	-	-	-	-	-
Lease liabilities	107.65	123.64	14.10	11.68	23.62	63.79	10.45
Other financial liabilities	1,822.59	1,822.58	20.00	1,775.85	26.73	-	-
Total	**10,303.54**	**10,371.73**	**387.61**	**2,139.19**	**1,039.55**	**2,877.08**	**3,928.30**
Non-derivative financial assets							
Cash and cash equivalents	1,526.55	1,526.55	1,526.55	-	-	-	-
Bank balance other than cash and cash equivalents above	-	-	-	-	-	-	-
Loans	17,777.96	17,834.19	131.53	135.81	283.56	1,134.25	16,149.04
Investments	500.85	500.85	500.85	-	-	-	-
Other financial assets	21.54	21.54	-	-	-	21.54	-
Total	**19,826.90**	**19,883.13**	**2,158.93**	**135.81**	**283.56**	**1,155.79**	**16,149.04**

42.3 Market Risk:

Market risk is the risk associated with the effect of changes in market factors such as interest rates, equity prices, credit spreads or implied volatilities, on the value of assets and liabilities held resulting in loss of future earnings. The objective of the Company's market risk management is to manage and control market risk exposures within acceptable parameters. The Company separates its exposure to market risks between trading and non-trading portfolios.

Exposure to market Risk - Non trading portfolios:

Interest rate risk - The principal risk to which non-trading portfolios are exposed is the risk of loss from fluctuations in the future cash flows or fair values of financial instruments because of a change in market interest rates. Exposure to this risk primarily results from timing spread in the re-pricing of both on and off-balance sheet assets and liabilities as they mature (fixed rate instruments) or contractual re-pricing (floating rate instruments).

Interest rate risk is managed principally through monitoring interest rate gaps and by having pre-approved limits for re-pricing bands.

42.3.1. Market risk exposure:

The fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates. The Company classifies its exposures to market risk into non-trading portfolios.

42.3.2. Interest rate risk:

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows of financial instruments. The sensitivity of the statement of profit and loss is the effect of the assumed changes in interest rates on the profit or loss for a year, based on the floating rate non-trading financial assets and financial liabilities held as at year end.

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 lakh

	As At March 31, 2020	As At March 31, 2019
Impact on profit before tax for 25 bps increase in interest rate	(54.08)	(46.02)
Impact on profit before tax for 25 bps decrease in interest rate	54.08	46.02

43. Financial instruments not measured at fair value:

The following table sets out the fair values of financial instruments not measured at fair value and analysing them by the level in the fair value hierarchy into which each fair value measurement is categorized.

₹. in lakh

As at March 31, 2020	Total Carrying Amount	Total Fair Value	Level 1	Level 2	Level 3
<u>**Financial Assets**</u>					
Cash and cash equivalent	2,919.76	2,919.76	2,919.76	-	-
Bank balances other than cash and cash equivalent	13,096.11	13,096.11	13,096.11	-	-
Loans	45,295.82	45,295.82	-	-	45,295.82
Investments	-	-	-	-	-
Other financial assets	49.50	49.50	-	49.50	-
TOTAL	61,361.19	61,361.19	16,015.87	49.50	45,295.82

₹. in lakh

As at March 31, 2020	Total Carrying Amount	Total Fair Value	Level 1	Level 2	Level 3
Financial Liabilities					
Lease liabilities	122.44	122.44	-	122.44	-
Borrowing (Other than debt securities)	20,521.17	20,521.17	-	20,521.17	-
Debt securities	-	-	-	-	-
Trade payables	10.48	10.48	-	10.48	-
Other financial liabilities	2,469.91	2,469.91	-	2,469.91	-
TOTAL	**23,124.00**	**23,124.00**	**-**	**23,124.00**	**-**

₹. in lakh

As at March 31, 2019	Total Carrying Amount	Total Fair Value	Level 1	Level 2	Level 3
Financial Assets					
Cash and cash equivalent	1,142.90	1,142.90	1,142.90	-	-
Bank balances other than cash and cash equivalent	-	-	-	-	-
Loans	34,863.96	34,863.96	-	-	34,863.96
Investments	790.67	790.67	790.67	-	-
Other financial assets	28.49	28.49	-	28.49	-
TOTAL	36,826.02	36,826.02	1,933.57	28.49	34,863.96
Financial Liabilities					
Lease liabilities	138.48	138.48	-	138.48	-
Borrowing (Other than debt securities)	16,469.10	16,469.10	-	16,469.10	-
Debt securities	9,800.00	9,800.00	-	9,800.00	-
Trade payables	8.88	8.88	-	8.88	-
Other financial liabilities	941.16	941.16	-	941.16	-
TOTAL	27,357.62	27,357.62	-	27357.62	-

₹. in lakh

As at April 1, 2018	Total Carrying Amount	Total Fair Value	Level 1	Level 2	Level 3
Financial Assets					
Cash and cash equivalent	1,526.55	1,526.55	1,526.55	-	-
Bank balances other than cash and cash equivalent	-	-	-	-	-
Loans	17,777.96	17,777.96	-	-	17,777.96
Investments	500.85	500.85	500.85	-	-
Other financial assets	21.54	21.54	-	21.54	-
TOTAL	19,826.90	19,826.90	2027.40	21.54	17,777.96

₹. in lakh

As at March 31, 2020	Total Carrying Amount	Total Fair Value	Level 1	Level 2	Level 3
Financial Liabilities					
Lease liabilities	107.65	107.65	-	107.65	-
Borrowing (Other than debt securities)	8,371.45	8,371.45	-	8,371.45	-
Debt securities	-	-	-	-	-
Trade payables	1.85	1.85	-	1.85	-
Other financial liabilities	1,822.59	1,822.59	-	1,822.59	-
TOTAL	**10,303.54**	**10,303.54**	**-**	**10,303.54**	**-**

Valuation Methodologies of Financial Instruments not measured at fair value:

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables and, as such, may differ from the techniques and assumptions explained in notes.

Short Term financial assets and liabilities:

For Financial assets and financial liabilities that have a short-tern maturity (less than twelve months), the carrying amounts are a reasonable approximation of their fair value. Such instruments include: balances other than cash and cash equivalents, trade payables and contract liability without a specific maturity. Such amount has been classified as Level 2 on the basis that no adjustments have been made to the balances in the balance sheet.

Financial assets at amortized cost:

The fair values financial assets measured at amortized cost are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields.

Issued Debt:

The fair value of issued debt is estimated by a discounted cash flow model incorporating the Company's own credit risk.

44. Details of loan taken from Banks and other parties:

Nature of security and terms of repayment for secured borrowings (other than debentures):

All secured long term borrowings are secured by way of hypothecation of receivables, i.e. , loans and advances and corporate guarantee from the ultimate holding company and/or holding company.

a. From Banks:

Term loans from banks –Secured:

₹. in lakh

Tenure	Rate of Interest	Repayment Details	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
48-60 months	9% to 11%	Monthly and Quarterly	553.80	1,201.07	1,587.94
36-48 months	9% to 11%	Monthly and Quarterly	2,281.18	3,375.49	1,714.40
24-36 months	9% to 11%	Monthly and Quarterly	5,455.49	3,909.80	1,714.40

₹. in lakh

Tenure	Rate of Interest	Repayment Details	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
12-24 months	9% to 11%	Monthly and Quarterly	5,989.80	3,909.80	1,714.40
upto 12 months	9% to 11%	Monthly and Quarterly	5,989.80	3,909.80	1,406.64
Total			20,270.07	16,305.96	8,137.78
Less: Effective interest rate amortisation			249.42	136.50	52.21
Total			20,020.65	16,169.46	8,085.57

Others:

₹. in lakh

Nature	Rate of Interest	Repayment Details	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Overdraft against Fixed deposit	7% to 8%	Repayable on demand	200.53	-	-
Cash credit	9% to 11%	Repayable on demand	300.00	299.65	285.88
Total			500.53	299.65	285.88

45. The CHFL Employees Stock Option Plan 2018 (ESOP 2018) provides for grant of stock options to eligible employees of the Company. The stock options are granted at an exercise price of ₹ 10 per share under various schemes of ESOP 2018.

During the financial year, the Nomination and Remuneration Committee has granted 77,74,999 options under CHFL Employees Stock Option Scheme 2018- Series I & II.

Details of options are as under:

₹. in lakh

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Outstanding at the beginning of the year	-	-
Add: Granted during the year	77,74,999	-
Less: Exercised and shares allotted during the year	-	-
Less: Vested and exercisable	1,50,000	-
Less: Forfeited/Cancelled during the year	2,80,000	-
Less: Lapsed during the year	-	-
Outstanding at the end	73,44,999	-

Details of Options granted during the current and previous financial year based on the granted vesting and fair value of the options are as under:

Tranches	% of Option to be vested	No. of Option Granted		Vesting date		Fair Value per Option	
		Current year	Previous year	Current year	Previous year	Current year	Previous year
Tranche-1	0%	30,45,000	-	31-03-2022	-	4.76	-
Tranche-2	0%	7,30,000	-	31-03-2023	-	4.76	-
Tranche-3	0%	19,99,999	-	06-05-2022	-	4.77	-
Tranche-4	0%	20,00,000	-	30-08-2022	-	4.65	-

The following table summarizes the assumptions used in calculating the grant date fair value:

Tranches	Life of the Option (in year)		Risk free interest rate		Volatility		Dividend yield	
	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year
Tranche-1	8.00	-	7.48%	-	20.43%	-	0.10%	-
Tranche-2	8.00	-	7.48%	-	20.43%	-	0.10%	-
Tranche-3	8.00	-	7.53%	-	20.46%	-	0.10%	-
Tranche-4	8.00	-	6.67%	-	23.36%	-	0.10%	-

46. Capital Management:

a. The Company complies with externally imposed capital requirements from its regulators and maintains healthy capital ratios in order to support its business. Further the company maintains diversity of sources of financing and spreading the maturity across tenure buckets in order to minimize liquidity risk.

b. **Regulatory Capital:**

The below regulatory capital is computed in accordance with Master Circular - The Housing Finance Companies (NHB) Directions, 2010, NHB(ND)/DRS/REG/MC-01/2018 dated July 02, 2018 issued by National Housing Bank on Ind AS financial statements.

₹. in lakh

Particulars	As at March 31, 2020	As at March 31, 2019
Capital Fund		
Common Equity Tier1 (CET1) capital	38,522.72	9,669.01
Other Tier 2 capital instruments (CET2)	-	9,800.00
Total Capital	38,522.72	19,469.01
Risk weight assets		
CET1 Capital ratio	174.52%	47.64%
CET2 Capital ratio	-	48.28%
Total Capital ratio	**174.52%**	**95.92%**

47. First time adoption of Ind AS:

These financial statements, for the year ended March 31, 2020, are the first annual financial statements the Company has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2019, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2020, together with the comparative period data as at and for the year ended March 31, 2019, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 01, 2018, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 01, 2018 and the financial statements as at and for the year ended March 31, 2019.

Exemptions applied:
The Company has prepared the opening balance sheet as per Ind AS as of April 01, 2018 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exceptions and certain optional exemptions availed by the Company as detailed below.

a. **Deemed cost for property, plant and equipment, and intangible assets:**
The Company has elected to continue with the carrying value of all of its plant and equipment, and intangible assets recognized as of April 01, 2018 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

b. **De-recognition of financial assets and liabilities:**
The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 01, 2018 (the transition date).

c. **Classification and measurement of financial assets:**
The Company has classified and measured the financial assets on the basis of facts and circumstances that exist at the date of transition to Ind AS.

d. **Impairment of financial assets:**
The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used 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 in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind AS, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

The reconciliations of equity and total comprehensive income in accordance with Previous GAAP to Ind AS are explained below.

Reconciliation of Equity:

₹. in lakh

Particulars	As at March 31, 2019	As at April 1, 2018
Equity as per previous GAAP	10,148.14	10,005.11
Adjustments:		
Fair valuation of Assets	1.65	0.76
Impact of Ind AS 116 adjustments	(10.01)	(5.31)
EIR on Financials Assets	(281.16)	(161.77)
EIR on Financials Liability	(3.25)	0.47
Fair Valuation of Financials Liability	28.25	20.25
Expected Credit Loss Provision	(28.75)	(0.55)
Tax impact of Ind AS adjustments	89.44	42.86
Total adjustments	**(203.83)**	**(103.29)**
Total equity as per Ind AS	**9,944.31**	**9,901.82**

Reconciliation of comprehensive income:

₹. in lakh

Particulars	Year ended March 31, 2019
Net profit after tax as per previous GAAP	**143.02**
Adjustments:	
Fair valuation of Assets	0.89
Impact of Ind AS 116 adjustments	(4.70)
EIR on Financials Assets	(119.39)
Remeasurements of post-employment benefit obligations	4.00
EIR on Financials Liability	(3.72)
Expected Credit Loss Provision	(28.21)
Fair Valuation of Financials Liability	(12.04)
Tax impact on above items	45.49
Profit after tax as per Ind AS	**25.34**
Other Comprehensive Income:	
Remeasurements of post- employment benefit obligations	**(4.00)**
Tax impact on above items	1.11
Total comprehensive income as per Ind AS	**22.45**

Reference notes to reconciliation of equity and profit and loss statement.

i. **Re-measurements of post-employment benefit obligation**

Under Ind AS, remeasurements, i.e, actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year.

ii. Loans:

Under Previous GAAP the Company has created provision for impairment of receivables and Loans based on incurred losses whereas under Ind AS, Impairment allowance has been determined based on Expected credit loss model (ECL).

iii. EIR

Under previous GAAP, transaction cost on borrowings were charged to statement of profit and loss upfront while under Ind AS, such cost are included in initial recognition amount of financial liability and is amortised over the tenure of the borrowings.

iv. Reclassification of provisions for standard /non-performing assets (NPA):

Under Indian GAAP provision for NPA and standard asset were presented under provisions. However, under Ind AS financial assets measured at amortised cost (mainly loans) are presented net of provision for expected credit losses.

v. Interest free lease deposits:

Under the previous GAAP, interest free lease security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be initially recognised at fair value. Accordingly, the Company has fair valued these security deposits under Ind AS. The difference between the fair value and transaction value of the security deposit on initial recognition has been recognised as right to use. Subsequently, depreciation is charged to the statement of profit and loss for right to use over the tenure of the lease and unwinding of security deposit is credited to the statement of profit and loss as finance income.

vi. Financial guarantee given by parent:

Under the previous GAAP, financial guarantee given by parent is not accounted. Under Ind AS, financial guarantee contracts are measured at initial recognition at fair value and accounted as contribution from parent with corresponding impact on the borrowing**.**

vii. Deferred tax:

Under the Previous GAAP, the deferred tax was accounted based on timing differences impacting the Statement of Profit and Loss for the period. Deferred tax under Ind AS has been recognised for temporary differences between tax base and the book base of the relevant assets and liabilities. Deferred tax impact has been considered on the adjustments made on transition to Ind AS.

48. Regulatory disclosures:

i. Statutory Reserves:

As per Section 29C of National Housing Bank Act, 1987, the Company is required to transfer at least 20% of its net profit every year to a reserve before any dividend is declared. No appropriation of any sum from the reserve fund shall be made by the housing finance institution except for the purpose as may be specified by National Housing Bank from time to time and every such appropriation shall be reported to the National Housing Bank within twenty-one days from the date of such withdrawal. The said amount has been transferred at the end of the Financial Year. For this purpose, any Special Reserve created by the company u/s 36(i)(viii) of the Income Tax act ,1961 is considered to be an eligible transfer. The Company has transferred an amount ₹ 32.69 lakh (PY: ₹28.73 lakh) to Special Reserve in terms of section 36(i)(viii) of the Income Tax, 1961 and an amount of ₹ 3.38 lakh (PY: ₹ 1.31 lakh) to Statutory Reserve as per the section 29C of the NHB Act. Accordingly, the Company has transferred ₹ 3.38 lakh to Reserve Fund (u/s 29C of NHB Act, 1987) during the year.

₹. in lakh

Statement as per NHB circular No. NHB(ND)/ DRS/ Pol.Circular.61/ 2013 14 Dt. April 7, 2014		
Particulars	**As at March 31, 2020**	**As at March 31, 2019**
Balance at the beginning of the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	5.99	4.69
b) Amount of Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve u/s 29C of the NHB Act, 1987	28.73	-
c) Total	34.72	4.69
Addition/Appropriation/ Withdrawal during the year		
Add: a) Amount transferred u/s 29C of the NHB Act, 1987	3.38	1.31
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	32.69	28.73
Less: a) Amount appropriated from the 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 purpose of provision u/s 29C of the NHB Act, 1987	-	-
Balance at the end of the year	70.79	30.03
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	9.37	5.99
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	61.42	28.73
c) Total	**70.79**	**34.72**

ii. Fraud Reporting:

There were fraud cases aggregating to ₹ NIL (Previous year ₹ NIL) identified and reported to NHB during the financial year ended on March 31, 2020.

iii. Foreign Exchange Transaction and un-hedged foreign currency risk:

The Company has not undertaken any foreign currency transaction during the year ended March 31, 2019 (Previous year: Rs Nil). Also the company does not have any un-hedged foreign currency exposure as at March 31, 2020 (Previous year ₹ Nil)

iv. Details of dues to micro enterprise and small enterprise:

Trade Payables include ₹ Nil (Previous year: ₹ Nil) payable to "Suppliers" registered under the Micro, Small and Medium Enterprises Development Act, 2006. No interest has been paid / is payable by the Company during the year to "Suppliers" registered under this Act. The aforementioned is based on the responses received by the Company to its inquiries with suppliers with regard to applicability under the said act.

v. Capital to risk assets ratio (CRAR):

₹. in lakh

Particulars	As at March 31, 2020	As at March 31, 2019
(i) CRAR (%)	174.52%	95.92%
(ii) CRAR - Tier I capital (%)	174.52%	47.64%
(iii) CRAR - Tier II capital (%)	-	48.28%
(iv) Amount of subordinated debt raised as Tier-II Capital	-	9,800.00
(v) Amount raised by issue of perpetual debt Instruments	-	-

vi. Investments:

₹. in lakh

Particulars	As at March 31, 2020	As at March 31, 2019
Value of Investments		
(i) Gross value of Investments	-	790.67
(a) In India	-	-
(b) Outside India	-	-
(ii) Provisions for Depreciation	-	-
(a) In India	-	-
(b) Outside India	-	-
(iii) Net value of Investments	-	790.67
(a) In India	-	-
(b) Outside India	-	-
Movement of provisions held towards depreciation on investments		
Opening balance	-	-
Add: Provisions made during the year	-	-
i. Less: Write-off/ Written-bank of excess provisions during the Year	-	-
Closing balance	-	790.67

vii. Derivatives and long term contracts:

The Company has a process whereby periodically all long term contracts are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law / accounting standards for material foreseeable losses on such long term contracts has been made in the books of account. The Company has not entered into any derivative contracts during the year. (Previous year ₹ Nil) and hence detailed disclosure is not required.

Forward Rate Agreement (FRA) / Interest Rate Swap (IRS):

₹. in lakh

Particulars	As at March 31, 2020	As at March 31, 2019
(i) The Notional Principal of the Swap agreements	NIL	NIL
(ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	NIL	NIL
(iii) Collateral required by the HFC upon entering into swaps	NIL	NIL
(iv) Concentration of credit risk arising from the swap $	NIL	NIL
(v) The fair value of the swap book @	NIL	NIL
Note: Nature and terms of the swaps including information on credit and market risk and the accounting policies adopted for recording the swaps should also be disclosed.		
$ Examples of concentration could be exposures to particular industries or swaps with highly geared companies.		
@ If the swaps are linked to specific assets, liabilities, or commitments, the fair value would be the estimated amount that the HFC would receive or pay to terminate the swap agreements as on the balance sheet date.		

viii. Exchange Traded Interest Rate (IR) Derivative:

₹. in lakh

Particulars	As at March 31, 2020	As at March 31, 2019
(i)Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument- wise)	NIL	NIL
(ii)Notional principal amount of exchange traded IR derivatives outstanding as on 31st March, 2019 (instrument-wise)	NIL	NIL
(iii)Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	NIL	NIL
(iv)Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	NIL	NIL

ix. Disclosures on Risk Exposure in derivatives:

(i) **Qualitative Disclosure:**

The Company doesn't deal in Derivatives

(ii) **Quantitative Disclosure:**

₹. in lakh

Particulars	As at March 31, 2020	As at March 31, 2019
Derivatives (Notional Principal Amount)	NIL	NIL
Marked to Market Positions	NIL	NIL
(a) Assets (+)	NIL	NIL
(b) Liability (-)	NIL	NIL
Credit Exposure	NIL	NIL
Unhedged Exposures	NIL	NIL

x. Securitization / Direct Assignment:

a) Details of Securitization:

₹. in lakh

Particulars	As at March 31, 2020	As at March 31, 2019
1 No of SPVs Sponsored by the HFC for securitisation transactions	NIL	NIL
2 Total amount of Securitisation assets as per the book of the SPVs sponsored	NIL	NIL
3 Total amount of exposures retained by the HFC towards the MRR as on the date of balance sheet (i) Off-balance sheet exposures toward credit enhancements (ii) On-balance sheet exposures toward credit enhancements	NIL	NIL
4 Amount of exposures to securitisation transactions other than MRR (i) Off-balance sheet exposures towards Credit Enhancements (a) Exposure to own securitizations (b) Exposure to third party securitisations (ii) On balance sheet exposure towards credit enhancements (a) exposure to own securitisation (b) exposure to third party securitisations	NIL	NIL
*Only the SPVs relating to outstanding securitization transactions may be reported here		

b) Details of Financial Assets sold to Securitization / Reconstruction Company for Asset Reconstruction:

₹. in lakh

Particulars	As at March 31, 2020	As at March 31, 2019
(i) No. of accounts	NIL	NIL
(ii) Aggregate value (net of provisions) of accounts sold to SC / RC	NIL	NIL
(iii) Aggregate consideration	NIL	NIL
(iv) Additional consideration realized in respect of accounts transferred in earlier years	NIL	NIL
(v) Aggregate gain / loss over net book value	NIL	NIL

c) Details of Assignment transactions undertaken by HFCs:

₹. in lakh

Particulars	As at March 31, 2020	As at March 31, 2019
(i) No. of accounts	213	NIL
(ii) Aggregate value (net of provisions) of accounts assigned	2,511.51	NIL
(iii) Aggregate consideration	2,508.59	NIL
(iv) Additional consideration realized in respect of accounts transferred in earlier years	NIL	NIL
(v) Aggregate gain / Loss over net book value	NIL	NIL

d) Details of non-performing financial assets purchased:

₹. in lakh

Particulars	As at March 31, 2020	As at March 31, 2019
No. of accounts purchased during the year Of these, number of accounts restructured during the year	NIL NIL	NIL NIL

e) Details of non-performing financial assets sold:

₹. in lakh

Particulars	As at March 31, 2020	As at March 31, 2019
1 No. of accounts sold	NIL	NIL
2 Aggregate outstanding	NIL	NIL
3 Aggregate consideration received	NIL	NIL

xi. Disclosure of restructured accounts:

During the year the company has not restructured any loan / advances; (Previous year ₹ Nil)

xii.

a) Exposure to real estate sector:

₹. in lakh

S.No	Category	As at March 31, 2020	As at March 31, 2019
A	Direct Exposure		
i)	Residential Mortgages (including loan against residential property): Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented Out of which Individuals Housing Loans upto ₹15 lakh: ₹ 25,512.68 lakh (PY ₹ 19,414.30 lakh)	43,225.05	34,209.10
ii)	Commercial Real Estate: Lending secured by mortgages on commercial real estate (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse spaces, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits	-	-
iii)	Investment in Mortgage Backed Securities (MBS) and other securitized exposures- a) Residential b) Commercial Real Estate	-	-
B	Indirect Exposure	-	-
	Fund based and non-fund based exposures on NHB and Housing Finance Companies (HFCs)	-	-

b) Exposure to Capital Markets:

₹. in lakh

i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	-	-
ii)	Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures and units of equity-oriented mutual funds;	-	-
iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds, i.e, where the primary security other than shares / convertible bonds /convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	-	-
v)	Secured and unsecured advances to stock brokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
vi)	Loans sanctioned to corporates against the security of shares/bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
vii)	Bridge loans to companies against expected equity flows / issues;	-	-
viii)	All exposures to Venture Capital Funds (both registered and unregistered)	-	-
	Total Exposure to Capital Markets	-	-

c) Details of Financing of Parent company products:

There are no such instances.

d) Details of Single Borrower Limit (SGL)/ Group Borrower Limit (GBL) exceeded by the HFCs:

During the year, Company has not exceeded SGL & GBL limit as prescribed under NHB Regulation.

e) Unsecured Advances:

There are no loans and advances secured against rights, licenses, authorities.

xiii. As per the Housing Finance Companies (NHB) Directions, 2010, non-performing assets are recognized on the basis of overdue for a period of ninety days or more. The total provision carried by the Company in terms of paragraph 29 (2) of the Housing Finance Companies (NHB) Directions, 2010, and subsequent NHB Circulars/Notifications - NHB.HFC. DIR.3/CMD/2011 dated August 5, 2011, NHB.HFC.DIR.4/CMD/2012 dated January 19, 2012, NHB.HFC. DIR.9/CMD/2013 dated September 6, 2013 and notification no. NHB. HFC.DIR.18/MD&CEO/2017[1] dated August 2, 2017 in respect of Housing and Non-Housing Loans is as follows.

₹. in lakh

	As at March 31, 2020		As at March 31, 2019	
	Outstanding ₹	**Provisions ₹**	**Outstanding ₹**	**Provision ₹**
HOUSING LOAN:				
To Individuals				
Standard Assets	35,122.91	138.76	27,385.89	70.07
Sub-Standard Assets	411.20	102.80	111.73	32.94
Doubtful Assets	-	-		-
Loss Assets	-	-	-	-
To Non-Individuals	-	-	-	-
Standard Assets	-	-	-	-
Sub-Standard Assets	-	-	-	-
Doubtful Assets	-	-	-	-
Loss Assets	-	-	-	-
Floating provision	-	-	-	-
Total (A)	**35,534.11**	**241.56**	**27,497.62**	**103.01**

₹. in lakh

	As at March 31, 2020		As at March 31, 2019	
	Outstanding ₹	**Provisions ₹**	**Outstanding ₹**	**Provision ₹**
NON HOUSING LOAN:				
To Individuals				
Standard Assets	7,859.01	29.22	7,447.16	30.22
Sub-Standard Assets	233.87	58.47	75.06	22.65
Doubtful Assets	-	-	-	-
Loss Assets	-	-	-	-
To Non-Individuals				
Standard Assets	2,002.08	4.00	-	-
Sub-Standard Assets	-	-	-	-
Doubtful Assets	-	-	-	-
Loss Assets	-	-	-	-
Floating provision	-	-	-	-
Total (B)	**10,094.96**	**91.69**	**7,522.22**	**52.87**
TOTAL (A+B)	**45,629.07**	**333.25**	**35,019.84**	**155.88**

* Includes provision on interest accrued

₹. in lakh

Standard Assets	Housing		Non-Housing	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Principal outstanding	35,382.80	27,564.03	9,964.41	7,550.18
Interest accrued	13.17	-	2.08	-
EIR and other Ind AS adjustment	(275.83)	(182.23)	(106.20)	(106.80)

The category of Doubtful Assets will be as under:

The period for which the assets has been considered as doubtful	Category
Upto one year	Category-I
One year to three years	Category-II
More than three years	Category-III

The above classification of loan assets is as per the master directions issued by National Housing Bank under reference NHB.HFC.DIR.1/CMS/2010

xiv. Draw down from reserves:

No draw down made from the Statutory Reserves during FY 2019-20 (Previous Year ₹ Nil)

xv. Concentration of Public Deposits, Advances, Exposures and NPAs:

(a) Concentration of Public Deposits (for Public Deposit taking/holding HFCs):

₹. in lakh

Particulars	As at March 31, 2020	As at March 31, 2019
Total Deposits of twenty largest depositors	NA	NA
Percentage of Deposits of twenty largest depositors to Total deposits	NA	NA

(b) Concentration of Loans and Advances:

₹. in lakh

Particulars	As at March 31, 2020	As at March 31, 2019
Total Loans & Advances to twenty largest borrowers	925.43	863.90
Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the HFCs	2.10%	2.48%

(c) Concentration of all Exposure (including off- balance sheet exposure):

₹. in lakh

Particulars	As at March 31, 2020	As at March 31, 2019
Total Exposure to twenty largest borrowers/Customers	964.88	895.73
Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the HFCs (including off- balance sheet exposure)	2.08%	2.35%

(e) Concentration of NPAs:

₹. in lakh

Particulars	As at March 31, 2020	As at March 31, 2019
Total Exposure to top ten NPA accounts	243.45	148.59

(f) Sector-wise NPAs:

₹. in lakh

Sr No.	Sector	Principal Outstanding	Provision
A	**Housing Loans**		
1	Individuals	411.20	102.80
2	Builders/project loans	-	-
3	Corporates	-	-
4	Others (Specify)	-	-
B	**Non- Housing Loans**		
1	Individuals	233.87	58.47
2	Builders/project loans		
3	Corporates	-	-
4	Others (Specify)	-	-

(g) Movement of NPAs:

₹. in lakh

Particulars	As at March 31, 2020	As at March 31, 2019
(I) Net NPAs to Net Advances (%)	1.10%	0.37%
(II) Movement of NPAs (Gross)		
a) Opening balance	186.79	-
b) Additions during the year	485.47	186.79
c) Reductions during the year	(27.19)	
d) Closing balance	645.07	186.79
(III) Movement of Net NPAs		-
a) Opening balance	131.20	131.20
b) Additions during the year	364.10	-
c) Reductions during the year	(11.49)	-
d) Closing balance	483.80	131.20
(IV) Movement of provisions for NPAs (excluding provisions on standard assets)		-
a) Opening balance	55.59	-
b) Provisions (net of reversal) made during the year	105.68	55.59
c) Write-off/write-back of excess provisions	-	-
d) Closing balance	161.27	55.59

xvi. Asset Liability management:

Maturity pattern of certain items assets and liabilities as at March 31, 2020

₹. in lakh

Items/time buckets	Liabilities			Assets		
	Borrowings from Banks	Market Borrowings	Foreign Currency Liabilities	Advances	Investments	Foreign Currency Assets
1 day to 30/31 days (one month)	325.55	-	-	99.57	-	-
Over 1 month to 2 months	445.79	-	-	88.58	-	-
Over 2 months to 3 months	726.11	-	-	101.62	-	-
Over 3 months to 6 months	1,497.45	-	-	2,289.32	-	-
Over 6 months to 1 year	2,994.90	-	-	661.31	-	-
Over 1 year to 3 years	11,445.29	-	-	3,316.94	-	-
Over 3 years to 5 years	2,834.98	-	-	3,982.97	-	-
Over 5 years to 7 years	-	-	-	4,592.64	-	-
Over 7 years to 10 years	-	-	-	7,916.47	-	-
Over 10 years	-	-	-	22,958.13	-	-
Total	**20,270.07**	**-**	**-**	**46,007.54**	**-**	**-**

In computing the above information, certain estimates assumptions and adjustments have been made by the management which are consistent with the guidelines provide by the National Housing Bank.

xvii. There were no loans given against the collateral of gold jewellery and hence the percentage of such loans to total outstanding assets is NIL. (Previous year: NIL)

xviii. Disclosure regarding penalty or adverse comments as per Housing Finance Companies (NHB) Directions, 2010: During the current year, the Company has not been imposed any penalty by National Housing Bank.

xix. Overseas Assets:

The Company do not hold any overseas assets (Previous year Nil)

xx. Off-Balance Sheer SPVs sponsored – None (Previous Year: Nil)

xxi. Disclosure of complaints:

Customer complaints

	Particulars	As at March 31, 2020	As at March 31, 2019
a)	No. of complaints pending at the beginning of the year	-	-
b)	No. of complaints received during the year	8	3
c)	No. of complaints redressed during the year	6	3
d)	No. of complaints pending at the end of the year	2	-

xxii. Company Information:

The country of operation for the Company is in India and it does not have any joint venture partners with regard to joint ventures and overseas subsidiaries.

xxiii. Details of transactions with non-executive directors:

₹. in lakh

Name of Director	Nature of Transaction	For the year ended March 31, 2020	For the year ended March 31, 2019
Ms. Anjali Seth	Sitting Fees	8.40	3.60
Mr. Mohan Tanksale	Sitting Fees	7.20	0.40
Mr. RS Reddy	Sitting Fees	1.80	1.40
Mr. Sridar Venkatesan	Sitting Fees	8.40	3.60

xxiv. Registrations / License obtained from other financial sector regulators - Nil (Previous year Nil)

xxv. The Company has not postponed revenue recognition on any item during the current year and previous year.

xxvi. Disclosure of penalties imposed by NHB and other regulators - Nil (Previous year Nil).

48. Other Disclosure:

(i) The outbreak of COVID-19 pandemic across the globe and in India has contributed to a significant impact and volatility in the global and Indian financial markets and slowdown in the economic activities. The Reserve Bank of India (RBI) has issued guidelines relating to COVID-19 Regulatory Package dated March 27, 2020 and April 17, 2020 and in accordance therewith, the Company has adopted a policy and offered a moratorium of up to three months on the payment of all principal amounts and/or interest, as applicable, falling due between March 1, 2020 and May 31, 2020 (now extended upto 31st August 2020) to eligible borrowers classified as standard, even if the said amounts were overdue on February 29, 2020, excluding the collections already made in the month of March 2020. For all such accounts, where the moratorium is granted, the asset classification will remain standstill during the moratorium period (i.e., the number of days past due shall exclude the moratorium period for the purpose of asset classification as per the policy).

(ii) The Company has made provisions as per the adopted ECL model for impairment on financial instruments and also made further provisions as per regulations for all loans as on March 31, 2020 under the IRACP (Income Recognition and Asset Classification and Provisioning) norms of the RBI and additional provisions for loans under moratorium as per regulations notified. The impact of COVID 19 pandemic is dependent on future developments which is highly uncertain, therefore the financial impact in subsequent periods may be different than presently assessed. Further, the management has also evaluated the impact of COVID 19 on all other assets of the Company and expects them to be recoverable as on date.

(iii) There are no amount due and outstanding to be credited to Investor Education and Protection Fund as at March 31, 2020 and as at March 31, 2019

(iv) Miscellaneous:

Particulars	
Registration obtained from other financial sector regulators	
NHB Registration No.	11.0147.16
Company Identification no. (CIN) :	U65922MH2016PLC273826
Ratings assigned by credit rating agencies and migration of ratings during the year (a) Long Term Bank facility CARE: A-(Stable) on Standalone basis	

(v) Previous Year Figures:

Previous year figures have been re-classified and re-grouped whenever required.

As per our attached report of even date

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No.103523W/W100048

Sumant Sakhardande
Partner
Membership No 034828

Place: Mumbai
Date : June 03, 2020

For and on behalf of the Board of
Centrum Housing Finance Limited

Sridar Venkatesan
Chairman
DIN 02241339

Sanjay Shukla
Managing Director & CEO
DIN 06577462

Mehul Jatania
Chief Financial Officer

Alpesh Shah
Company Secretary

LIST OF BRANCHES

Ahmedabad 45 Viva - III,1st Floor, Shirmali Society, Opp. Vadilal House, Near Mithakali Six Road, Navrangpura, Ahmedabad - 380009, Gujarat	**Ahmedabad** Shop No. C/46, Ground Floor At Sumel-7, Odhav Ring Road, Ahmedabad - 382120, Gujarat	**Amravati** Office No. 6, B Wing, Ground Floor, Vimaco Tower, Bus Stand Road, Amravati - 444601, Maharashtra
Anand Office No. 209, 2nd Floor, Radha Swami Sumit Complex, Gopi Cinema Road, Anand - 388001, Gujarat	**Banswara** Office No. 130, 1St Floor, Mohan Colony, Udaipur Road, Banswara - 321007, Rajasthan	**Bharuch** Office No. 220/221, Aditya Complex, Kasak Circle, Kasak, Bharuch - 392001, Gujarat
Bhopal 1st Floor, Manav Niket, Plot No. 30, Press Complex, Zone-1, M.P Nagar, Near Dainik Bhasker Complex, Bhopal - 462011, Madhya Pradesh	**Bikaner** 2nd Floor, Riddhi Siddhi, Plot No. C-61, Punchsati Circle, Sadul Ganj, Bikaner - 334001, Rajasthan	**Bilaspur** Office No. G-10, B. R. Gwalani Chembers, Vyapar Vihay, Bilaspur - 495001, Chhattisgarh
Chhitorgarh Plot No. A, Gokul Shoping Center, Behind Roadways Bus Stand, Th. & Dist. Chittorgarh - 312001, Rajasthan.	**Deesa** Shop No. 19, 1st Floor, Milestone Shopping Centre, Near Jalaram Temple, Ranpur Road, Deesa - 385535, Gujarat	**Durg** 1st Floor, 36/5, Nehur Nagar East Bhilai, Durg - 490020, Chhattisgarh
Gwalior Office No. 306-307, Narayan Krishna Complex, City Center, Gwalior - 474011, Madhya Pradesh	**Himmatnagar** Office No. 108, 1st Floor, Maple Crystal, Sahkari Jin Mil Road, Motipura, Himmatnagar - 383001, Gujarat	**Indore** Office No. R-15 & 16, Metro Tower, Vijay Nagar, Indore - 452010, Madhya Pradesh
Jabalpur Office No. 849C , Manas Nandani Tower, 1st Floor, Opp. Manas Bhawan , Wright Town, Jabalpur - 482002, Madhya Pradesh	**Jaipur** Office No. 302 and 312, 3rd Floor, Sangam Tower, Jaipur - 302001, Rajasthan	**Jamnagar** Office No. 315, 3rd Floor, Madhav Plaza, Opp. SBI Bank, Lal Bunglow Jamnagar - 361001, Gujarat
Junagadh Office No. 205, 2nd Floor, Central Plaza, Opp. Bahauddin College, College Road, Junagarh - 362001, Gujarat	**Mehsana** Office No. F-10, Orbit Business Hub, Near Dena Bank, Randhanpur Road, Mehsana - 384002, Gujarat	**Nagaur** 1st Floor, J.K. Complex, Sainik Basti, Above Axis Bank, Nagaur - 341001, Rajasthan
Nagpur Office No. 302, 3rd Floor, Vitthal Rukmani Palace, Laxmi Nagar, Nagpur - 440022, Maharashtra	**Nashik** Plot No. 118, Part of 1st Floor, D'souza Colony, College Road, Above Dominos Pizza, Nashik - 422005 - Maharashtra	**Navi Mumbai** Office No. 404, 4th Floor, Zion, Plot No - 273, Sector - 10, Kharghar, Navi Mumbai - 410210, Maharashtra
Neemuch 1st Floor, Bhagwati Plaza, Near Firoz Shah Petrol Pump, Above ICICI Bank, Opp. Dassera Maidan, Neemuch - 458441, Madhya Pradesh	**New Delhi** 39, Basant Lok, Vasant Vihar, New Delhi - 110057	**Palanpur** Shop No. 98/99, 1st Floor, Situated At Sanskrit Complex, Near Abu Highway Road, Palanpur - 385001, Gujarat
Pune Office No. 401, Amit Shriphal, Ghole Road, Pune - 411005, Maharashtra	**Raipur** 1st Floo, Sky Park, Plot No. 3/10, Ward No-3, Opp. Banthiya Nurshing Home, Rajatalab, Raipur - 492001, Chhattisgarh	**Rajkot** Office No. 406, The Imperial Heights, Wing - C, 150ft Ring Road, Opp. Big Bazaar, Rajkot - 360005, Gujarat
Ratlam Office No 202, 2nd Floor, My Dear, 22- Dr. Rajendra Prasad Marg, Near Govt. Girls College, Ratlam - 457001, Madhya Pradesh	**Surat** Office No. 305, 4th Floor, Shlok Business Centre, Udhana Darwaja, Surat - 395002, Gujarat	**Udaipur** 3rd Floor, M.P. Enclave, Near Shobhagpura Circle, Opp. Govt School, 100ft Road, Shobhangpura, Udaipur - 313011, Rajasthan
Ujjain Office No. 204, Gangotri Apartment, Plot No. 90, Tatyatope Marg, Freegunj, Ujjain - 474002, Madhya Pradesh	**Vadodara** Office No. 410-411, Emerald Developers, The Emerald, Race Course Road, Vadodara - 390007, Gujarat	**Vapi** Unit No. 247, 2nd Floor, Girnar Khushbu Plaza, Gidc, Vapi - 396195, Gujarat
Vidisha Office No. 3, 3rd Floor, Gaurav Complex Sanchi Road, Vidisha - 464001, Madhya Pradesh	**Virar** Office No. 312 & 313 Pushp Plaza, Abve Snehanjali Electronics, Manvelpada, Virar -East, Thane - 401303, Maharashtra	**Yavatmal** Plot No. 17, 1st Floor, Mainde Square, Opp. State Bank Of India, Yavatmal - 445001, Maharashtra

CENTRUM Home Loans

Aao milkar ghar banaye

Centrum Housing Finance Limited

Unit 801, Centrum House, CST Road, Kalina, Santacruz (E), Mumbai 400098
Website - www.chfl.co.in Email - query.chfl@centrum.co.in