Aadhar Housing Finance Ltd

GHAR BANEGA, TOH DESH BANEGA.

Annual Report | 2018-19

Ghar Banega, toh Desh Banega.

In the joy of owning a home lies the strength of a prosperous nation.

At Aadhar Housing Finance Ltd., we believe home ownership to be more than an indicator of individual growth. We believe it to be a critical metric of the collective prosperity of the nation as a whole.

Because, we believe that

Ghar Banega, toh Desh Banega.

We believe in enabling home ownership for every Indian, to create an equitable society and a better world.

We believe in promoting accessible financial inclusion across the country, to empower people and drive nationwide transformation.

We believe that the economic security of our nation and its people can only be ensured in the security of their own homes.

Read on...

CORPORATE OVERVIEW 001-033

STATUTORY REPORTS 034-084

FINANCIAL STATEMENTS 086-205

Visit: https://aadharhousing.com/investor-relations/aadhar-housing-annual-reports.php to view our report online

Forward-Looking Statements

This report and other statements - written and oral - that we periodically make, may contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Corporate Information

Key Managerial Personnel

Shri Deo Shankar Tripathi
MD and CEO

Shri Anmol Gupta
Chief Financial Officer

Shri Sreekanth V.N.
Company Secretary

Joint Statutory Auditors

Deloitte Haskins & Sells LLP
Chartered Accountants

Indiabulls Finance Centre
Tower 3, Senapati Bapat Marg,
Elphinstone Road (West), Mumbai,
Maharashtra - 400 013

Chaturvedi S K & Fellows
Chartered Accountants

42, Dev Plaza, Swami Vivekanand Road,
Andheri (West), Mumbai - 400 058, Maharashtra.

Bankers

Allahabad Bank
Andhra Bank
Axis Bank
Bank of Baroda
Bank of India
Bank of Maharashtra
Canara Bank
Catholic Syrian Bank
Central Bank of India
Corporation Bank
DCB Bank
Dena Bank
Federal Bank
HDFC Bank
ICICI Bank
IDBI Bank
Indian Bank
Indian Overseas Bank
Karnataka Bank
Kotak Mahindra Bank
Maharashtra Gramin Bank
Oriental Bank of Commerce
Punjab National Bank
Shinhan Bank
South Indian Bank
State Bank of India
Syndicate Bank
Union Bank of India
United Bank of India
Vijaya Bank
Yes Bank Ltd

Trustee to the NCD

Catalyst Trusteeship Limited
(Previous Name - GDA Trusteeship Ltd.)
GDA House, 94/95, Plot No. 85, Bhusari Colony,
(Right) Kothrud, Pune - 411 038

Ph: +91 20 2528 0081 | Fax: +91 20 2528 0275
Email: dt@gdatrustee.com
Website: www.gdatrustee.com

Beacon Trusteeship Ltd.
4C & D, Siddhivinayak Chambers, Gandhi Nagar,
Opp. MIG Club, Bandra East, Mumbai - 400 051

Ph: +91 22 2655 8759
Email: Customercare@beacontrustee.co.in

Foreign Partner

BCP Topco VII Pte Ltd., Singapore
(Holding Company effective from June, 2019)

Compliance Officer

Mr. Sreekanth V.N.
Company Secretary

201, Raheja Point-1, Nehru Road, Vakola,
Santacruz (E), Mumbai - 400 055

Ph: +91 22 3950 9931 | Fax: +91 22 3950 9934
Email: complianceofficer@aadharhousing.com

Credit Rating Agency

Brickwork Ratings Pvt Ltd
3rd Floor, Electric Mansion,
Appasaheb Marathe Marg, Prabhadevi,
Mumbai - 400 025

Ph: +91 22 6169 3300

CARE Ratings Ltd.
4th Floor Godrej Coliseum,
Somaiya Hospital Road, Off Eastern
Express Highway, Sion (East), Mumbai - 400 022

Ph: +91 22 6754 3465
Email: info@careratings.com

CRISIL
CRISIL House, Central Avenue,
Hiranandani Business Park, Powai,
Mumbai - 400 076

Ph: +91 22 3342 3000
Email: CRISILratingdesk@crisil.com

ICRA Ltd
3rd Floor, Electric Mansion, Appasaheb Marathe
Marg, Prabhadevi, Mumbai - 400 025

Ph: +91 22 6169 3300

Stock Exchange

BSE Limited
P. J. Towers, Dalal Street,
Mumbai - 400 001

Ph: +91 22 2272 1234
Email: corp.comm@bseindia.com

Depository for Demat

National Securities Depository Ltd. (NSDL)
4th Floor, A Wing, Trade World,
Kamala Mills Compound, S.B. Marg, Lower Parel,
Mumbai - 400 013

Ph: +91 22 2499 4200
Email: info@nsdl.co.in

Central Depository Services (India) Ltd (CDSL)
Marathon Futurex, A-Wing, 25th Floor,
NM Joshi Marg, Lower Parel, Mumbai - 400 013

Registrar & Transfer Agent

Karvy Fintech Private Limited
(Formerly known as Karvy Computershare
Private Limited)
Karvy Selenium Tower B, Plot No. 31 & 32
Financial District, Nanakramguda, Gachibowli,
Hyderabad – 500 032, Telangana

Ph: 1-800-3454-001 (Toll free)
Email: einward.ris@karvy.com

Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound, L.B.S. Marg,
Bhandup (West), Mumbai - 400 078

Ph: +91 22 2596 3838 | Fax: +91 22 2594 6969
Email: ipo@linkintime.co.in
Website: www.linkintime.co.in

TSR Darashaw Limited
6-10, Haji Moosa Patrawala Ind. House
20, Dr. E. Moses Road, Near Famous Studio,
Mahalaxmi, Mumbai - 400 011

Ph: +91 22 6657 8484

Registered Office

Aadhar Housing Finance Ltd.
CIN: U66010KA1990PLC011409
2nd Floor, No. 3, JVT Towers, 8th 'A' Main Road,
S.R. Nagar, Bengaluru - 560 027, Karnataka

Toll Free No: 1800 3004 2020

Corporate Office
201, Raheja Point-1, Nehru Road, Vakola,
Santacruz (E), Mumbai - 400 055

Ph: +91 22 3950 9931 | Fax: +91 22 3950 9934
Email: customercare@aadharhousing.com

Aadhar – The Foundation of Every Indian's Home

The realisation of the dream of home ownership is, for every Indian, an overarching aspiration that we, at Aadhar Housing Finance Ltd. (AHFL), are committed to helping them achieve. As the largest independent affordable housing Company in the country, with an AUM of ₹ 10,016 Crores, the Company is powering India's progress by propelling the translation of every Indian's vision to own a home.

Led by a strong management team and a robust credit appraisal process, and backed by an internal dedicated team of 300 credit experts, we, at Aadhar, are driving inclusive growth. We are engaged in providing to the hitherto excluded segment of Indians, in the urban and semi-urban areas, risk-free, speedy and transparent housing finance.

The Aadhar philosophy is rooted in a deep understanding of the aspirational need for home ownership that throbs in the hearts of those in the LIG and economically backward strata of the Indian society. We stand tall as the foundation for these excluded masses to build their dream of having their own house.

OUR CUSTOMER PROMISE

Benchmarked to the highest standards of corporate governance, as per the stringent regulations of the National Housing Bank (NHB), we have built our business portfolio on an ethical model and customer-centric approach.

Our customer promise encompasses our 7 key customer commitments to:

- Always treat you fairly and with respect & integrity when fulfilling our responsibilities
- Diligently work with you to help achieve your home ownership goals and respond quickly with a solution
- Maintain transparency and keep you well-informed at every step
- Listen to you and incorporate your feedback
- Provide a trusted, supportive and confidential environment for you to share with us your home ownership needs
- Provide great ongoing financial care and guidance
- Communicate clearly and honestly

A grassroots organisation

AHFL has a wide network of 311 branches covering 2,500 locations in 20 States & a Union Territory, taking the vision of affordable home ownership to customers at the grassroots.

As one of the largest affordable housing finance companies in India, servicing the home financing needs of the low-income segment of the society, Aadhar is currently helping reach more than 90% of the country's low-income population and providing credit solutions that make home ownership accessible to everyone.

Loan for Purchase of Non-Residential Property

Home loan for salaried employee

Home loan for self-employed

Balance transfer and top-up

DIVERSIFIED PORTFOLIO FOR DIVERSE NEEDS

Our business portfolio is crafted around the home ownership need of various categories of individuals in our targeted segment.

Loan for plot purchase and/or construction

Loan against residential/ commercial property

Home extension loan

Home improvement loan

OUR VISION

To provide security in the form of a roof over every Indian's head.

OUR MISSION

- To make Housing Finance easily accessible to the Lower and Middle Income (LMI) groups
- To mobilise resources and attention to this segment, which would mean faster and greater growth for the segment, thus impacting the nation as a whole
- To promote responsible financial inclusion and to make the segment aware and prepared to take informed financial decisions
- To bring continuous innovations in our products, processes and credit policies, to make sure that the maximum number of people can be eligible for loans

OUR VALUES

We are steering our brand ethos and our promise of #gharbanegatohdeshbanega through our intrinsic charter of values:

Innovation - To work with an innovative approach to housing finance credit, creating new business opportunities whilst managing risk.

Speed - To set clear performance standards and stand responsible & accountable for providing solutions within specified timelines, with nimbleness and agility.

Customer Delight - To maintain respectful relations with customers and deliver customer delight through all our actions whilst measuring our performance on the value delivered to our customers.

Integrity - To honour our commitment, act with responsibility, honesty and transparency across all our external and internal relationships.

Aadhar – The Foundation of Every Indian's Home

UNIQUE DISTRIBUTION MODEL

Our distribution model is a strength that is continuously steering our expansion strategy. It enables us to extend our reach to those seeking home ownership in the most excluded parts of the country. It enables us to promote greater efficiencies by optimising the use of our resources at every level.

We have structured our distribution model across a network of Main Branches as well as Small, Micro and Ultra Micro branches. Further complementing this model is our newly launched Resident Executives system to boost productivity and reduce expenses. This has been further branched out through unique concepts in the form of Aadhar Mitras (Business Correspondents) and Resident Executives (Sales force without physical branch).

BUILDING ON EFFICIENCIES

Leveraging the power of technology is central to our philosophy of continuously building on our operational efficiencies. Technology, for us, is the key to improved metrics at every stage of our business value chain – lifecycle management, customer transparency, reduction in the cost of operations, customer satisfaction, lowering of Cost to Income ratio, and profitability.

Encouraged by the success of our first Central Processing Unit (CPU) opened in FY 2018-19 in Mumbai, we started our second CPU at Bengaluru during the year, aiding our cost reduction and operational efficiency efforts.

BUILDING BLOCKS OF OUR OPERATIONAL EFFICIENCY

Customer lifecycle with increased transparency

- Begins with the first customer interaction, and moves on to collection of papers, credit appraisal, property valuation, evaluation, legal valuation & messaging to customer about registration of proposal at every stage.

Elimination of stages maintaining checks and controls

- Entire record is reserved in digital form, which not only helps in boosting Analytics but also in regulation of internal audit, and in saving the loan pool for the bankers, by eliminating the requirement of a physical file.

Digitalisation with cost reduction

- Every step is brought under digitalisation - from monitoring the account, to paper submission. It also helps bring the cost down at various stages, right from onboarding the customer to disbursement of loans, including the collection efficiency.

These initiatives are helping increase efficiency, while also enhancing customer delivery and transparency. At the same time, they enable us to reduce the overall cost of business - right from onboarding the customer to the disbursement of loan and collection of the EMI.

Operational Highlights FY 2018-19

Driven by the goal of transforming the nation's housing landscape by expanding the ambit of home ownership, we continued to scale up our business value chain through FY 2018-19, to further strengthen our foundations for futuristic growth.

₹ 3,192 Crores
Total Disbursement for FY 2018-19

₹ 8.3 Lakhs
Average Ticket Size of Total Loan Portfolio

66%
Percentage of Loans to Salaried Employees on AUM

26%
Growth in AUM over FY 2017-18, to close FY 2018-19 at ₹ 10,016 Crores

0.58%
Retail gross NPA

18.28%
CAR (Capital Adequacy Ratio) as on 31st March 2019

311
Number of Branches

10%
Increase in Loan Book (FY 2018-19: ₹ 8,125 Crores)

2,217
Number of Employees

Channel Partners
Aadhar Mitras - 4,180
Aadhar Channel Partners (ACPs) - 2,525

Blackstone infuses positivity

In a strategic move, the private equity funds managed by Blackstone acquired a 97.7% stake in Aadhar Housing Finance Ltd. on 10th June 2019, which now stands at 98.28%. This included the entire stake held by the existing controlling shareholders, Wadhawan Global Capital Limited ("WGC"), Dewan Housing Finance Limited ("DHFL") and International Finance Corporation ("IFC").

As part of the transaction, Blackstone has also infused ₹ 800 Crores primary equity capital into Aadhar to fund the Company for future growth. Aadhar sees the acquisition by Blackstone, the world's largest alternative asset manager with AUM of US$ 512 Billion, as a testament of the dedication of its people, and an exciting opportunity for growth and expansion.

MD and CEO's Message

> "As per industry estimates, the demand for houses in the EWS and LIG categories is four times more than the available supply. The affordable housing finance segment, largely including EWS category within ticket size of up to ₹ 15 Lakhs, is projected to grow to ₹ 6 Trillion by 2022"

Dear Stakeholders,

Enthused by the stellar performance and healthy growth of business in FY 2017-18 and powered up by the merger of DHFL Vysya and Aadhar Housing Finance, your Company began the new financial year with lots of excitement and launched various new initiatives to harness the available opportunity, strengthen the control mechanism as well as enhance productivity. Post September 2018, the operating environment for NBFCs and HFCs suddenly became highly challenging which also impacted your Company. However, the crisis was averted and converted into an opportunity to stabilise the initiatives launched during the first half of the year.

The increasing competitiveness in the housing finance market, triggered by the entry of a large number of new players, is putting pressure on all companies in this segment. However, the humungous demand from the low-income segment has created enough space for the growth of all. Your Company has created enough capacity and capabilities to maintain its leadership position in affordable housing finance.

As per industry estimates, the demand for houses in the EWS and LIG categories is four times more than the available supply. The affordable housing finance segment, largely including EWS category within ticket size of up to ₹ 15 Lakhs, is projected to grow to ₹ 6 Trillion by 2022. The overall requirement is huge - up to the ticket size of ₹ 35 Lakhs, as it covers most of the low income and middle-income groups.

With our expansion from Tier I and II to Tier III & IV locations, we have already repositioned ourselves to target the larger audience. This strategic shift in our business philosophy is in line with our aim of bringing affordable home finance within the access of the marginalised sections of the society, to ensure inclusive individual and collective growth. We believe that home ownership is an important element in national progress and have committed ourselves to the realisation of the dream of home ownership in the most excluded populations across the country. And we want to ensure that Aadhar becomes the first choice for low-income common people, when it comes to taking a home loan. This goal is aligned with our long-term vision of providing a home to every Indian.

GHAR BANEGA, TOH DESH BANEGA

Our new brand and marketing campaign 'Ghar banega, toh Desh banega' is rooted in this ethos, where making the home of our dreams is the way to build the nation of our hopes. With this proposition, we are also taking forward our commitment to support the Government's mission of Housing for All by 2022.

PUSHING EFFICIENCIES TO SCALE GROWTH

Catering to the aspirational need of home ownership among this large segment of the population requires a high level of transparency, efficiency and customer orientation. Serving the low-income segment involves huge operational cost in onboarding and life cycle management. Cognizant of this, we are continually enhancing these matrices through various pioneering initiatives that are setting new benchmarks in housing finance. The Company has set up Central Processing Units at Mumbai and Bengaluru for the central processing of loan files to improve productivity, efficiency and turnaround time. Centralised operations for certain activities, centralised concurrent audit for audit of files with one month lag, and a Fraud Control Unit have been set up, in addition to other initiatives taken during the year.

The Company successfully launched its maiden NCD public issue, which was subscribed by retail, HNI, and institutional investors.

Your Company continued its thrust on healthy business growth, best asset quality, strong compliances with a high degree of customer care. Individual retail loans continue to be the sole focus of your Company, with 99% of the lending towards the sector, with a low retail NPA level of 0.58%.

Your Company performed fairly well across both operational and financial parameters, underlining the success of our strategy and strength of the business model. Assets Under Management (AUM) grew by 26% YoY to ₹ 10,016 Crores, whereas PAT grew by 41 % to ₹ 162 Crores The disbursements were 18% lower, at ₹ 3,192 Crores Your Company could not reach its ambitious target on account of the unprecedented challenging market environment for NBFCs/ HFCs, which caused a substantial reduction in disbursements from September 2018 onwards. However, your Company maintained sufficient liquidity all through the year.

To address the challenges of the evolving market and consumer needs, we have restructured our distribution model with a unique concept that involves Referral Associates (Aadhar Mitras), whom we pick out of unemployed youth and small business enterprises to connect us with the prospective target groups in their command areas. Another innovative measure is that of Resident Executives (Sales team without physical branch), attached to our branches for loan sourcing. With these initiatives, we are further extending our reach to the LIG and EWS segment.

Further propelling our inclusive growth journey are our efforts to strengthen our operational efficiencies through augmentation of our risk management systems, along with technological and talent upgradation. The Company has strengthened its management structure by onboarding Chief Business Officer, Chief Operating Officer and Chief People Officer to bring in higher efficiencies.

INFUSING CAPITAL TO STRENGTHEN FOUNDATIONS

The efficiency build-up of the past one year has received a dose of further infusion with Blackstone, the world's largest alternate asset manager, coming on board. Private equity funds managed by Blackstone signed a definitive agreement on 2nd February, 2019, to acquire a 97.7%-stake in Aadhar Housing Finance Ltd., which now stands at 98.28%, including the entire stake held by the existing controlling shareholders, Wadhawan Global Capital Limited ("WGC"), Dewan Housing Finance Limited ("DHFL") and International Finance Corporation ("IFC").

Blackstone has also infused ₹ 800 Crores in primary equity capital into Aadhar under the agreement, which will not only strengthen the Company's equity base but also bring in global best practices to make Aadhar even more robust in terms of monitoring and reporting.

The move will help the Company diversify its resource base by enabling it to raise funds from multiple channels overseas. Blackstone's ownership will bring in a strong edge for Aadhar in terms of best-in-class corporate governance, with improved technology systems to boost productivity, and make the end-to-end loan underwriting and collection process smoother with superior customer experience.

GOING FORWARD

The foundations are clearly in place for leveraging the opportunities that we see emerging in the coming quarters and months, on the strength of the Government's proactive initiatives to provide Housing for All by 2022. Your Company has successfully passed on subsidy to 20,000 families, amounting to ₹ 425 Crores received under the PMAY scheme. The Company is poised to grow 25-30% on the strength of a good capital base after infusion of capital by Blackstone. With its huge asset quality, the Company is expected to derive the benefit of various new initiatives to reduce its operational cost substantially. Our other new initiative - the Aadhar Mitra, is expected to reduce the acquisition cost of new loans.

In conclusion, I would like to thank our regulators, National Housing Bank, Members of the Board, International Finance Corporation, RBI, IRDA, SEBI, BSE, NSE and our Bankers, NCD Holders and all stakeholders for their support in our journey and our transition to Blackstone. I would like to thank Wadhawan Global Capital and DHFL, with special thanks to Mr. Kapil Wadhawan, Chairman, for their support and guidance. I would also like to thank all members of the Aadhar family, who have been equal partners in driving our mission and enabling the accomplishment of our goals. I also thank our customers for their trust and confidence in the Company.

I sincerely wish all success to the Company for its new journey, backed by the world's largest alternate asset manager 'BLACKSTONE'.

Sincerely,

Deo Shankar Tripathi

MD and CEO

Expanding Reach, Boosting Efficiencies

Dreams need a powerful engine to drive them home. The Aadhar business model, with its nationwide network of branches, is crafted to steer the realisation of this dream by enabling wider access to affordable home seekers.

Our unique and lean distribution model, spanning 20 States and a Union Territory, is linked inexorably with our business growth, and we remain focussed on strengthening it. Besides increasing manpower to meet the growing business needs, we have streamlined our business sourcing model for efficient and optimal use of every function across the business value chain.

Our branches are progressively distributed as Ultra-Micro, Micro, Small and Main Branches. The Ultra-Micro and Micro branches are scaled into full-fledged branches, with a proper hierarchical structure including the branch manager, once they achieve sizeable business. To enable the Ultra-Micro, Micro and Small branches to achieve such scale, we upgraded them further during the year, with the aim of ensuring that they break even in about 12 months. It is our focussed endeavour to keep our people motivated across every branch to deliver more and better, thus continuously enhancing cost efficiencies and productivity.

In just one month of launch, we received 1,800 applications for Aadhar Mitras, underlining the huge potential of the model.

AADHAR REPRESENTATIVE MODEL

The concept of Aadhar Mitras is aimed at enabling Aadhar to become the last-mile link to connect rural home buyers, and to bridge the financial inclusion gap between the developed urban India and the under-developed rural India, in a cost-effective way. These Aadhar Mitras are Referral Associates, who would pass on the leads of Home Loan desirers to our Sales Executives and, in return, will earn a lucrative referral incentive.

Picked up from among unemployed youth and small business enterprises in the command area of our branches, the Aadhar Mitras will be developed as our business partners. An Aadhar Mitra can be any self-employed person, with or without any knowledge of Home Loan/Financial Industry. He/she can also be a salaried person having a decent network to market Aadhar products, for which we provide them the basic training.

This gives the Aadhar Mitras additional income without any disruption of their regular course of Business/Service. For the Company, this accrues in several tangible and intangible benefits. The tangible benefits include productivity, revenue generation, cost-cutting and customer care, increased penetration among others, while the intangible ones encompass brand equity, employment generation, organisational transparency, responsibility, etc. It enables the Sales Team to get cold/warm leads with a rare credit history, to get better conversion. The Aadhar Mitras also help in customer servicing and in collections at remote locations, which were otherwise not easily accessible to branch employees.

RESIDENT EXECUTIVES

Our outreach efforts are being further strengthened with the addition of small service locations through Resident Executives (REs) without a physical branch. These resident sales executives will be attached to a nearby brick and mortar branch for loan processing and disbursement. This will help us reach out to mini locations without expansion of our branch network.

193 Main Branches	118 Micro & Ultra-Micro Branches	2,500+ Total Service Locations

Expanding Reach, Boosting Efficiencies

THE #GHARBANEGATOHDESHBANEGA MARKETING PROPOSITION

At Aadhar, we strongly believe that everyone deserves the security of his/her home. We also realise that the prosperity of a nation depends on its people's prosperity, of which home ownership is a critical component.

Led by our core mission of empowering people who have always dreamt of owning a house but lacked the means to achieve it, we are committed to helping individuals build their own homes, thus enabling them to build their lives. Collectively, millions of homes so built translate into building the nation.

Our 'Ghar banega, toh Desh Banega' integrated marketing and brand campaign resonates with this philosophy of building homes to build the nation. This digital campaign, launched across India through outdoor hoardings, bus panels, bus shelters, digital & social media, as well as PR, advocates the vision of enabling home ownership for every Indian.

A musical brand film, aimed at creating awareness about the importance of owning a home, captures the joy of different families owning a home to showcase the sentimental value derived from being under one's own roof. The lyrics of the song represent Aadhar's focus to enable home ownership for all to create an equitable society and a better world.

In addition to the digital multi-lingual ad film (Hindi, Tamil, Telugu), the campaign was rolled out, during the year, across media channels, including social and digital media, print and outdoor as well as Digital PR, in the cities of Mumbai, Delhi, Noida, Gurugram, Ahmedabad, Surat, Chennai and Hyderabad.

Our brand and marketing thrust is centred around cost-effective high-impact Above the Line (ATL), Below the Line (BTL) and digital promotion, aimed at reaching out impactfully to the targeted segment with customised content, simple and effective messaging, backed by initiatives to boost emotional connect. We have developed a strong thought leadership to promote brand visibility.

Aadhar's digital and social media campaigns garnered more than 5 Lakhs leads during FY 2018-19; the social media handles now have more than 27,000 followers and posted 9.5 Lakh engagements during the year.

OTHER MARKETING AND COMMUNICATION INITIATIVES

- Extensive promotion of Aadhar's maiden NCD public offer through Outdoor-Hoardings, Bus-panels and Bus Shelters, Print Ads, Television Ads, Digital Advertisements and Road Shows (Broker Meets) and strategic PR (Press Meets).
- Low-cost high impact BTL activities targeted at the low-income segments at branch locations: 800 Aadhar Parichay, 4,000 canopy activities, 60 leaflet insertions, 5 Paramarsh Shivirs that gathered more than 1 Lakhs enquiries.
- The innovative campaign themed 'Freedom from rented house', undertaken through cost-effective classified display ads in newspapers and voice-based interactive messages. The campaign reached more than 30 Lakhs people of the low-income segment in 118 small & micro branch locations across India. Aadhar received 11,000 missed calls from the print campaign and 17,000 responses from the recorded voice calls.

AND THERE WAS MORE…

- Agenda-driven media interviews with key publications, helping us to successfully build and maintain a steady flow of coverage.
- Efficiently conducted city media meets and authored quality articles in CAT publications ensured media presence in the months of no news.
- Aadhar is now recognised as a key authority operating in the affordable housing sector and an esteemed home loan company, with a 213% jump in media presence (online + offline) compared to last the financial year.
- Aadhar maintained a significant (30%) share of voice in public relations and media coverages amongst its key competitors.

De-risked Business Model to Minimise Risks

We believe that a secure and safe home can only become a reality through a safe and secure loan process.

The business model at Aadhar is built on trust. It is designed to ensure the highest levels of customer confidence by minimisation of risks through:

- Transparent and streamlined processes
- Robust underwriting framework
- Fraud and Risk Management practices
- Collection efficiencies
- Liquidity management
- Strong SOPs
- Automated systems

DIVERSIFICATION OF RISK

AHFL has a low concentration risk due to wide geographical presence, with no single state contributing more than 17% of the business.

Likewise, the loan disbursements across profile and products are also very well balanced to give strategic edge to the Company to maintain low risk.

87% of the overall loan book as well as the new disbursements are from the home loans segment, with an average ticket size of ₹ 8.3 lakhs. 12% of the overall loan book is from the micro loans against property, with an average ticket size of less than ₹ 8 lakhs. Loan to small developers stood at less than 1%. Overall LTV of portfolio stood at 51% approximately.

Since the loans are disbursed predominantly to self users from the low income segment, the asset quality of portfolio continues to remain very good. The loss given default of the Company has been very very low. It was only 12 bps on cumulative bases for last 8 years.

MANAGING RISKS EFFECTIVELY

Our low-risk profile model is an effective tool to check risks in the volatile business environment in which we operate. However, to further enhance our safety proposition, we have also put in place a strong and well-structured risk management model, with focus on creating a culture of risk mitigation through awareness and training programmes.

Our risk management model is built around underlined underwriting process, aligned to customer segmentation. The Fraud Control Unit (FCU) further works to mitigate the risks, while a streamlined collection management system supports our delinquency and liquidity management efforts.

Fraud Control Unit (FCU)

Our team of fraud identification specialists ensures that all loan files are thoroughly checked for any fraud elements in profile, documentation, identity or property value, before they are disbursed to the customers. We have empanelled FCU vendors at our branches, with each region having an FCU expert to strengthen, monitor and manage fraud control processes. The FCU maintains a watchful eye and coordinates with all verticals to identify and deter fraudulent activities.

The FCU formulates and implements preventive strategies to prevent/counter fraud. Mechanisms are put in place to detect and take appropriate, as well as a deterrent, action against fraud. Identification, investigation and penalisation of those who ignore the preventive measures (signposts as we call them) and commit fraud are an important component of the overall focus of the FCU.

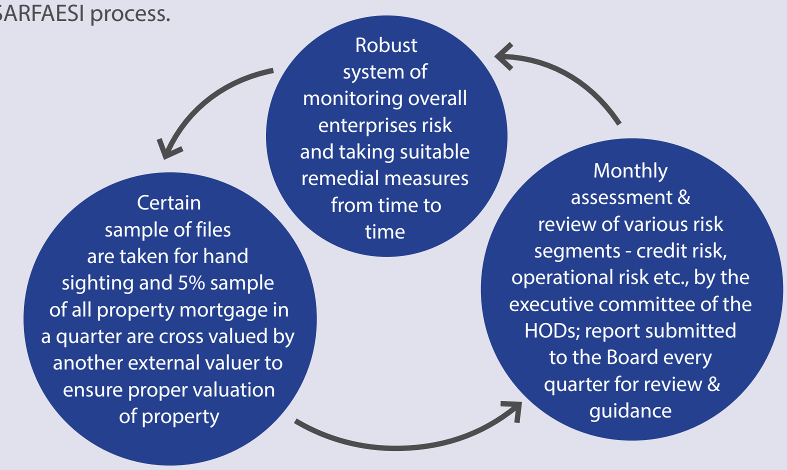
Streamlining collection management

We perceive collection management to be as critical as a function of the low-income housing loan business as sales management. To ensure minimal defaults, we have set collection targets in every bucket. We have also created a two-pronged strategy of Prevention and Persuasion to keep the levels of delinquency low.

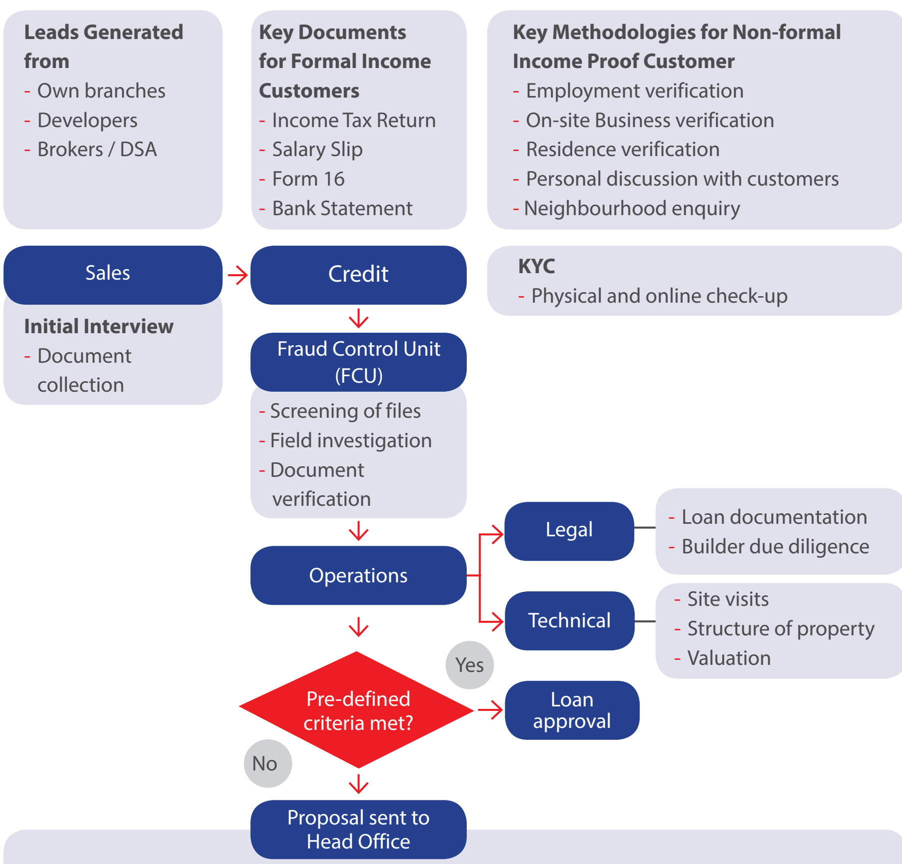
With the aim of minimising losses and cost of collection, our Collection Team is mandated to:

- Monitor various delinquency parameters and ensure the lowest levels of delinquency
- Maintain strong customer relations
- Keep pace with growth in volumes from business
- Manage complexity of collecting across geographies
- Display a high level of transparency and integrity while interacting with both internal and external customers
- Stringently adhere to the Code of Conduct, policies, processes and guidelines formulated by the Company

It is also tasked with handling all collection activities - from collecting receivable dues and remitting collection funds to book-keeping and documentation & remitting - in a professional and transparent manner. For NPA collection, we undertake a robust SARFAESI process.



ROBUST CREDIT APPRAISAL PROCESS BACKED BY ON-GROUND EXPERIENCE



- Inhouse legal and technical team to have better control on document verification and valuations
- Bulk of collections done through ECS / NACH and PDCs
- Centralised processing centre being operationalised for greater efficiency and risk management
- Maker-checker concept at each stage for 4 eye control on the processes

Our focus is on keeping the NPAs and the delinquencies low through regular and timely follow-ups, while maintaining the customer's respect and dignity.

Prudent ALM and Liquidity management

To strengthen our liquidity management systems, we have maintained a prudent mix of long-term and short-term finances. Mismatches are minimised as a result of high contribution of Bank finance (80% including off book), with average door to door maturity of 8 years.

We are also focussed on maintaining liquidity in highly liquid unencumbered assets (over 13% as on March 2019), and a high capital adequacy ratio. The Company also works on a low leverage ratio.

The Blackstone infusion of ₹ 800 Crores has doubled Aadhar's capital adequacy ratio and lowered the leverage by half.

Strong compliance culture & high corporate governance

Our ~1,33,000 strong customer base and our growing volumes require robust checks and balances at every level. Regular internal audits, including concurrent audits, reflect a level of corporate governance in the Company, which has adopted an organisation-wide culture of compliances that we are continually strengthening through training programmes.

The Company has a high compliance culture, ensuring stringent compliance with NHB norms for its business operations, asset classification and management of financial & liquidity ratios.

Leveraging Tomorrow's Opportunities

In our quest to enable affordable, secure and risk-free loans for the Low Income Group and Economically Backward class, we are continually expanding our product portfolio and reach to encompass more people of more parts of the country. India's diversity necessitates a customised approach to business, which translates into innovative products and offerings that are targeted not just towards the fulfilment of the current needs of customers but also to their future aspirations and desires.

PORTFOLIO OF FUTURISTIC OFFERINGS

The product portfolio at Aadhar is designed to meet the unique needs of differentiated sets of customers in specific geographic locations. The economic, cultural, lingual and social disparity within the LIG makes it essential for us to develop customised products to meet their special needs.

REACHING OUT

Our long-term goal of inclusive national progress is driven by the need to spread our geographical footprint across the country. We have developed a low-cost business model to reach out to remote new locations, identifying 500-700 such locations for foray every year. We already have an extensive and well-established network to reach out pan India, with only a few gaps left to plug. Out of the 9,600 locations approved under PMAY (urban) scheme for EWS/LIG, we plan to cover 5,000 locations by 2022.

Realised the dream of an owned Home for about 1,33,000 families

₹ 10,016 Crores
AUM (growth of 26% over FY 2017-18)

₹ 162 Crores
PAT (up by 41% over FY 2017-18)

₹ 3,192 Crores
Total Disbursements

0.58%
GNPA Retail AUM

EXPANDING THE BUSINESS HORIZONS

LOW-COST BUSINESS MODEL

Our low-cost business model comprises:

Aadhar Mitras

- With incentive-based income, they supplement the low-cost distribution system

Resident Executives

- A local experienced person, who can operate from home, is hired to test the potential of an area at an unreached location
- Local hire's income is based on 'lower level salary & higher level incentive'
- Reports to the nearest physical branch, which will take care of processing/sanction & disbursement of loans

THE COMPANY MAINLY SOURCES ITS FUND REQUIREMENT FROM:

- Banks (68%, 30 banks under multiple banking)
- Capital market, where NCD & Commercial Papers are raised (Debt capital market); low percentage of money is raised through Commercial Papers
- Refinance from National Housing Bank (NHB)
- Direct Assignments/Securitisation
- Deposits

IT IS EXPLORING FURTHER FUNDING BY:

- Exploring funding from the overseas market, either through foreign currency or through Masala Bonds
- Evaluating a co-origination model of sourcing as per the recent RBI guidelines

The Company sold ~₹ 1,483 Crores of loan through bilateral deals with banks and direct assignments.

Aadhar is making concerted efforts to explore ways of expanding sources of raising liabilities to reduce banks' share from 68% currently. Continuous efforts are being undertaken towards reducing the Cost of Funds through mix of funding sources.

Being Responsible Towards Our People

The realisation of the dream of holistic and inclusive progress, be it for an individual or a nation, requires a strong element of responsibility. At Aadhar, we have imbued ourselves with the ethos of being responsible not just to our customers but also our employees and the society at large. We have robust frameworks to enable people growth at both these levels, through our Human Resource (HR) and Corporate Social Responsibility (CSR) charters.

BUILDING ON HR RESPONSIBILITY

We consider our 2,217-strong workforce as an asset, to be continuously nurtured and strengthened. We remain committed to ensuring their personal growth and career progression through regular training programmes, structured to enhance their knowledge, skills and efficiency. We have developed strong processes for employee learning and development, with specific training programmes related to products and services, along with management and administration training. Through these programmes, we seek to deliver to our employees the required support in the effective discharge of their functions, coupled with proper motivation for improved quality of service.

6,562

Man-days of functional training for on-roll & off-roll employees during FY 2018-19

We maintain cordial and harmonious relations with our employees and had no labour issues during FY 2018-19.

TRAINING MODULES

Being Responsible Towards the Society

We have in place a well-entrenched CSR philosophy, through which we reach out to the underprivileged sections of the society in many different ways. Besides promoting financial inclusion, we are focussed on nurturing skill development and employability of youth. We also extend financial support to the families of CRPF martyrs, and cancer patients.

Spreading financial literacy

Social empowerment requires a strong level of financial literacy, which we, at Aadhar, are engaged in spreading through a series of positive interventions and initiatives. We are continually striving to make people, particularly in the underprivileged segments, financially aware and empowered. This, we believe, will encourage them to make the most of their assets and avoid the pitfalls in any financial transaction, including home loans.

'Sharmaji ke Sawal. Vinodji ke Jawab'

Our flagship CSR programme under 'Sharmaji ke Sawal. Vinodji ke Jawab' is aligned with this philosophy, and aimed at empowering communities and facilitating their socio-economic development through financial literacy and inclusive growth. It also facilitates the transition from informal to formal housing, leveraging the Pradhan Mantri Awas Yojna (PMAY).

Rolled out through grassroots leadership, with youth and women from the local community, the programme adopts a four-pronged approach:

- Facilitate transition from informal to formal housing
- Skill development through National Skills Development Cooperation (NSDC) Centres
- Entrepreneurship support through microfinance and MUDRA loans
- Linkages to Government Welfare Schemes

The programme highlights include Nukkad Nataks, capacity building workshops for community workers, Financial Literacy & Advisory Centre, financial literacy workshops and community workers on field.

IMPACT

189
Families have moved from informal settlement to formal housing

214
Youth have been trained and/or facilitated with job opportunities

392
Individuals have been supported with small business loans or MUDRA loans

1,454
Individuals have attended financial literacy seminars to understand the concept of savings

4,860+
Individuals have been facilitated with PAN Card, Aadhaar Card, Bank Account etc.

23,381
Households have been through the door-to-door survey for need assessment

Being Responsible Towards the Society

From seeking help to extending help

A small grocery shop owner, Prakash Maurya from Amarpur, Varanasi, was trained to use computers and wanted to set a Common Service Centre (CSC) to supplement his income but did not have the necessary financial resources. He came to know about the MUDRA Loan from the Aadhar community leader and succeeded in securing a loan of ₹ 50,000. Today, he not only supplements his own income but helps his community in availing social security schemes.

Towards her own home

Bindu Nirmalkar from Raipur manages a family of five with a monthly income of ₹ 13,500. She was registered under the BLC scheme of PMAY but could not construct her home due to lack of awareness about the process involved in securing the fund instalments. The team from the local centre helped her understand the process and even got her instalment released. The construction of her house has started, as per the technical guidelines, and she has now applied for the second instalment.

Aadhar Kaushal

To plug the skill gap needed to improve employability among India's youth, we have initiated 'Aadhar Kaushal', which envisages supporting the Government's 'Skill India Mission'. In the first phase of the programme, launched on 14th August 2018, our NSDC-certified training partner 'Mahendra Trust Foundation' identified youth from various cities, most of them Tier II & III, and the selected 96 candidates underwent 280 hours of rigorous training on various aspects of banking and housing finance at the Lucknow and Mumbai Centres. They were provided certificates by BFSI Sector Skill Council.

Becoming employable

Graduation and even Post Graduation degrees failed to equip Ajay Sharma with the employable skills and knowledge of the financial sector, which he finally got from Aadhar Kaushal. After 45 days of training, he found placement in a large NBFC as Assistant Manager.

From failure to success

Unable to crack any job interview after graduation, Aditya Harihar Iyer decided to join Aadhar Kaushal, where he was trained not only in the BFSI sector but also in interviewing skills. The training helped him land a job as Assistant Manager with a private sector bank, enabling him to support his family.

IMPACT

37 girls & 59 boys trained in Indian Financial System, Banking, Housing Finance and NBFC etc.

23 placements in progress

70 youth placed in BFSI sector

OTHER CSR INITIATIVES OF FY 2018-19

Donation to CRPF

We donated a sum of ₹ 51 Lakhs to CRPF Wives Welfare Association at CRPF headquarters, New Delhi. The amount consists of contribution from the employees as well as from the Company, and the same shall go towards the benefit of the families of CRPF martyrs.

Donation to Global Cancer Mission

We supported the underprivileged cancer patients financially, by donating ₹ 10 Lakhs towards initiating and completing their medical treatment. The funds were routed through 'Global Cancer Mission' associated with Tata Memorial Hospital.

A Vision Realised

In realising the vision of dream ownership, Aadhar found the success of its efforts endorsed by the various awards and accolades received during FY 2018-19.

Received 'The Affordable Home Loan Provider Of The Year 2018' award from Union Minister Shri Nitin Gadkari at Outlook Money Conclave in Mumbai, for exemplary work in supporting the 'Housing for All' mission in India.

Received the prestigious 'PMAY Empowering India Award 2019' from Union Minister Shri Hardeep Singh Puri in Delhi, for exemplary work in supporting the 'Housing for All' mission in India.

Recognition of Shri Deo Shankar Tripathi, MD & CEO as one of the 100 Top Most Influential BFSI Leaders' at the 'World BFSI Congress'.

AHFL was included in 'India's Leading BFSI Companies 2019' list by 'Dun & Bradstreet'

Declared one of the 1) 'Dream Companies To Work For' (Financial Services) and 2) 'Dream Employer Of The Year', presented by ET Now at the World HRD Congress in Mumbai.

Bagged the 'Most Promising Brand For Housing Finance' award at the 'World BFSI Congress' presented by ET Now in Mumbai.

Won 'Prestigious Brands of India 2019' award, judged and presented by BARC (Brand Advertising Research and Consulting), a global brand consultancy firm and ERTC Media, one of India's leading independent media consulting & brand listing organisations.

Got the prestigious Finnoviti 2019 award at 'Finnoviti Awards & Conference' presented by Banking Frontiers and their Knowledge Partner Deloitte, for its innovative distribution and referral model, 'Aadhar Mitra'.

Bagged 2 prestigious awards at the 'Banking, Financial Services & Insurance Awards' presented by ABP News in Mumbai.

- Housing Finance Company of the Year (Medium and Small) – for our exemplary work in the affordable housing finance segment
- Marketing Campaign of the Year – for our recent brand campaign #GharBanegaTohDeshBanega

Aadhar MD & CEO awarded the 'BFSI Leadership Award' by 'The Banking and Finance' magazine and 'elets'.

Aadhar MD & CEO awarded the 'Certificate of Excellence' under "30 most innovative Business Leaders to watch in 2018" in July 2018 by 'The CEO Magazine'.

"Best Affordable Home Loan Provider of the Year 2017" at the 'Outlook Money Awards'.

Board of Directors

Shri Deo Shankar Tripathi

Managing Director & CEO

Shri Deo Shankar Tripathi, who joined Aadhar Housing Finance Ltd. as its CEO in January 2015, was elevated as Managing Director & CEO of the Company.

Prior to taking up the Aadhar responsibility, he was the President and Chief Operating Officer of DHFL effective May 2013.

Shri Tripathi brings to the table more than 38 years of commercial banking experience. He joined the Union Bank of India in 1977 as a Probationary Officer and held diverse positions, managing varied portfolios, before being elevated to the level of Top Executive Grade. He holds the distinction of heading the premier Mumbai and New Delhi zones of the Bank. He also has rich experience working in several locations across Uttar Pradesh as well.

Shri Tripathi's functional expertise spans Corporate Finance & Credit Management, Retail Banking, NPA Management, Rural Banking, Resources Mobilisation, Customer Relationship Management, Branch Network Expansion and HR Management.

A post-graduate in Chemistry from Lucknow and a certified Associate of Institute of Bankers, he has attended various management leadership and other training programmes in leading institutions across India and overseas. He is a Guest Speaker at various forums, having spent valuable time coaching young minds on management expertise.

Shri Sridar Venkatesan

Independent Director

A veteran of the Indian Banking Industry, Shri Sridar Venkatesan has 35 years of experience in the financial sector.

A Chartered Accountant by profession, Shri Venkatesan was formerly Chairman & Managing Director of UCO Bank, where he scripted the bank's spectacular growth story. During his tenure as Chairman & Managing Director, National Housing Bank (NHB), he enjoyed tremendous success, setting new benchmarks along the way.

Shri Venkatesan is a Member of the Governing Council, United Stock Exchange.

Dr. Nivedita Haran

Additional Woman Director

Retired as the Additional Chief Secretary, Department of Home Affairs, Government of Kerala, India, Dr. Haran has served extensively in various capacities with the Government of Kerala as well as the Government of India. She was also the Civil Affairs Officer for the UN Peacekeeping Mission in Kosovo for five years.

She has worked through the ranks of Indian Administrative Services (IAS), leading Home, Revenue, Land Management, Energy and Institutional Capacity Building initiatives in Kerala. She brought up the Disaster Management Department with the Hazard Vulnerability and Risk Assessment Cell and the State Disaster Management Authority in Kerala.

She also headed the Delhi Division in Ministry of Urban Development, Government of India. Having served as the former Additional Chief Secretary, Department of Labour, Government of Kerala, Dr. Haran has a fair understanding of issues related to labour migration. She has a Ph.D. in Sociology from the Indian Institute of Technology (IIT) Delhi, India. She serves as the Honorary Chairperson of the Board of Directors of CMID.

She has been appointed as Additional Director (Woman Director) by the Board of the Company with effect from 15th September, 2018.

Leadership Team

Rishi Anand

Chief Business Officer

Shri Rishi Anand assumed his responsibilities as the Chief Business Officer at Aadhar Housing Finance Ltd. in April 2018. Prior to the current role, he was the Business Head for the housing finance business at DHFL, where he joined in 2012 as the Zonal Business Head in Delhi and was instrumental in setting up and managing high-performance teams. In 2015, he moved ahead as the Business Head for Mortgage loans to set up the vertical at DHFL.

In his current role at Aadhar Housing Finance Ltd., Rishi looks after Retail Housing Finance, Project Finance, Retail Liability, Product and Marketing.

Rishi has over 20 years of experience with leading Banks, NBFCs and HFCs of India. His forte ranges from development of mortgage models, processes and policies for companies operating across geographies.

Prior to joining DHFL, he was the Business Leader - Mortgage and whole-time Director at AIG HFIL. Rishi has also held a number of senior leadership roles such as the Zonal Head North and East at Reliance Capital Consumer Finance, National Sales Head with BHW Home Finance Limited - a Deutsche Post Bank Company and Regional Head North and East India for the home equity and home loans product line of GE Money. He is also credited with successfully launching the business lines and handling assignments for leading financial institutions and banks like ICICI Bank Ltd.

With a Post Graduate Certification in Business Management from IIM Kozhikode, Rishi started his career with front-end sales and was rapidly promoted to take higher responsibilities across sales, marketing, product and property services with key mortgage institutions in the country. He has been felicitated with various accolades for his valuable contribution to business in the organisations that he has worked for.

Anmol Gupta

Chief Financial Officer

Shri Anmol Gupta, a Chartered Accountant of the 1996 batch, has an overall experience of over 20 years. He has worked with companies like Deutsche post-bank home finance and BHW home finance, where he was engaged in the key positions within the finance domain, accountable for strategy, planning, accounting, taxation and finance.

Anmol joined Aadhar as the Chief Financial Officer (CFO) in April 2017, and is responsible for treasury, strategy, planning, accounting and taxation of the Company.

Hrishikesh Jha

Chief People Officer

Shri Hrishikesh Jha is a Post Graduate in Personnel Management and Industrial Relations from XLRI, Jamshedpur (2002), and is a graduate in Physics from St. Xavier's College, Ranchi (1999). He joined Aadhar as the Chief People Officer (CPO) on 9th March, 2018.

With an extensive experience of 16 years in the Human Resources domain within the Banking and Financial sector, Hrishikesh is proficient in various facets of Stakeholder Management, Turnaround Strategy, Customer Experience and Process Excellence. His last stint had been with L&T Finance Holding Ltd. where he was the Group Head - Corporate Human Resources. His previous associations have been with Barclays Capital & Wealth and ICICI Bank, where he held leading positions within the HR function.

Ravinder Beniwal

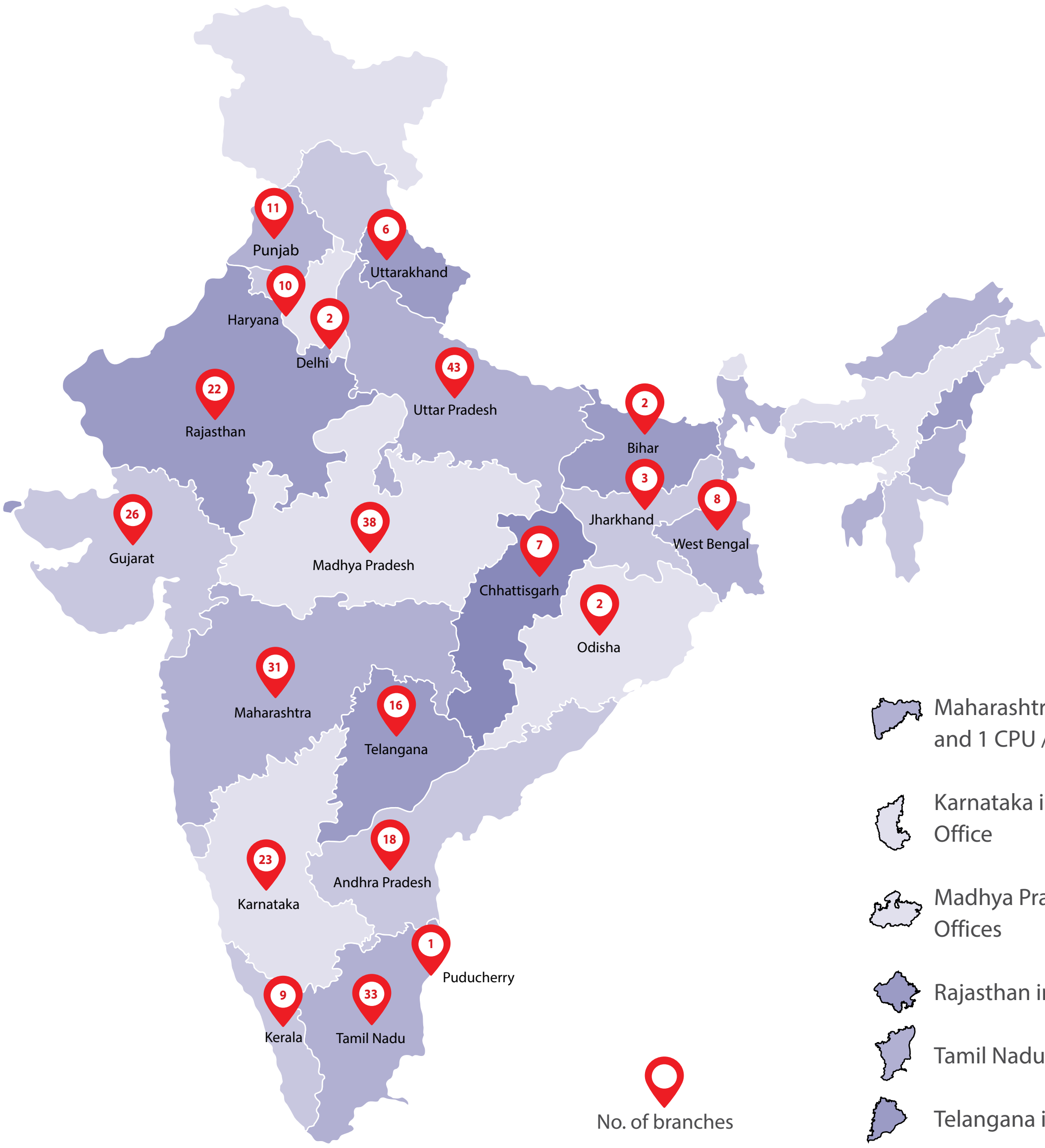
Chief Operating Officer

Ravinder Beniwal has 25 years of experience in the domain of Retail Banking (Liability & Assets), Insurance and Capital Market Operations. He has managed profit centres, branch sales & distribution, debt service management and large scale centralised & decentralised retail operations.

Before joining Aadhar Housing Finance Ltd., he worked with Aditya Birla Payments Bank Ltd. as Head of Retail Banking and Distribution. At ICICI Bank Ltd., he managed Retail Branch Banking business, Debt Service Management and Asset operations at Zonal and National levels. His prior stints were with Max New York Life, Hinduja Finance Ltd. and PCS Industries Ltd.

He has joined Aadhar Housing Finance Ltd. as the Chief Operating Officer in November 2018. In his current role at Aadhar Housing Finance Ltd., he manages Technology, Operations, Credit, Technical, Business Legal and Fraud Prevention functions.

Reach and Network



Maharashtra includes 1 Corporate Office and 1 CPU / OPS

Karnataka includes 1 Registered cum Zonal Office

Madhya Pradesh includes 2 Regional Offices

Rajasthan includes 1 Regional Office

Tamil Nadu includes 1 Regional Office

Telangana includes 1 Regional Office

311

Total number of Branches

With 311 branches across 20 states and a Union territory, we are well poised to enter our 21st state i.e. Assam, in the coming year. We will also continue adding new branches in the existing states of our presence.

Map not to scale. For illustrative purposes only.

State	Office	Type
Maharashtra	Corporate Office	Corporate Office
Karnataka	Bengaluru	Registered cum Zonal Office
Maharashtra	Bhandup	CPU/OPS
Madhya Pradesh	Indore	Regional Office
Madhya Pradesh	Bhopal	Regional Office
Rajasthan	Jaipur	Regional Office
Tamil Nadu	Chennai	Regional Office
Telangana	Hyderabad	Regional Office

State	Branch Name			
Andhra Pradesh	Anantapur	Mangalagiri	Vijayawada	Naidupet
	Eluru	Nellore	Visakhapatnam	Puttur
	Guntur	Ongole	Vizianagaram	Anakapalle
	Kakinada	Rajamahendravaram	Bhimavaram	
	Kurnool	Tirupati	Tadepalligudem	
Bihar	Patna	Muzaffarpur		
Chhattisgarh	Bilaspur	Dhamtari	Rajnandgaon	Mahasamund
	Baloda Bazar	Bhilai	Raipur	
Delhi	Uttam Nagar	Laxminagar (Vikas Marg)		
Gujarat	Ahmedabad	Surat	Veraval	Jetpur
	Himmatnagar	Vapi	Halvad	Botad
	Surendranagar	Junagadh	Naroda	Ahmedabad Chandkheda
	Vadodara	Surat-Parvat Patiya	Ankleshwar	Bhuj
	Nadiad	Jamnagar	Godhra	Mehsana
	Rajkot	Gandhidham	Porbandar	
	Bhavnagar	Morbi	Rajkot Kalawad Road	
Haryana	Rewari	Panipat	Rohtak	Yamuna Nagar
	Karnal	Ambala	Gurugram	
	Hisar	Faridabad	Kaithal	
Jharkhand	Ranchi	Jamshedpur	Dhanbad	
Karnataka	Belgaum	KR Puram	Shimoga	Ramnagar
	Bommanahalli	Kengeri	Whitefield	Sindhanur
	Davanagere	Malleswaram	Yelahanka	Gulbarga
	Hassan	Mandya	Hosakote	Bidar
	Hubli	Mysuru	Nanjangud	Tumkur
	Jayanagar	Nelamangala	Doddaballapur	
Kerala	Calicut	Kottayam	Aluva	
	Cochin	Palakkad	Vadakara	
	Kannur	Thiruvananthapuram	Thrissur	

Our roadmap of expansion

State	Branch Name			
Madhya Pradesh	Indore	Guna	Satna	Manawar
	Bhopal	Dhar	Ashta	Katni
	Gwalior	Vidisha	Damoh	Indore Annapurna
	Ujjain	Narsinghpur	Betul	Shahdol
	Ratlam	Shujalpur	Biaora	Khategaon
	Sagar	Shivpuri	Sehore	Chhatarpur
	Pithampur	Mandsaur	Sidhi	Jabalpur
	Khandwa	Agar	Neemuch	Dewas
	Hoshangabad	Chhindwara	Ashok Nagar	
	Rewa	Khargone	Datia	
Maharashtra	Kalyan	Nashik	Karjat	Nanded
	Nagpur	Solapur	Sangli	Khamgaon
	Panvel	Ahmednagar	Jalgaon	Wardha
	Satara	Kolhapur	Dombivli	Bhandara
	Akola	Virar (West)	Amravati	Chinchwad
	Dhule	Palghar	Washim	Pune Shaniwar Peth
	Aurangabad	Virar (East)	Baramati	Nashik Road
	Pune	Yavatmal	Chandrapur	
Odisha	Bhubaneshwar	Balasore		
Puducherry	Puducherry			
Punjab	Chandigarh	Ludhiana	Khanna	Morinda
	Jalandhar	Patiala	Kapurthala	Faridkot
	Amritsar	Bathinda	Gurdaspur	
Rajasthan	Jaipur Vaishali Nagar	Nagaur	Bikaner	Sawai Madhopur
	Sikar	Pali	Sri Ganganagar	Baran
	Alwar	Kankroli	Ajmer	Bhilwara
	Behror	Udaipur	Beawar	Chittorgarh
	Jaipur	Dungarpur	Bundi	
	Jodhpur	Banswara	Kota	

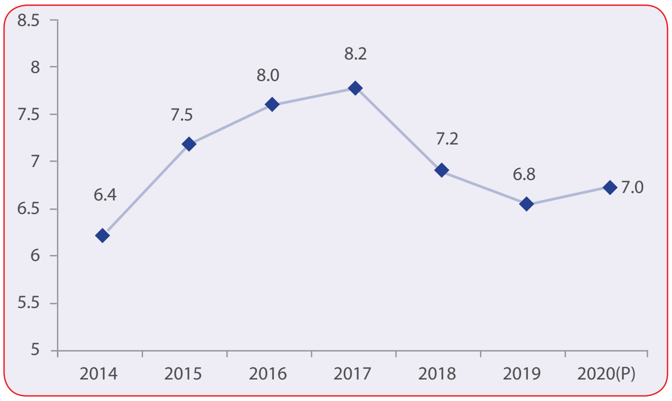
State	Branch Name			
Tamil Nadu	Ambattur	Madurai	Thiruthuraipoondi	Salem
	Chengalpattu	Nagercoil	Sivagangai	Cuddalore
	Chennai	Pollachi	Mettupalayam	Thiruvannamalai
	Chidambaram	Tambaram	Karur	Virudhunagar
	Coimbatore	Thanjavur	Thiruvallur	Hosur
	Dindigul	Tirunelveli	Kulithalai	Kanchipuram
	Erode	Trichy	Marthandam	
	Karaikudi	Vellore	Theni	
	Kumbakonam	Viluppuram	Avinashi	
Telangana	Hyderabad	Mancherial	Uppal	Shadnagar
	Karimnagar	Nizamabad	Vanasthalipuram	Nagaram
	Khammam	Sangareddy	Warangal	Wanaparthy
	Kukatpally	Secunderabad	Attapur	Jangaon
Uttar Pradesh	Varanasi	Allahabad	Faizabad	Meerut Ganganagar
	Jaunpur	Mirzapur	Sitapur	Loni
	Azamgarh	Handia	Moradabad	Modinagar
	Chandauli	Mathura	Bareilly	Saharanpur
	Unnao	Kosi Kalan	Badaun	Hapur
	Aligarh	Kanpur	Pilibhit	Ghaziabad
	Gorakhpur	Lucknow	Agra	Noida
	Deoria	Lucknow LDA Colony	Firozabad	Dadri (Greater Noida)
	Jhansi	Hardoi	Meerut	Etawah
	Lalitpur	Basti	Muzaffarnagar	Noida Sector 31
	Kanpur Jarauli	Barabanki	Bijnor	
Uttarakhand	Dehradun	Rudrapur	Kashipur	
	Haridwar	Haldwani	Roorkee	
West Bengal	Asansol	Barrackpore	Durgapur	Kharagpur
	Howrah	Burdwan	Kolkata	Siliguri

MANAGEMENT DISCUSSION AND ANALYSIS

Indian Economic Overview

India will remain one of the fastest-growing economies in the world despite moderation of its GDP growth in FY 2018-19. According to the Economic Survey of India published in July 2019, Indian GDP growth moderated to 6.8% in FY 2018-19 from 7.2% in FY 2017-18 and is projected to grow by 7.0% in FY 2019-20. IMF, in its World Economic Outlook July 2019, also predicted the Indian economy to grow by 7.0% in FY 2019-20, backed by an anticipated pickup in investments and acceleration in consumption. With a sustained average real GDP growth rate of 7.5% in the last 5 years from CY 2015 to CY 2019, India is set to become a US$ 5.0 Trillion economy by FY 2024-25. India's key advantage over other economies is its favourable demographic population and rapidly growing middle class with higher spending power. This makes it a consumption-driven economy.

Indian GDP Growth (%)



Source: Economy Survey Report, July 2019; P: Projected

The economy has achieved high growth amidst significant improvements in macro-economic stability, mainly gaining on the strength of on-going structural reforms and fiscal discipline. Further, in order to strengthen the financial sector balance sheets, essential steps were taken through accelerated resolution of non-performing assets under a simplified bankruptcy framework. Capital infusion by Government of India in PSBs during the previous year and proposed infusion during the current year will strengthen PSB's ability to provide credit to various sectors of the economy.

The growth of the Indian economy will be further supported by centrally sponsored schemes like Make in India, Digital India, Skill India, Rural electrification programmes, Smart Cities Mission, impetus on strong infrastructural growth, reduced inflation, sound growth in exports and private investments. Robust push for technology, growth of social infrastructure, digitisation, reducing unemployment and other major issues faced by the economy have been proposed in the Union Budget FY 2019-20.

Also, with the same Government coming back to power in the recent Lok Sabha elections has infused positive market sentiments and further propelled the growth prospects of the economy. The Government focus on infrastructure development would further magnify the country's economic growth. The newly formed Government is also expected to address the current NBFC (Non-Banking Financial Companies) crisis and liquidity crunch in the markets. Though the effects of demonetisation and Goods and Services Tax (GST) are subsiding, it had affected the recent cash crunch leading to NBFC liquidity crisis. The NBFC lending has fallen sharply due to lack of adequate funds and has also led to higher cost of borrowings, which has eventually slowed down overall consumer expenditure. Though the RBI and the Government have been adopting monetary stances and measures to resolve the NBFC liquidity crunch, it is expected that the revival process would take some time to be back on the track.

The Union Budget for FY 2019-20, proposed benefits for the affordable housing segment. The affordable home buyers and real estate developers stand to gain from the Budget. Several measures were also announced for the revival of NBFC crisis such as a one time six-month guarantee for the purchase of pooled assets of high rated NBFCs up to ₹ 1 Lakh. The Government has also allowed the FIIs and FPIs to invest in the debt papers of the NBFCs, which is expected to provide the much-needed liquidity boost to the NBFCs.

The Reserve Bank of India (RBI) is also implementing adequate fiscal and monetary measures to revive the growth process in India. RBI had cut the Repo rate by 25 bps to 6.00% in April 2019 and maintained its monetary policy stance as "neutral" in an attempt to boost a slowing economy as inflation rate remains well below its mid-point target of 4%. The Rupee weakened on the back of negative FII flows and worsening current account, though the fall was stemmed as inflation stayed low.

According to the Office of the Economic Adviser, Ministry of Commerce & Industry, Wholesale Price Index (WPI) stood at 2.45% - a record low since July 2017 amid a slowdown in the cost of food, fuel and manufactured products. The Consumer Price Index (CPI) rose to 3.05% year-on-year in May 2019 as against 2.99% in the previous month.

As per the latest forecast of the Indian Meteorological Department (IMD) in August 2019, for the full June-September season 2019, monsoon is likely to be 'Normal' or around 96% of Long Period Average (LPA) with an error of ± 4%. This will have a direct positive impact on agricultural production and the entire rural economy.

India is emerging as an important player in the world economy as reflected in the World Bank's Ease of Doing Business 2019 Report, which has improved India's ranking by 23 positions to 77th rank in 2018. Increasing FDI, consumer expenditure, upliftment of low-income masses to the middle-class level and constant upgradation of infrastructure and many other initiatives including the Government of India's housing scheme Pradhan Mantri Awas Yojana (PMAY), would enforce an all-round development in India.

Housing Sector Overview

The Housing market in India is currently in the midst of challenging times due to huge pile-up of unsold inventory in seven major cities, subdued demand and liquidity crises in NBFC/HFC post IL&FS crisis in September 2018. The two major structural reforms including RERA and GST have brought much-needed transparency in the system and enhanced buyer's confidence. The green shoots to support sector include various tax incentives given by the Government of India, as well as measures taken by the RBI to support the liquidity of NBFCs/HFCs.

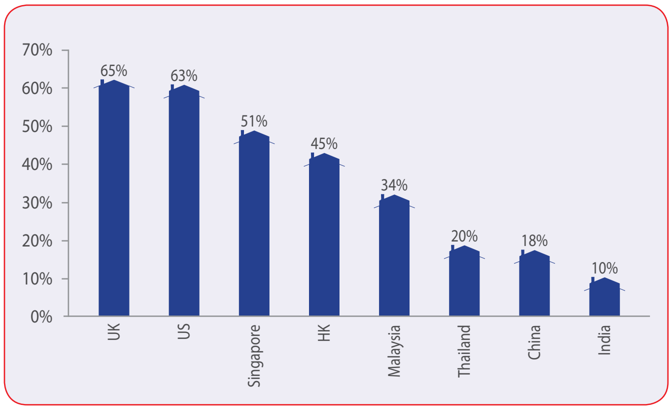
The industry is all set to resume robust growth in coming years. Moreover, rising purchasing power, continuously rising population, increasing investments in socio-economic infrastructures, rapid urbanisation (31% as per Census 2011) and migration of people from rural to urban areas are the major reasons boosting the housing sector in India.

The demand for housing loans is expected to remain robust driven by the Government's initiative for 'Housing for All' Scheme by 2022, granting of infrastructure status to the affordable housing sector, interest rate subsidy and other incentives. This will further be aided by relaxation in FDI norms, transparency in the sector through measures such as GST and the Real Estate (Regulation and Development) Act, 2016 (RERA), mission to build 100 smart cities and Income Tax benefits to promote affordable housing in India. The implementation of GST will simplify tax compliance and minimise the scope for double taxation.

Low Mortgage Penetration

Low mortgage market penetration in India as compared to other developed and developing economies, offers abundant opportunities for housing growth in India. Generally, individual housing loans are secured by mortgage of title deeds. A higher mortgage to GDP ratio of a country indicates that more citizens have housing and purchasing power, as visible in the developed nations such as the UK and the US. India's mortgage to GDP ratio has improved from 7.4% in FY 2009-10 to 10% in FY 2017-18 and is expected to increase further, driven by factors boosting the housing sector as mentioned above. This will be further aided by higher availability of funds at a cheaper rate and faster sanctioning of the loan process.

Mortgage to GDP Ratio (%)



Source: ICRA Indian Mortgage Finance Market Update for 9M FY 2018

Urbanisation and Housing Shortage in India

India is the world's second-most populous country and is also home to one of the least urbanised places. As per the 2011 census data, 31% of the country's population lived in urban areas. The turnaround in India's urbanisation is consistent with higher economic growth in the country. According to the World Bank, the urban population (% of total) in India was reported at 33.53%

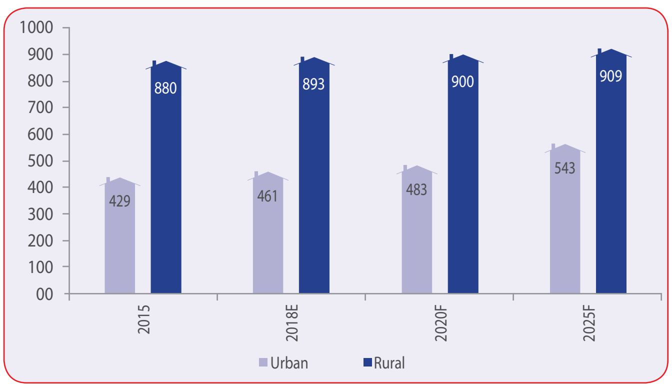
in 2017. The rapid growth in urbanisation is dominated by a large number of medium and small towns.

Urbanisation - Key Drivers

- Better Employment Opportunities
- Better Infrastructural & Educational Facilities
- Stagnation in Agricultural Revenues
- Greater Credit Raising Avenues

India's urban population is expected to touch 543 Million in 2025 from 461 Million estimated in 2018 driven by Government initiatives linked to urban development policies and programmes such as Jawaharlal Nehru National Urban Renewal Mission (JNNURM) etc.

Population breakdown of India (Millions)



Source: IBEF Real Estate Report March 2019 ; E: Estimated; F: Forecasted

Low-income segment which consists of EWS (Economically Weaker Section) and LIG (Low Income Group) comprises approximately 95% of housing shortage/requirement in the country. The balance 5% housing requirements are primarily from the Middle Income Group (MIG). Broadly, the housing shortage in India can be classified into urban and rural housing. The nature of housing shortage, however, is diverse in rural and urban areas. For example, in rural areas, the condition of the physical structure of the house is a bigger concern than in urban areas where congestion is a major issue. Further, a major chunk of the shortage arises from the replacement needs of houses, which are in poor physical condition or lacking basic amenities (electricity, water and sanitation).

According to the Indian Brand Equity Foundation (IBEF), with the rapid growth of urbanisation, the urban housing shortage is expected to grow from 10 Million in 2017 to 34 Million by 2022.

Government Initiatives

Pradhan Mantri Awas Yojana (PMAY)

Pradhan Mantri Awas Yojana was launched by the Ministry of Housing and Urban Poverty Alleviation (MoHUPA) in 2015 with a mission to provide 'Housing for all by 2022', when the Nation completes 75 years of its Independence. The 'Housing for All' programme has been implemented under two broad categories namely PMAY - Urban and PMAY - Gramin.

PMAY - Urban

- Launched in 2015 with a broad vision of providing 20 Million houses by 2022 to Urban Poor including EWS, LIG and MIG*
- Houses sanctioned till March 2019: 8.10 Million houses

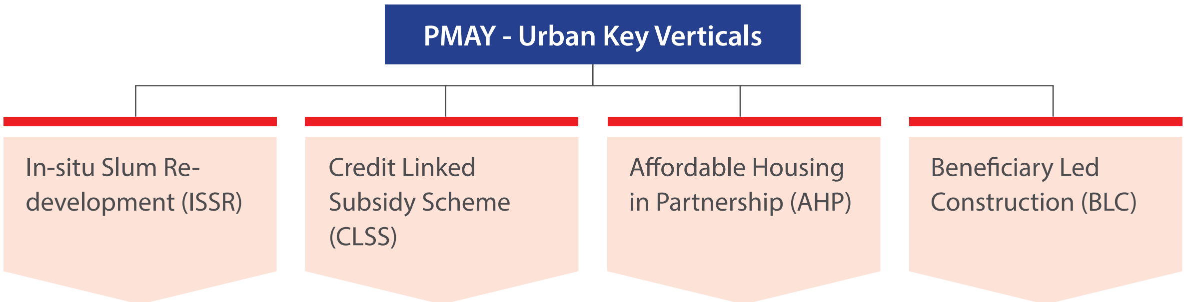
PMAY - Gramin

- Launched in April 2016 with an objective of providing a pucca house with basic amenities to all houseless and households living in kutcha houses by 2022
- The objective was to complete 10 Million houses by March 2019 and 29.5 Million pucca houses by 2022

*Note: Economically Weaker Section (EWS), Low Income Group (LIG) and Middle Income Group (MIG)

Source: Ministry of Urban and Rural Development

PMAY - Urban scheme was implemented in 4 verticals:



Source: PMAY Scheme Guidelines: Ministry of Housing and Urban Affairs

Credit-linked Subsidy Scheme (CLSS)

Implemented through HFCs and Banks, the Credit-Linked Subsidy Scheme provided by the Central Government covered only beneficiaries from EWS/LIG categories. However, in January 2017, the Government extended the scheme to beneficiaries from the Middle Income Group (MIG) category. During the year under review, as per NHB, PMAY has approved 9,694 statutory towns from earlier 4,041 towns for acquiring or constructing residential units.

As per a Housing.com update on February 2019, CLSS scheme has envisaged total disbursement of ₹ 8,378.15 Crores to 3.77 Lakhs home buyers.

Key Parameters of CLSS:

Particulars	EWS + LIG	MIG I	MIG II
Household Income (₹ Lakhs p.a.)	0-6	6-12	12-18
Eligible Housing Loan Amount for Interest Subsidy (₹ Lakhs)	Up to 6	Up to 9	Up to 12
Interest Subsidy (% p.a.)	6.50%	4.00%	3.00%
Maximum loan tenure (in years)	20	20	20
Maximum dwelling unit carpet area	30 / 60 Sq. m.	160 Sq. m.	200 Sq. m.
Max. Interest Subsidy Amount (₹ Lakhs)	2.67	2.35	2.30
Lump-sum amount paid per sanctioned to PLIs in lieu of Processing Fee (₹) to the extent of the loan amount on which subsidy is applicable	3,000	2,000	2,000
Validity of Scheme	31/03/2022	31/03/2020	31/03/2020
Applicability of Loans Approved	on/after 01/01/2017	on/after 01/01/2017	on/after 01/01/2017

Source: CLSS Operational Guidelines 2017, PIB: Ministry of Housing and Urban Poverty Alleviation

Fiscal Incentives

Despite the NBFC liquidity crisis, housing supply in the top seven cities grew by 65% and sales by 29% in FY 2018-19. GST rate rationalisation, tax incentives for the affordable segment and recent repo rate reduction boosted the sentiments in the housing market.

In the Union Budget 2019-20, the Government announced an additional deduction of ₹ 1.5 Lakhs on interest, thereby amounting to a total deduction of ₹ 3.5 Lakhs interest, for loans borrowed up to 31st March, 2020, for affordable houses (for purchase of a house of up to ₹ 45 Lakhs).

GST rates were slashed to 5% for premium homes and 1% for affordable homes w.e.f. 1st April, 2019 without Input Tax Credit. Developers reduced the average property sizes to align their products within the affordability bracket for more buyers.

Real Estate Regulatory Act (RERA)

RERA came into force in May 2017 with the objective of protecting the interests of consumers by introducing a regulatory regime that improved the levels of accountability in the sector. The new law aims to enforce responsibility on developers so that houses are delivered on time. This will relieve the burden on lenders as well as improve the asset quality of the mortgages.

Smart Cities Mission

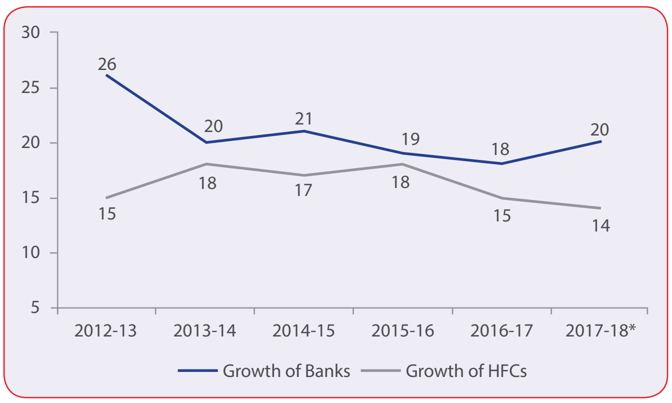
The Smart Cities initiative, which plans to build 100 'Smart Cities', provides robust opportunities for the real estate sector. Under the mission, the Centre allocates ₹ 500 Crores to each of the cities for implementing projects proposed by it. The mission aims to tackle problems faced in urban areas such as transportation, energy supply, governance, basic urban infrastructure services and overall quality of life. In Union Budget 2019-20, the Government has allocated ₹ 6,450 Crores for the Smart Cities Mission as against ₹ 6,169 Crores allocated in the last budget. As on December 2018, Projects worth ₹ 10,116 Crores were completed whereas projects worth ₹ 43,493 Crores were in progress during the budgetary period.

Housing Finance

The total housing credit outstanding increased by 16% year-on-year and stood at approximately ₹ 18 Lakhs Crores as on 31st December, 2018. As per ICRA's view published on 25th March, 2019, the housing credit is expected to grow by 14-16% in FY 2019-20, provided the liquidity conditions in the market ease out.

Banks and HFCs, both are active participants in the home loan space. HFCs with their unique distribution model and singular focus on home loan, achieved higher growth as compared to banks during the last several years, except the last financial year owing to the ongoing liquidity crisis. HFCs market share in the overall home loan increased from 33% in March 2012 to 38% in March 2018 (Source: ICRA Report on Indian Mortgage Finance Market, June 2019). In the last year itself, the banks have improved their market share with an increased focus on Home Loans, thereby reducing the HFCs' share to 36% as on 31st March, 2019. However, affordable housing finance companies continue to dominate in the affordable home loans segments.

Share of HFCs vs. Banks in Home Loan Portfolio (%)



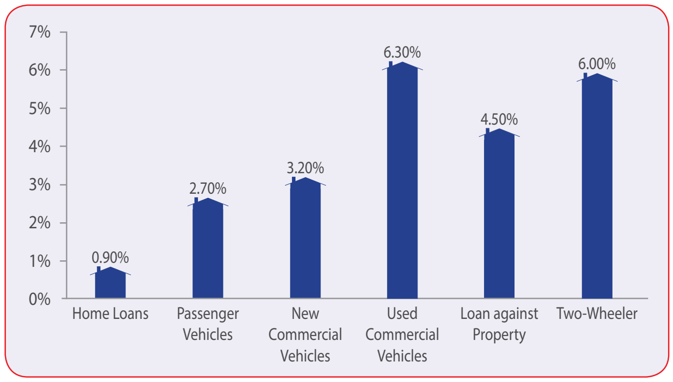
** Till December 2017*

Source: India Infrastructure Report October 2018

The overall Gross Non-Performing Assets (GNPAs) of HFCs stood at 1.3% as on 30th September, 2018, slightly higher than 1.1% in FY 2017-18. However, as compared to other Asset Classes, Home loans have the lowest annual credit losses.

(Source: ICRA's view on Housing Finance published on 4th January, 2019)

FY 2017-18 GNPA (%)

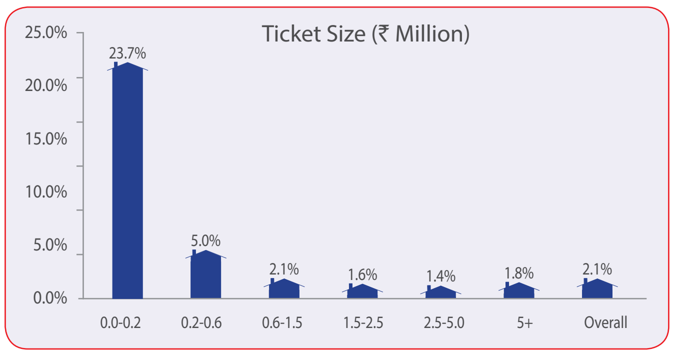


Source: BCG, CIBIL

Within the Housing Finance sector, small HFCs focussing on the lower ticket size of the affordable housing segment have shown an above-average increase in delinquencies with higher gross NPAs.

Affordable HFCs, NPA corresponding to a ticket size bucket

Industry GNPA by ticket size



Source: BCG, CIBIL

Outlook

HFCs have been one of the major drivers of housing finance growth in India over the past decade on the back of their multi-pronged distribution model and their last-mile connectivity in tier II and tier III cities. Demand for housing is expected to increase driven by improving affordability, under-penetrated mortgage market, stabilised property prices, increasing urbanisation and favourable demographics. According to CRISIL - 'Rating Round-Up Second half of fiscal 2019 Report' Assets Under Management (AUM) of HFCs is expected to increase at a CAGR of 20% over the medium term as the higher demand will be backed by their efficient loan processing capabilities and faster loan turnaround time.

Company Overview

The present Aadhar Housing Finance Ltd. was created after the merger of erstwhile Aadhar Housing Finance Ltd. and DHFL Vysya Housing Finance Limited. Vysya Bank Housing Finance was formed in 1990, which was acquired by DHFL in 2003, renamed as DHFL Vysya Housing Finance Limited.

Erstwhile Aadhar Housing Finance Ltd. (EAHFL) was incorporated in 2010 and later amalgamated with DHFL Vysya w.e.f. 20th November, 2017 and subsequently name was changed to Aadhar Housing Finance Ltd.

Aadhar Housing Finance Ltd. now, is one of the largest affordable housing finance companies in India, servicing the home financing needs of the low-income sections of the society.

The Company has a pan-India presence and has the largest reach in the affordable housing finance space with a network spanning 311 branches across 20 states and a union territory covering more than 2,500 locations of the country as on 31st March, 2019.

Merger Date
20th November, 2017

Erstwhile Aadhar Housing Finance Ltd. amalgamated with DHFL Vysya Housing Finance Ltd. w.e.f. 20th November, 2017 and subsequently, the name was changed to Aadhar Housing Finance Ltd.

DHFL VYSYA HOUSING FINANCE LTD.
+
AADHAR HOUSING FINANCE LTD.
=
Aadhar Housing Finance Ltd

Aadhar Housing Finance Ltd.

Erstwhile Aadhar Housing Finance Ltd. (EAHFL) was incorporated in 2010

DHFL Vysya Housing Finance Ltd.
(formerly known as Vysya Bank Housing Finance Limited)

Vysya Bank Housing Finance was formed in 1990, which was acquired by DHFL in 2003, renamed as DHFL Vysya Housing Finance Limited

On 2nd February, 2019, BCP Topco VII Pte. Ltd. ('**Investor**'), which is held through intermediary companies by private equity funds, managed by wholly-owned subsidiaries of The Blackstone Group Inc. ('**Blackstone**'), signed an agreement with the promoters of the company viz., Wadhawan Global Capital and DHFL for acquiring their entire shareholding in AHFL. Post requisite approvals, the transaction concluded on 10th June, 2019 with the transfer of shareholding from earlier promoters and International Finance Corporation. Subsequently, on 11th June, 2019, BCP Topco made an equity capital infusion of ₹ 800 Crores. The Blackstone Group currently holds 98.28% of the equity shareholding in AHFL.

Blackstone is the largest alternate asset manager in the world with a market cap of US$ 47 Billion as on 23rd April, 2019 and manages assets of US$ 512 Billion. It is present in India since 2006 with investments over US$ 10 Billion.

Business Overview

AHFL fulfils the financial requirements of the under-served low-income sections of the society, by providing loans for the purchase of house/land, construction/improvement of the house, loan against property etc. The Company predominately focuses on the EWS and LIG segment, specifically comprising the salaried, self-employed, and informal business segments.

AHFL through its branches in 20 states and a union territory covers 90% home loan requirements in the affordable housing segment. 70% of its network is present in 9 states viz. Uttar Pradesh, Bihar, Maharashtra, West Bengal, Madhya Pradesh, Andhra Pradesh, Rajasthan, Tamil Nadu and Karnataka. 70% of the total housing requirement under 'Housing for All 2022' is concentrated in these states.

As on 31st March, 2019, Home loans segment constitutes almost 87% of the serviced loan portfolio, while Other Property Loan contributes 12% share. The Company serves both, salaried and self-employed segments. The salaried segment constitutes a major share of 66% in the loan book as on 31st March, 2019 and balance constitutes to the self-employed segment. The builders' loan portfolio stands at less than 1% at ₹ 92 Crores.

As on 31st March, 2019, the Company serves 1.34 Lakh customer bases, with AUM touching ₹ 10,015 Crores.

Furthermore, AHFL has claimed subsidy under the central Government's PMAY scheme to the tune of ₹ 222.23 Crores for more than 10,000 customers during FY 2018-19. The Subsidy claim of about ₹ 81.67 Crores in over 3,800 cases is under process.

Key Business Developments

During the year under review, private equity firm Blackstone Group LP, signed a definitive pact on 2nd February, 2019 to buy a controlling stake in AHFL and had announced to infuse ₹ 800 Crores as primary equity. This shall double the Company's Net worth and will have a positive impact across all the buckets in Asset Liability Management (ALM). Further, it will reduce AHFL's Pro-forma leverage ratio (Net Debt/equity) to around 4.5. The transaction was completed on 11th June, 2019.

Blackstone's ownership will improve AHFL's ability to raise money from different institutions for growing the business. It will enable AHFL to diversify its sources of borrowings in domestic as well as overseas markets.

AHFL came up with its maiden NCD public offer for ₹ 500 Crores on 14th September, 2018 with a greenshoe option of retaining additional subscription of ₹ 900 Crores. The Company offered Secured Redeemable NCDs with a face value of ₹ 1,000 each, offering a coupon rate ranging from 9.25% p.a. to 9.75% p.a. The Company raised ₹ 676.40 Crores through Initial Public Offers or NCDs. The funds mobilised from the issue were for the purpose as stated in the offer document.

As on 31st March, 2019, Home loans segment constitutes almost 87% of the serviced loan portfolio, while Other Property Loan contributes 12% share.

Marketing and Communications

In order to strengthen its customer reach and promote its brands, products and services, AHFL utilises cost-effective marketing channels, which reach out to the targeted segment and creates a high impact with customised content, simple & effective messaging and emotional connect with the segment.

Its PR strategy involves using a mix of thought leadership content, industry stories, press releases, press conferences and media interviews to create a positive image about the brand and the leadership.

Above the Line (ATL) promotions

Apart from the brand campaign mentioned above, AHFL used the mass mediums to promote its maiden NCD public offer. The issue was promoted extensively through Outdoor-Hoardings, Bus-Panels and Bus Shelters, Print Ads, Television Ads and Digital Advertisements.

AHFL also launched an innovative campaign themed 'Freedom from rented house' through cost-effective classified display ads in newspapers and voice-based interactive messages. The campaign reached more than 30 Lakh people of the LIG segment in 118 small & micro branch locations across India. Further, the Company received 11,000 missed calls from the print campaign and 17,000 responses from the recorded voice calls.

Digital and Social Media Marketing

The Company is increasing its engagement through digital and social media viz. Facebook and LinkedIn to reach the targeted audience as per the geographic and demographic profiles.

Below the Line Promotions - Ground Level Awareness Drives

AHFL has a committed focus on ground-level awareness drives, to reach the targeted mass population. During the year, the Company has executed various Below the Line (BTL) activities which were proficient and cost-effective to target the low-income segment at its branch locations. AHFL has further undertaken 800 Aadhar Parichays, 4,000 canopy activities, 60 leaflet insertions, 5 Paramarsh Shivirs BTL activities in the year under review, which gathered more than 1 Lakh enquiries. AHFL also conducted numerous strategic roadshows to promote its NCD IPO.

Strategic Media Communications and PR

AHFL's agenda-driven media interviews with key publications helped to build and maintain a steady flow of media coverages. Efficiently conducted city media meets and quality thought leadership content in CAT A publications ensured media presence across the year. AHFL is now recognised as a key authority operating in the affordable housing sector and an esteemed home loan company with a 213% jump in media presence (online + offline) compared to FY 2017-18. Aadhar maintained a significant (30%) share of voice in public relations and media coverages amongst its key competitors. AHFL has also received various recognitions through awards and accolades throughout the year.

Sales and Distribution

AHFL has a robust marketing and distribution network with a presence across 311 branches as compared to 270 in the previous year. Out of these 311 branches, 193 are main branches and others include small, micro and ultra-micro branches based on their disbursements per month. Each branch is directed to cater 8-9 different towns/locations. At present, 80% of the business has been done through its direct efficient and motivated sales team.

AHFL has a highly motivated and committed sales team comprising on roll sales/relationship managers supported by off-roll Direct Sales Team (DST). The Company periodically conducts training programmes to promote and support the sales team to update their knowledge and skills. In addition, attractive incentive schemes have been implemented for better participation and enhanced performance resulting in the Company's growth.

In order to expand geographically in a cost-effective manner, AHFL is running 'Resident Executive' programme in which locations to do the business are identified by the branches and managed by an off-roll employee called Resident Executive, without a brick and mortar branch. The Company has managed to engage with 130 of such Resident Executives as on 31st March, 2019.

Similar to the Resident Executive, the Company also carried forward its 'Aadhar Mitra' programme' in FY 2018-19. Aadhar Mitras are business facilitators, these are - small shop owners, taxi drivers, unemployed youth etc., of the respective locations, who are selected and provided training to contribute to the business model. It plans to enrol and train a larger number of Aadhar Mitras going forward.

A Resident executive is an employee of AHFL and receives fixed salary plus variables, whereas Aadhar Mitra is the Commission-based freelancer model, with 100% variable incentive.

The Company also engages third-party channel and referral partners, for sourcing loan application. As on 31st March, 2019, AHFL has 4,180 AMs and 2,525 Channel Partners.

Collection

Collection in the low-income housing segment is a challenging but highly important task. The Company has a robust collection management in-house team of 300 people across all the branches, supervised by regional officers and the head office.

The team manages the lifecycle of transactions and monitors the portfolio quality. AHFL's highly robust collection structure regularly monitors all the loan accounts – from the zero bucket accounts to 3rd bucket (collection of instalments in standard accounts) to NPAs. Employees are advised to maximise collection efficiency in zero bucket accounts in order to restrict the flow from one bucket to the other. The collection department strategically focusses on Pre-NPA (0-90 days) and NPA cases to ensure lowest delinquency levels. The team follows dignity in case a particular customer is likely to default. However, if essential, difficult accounts are recovered through SARFAESI and other legal measures.

Credit and Operations

The Company's strong retail book with the large customer base is backed by strong underwriting skills and well-defined processes.

AHFL has designed all its processes with a target to achieve both, superior asset quality and healthier returns. The Company is strongly committed to efficient, fast and robust credit management operations. For credit assessment, AHFL has an experienced team of credit officers across the branches, AHFL deploys two-layered credit filtration and verification process for each and every portfolio to bring in greater efficiencies and zero discrepancies in the appraisal process. Loan sanctioning powers are delegated at various levels of committees at the branch, area, region and head office levels. The quantum of loans for various products is also fixed for various levels of branches. To maintain quality standard and avoid default risk or frauds, the team along with reputed professional field investigation agencies and advocates conducts a credit check and background verification procedure on each customer.

The Company's Centralised Processing Unit (CPU) enables faster decision making, execution and cost-efficient processing to its home loan customers across India.

AHFL's team remains involved in the entire life cycle of the loan process, engaging with customers from the stage of loan origination through disbursement and post disbursement loan servicing. All the documents and files are stored with reputed warehouse companies like Stock Holding Corporation.

90% of EMI collection is through ECS/NACH and remaining through post-dated cheques (PDC). NACH is necessarily obtained in all new disbursements. This reduces the cost of collection with no hassle in the handover of cheques.

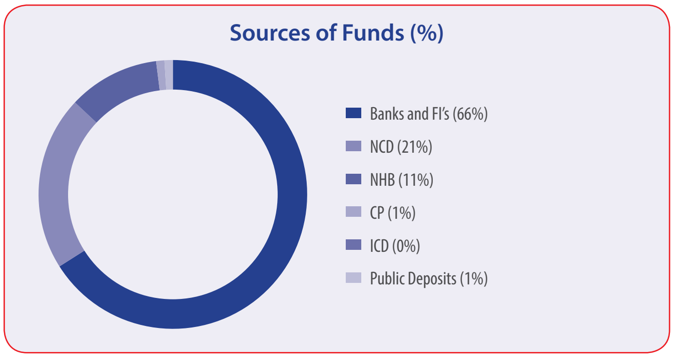
Sources of Funds

FY 2018-19 was an unprecedented year that witnessed significant shifts in liquidity between quarters followed by a liquidity crisis, particularly for the NBFC sector, resulting from default by a large NBFC in the mid of the year. The domestic and global financial and economic market conditions contributed to the tightening of the liquidity and reversal of low-interest rate regime that the country experienced in the preceding year. In Q1 liquidity was generally in surplus, gyrated in Q2 and in Q3 & Q4 it remained generally in deficit. In September 2018, a default by a large NBFC led to trust deficit amongst mutual funds/banks, which adversely impacted the liquidity position of the Company as well. The default led to the non-availability of fresh term loans from Banks/NCDs from the capital market since then. Despite this, the Company managed its liquidity through the sale of loan assets (securitisation) to banks. As a result, the cost of funds post-September 2018 went up.

During FY 2018-19, AHFL raised about ₹ 4,700 Crores in long-term funds from diverse sources viz. Banks ₹ 1,975 Crores, NHB Refinance ₹ 500 Crores, Non-Convertible Debentures ₹ 676 Crores and Direct Assignment ₹ 1,483 Crores. The sources of funds were partly curtailed from February 2019 when the agreement for change in management control was signed by existing promoters, until the conclusion of the transaction in June 2019. Despite the market challenges, AHFL raised ₹ 3,400 Crores in long term resources since September 2018 through various sources Banks (₹ 700 Crores), NHB Refinance (₹ 500 Crores), Non-Convertible Debentures (₹ 676 Crores) and pool sell down (₹ 1,483 Crores) and balance from public deposits.

AHFL balance sheet strength and robust retail business model enables it to have access to diverse sources of funding, using multiple institutional units for lines of credit, including banks. AHFL focusses primarily on long-term borrowings from the banking sector, financial institution and capital market. The borrowings include a loan from banks, refinance from NHB, Non-convertible Debentures and assignment of the Loan book. The short-term borrowings in the form of Commercial Papers was ₹ 100 Crores 1.22% only as at 31st March, 2019.

Borrowing Composition – ₹ 8,228 Crores as at 31st March, 2019



During the year, the Company came out with its maiden public issue of secured non-convertible debentures and successfully raised ₹ 676 Crores further diversifying its Source of Funds. The Company's model enables it to originate retail loans that qualify for priority sector loans for banks and hence has huge demand; this helps Company not only in raising funds from banks at competitive pricing but also diversify its credit risk through a direct assignment. The Company is exploring to further diversify its funding sources by borrowing through external commercial borrowings and masala bonds from International development financial institutions/ foreign investors at competitive pricing.

AHFL's average cost of funds in FY 2018-19 stood at 8.94% as compared to 8.83% in the preceding year. Whereas, the day end cost of funds as at 31st March, 2019, was 9.14% compared to 8.77% as on 31st March, 2018. The interest rates in the economy were elevated throughout FY 2018-19, particularly for NBFC sector contributing to the increase in the cost of funds. Reserve Bank of India in Q4 started reducing the repo rates; however, the transmission of the same to the economy has been slow and partial.

The Company generally keeps adequate liquidity on its balance sheet to meet any contingent requirements. Since September 2018, the Company has kept an average liquidity of about of more than 13% of its Loan Book in unencumbered assets. The Company has a prudent asset liability management which has helped Company sail through in toughest times as demonstrated during the period since September 2018, when the Company has preserved adequate liquidity while carrying out its business disbursement and meeting all its contractual financial obligations on a timely basis.

AHFL has strong Board-approved investment policy, which invests the surplus funds in relevant investment opportunities like Mutual Fund, Banks, Fixed Deposits etc. to maximise the possible returns.

AHFL currently enjoys a healthy credit rating of AA by CARE and Brickworks for its long-term funding requirement. Further, the Company is rated A1+ by ICRA and A1 by CRISIL on short-term funding requirements.

AHFL's Capital Adequacy Ratio (CAR) stands at 18.28% as at 31st March, 2019 as against the statutory requirement of 12% for HFCs. The gearing ratio on net basis stood at 8.37 times as of 31st March, 2019. Subsequently, on 11th June, 2019, the Company received fresh capital infusion of ₹ 800 Crores from Blackstone post successful consummation of the management control transaction in favour of Blackstone on 10th June, 2019. As a result, the Capital Adequacy Ratio currently stands at approx. 35.44% and net gearing at about 3.87 times. The infusion has further strengthened the ALM and liquidity position of the Company.

The National Housing Bank has proposed to raise CAR for HFCs to 15% and cap their borrowing to 12 times (at present 16 times) of their net worth, after recent NBFC crisis. If approved, this shall be done in a phased manner, by 31st March, 2022. AHFL is already in a sweet-spot and the proposed guidelines will not impact it.

Human Resources

Talent Acquisition

AHFL respects its talent pool and directed conscious effort towards the retention of talent, as it truly believes that employees are an organisation's greatest asset. This aligns employees growth coupled with the success of the Company. The Company has a sound policy and process for recruitment and referrals. It also does strict background verification as a part of the recruitment process.

During the year under review, the Company recruited members from the industry as well as some from the non-HFC sector. To promote new talent, innovation and build the inventory of future business leaders, AHFL has recruited graduates from Tier 2 and Tier 3 cities.

Training and Development

Training & Development is crucial for the Company's sustainable growth. It supports professional development and empowers employees to deliver improved quality of service through its training intervention and motivating them to perform with renewed vigour and enthusiasm. The Company is well-positioned to attract and recruit talented and skilled personnel to meet the future business challenges.

AHFL provides a number of online and on the job skill-based training along with mandatory training on an annual basis. In addition, workshops are conducted on a regular basis covering business processes and procedures, customer service standards, underwriting process, collection, credit disbursals etc. The Company's management training programme is aimed at creating a pool of future leaders. It has tied-up with few of the reputed academic institutions to offer skill development programmes and employment opportunities to recruit young and bright students. AHFL's training and development systems are designed to ensure an active employee engagement process, leading to better growth of the organisation and aiding in pursuing its ambitious growth plans.

Attrition

With the rapid growth of the industry, AHFL faces strong competition, to recruit and retain skilled and professionally qualified staff. Higher attrition rate is a key challenge for all the players in the industry. Apart from providing learning, a training and growth opportunity, AHFL is implementing several other HR initiatives to support performing employees. The Company also conducts structured exit interviews followed by planned action to reduce attrition. The Company has designed attrition-predicting mechanism to prepare the chart for manpower required. New employee induction and training for the existing employees continued to remain focused on functional, technical and behavioural areas.

Employee Engagement

A rewards and recognition mechanism is implemented across AHFL to keep the morale high and formally appreciate the efforts of a competitive and talented workforce. A comprehensive programme for monetary and non-monetary rewards incentivises excellence. The Company also recognises the importance of employee engagement and their valuable feedback. For the same, it has instrumented several HR initiatives including online E-sat surveys. As a developing organisation, AHFL takes Initiatives to engage employees of branches at par with the regional and corporate offices, through regular branch visits of the HR team and feedback mechanism.

Corporate Social Responsibility (CSR)

AHFL has a well-constructed platform of Corporate Social Responsibility (CSR) policy in place. The Company is committed to delivering sustainable solutions to equip and encourage equal opportunity, maximise human development and leverage the aspirations of youth, women and vulnerable populations. AHFL is determined to undertake CSR activities strategically, systematically and more thoughtfully to encourage community development as against institutional building. It believes in delivering impactful solutions in collaboration with the community, Government, like-minded corporate entities and social purpose organisations.

AHFL focusses its CSR efforts on such areas, where it could provide maximum benefits to the society at large. These include improving awareness of communities towards education, child nutrition, health, flora & fauna, sanitation and rural development etc. The Company envisages an inclusive balanced development of the society, wherein people from underserved sections have easy access to social and financial schemes and are able to participate in India's growth story.

The Company is further expanding its CSR vision to become 'financially sustainable' and in the process implementing its various CSR programmes. The programme aims at empowering communities and helping their socio-economic development through financial literacy and inclusive growth.

'Sharmaji ke Sawal, Vinodji ke Jawab'

The Company initiated its flagship CSR programme under the name 'Sharmaji ke Sawal, Vinodji ke Jawab' with an objective of empowering communities and facilitating their socio-economic development through financial literacy and inclusive growth. Additionally, the programme aims at facilitating the transition from informal to formal housing, leveraging Pradhan Mantri Awas Yojna (PMAY).

Programme Highlights for FY 2018-19

AHFL aided 189 families to move from informal settlement to formal housing during the year. It further enabled skill development through training / providing job opportunities to 214 youth during the year. The year also witnessed the Company providing aids in the form of small business loans or MUDRA loans to 392 individuals.

These trained youth also facilitated more than 4,860 individuals with PAN Card, Aadhaar Card and Bank Accounts etc. Besides, door to door surveys were held to carry out need assessments of 23,381 households. In addition, 1,454 individuals attended financial literacy seminars conducted by AHFL to understand the concept of savings.

AHFL is profoundly implementing this initiative in Varanasi, Uttar Pradesh since FY 2016-17; which has been extended to Ranchi, Jharkhand and Raipur, Chhattisgarh during FY 2017-18. Total contribution made by the Company during FY 2018-19 towards these programmes was ₹ 23.26 Lakhs.

Aadhar Kaushals

In August 2018, AHFL launched 'Aadhar Kaushal' programme which was inaugurated by Shri Chetan Chauhan, Former Cricketer & Hon'ble Minister, Sports and Youth Welfare, Govt. of UP. The programme aims at skill development and employability for youth supporting the Government's 'Skill India Mission'. In this programme, NSDC certified training Partner Mahendra Trust Foundation identified youth from various cities (Majority from Tier 2 & Tier 3 Cities) and all selected candidates went through 280 hours of rigorous training on various aspects of banking and housing finance which covered all aspects like Sales, Credit, Operations, Account and Collections. In

FY 2018-19, 96 youth have been trained and/or facilitated with job opportunities and 70 Candidates were placed in BFSI sector.

Other Initiatives

Contribution towards CRPF Wives Welfare Association

As a tribute to the nation's brave CRPF who ensure the protection and safety of the country, the Company donated a small sum of ₹ 51 Lakhs in FY 2018-19 to CRPF Wives Welfare Association at CRPF headquarters, New Delhi.

Support towards Global Cancer Mission

The Company also supported the underprivileged cancer patients financially, by donating ₹ 10 Lakhs to 'Global Cancer Mission' in FY 2018-19 towards initiating and completing their medical treatment.

Technology

Technology is emerging as a key driver of AHFL's operational productivity and efficiencies. To support the Company's growth, the Company has been improving operational efficiencies and optimising its costs using technology. AHFL has been availing the support services from its associate company to leverage its existing know-how and professional expertise and for maintaining business as usual through robust practices and processes.

Under the proposed transition of ownership of AHFL, during FY 2019-20, it plans to evaluate the implementation of new business application platforms with proven commercial-off-the-shelf products, which would provide best-fit solutions to the business functions. AHFL has further plans to evaluate the implementation of its existing information technology infrastructure to enable separation from shared infrastructure.

Technology Upgradation

In terms of Rule 8(3) B of the Companies (Accounts) Rules, 2014, the latest Technology upgradation measures adopted by AHFL, has helped to efficiently manage inter-connectivity and system based loan processing and accounting facilities at all levels of the organisation and improve efficiency by using Tech 1.0 platform, new system evaluation is proposed in FY 2019-20.

The Company is in the process of transforming and digitising all the processes right from the customer onboarding to loan closure. AHFL has well-placed core solution for end-to-end loan lifecycle management. These IT-enabled systems support lead to seamless transaction flow, clear accountability, reducing turnaround time and better monitoring, while adhering to the highest underwriting standards.

Risk Management

The risk management framework is steered by the Board through the appointment of the Risk Management Committee (RMC) and Asset Liability Committee (ALCO) for enabling liquidity. A comprehensive risk review is done by these two committees on a quarterly basis by comparing the risk parameters and appetite that the organisations have defined and analysing the reasons for their variances. AHFL has an internal RMC (IRMC) which reviews various risks such as credit, operational, liquidity etc. on an ongoing basis and undertakes necessary preventive/corrective measures. The high/critical risk is reported to the Board risk management committee, which is the apex committee to review.

Liquidity and Interest Rate Risk Management

Liquidity risk is caused by an asset-liability mismatch resulting from a difference in the maturity profile of the assets and liabilities. An interest rate gap is prepared by classifying all assets and liabilities into various time-period categories in accordance with contracted maturities or anticipated re-pricing date. The difference between Rate Sensitive Assets (RSA) and Rate Sensitive Liabilities (RSL) for each time bucket indicates the extent of exposure to the risk of potential changes in the margins on new or re-priced assets and liabilities.

In order to mitigate this risk, AHFL strives to optimise its borrowings between short-term and long-term debt, and also between floating and fixed-rate instruments. Further, to ensure that exposure to fluctuations in interest rates is kept within acceptable limits; the Company follows a prudent policy on the management of its assets and liabilities. The management also defines all parameters in terms of maintaining liquid investments to cater to immediate liquidity requirements. It prepares interest rate risk reports periodically and shares the findings with the National Housing Bank and ALCO. ALCO reviews treasury operations, interest rate, cash flows etc. on a quarterly basis and gives guidelines to the team. The internal team continuously monitors the same on the basis of guidelines provided by ALCO.

Credit Risk

Credit risk is the risk of default on a debt that may arise from a borrower failing to make required payments. Lenders are exposed to default risk in virtually all forms of credit extensions.

Mitigation Strategy: Credit risk is an integral part of lending. However, AHFL has various processes in place to mitigate credit risk:

Firstly, exhaustive credit norms and policies are being followed by the Company to manage credit risk, which is reviewed on a continuous basis on market feedback and ongoing portfolio. The Company also redefine the policies as and when required as per market conditions to ensure minimisation of credit risk.

Secondly, the Company follows the diversification of the portfolio to various products, regions and profiles of the customer. Hence diversified portfolio mix signifies higher risk appetite for the company and the same is monitored by RMC and IRMC on a continuous basis as per their defined areas.

Thirdly, the Company on an ongoing basis conducts a dynamic and static analysis of data and portfolio, identify trends and red flags where actions are required and take corrective actions on the basis of data analytics output. The Company prepares a report which defines identification of trigger and actions taken as per output data.

Fourthly, the Company has in place, strong due diligence of customers and income document through various multi-level verification processes including screening through a Fraud Control Unit.

Besides, AHFL has a strong management team and a robust credit appraisal process backed by an internal dedicated team of 300 credit experts. Standardised credit approval process including a comprehensive credit risk assessment is in place, which encompasses analysis of relevant quantitative and qualitative information to ascertain the creditworthiness of the borrower. AHFL follows a multi-layered approval process to avoid any credit risk.

Operational Risk

AHFL's operational and financial growth could have an adverse impact, if it is unable to successfully implement its operational controls. The Company is exposed to various types of operational risks such as cyber threats, fraud, operational resilience, processing errors, people, document mishandling, legal defects in a mortgage, customer attrition etc. Thus, any breach in processes or systems and people may result in capital, financial and reputational damage.

Mitigation Strategy: AHFL tries to mitigate the risk by maintaining robust internal control systems and procedures to monitor the transactions, preserving key back-up procedures, undertaking consistent contingency planning and helping employees with continuous training. The Company has implemented continuous processes in the areas of risk assessment, risk decision-making, and implementation of risk controls, which results in acceptance, mitigation or avoidance of risk. AHFL has a robust IT system, where all end processes are defined with controls. The operational team monitors whether the processes are being followed and whether the system is controlling the processes properly. The Company has defined lots of Key Risk Indicators (KRIs) and controls in the system which is be reviewed consistently and required actions are taken on the exceptions identified. In addition, AHFL has 4 eye control Maker-Checker Concept in processes from login files to disbursements till loan closure and thereafter preservation of documents as directed by NHB. It also has an evaluating system - Grievance Redressal Mechanism for Customers and is effectively managed by branches and Central Operation team. Blackstone's ownership will ensure continuous improvement in processes due to its high reporting standards that provide accurate and timely feedback.

Fraud Control Unit (FCU)

A Team of fraud identification specialists, which ensure that all loan files are being thoroughly checked for any fraud elements in profile, documentation, identity or property value before they are disbursed to the customers. AHFL has empanelled FCU vendors for its branches. Each region has an FCU expert to strengthen, monitor and manage fraud control processes. The FCU maintains a watchful eye and coordinates with all verticals to identify and deter fraudulent activities.

A hindsight of certain disbursed files of different profiles is carried out on a monthly basis to find gaps in appraisal and documentation, if any.

Legal and Technical Risk

AHFL's primary function is to advance loans to customers by taking land or building as the primary security. Any legal defects in the underlying collateral may pose legal, financial and operational loss to the Company.

The Company has high expertise and dedicated legal and technical team having significant experience in the sector. AHFL has a robust process to undertake legal due diligence of the property documents. To ensure compliance with regional and local laws, detailed State-Specific Technical and Legal Policies are in place. The Company also engages subject matter consultants for independent due diligence in case of very specific regional matters and in some cases for cross valuation, end-to-end root cause and analysis.

The Company has well-qualified civil engineers to carry out a valuation and technical appraisal. It has an in-house team of technical managers and empanelled valuers at almost all locations. Joint valuation from two different technical managers have been obtained for all properties above ₹ 30 Lakhs and valuation by 2 external empanelled valuers are obtained in case the property value is ₹ 75 Lakhs and above.

5% of the properties mortgaged in each quarter are selected for cross valuation and to review the variance in valuation. Based on this regular training is provided to technical managers.

Properties valuing more than ₹ 15 Lakhs, are visited by branch managers or credit managers as a part of the risk mitigation process. Legal opinions are taken and search for incongruencies are done through empanelled advocates. All reports are vetted by area legal heads posted at the regional offices.

Audit and Internal Financial Controls

AHFL has an adequate system of internal controls for business processes, operations, financial reporting, fraud control and compliance with applicable laws and regulations, among others. Regular internal audits and checks ensure that responsibilities are executed effectively. The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of internal control systems from time to time and suggests improvements for strengthening the existing control system in view of changing business needs. All audit functions are managed by the experienced head of audit and his team.

The Company has a centralised concurrent team in Mumbai which conducts an audit of files with a mere one-month lag. The Audit Committee reviews the internal control system and looks into the observations, recommendations, significant risk areas assessment of the statutory and internal auditors.

The Company has appointed two statutory auditors for jointly carrying out an annual full-scale audit of the Finance and Accounts and other processes along with a limited quarterly review. Statutory audit observations are submitted by them to the audit committee of the Board.

New Initiatives:

- Centralised Processing Units were set-up in Mumbai and Bengaluru for processing of all salaried proposals
- Centralised operation units were set-up in Mumbai and Bengaluru for handling various operational functions centrally and warehousing of all documents and loan files
- Centralised concurrent Audit at above two places for auditing of a large sample of files with one-month time lag
- Fraud Control Unit at Head Office and a regional unit at each region for the screening of all files and verification of selected files before sanction and disbursement
- Launched enrolment of dedicated business associates/ facilitators through name "Aadhar Mitra" on variable incentive bases across locations
- A pilot run of 130 Resident Executives concept (Salesperson without branch) to increase distribution reach

Cautionary Statements

This document contains statements about expected future events, financial and operating results of AHFL, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements.

Way Forward

The Indian affordable housing finance industry is at the cusp of achieving a high growth trajectory owing to the rising income levels, increasing urbanisation, move towards nuclear families and Government initiatives. AHFL's long-term vision is to provide a home to every Indian, irrespective of their financial status. The Company is focussing to cater to the needs of the larger population among the low-income segment through a transparent, efficient and customer-friendly approach.

Innovative product development, digitisation & IT implementation and last-mile consumer connect are the major game-changing factors for HFCs. AHFL keeps on developing customised products

depending on the requirement of a specific location or set of customers. The Company is targeting to bring every step under digitalisation right from onboarding customer to disbursement of loans including the collection efficiency.

It has been able to maintain high-quality assets portfolio with an increasing customer base by leveraging its key strengths, including its diverse sources of funding, its technological solutions and most importantly, its holistic approach towards lending.

FY 2018-19 was a highly challenging year for NBFCs and even HFCs owing to the prolonged liquidity crisis post September 2018. The liquidity situation is gradually improving and is expected to normalise by the second half of FY 2019-20. The Company has in place, a vast distribution network, strong capital base, robust processes, experienced and a stable team with required capacity and capabilities for strong quality growth. In view of after-effects of on-going liquidity issues in the first half of FY 2019-20, the Company expects to moderately grow 20-25% during FY 2019-20, but envisages CAGR growth of 25-30% in the medium and long-term while maintaining best asset quality.

BOARD'S REPORT

FOR THE FINANCIAL YEAR 2018-19

Dear Members,

Your Company Aadhar Housing Finance Limited 'AHFL' is a housing finance company registered with and regulated by National Housing Bank (**"NHB"**). AHFL is engaged in providing housing finance to economically weaker, lower and middle income segment of the society. AHFL is currently operating out of twenty states and union territories of India with a branch network of over 311 offices covering more than 2,500 locations

1. FINANCIAL PERFORMANCE OF AHFL

(₹ in crore)

Particulars	March 31, 2018**	March 31, 2019**
AUM	7,966	10,016
Income	806.00	1239.59
PAT	114.82	162.24
Net Worth	718.39	859.85
CRAR	18.76%	18.28%
CRAR – Tier I Capital	16.23%	15.57%
CRAR – Tier II Capital	2.54%	2.71%
Retail NPA (on retail AUM)	0.58%	0.58%
ROE %	19.1%	20.4%

** March '2018 & March '2019 Financials as per IND AS

Note: After the primary Capital infusion in June 2019 the networth of the Company has doubled and presently it is around ₹ 1659.85 crores and accordingly the proforma Capital adequacy ratio (CRAR) is around 35.44% post this transaction.

About AHFL

- Largest independent affordable housing finance company with an AUM of ₹ 100 billion.
- Strong growth tailwinds in affordable housing due to low mortgage penetration combined with low competition from private sector banks.
- Priority Sector Lending benefit to banks providing funding; low dependence on capital markets.
- Low concentration risk due to wide geographical presence: Presence across 20 states and union territories with diversified exposure across locations with no single state contributes to more than 17% of AHFL's AUM.
- The Developer loan portfolio of the Company is around 0.95% of the total loan portfolio.
- 100% secured retail advances (post ownership change/ post acquisition) with average ticket size of ₹ 8.3 lakhs. High share of low risk salaried customers (66% of loan book) and moderate LTV ratios of 51%.
- Largest origination franchise with strong brand vs. peers: 311 branches which cover more than 2,500 locations.

High asset quality: Gross NPA on portfolio has been 1.23% and Gross Retail NPA to Retail AUM has been 0.58% and the Net NPA on portfolio is 0.90% for the year ended March 31, 2019.

1.1. Current Event – Position After the Majority Stake Sale Transaction

Change in Control and Management of the Company:

(a) On February 2, 2019, the promoters/promoter group of AHFL – i.e. WGCL and DHFL, along with Mr. Kapil Wadhawan, Mr. Dheeraj Wadhawan, Mrs. Aruna Wadhawan (collectively the **"Sellers"**) and AHFL, have entered into a share purchase agreement with BCP Topco VII Pte. Ltd. (**"Investor"**), which is held through intermediary companies by private equity funds, managed by wholly owned subsidiaries of The Blackstone Group Inc. (**"Blackstone"**), for transfer of the Sellers' entire shareholding, i.e. 80.76% of the paid up equity share capital of AHFL, to the Investor, subject to inter-alia regulatory and lenders' approvals. The Investor had also executed a share sale agreement with International Finance Corporation (**"IFC"**) on March 19, 2019 to acquire the entire 16.91% shares held by the IFC in AHFL.

(b) The Majority NCD holders, in value (both private placement and public issue basis), had given their NOC/

Consent for the proposed transaction The Company had received the NOCs from Catalyst Trusteeship Ltd. and Beacon Trusteeship Ltd., Debenture Trustees for Non-Convertible Debentures (NCDs) issued under private placement and through Initial Public Offer for the above transaction. The National Housing Bank, vide its in-principle approval dated May 7, 2019, as well as final approval dated June 7, 2019, gave its approval for the purchase of the aforesaid shares of the Company by the Investor. Further, as required under the NHB in-principle approval, the shareholders of the Company, vide Extra Ordinary General Meeting (EGM) dated June 6, 2019, provided their approval for the purchase of the aforesaid shares of the Company by the Investor.

On June 10, 2019 the Sellers and IFC have transferred their shares to the Investor, in accordance with the aforesaid share purchase agreement and the share sale agreement, respectively. Pursuant to the aforesaid transfer from the Sellers and IFC, the Investor became the controlling shareholder of AHFL. The Investor has infused fresh primary capital amounting to ₹ 800 Crores into AHFL under preferential allotment, as approved by the shareholders at their Meeting held on June 6, 2019 and by the Board at its Meeting held on June 11, 2019. Further, pursuant to the share purchase agreement executed with certain minority shareholders of AHFL, the Investor has agreed to purchase shares of such minority shareholders, subject to the terms and conditions mentioned therein. Pursuant to the above mentioned minority shareholder agreement, the Investor may acquire up to 98.60% of total shareholding in AHFL. The Investor also proposes to acquire equity shares of AHFL from other minority shareholders who have/ may consent to sell their shares in AHFL.

(c) As on June 30, 2019, the shareholding position of AHFL is as follows:

Sr. No.	Name of the Shareholder	Number of Shares	Percentage (%)
1.	BCP Topco VII Pte. Ltd.	3,33,74,350	98.28%
2.	ICICI Bank Ltd.	465,000	1.37%
3.	Ramco Industries Limited	30,000	0.09%
4.	Variya Hospitality & Investments Pvt. Ltd.	8,403	0.02%
5.	IEPF Authority	11,300	0.03%
6.	Other Individual Shareholders	69,507	0.21%
	Total	3,39,58,560	100%

1.2 About Blackstone Group:

The Blackstone Group Inc. is a global alternative asset manager. Blackstone's alternative asset management businesses, with approximately USD 512 billion in assets under management (as of March 31, 2019), includes investment vehicles focused on private equity, real estate, public debt and equity, non-investment grade credit, real assets and secondary funds, all on global basis. The investors include many of the largest and most sophisticated institutional investors from around the world, including leading government investment agencies, public and private sector pension funds, banks, insurance companies, credit institutions, endowments and foundations.

Blackstone has been active in India since 2006 and has committed USD 10.8 billion of investments in India through private equity real estate, and structured finance businesses. Blackstone is a long-term investor, and brings in a dedicated portfolio operations team to add value to its portfolio companies.

Benefits to the Company from the Change in Ownership:

The Company continues to remain healthy and this Transaction has further strengthened its position with the strong parentage of the Investor (Blackstone group entity). The transaction was beneficial to all stakeholders:

i. Fresh Primary Capital Infusion - primary equity capital infusion into the company has provide benefits in the following ways:

- **Doubling Net worth:** The net worth of AHFL has almost double from ₹ 860 crores as at March 31, 2019 and it is now over ₹ 1,660 crores as of June 12, 2019.
- **Low Debt Equity Ratio:** The debt-equity ratio of AHFL has come down to almost half from the current levels. The current debt equity ratio post capital infusion is 4.3.This would give comfort to all stakeholders.
- **Positive ALM buckets:** AHFL has a well-managed ALM position with more than 98% of the liabilities having long tenure maturity and a very low dependence on short term borrowings (under 2% of the total liabilities). Fresh capital infusion has also further strengthened the funding profile of AHFL resulting in positive gaps across all ALM buckets.

ii. The Transaction will also help in strengthening AHFL's leadership position in the Affordable housing Finance. Presently, it is one of the largest independent affordable housing finance company both in terms of Assets under Management and Distribution network and the capital infusion will provide the required growth capital to the company to continue its robust growth journey in meeting the housing finance needs of the economically weaker section and lower income section of the country.

iii. The Investor ownership brings with it the global reputation and trust with strong corporate governance would enable AHFL access to diversified funding avenues at competitive rates. It would also help AHFL to improve its credit profile with the rating agencies.

1.3 Financial Summary and Highlights of the Company:

Your Company takes pleasure in presenting the standalone and consolidated reports on the operational and business performance, along with the audited financial statements for the financial year ended March 31, 2019.

Financial summary and highlights of the Company are given as following :

(₹ in Crores)

Particulars	Standalone		Consolidated	
	FY 2018-19	FY 2017-18	FY 2018-19	FY 2017-18
Total Income from Operations	1,239.59	806.00	1,263.78	815.12
Less:				
Total Expenditures	1,004.19	644.25	1,028.11	653.52
Profit before Taxes	235.40	161.75	235.67	161.60
Provision for Taxes	73.16	46.93	73.30	46.89
Profit after Taxes	162.24	114.82	162.37	11,4.71
Other comprehensive income	(0.39)	(1.46)	(0.34)	(1.46)
Total comprehensive income	161.85	113.36	162.03	113.25
Appropriations:				
Transfer to Special Reserve under NHB Act	32.45	28.14	32.45	28.14
Transfer to General Reserve	30.00	-	30.00	-
Transfer to Debenture redemption reserve	56.37	-	56.37	-
Proposed equity dividend*	17.60	7.76	17.60	7.76
Dividend distribution tax*	3.62	1.58	3.62	1.58
Retained Profits	21.81	75.88	21.99	75.77
Balance at the beginning of the year	139.70	63.82	139.59	63.82
Balance at the end of the year	161.51	139.70	161.58	139.59
Earnings per share- Basic	64.51	53.49	64.56	53.44
Earnings per share- Diluted	64.06	53.49	64.11	53.44

Note: Consolidated financials include financials of Wholly owned subsidiary Aadhar Sales and Services Private Limited which is providing manpower and other financial services

1.4 Pradhan Mantri Awas Yojana (PMAY):

Government of India took a major step under 'Housing for All scheme' to ensure that people can own a house within their financial capability. Pradhan Mantri Awas Yojana (PMAY) Urban was launched with a broad vision of providing 2 crores dwelling units to EWS, LIG & MIG beneficiaries. The scheme was to be implemented in 9694 statutory towns/centres as on March, 2019. Under this scheme, Credit Linked Subsidy of ₹ 2.67 Lakhs is to be given EWS/ LIG beneficiaries for a loan amount of ₹ 6 Lakhs & above and ₹ 2.25 to 2.40 lakhs to MIG I & MIG II beneficiaries for purchase/ construction of houses of specified carpet area.

This PMAY scheme was implemented through 4 verticals:-

(a) Credit Linked subsidy to beneficiaries through Banks/ HFCs for loans availed, (b) Beneficiary lead construction, (c) Affordable Housing in partnership and (d) In Situ Slum development.

The PMAY Rural scheme aims to construct 2.95 Crores houses in rural areas. Hence, these schemes have created huge opportunities for the company to provide housing loans to these beneficiaries as per the above schemes.

- **PMAY CLSS Subsidy claim and Disbursement Status as on 31st Mar 2019**
  During the year 2018-19 the Company has submitted from time to time the claim for subsidy to NHB under the PMAY scheme. The total subsidy received are as under:

(Amount in crores)

Scheme Category	2018-19		
	No. of Loans	Subsidy Amount	PF
EWS/LIG NEW	7,987	183.217	2.396
EWG/LIG OLD	754	11.140	0.055
MIG I	1,423	27.735	0.283
MIG II	7	13.7	0.1
Grand Total	10,171	222.229	2.736

The subsidies received during the year 2018-19 were credited to customer accounts and the EMI was accordingly modified to that extent. In certain other cases the subsidy was refunded as follows:

(Amount in crores)

Scheme Category	2018-19		
	No. of Loans	Subsidy Amount	PF
EWS/LIG NEW	620	13.216	0.186
EWG/LIG OLD	138	2.538	0.014
MIG I	100	1.836	0.020
Grand Total	858	17.589	0.220

In Q4 for the year 2018-19 the Company has submitted following fresh subsidy claims to NHB in the month of April 2019, the details of which are as follows:

(Amount in crores)

Category	No. of Loans	Subsidy Amount
EWS/LIG NEW	3,466	75.204
EWS/LIG OLD	87	1.880
MIG I	149	2.790
MIG II	96	1.800
Grand Total	**3,798**	**81.674**

1.5 Share Capital:

Your Company's capital structure as at March 31, 2019 is given in the below table;

Share Capital	Amount in (₹)
Authorized Share Capital (22,00,00,000 Equity Shares of ₹ 10 each)	2,20,00,00,000
Issued, Subscribed and Paid-up Share Capital (2,51,48,472 Equity Shares of ₹ 10 each)	25,14,84,720

Note: Capital Structure post the transaction is mentioned in the paragraph below.

1.6 Changes in Capital Structure and shareholding position

a) **Change in authorised and paid-up Share Capital:**

During the year under review, there was no change in the **authorised and paid-up** share capital of the Company.

However, post financial year 2018-19, the paid up share capital of the Company was increased from 2,51,48,472 to 3,39,58,560, due to allotment of 88,10,088 equity shares to the Investor, a Singapore incorporated private limited company, on June 11, 2019, as per the approval of shareholders at their Extra-Ordinary General Meeting, held on June 6, 2019.

b) **Resource Mobilisation:**

Your Company's resource planning policy has been approved by the Board on December 5, 2017. The Company has vide special resolution passed by shareholders at their Annual General Meeting held on August 3, 2018, under Sections 42, 71, 180(1)(c) read with 181(1)(a)of the Companies Act, 2013, for the FY 2018-19 and other applicable provisions, authorised the Board of Directors to raise or borrow any sum or sums of money (including non-fund based facilities) by way of loan(s) in rupee currency and/or foreign currency from Banks and Financial Institution(s), Inter- Corporate Deposit(s) and/or securities comprising of Secured/ Unsecured, Fully/ Partly paid-up, Convertible and/or Non-Convertible Debentures and/or Bonds and/or all other securities with or without detachable or non-detachable warrants and/or secured premium notes/ bonds and/or fixed/floating rate notes/ bonds or pass through Certificate(s) of Mortgage Backed Securitized Assets or any other debt/money market instruments, Refinance from Banks/Regulators, Securitization of loans or instruments issued/to be issued by the Company in India or outside India, in one or more tranches, from time to time at their discretion, which together with the money already borrowed by the Company (apart from temporary loans, overdrafts obtained or to be obtained from the Company's Bankers in the ordinary course of business), may at any time, exceed the aggregate of the paid up share capital of the Company and its free reserves (that is to say reserves not set apart for any specific purpose) provided that the total amount so borrowed, shall be up to an amount of ₹ 15,000 Crores (Rupees fifteen thousand crores) or upto 16 times of Net Owned Fund (NOF) of the Company or such other limit as prescribed by NHB from time to time, whichever is lower, as per provisions of National Housing Bank (NHB) Act/ NHB Directions(s)/Circulars & Notification/ Guidelines. It is proposed to increase the overall borrowing limit upto ₹ 20,000 Crore or such other prescribed limit by NHB after obtaining the approval of the shareholders at the ensuing AGM.

Your Company continued to use a variety of funding sources to optimise funding costs, protect interest margins and maintain a diverse funding portfolio which further strengthened its funding stability and liquidity needs. Your Company continued to keep tight control over the cost of borrowings through negotiations with lenders and thus, raised resources at competitive rates from its lenders while ensuring proper asset liability match. As on March 31, 2019, your Company's sources of funding were primarily from banks and financial institutions 76%, followed by non-convertible debentures 21%, Public deposits 2% and commercial papers 1%. Your Company continues to gradually reduce its reliance on the borrowings from banks and financial institutions and focus on capital market instruments with lower funding costs.

Another strategy adopted by the Company to keep a balanced ALM was to enter into strategic partnership with banks that are keen on good-quality assets and assign long-tenor receivables to them at mutually beneficial terms.

c) **Loans from Banks and NHB**

As part of its liability management, your Company endeavours to diversify the sources of its resource base in order to achieve an appropriate maturity structure and minimise the weighted average cost of borrowed funds.

Your Company continued to leverage on its long term relationship with banks and have raised additional term loans from banks (including NHB refinance) to the extent of ₹ 2,475 crores during the year at competitive rates available in the market.

d) **Non-Convertible Debentures (NCDs):-**

- **Initial Public Offer of Secured Redeemable Non-Convertible Debentures (NCDs)**

  During the year under review, your Company came with the maiden Initial Public Offer (IPO) of NCDs having a base issue size of ₹ 500 Crores, divided into 50,00,000 NCDs of ₹ 1000 each, with an option to retain over subscription upto ₹ 900 Crores, divided into 90,00,000 NCDs of ₹ 1000 each.

  The issue comprises six series, having different maturities, coupon rate and frequency of options. The investors have the option to get the interest on monthly/ annually basis. The issue was opened on September 14, 2018 and closed on September 21, 2018.

  Total 67,64,011 NCDs aggregating to ₹ 676.40 Crores have been allotted to the successful applicants. The NCD issued and allotted are secured by present and future receivables, current assets, long term investments including investments in money market mutual funds, fixed deposits and as mentioned in DTD.

  As on March 31, 2019, the number of NCD holders under NCD IPO, stood at 8,663. Your Company has created Debenture Redemption Reserve (DRR) on NCD issued under IPO, as per the applicable provisions of Companies Act, 2013 and NHB Directions. The amount transferred to DRR is disclosed in the Financial Statement for FY 2018-19.

  Your Company has duly paid the interest & principal amount due on the aforesaid NCDs on time, without any delay/default and reported the same to BSE/SEBI and Trustees. Further the revised credit rating has been issued by CARE and Brickwork.

(ii) **Privately placed Secured Redeemable Non-Convertible Debentures (NCDs)**

As at March 31, 2019, your Company's outstanding secured NCDs were ₹ 926.40 Crores.

Your Company has duly paid the interest due on the aforesaid NCDs on time without any delay/default and reported the same to BSE/SEBI and Trustees. Further, the rating was revised by CARE Ratings Limited, to CARE AA (stable) vide its Rating letter dated June 20, 2019 and Brickwork Ratings India Pvt. Ltd. revised its rating to BWR AA (stable) vide its letter dated June 24, 2019.

(iii) **Unsecured Subordinated Non-Convertible Debentures**

As at March 31, 2019, your Company's outstanding unsecured subordinated debts were ₹ 84 crores. The debt is subordinated to present and future senior debt of your company. Your Company has duly paid the interest & principal amount due on the aforesaid NCDs on time, and reported the same to BSE/SEBI and Trustees without any delay/default. Further the revised credit rating has been issued by CARE and Brickwork.

(iv) Commercial Paper:

The Commercial Paper (CP) programme of your Company have been assigned the revised rating of CRISIL A1 (A One by Credit Rating and Information Services of India Limited (CRISIL), by its letter dated and ICRA A1+ by ICRA Ltd, by its letter dated June 17, 2019. As at March 31, 2019, Commercial Papers outstanding amount stood at ₹ 96.14 crores (net of unamortised discount of ₹ 3.86 crore).There has been no delay/default in the interest & principal amount due on the aforesaid Commercial papers and reported the same to BSE/SEBI.

(v) Security Coverage for the Borrowings:

The security details of the aforesaid secured borrowings made by the Company are mentioned at Note No. 15& 16 in the Notes to accounts forming part of the audited financial statements for the year ended March 31, 2019.

(vi) Capital Adequacy:

As required under National Housing Bank Directions, your Company is required to maintain a minimum capital adequacy of 12% on a stand-alone basis. The following table sets out Company's Capital Adequacy Ratios as at March 31, 2019 and 2018.

Particulars	As on March, 31	
	2019	2018
Capital Adequacy Ratio	18.28%	18.76%

After the Primary capital infusion in June 2019, the proforma Capital Adequacy Ratio is around 35.44%.

The Capital Adequacy Ratio (CAR) of your Company was at 18.28% as on March 31, 2019, as compared to the regulatory requirement of 12%. In addition, the National Housing Bank Directions also requires that your Company transfers minimum 20% of its annual profits to a Special Reserve fund, which the Company has duly complied.

(vii) Non-Performing Assets and Provisions for Contingency:

Your Company adhered to the prudential guidelines for Non-Performing Assets (NPAs), under the Housing Finance Companies (NHB) Directions, 2010, as amended from time to time. The Company did not recognise income on such NPAs, and further created provisions for contingencies on standard as well as non-performing housing loans and property loans, in accordance with the National Housing Bank Directions, 2010. The Company has also made additional provisions to meet unforeseen contingencies. The following table set forth Company's gross NPAs, net NPAs, cumulative provisions and write-offs for the periods indicated:

₹ in crores except %

Particulars	As on March 31	
	2019	2018
Gross Non-Performing Assets	100.07	86.29
% of Gross NPA to Total Loan Portfolio	1.23%	1.17%
% of Gross Retail NPA to Retail AUM	0.58%	0.58%
Net Non – Performing Assets	72.55	57.39
% of Net NPA to Total Loan Portfolio	0.90%	0.78%
ECL Provision	78.31	61.74
% ECL Provision to Loan Book	0.97%	0.84%

(viii) Investments:

The Investment Committee constituted by the Board of Directors as Executive Committee is responsible for approving investments in line with the policy and limits as set out by the Board. The investment policy is reviewed and revised in line with the market conditions and business requirements from time to time. During the year, the Investment policy was reviewed and revised by the Board of Directors. The decision to buy and sell up to the approved limit is delegated by the Board to the Investment committee consisting of Company's senior executives. The investment function is carried out primarily to support the core business of housing finance to ensure adequate levels of liquidity. Considering the time lag between raising of resources and its deployment, the surplus funds are generally being parked with liquid fund schemes of mutual funds and short-term deposits with banks. During the year, your Company earned ₹ 24.83 Crores of the FY 2018-19 by way of income from mutual funds & other operations and ₹ 19.74 Crores of the FY 2018-19 by way of interest on deposits placed with banks and bonds.

(ix) Information Technology:

To support Company's growth, improve operational efficiency and optimise costs through the use of technology your Company has been availing the support services from Dewan Housing Finance Corporation Ltd. to leverage its existing know how and professional expertise and for maintaining business as usual through robust practices and processes towards the benefit of your Company.

Your company is currently sharing IT resources at Data Centre and Data Recovery Centre with DHFL and is utilising IT Platforms/Systems/Applications namely

Tech 1.0 enabling overall business capabilities. Under proposed transition of ownership during the year 2019-20, your Company plans to continue with existing support arrangement and have proposed to evaluate the implementation of new business application platforms with proven commercial-off-the-shelf products, which would provide best fit solutions to the business functions. Your Company has set up one Central Processing Unit (CPU) in Bhandup, Mumbai for processing salary files of all locations except for southern states and one Central Processing Unit has been set up in Q4 in Bangalore for processing of loan files of Southern branches. Your Company has further plans to evaluate implementation of its existing information technology infrastructure to enable separation from shared infrastructure.

The amount payable for the financial year 2019-20, to DHFL for the said services is as per the terms of the transition service agreement (TSA) dated June 10, 2019, which has been approved by the Board and Audit Committee after considering all the relevant factors at arm's length basis. The expenses proposed are towards the system support and maintenance of IT platforms/ systems/applications (Tech 1.0).

(x) Insurance Cover:

Your Company has insured its various properties and facilities against the risk of fire, theft and other perils, etc. and has also obtained Directors' and Officers' Liability Insurance Policy, which covers the Company's Directors and Officers (employees in managerial or supervisory position) against the risk of financial loss including the expenses pertaining to defence cost and legal representation expenses arising in the normal course of business.

Moreover, your Company has obtained money policy to cover 'money in safe and till counter and money in transit' for the Company's branches and various offices. All the vehicles owned by the Company are also duly insured.

Your Company also has in place a mediclaim policy for its employees and their dependent family members, group term life and group personal accident policies, which provide uniform benefits to all the employees.

(xi) Asset Liability Management Committee (ALCO):

The Asset Liability Management Committee (ALCO) lays down policies and quantitative limits that involve assessment of various types of risks and shifts in assets and liabilities to manage such risks. ALCO ensures that the liquidity and interest-rate risks are contained within the limits laid down by the NHB. The Company has duly implemented the NHB's Asset Liability Management Guidelines.

(xii) National Housing Bank Guidelines:

The Company has complied with the provisions of the Housing Finance Companies (NHB) Directions, 2010, as prescribed by NHB and has been in compliance with the various Circulars, Notifications and Guidelines issued by National Housing Bank (NHB) from time to time. The Circulars and the Notifications issued by NHB are also placed before the Audit Committee / Board of Directors at regular intervals to update the Committee/ Board members on the compliance of the same.

During the year your Company has availed Refinance facility from NHB amounting to ₹ 500 Crores and as on March 31, 2019 the outstanding balance amounts to ₹ 886.10 crores. Also the Company has executed MOU for availing the Schemes such as PMAY/ CLSS scheme and Rural Subsidy Scheme with National Housing Bank. Various inspection observations of NHB were satisfactorily complied and resolved and reported to the Board.

Your Company is having a valid Licence issued April 5, 2018 for accepting Public deposits.

(xiii) Registration with Information Utility

The NHB has come out with the policy circular No. NHB (ND)/DRS/Policy Circular No.87/ 2017-18 dated February 6, 2018, advising the Housing Finance Companies to submit the financial information and information relating to assets in relation to which any security interest has been created, to an information utility (IU).

The New Law IBC, 2016 consolidates the existing framework and creates a new institutional structure, by setting up of Information Utility Companies, which will store all the credit information of Corporates/entities/ persons; The Certificate & data furnished by IUs are accepted by NCLT/DRTs as legal evidence.

An Information Utility is a professional organization (which is registered with Insolvency and Bankruptcy Board of India under Section 210 of IBC, 2016 as per the eligibility criteria prescribed) that will collect financial information related to borrowers accounts, get the same authenticated by other parties connected to the debt, i.e. borrower & store the same and provide access to various parties, i.e. Creditors and other stake holders, so that all stake holders can make decisions based on the same information.

Further, the information are collected, storage and disseminated in such a way that, if a borrower makes default in paying any loan to the lender, then status of default will be disseminated to other creditors on real time basis.

During the year under review the Company has on May 16, 2018, executed an Agreement with National E-Governance Services Limited (NeSL), Information Utility, registered with Insolvency and Bankruptcy Board of India (IBBI), the first Information Utility (IU), having registration number IBBI/IU/01.

Further the Company has also registered with NeSL and submitted the financial information of delinquent borrowers accounts, in the prescribed format.This IU set-up is expected to contribute significantly for reduction of NPAs of the Company.

(xiv) Central Registry of Securitisation Asset Reconstruction and Security Interest (CERSAI):-

Your Company has duly registered with CERSAI and has submitted various required information/documents and uploading of charge creation details for mortgage loans on timely basis.

(xv) Appraisal and evaluation of mortgaged property:

Your company has finalised and implemented a number of state-wise Technical Policies and Processes dealing with various properties mortgaged in various loans. These policies are based on the state government/ urban and local authorities, guidelines pertaining to residential properties.

The company has also empaneled the technical agencies at various locations for the valuation of property in addition to our own technical staff. The empanelment of these valuers is done on the basis of their experience, market report etc. through a pre-defined process.

Your company also approved the project of builders through a laid down process to facilitate branches and field team for financing flats in these buildings without repeatedly doing legal and technical evaluation.

(xvi) Strong Credit Underwriting Framework:

The credit evaluation and credit portfolio management methodologies are designed to ensure consistent underwriting standards. New loan products are introduced considering need of target segment and market trend. The exposure limits of new products are gradually increased after critical review of performance of the product over a period of time. The risk management techniques and processes enable early identification of problematic loans. This includes early default analysis, product analysis and probability of default. The company works with strong analytic data to leverage areas of opportunity in Highly Competitive industry scenario.

(xvii) Efficient Process and Cost Optimization:

The company is constantly working towards enhancing efficiencies and eliminating wastages. Aadhar leverages technologies to speed up processes like central processing of salaried profile of customer's loan application and focus by optimizing resources. Besides, the company has put lot of emphasis on training across hierarchy in line with evolving customer aspiration. Our well designed systems with proper checks and balances enable the credit approvals by the appropriate authority and complete digitalization of credit decision process without movement of physical files.

(xviii) Sound Asset Quality Management:

The company has a strong retail book with a large customer base of 1,33,563. The underwriting skills and well-built system further reduce our risk. As the company sources majority of the customers though branches, it is able to maintain a high level of customer quality checks. The credit underwriting teams are well trained and verification processes are well aligned to the target customer segment in affordable housing industry. Each proposal passes through the maker and checker mechanism and credit decisions are taken in a committee based approach to ensure proper transparency. The company has an in-house technical team to evaluate the properties to finance and ensure proper compliances and correct valuation of the security under mortgage.

(xix) Well defined Decision Making Process:

The operational architecture of the company is a well-balanced system of centralized and decentralized decision making process. The wide distribution network, coupled with insights of local customer needs has enabled the company to provide relevant financial products to the customers. Clearly defined credit authority to make decisions on loan amount, in house appraisals and technical evaluation, credit analysis in even at the smallest location is inbuilt in the structure and is meticulously monitored; bringing in accountability and responsibility at every level.

(xx) Continuous Risk Review and Monitoring:

The company is continuously strengthening the capabilities of the teams and processes and the overarching governance framework for sustainable growth. For the assurance of strong governance framework, the company continuously monitors the processes and level of compliances through regular visit of Area level Managers, internal audits, hind sighting of quick mortality cases and risk review meetings. The Company has also setup Fraud Control Unit (FCU) for real time screening of sanctioned filed, keeping track of adverse trend in various locations and guidance to field team.

(xxi) Collections / Recovery:

The Company has established a robust collection process with a strong commitment to timely action. Robust internal process controls are set up whereby information on cheque bounces and returns are received real-time. The company is further streamlining this process through Collection mobilization to ensure unified approach and control on recovery. The field collection team keeps regular touch with borrowers to ensure high collection efficiency.

- Effective monitoring of all Standard accounts to capture early alert/signals and to recover overdue instalments.
- Voice messages are sent to delinquent customers for reminding the overdue.
- Persuasion with all NPA borrowers through personal contacts for recovery of overdue amount and to upgrade the account to standard category.
- PEHAL – Initiatives taken to encourage Customers to clear their overdues by inviting them to branch and counselling alone for paying the EMI.

The collection efforts got impetus with Government of India' Gazette of 18th Dec 2015 which gave the company a useful recovery tool, The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act).

- Initiating of the SARFAESI act to recovery on all NPA accounts, this has helped to upgrade a large number of accounts.
- The stringent recovery procedure and implementation of the provision of the SARFAESI Act for recovery of NPAs have helped the company to keep the NPA level low. As on March 31, 2019, the gross NPA's stood at 1.23%. The gross retail NPA amount on retail loans stood at ₹ 57.27 Crores which is 0.58% of the of AUM.

2. Marketing and Branding:

Marketing and Communications:

2.1 Highlights of the Financial Year - Marketing & Communication:

- Integrated Brand campaign GHAR BANEGA, TOH DESH BANEGA done across India using outdoor hoardings, bus panels, bus shelters, digital and social media and PR.
- Aadhar came up with its maiden NCD public offer on 14th Sept 2018.The issue was promoted extensively through Outdoor-Hoardings, Bus-panels and Bus Shelters, Print Ads, Television Ads, Digital Advertisements and Road Shows(Broker Meets) and strategic PR(Press Meets).
- Executed low cost high impact Below the Line (BTL) activities targeted at the low income segment at branch locations : 800 Aadhar Parichay, 4000 canopy activities, 60 leaflet insertions, 5 Paramarsh Shivirs done in the year which gathered more than 1 lakh enquiries.
- Launched an innovative campaign themed 'Freedom from rented house' through cost effective classified display ads in newspapers and voice based interactive messages. The campaign reached more than 30 lakh people of the low income segment in 119 small & micro branch locations across India. Aadhar received 11000 missed calls from the print campaign and 17000 responses from the recorded voice calls.
- Aadhar's Digital and social media campaigns gathered more than 5 lakh leads.
- Aadhar's social media handles now have more than 27000 followers in total with 9.5 lakhs engagements this year.

2.2 Highlights of the financial year - Media Communications and Public Relations

- Agenda driven media interviews with key publications like helped us successfully build and maintain a steady flow of coverage.
- Efficiently conducted city media meets and quality authored articles CAT A publications ensured media presence in the months of no news.
- Aadhar is recognized as a key authority operating in the affordable housing sector and an esteemed home loan company with a 213% jump in media presence(online+offline) compared to last FY.
- Aadhar maintained a significant (30%) share of voice in public relations and media coverages amongst its key competitors.

2.3 Effective PR got us the following awards and recognitions in this FY :

- 'The affordable Home Loan Provider of the Year 2018' award from Union Minister Shri Nitin Gadkari at the Outlook Money Conclave.
- 'PMAY Empowering India Award 2019' from Union Minister Shri Hardeep Singh Puri.
- Dun & Bradstreet included Aadhar Housing Finance in 'India's Leading BFSI Companies 2019' list.
- 'Dream Companies to Work For' (Financial Services) and 'Dream Employer of the Year' by ET Now.
- Shri Deo Shankar Tripathi, MD & CEO, Aadhar Housing Finance was recognized and felicitated as one of '100 Top Most Influential BFSI Leaders' at the 'World BFSI Congress'.
- 'Most Promising Brand for Housing Finance' award by ET Now.

- 'Prestigious Brands of India 2019' by BARC (Brand Advertising Research and Consulting) and ERTC Media.
- 'Finnoviti 2019' award by Banking Frontiers and Deloitte.
- 'Housing Finance Company of the Year' (Medium and Small) – ABP News
- 'Marketing Campaign of the Year' – ABP News
- Aadhar MD & CEO awarded the 'BFSI Leadership Award' in Nov 2018 by 'The Banking and Finance' magazine and 'elets'.
- Aadhar MD & CEO awarded the 'Certificate of Excellence' under "30 most innovative Business Leaders to watch in 2018" in July 2018 by 'The CEO Magazine'.

3. Financial Ratios:

The main Financial Ratios of the Company are;

	FY 2018-19	FY 2017-18
Earning per share (EPS)	64.51	₹ 53.49
Capital to Risk Asset Ratio (CRAR)	18.28%	18.76%
Debt Equity Ratio (DE Ratio)	8.37	8.34
Net Owned Fund (NOF)	₹ 725.57 crores	₹ 683.03 crores

- **Post Primary Capital infusion in June 2019, the Capital to Risk Asset Ratio (CRAR) is around 35.44% and Debt Equity Ratio is around 4.3 times.**

4. Lending Operations:

The sanctions and disbursements of housing loans during the financial year under report is shown in the below table;

(₹ in crores)

Financial Year	2018-19	2017-18
Sanction in values	5,870	6,062
Disbursement in values	3,192	3,905

5. Fixed Deposits programme:

Your Company is among the selected housing finance companies with permission to accept public deposits under Section 29A of the National Housing Bank Act, 1987. Your Company has been striving to offer best-in-class deposit products that encourage savings amongst households. Your Company's Fixed Deposits provide attractive interest rates. Your Company's FD programme has a rating from CRISIL, which was revised to CRISIL FA+, as per rating letter dated June 20, 2019, issued by CRISIL Ltd. The tenure of fixed deposits accepted by your Company is in the range of 12 to 120 months and present rate of interest is in the range of 8.50% to 9.00% with additional interest rate upto 0.25% to 0.40% senior citizen and staff. As on March 31, 2019, your Company's outstanding Fixed Deposits amount to ₹ 116.84 Crores. Recently, as per the instructions issued by NHB as a condition for approval of the change in control & management of the company, the company is not accepting any fresh or renewal of deposits from public.Company is regular in payment of interest and maturity amount dues to depositors without any delay or default.

As per para 10 of National Housing Bank Direction, 2010, the Company's number of unclaimed/ unpaid public deposits accounts of the depositors after the date on which the deposit became due for repayment and the total amount due under such unclaimed/ unpaid accounts as on March 31, 2019 are mentioned in the below and also the company had sent individual notices to each of the deposit holders before March, 2019. None of the Unclaimed Deposits are due for a period of more than seven years or more and hence transfer to IEPF is not applicable.

Sr. No.	Total No. of unclaimed/ outstanding Public Deposits Accounts	Total Amount (maturity amount)
1	110	₹ 1.46 Crores

5.1 Unclaimed/Unpaid fixed Deposit:

During the financial year under review, there was no Unclaimed Deposit or Interest amount due to be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government, that remained unclaimed and unpaid for a period of seven years from the date it became first due for payment. The amount of public deposit matured, during the year under review was duly paid to the Deposit Holder without any delay /default.

6 Unclaimed/ Unpaid Dividend:

During the financial year under review, your Company has transferred unclaimed final dividend of ₹ 38,873, to the Investor Education and Protection Fund (IEPF) established by the Central Government after the expiry of seven years from the date of transfer to unclaimed/ unpaid dividend account after complying with regulations and individual notice and newspaper publication before transfer to IEPF and updated the same on the website of the Company. This total amount includes final dividend amounting to ₹ 14,900 declared for the FY 2010-11 and interim dividend amounting to ₹ 24,173 declared for FY 2011-12.

During the year under review, the Company has also transferred 11,300 shares, held by 26 Shareholders to the Demat Account of IEPF Authority, who did not claim any dividend for continuous period of seven years from the date of declaration of dividend, after send individual notices and news paper advertisements, intimating the shareholders about such transfer, as per provisions of section 124 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules 2016.

7. Credit Rating:

The Credit ratings for various Borrowings/FD of the Company are given herein below :

Name of the Rating Agency	Rated Facility	Rating as on March 31, 2019	Rating as on June 30, 2019
CARE	Long Term Bank Facilities	CARE AA	CARE AA (stable)
CARE	Non-Convertible Debentures	CARE AA (Standalone)	CARE AA (stable)
CARE	Subordinated Debt	CARE AA -	CARE AA - (stable)
BRICKWORKS	Non-Convertible Debentures	BWR AA	BWR AA (stable)
BRICKWORKS	Subordinated Debt	BWR AA	BWR AA (stable)
CRISIL	Commercial Paper	CRISIL A1	CRISIL A1
CRISIL	Fixed Deposits	FA+	FA+ (Positive)
ICRA	Short Term Borrowings	ICRA A1+	ICRA A1+

8. Fair practice code, KYC norms, Anti Money Laundering standards and Policy for prevention, prohibition and Redressal of Sexual Harassment:

The company continued to ensure that Fair Practice Code, KYC Norms and Anti Money Laundering (AML) Standards as per the guidelines issued by the NHB from time to time are invariably adhered to and duly complied by the company. The Company has put in place, board approved robust KYC &AML policy for compliance by the branches. The revised KYC & AML policy was placed & approved by the Board of Directors at their meeting held on April 30, 2019. The Internal Auditors conducted audit of the branches to ensure adherence of these AML standards during the year under report. The Company ensures prevention, prohibition and Redressal of Sexual Harassment complaints at workplace, as per the policy and procedure with the approval of Board.

9. Internal Audit Compliance and Internal Financial Control:

The Company's internal control system is designed to ensure operational efficiency, protection and conservation of resources, accuracy and promptness in financial reporting and compliance with laws and regulations. The internal control system is supported by an Internal Audit Department which is responsible for independently evaluating the adequacy and effectiveness of all internal controls, risk management, governance systems and processes and is manned by appropriately qualified personnel. The Internal Audit Department during the course of audit also ascertains the extent of adherence to regulatory guidelines, legal requirements and operational processes and provides timely feedback to the Management for corrective action. Internal Audit Reports are discussed with the Management and are reviewed by the Audit Committee of the Board, which also reviews the adequacy and effectiveness of the internal controls in the Company. The Company's internal control system is commensurate with its size and the nature of its operations.

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.

During the year, the Company had appointed Mr. Nirav Shah, CA, as Head Internal Audit in place of Mr. Yogesh Udhoji

10. Secretarial Audit Compliance:

During the year under review, the Board of Directors of the Company, at its meeting held on May 11, 2018, had appointed M/s Roy Jacob & Company, Company Secretaries, Mumbai, having Membership Number - FCS 9017 and Certificate of Practice Number 8220, as Secretarial Auditor for FY 2018-19, pursuant to section 204(1) of Companies Act, 2013. The Secretarial audit report is annexed to this report for your record.

11. Securities and Exchange Board of India (SEBI):

During the year under report, your company has complied with various provisions, regulations and guidelines prescribed by SEBI (LODR) Regulations, 2015 as amended from time to time i.e Chapter V- Obligations of listed entity which has listed its Non-Convertible Debt securities and other applicable common listing obligations.

12. Insurance Regulatory and Development Authority of India/ Reserve Bank of India (IRDAI/RBI):

During the year under review your Company has applied for renewal of registration as the Corporate Agent (Composite) and obtained the registration certificate duly renewed on March 7, 2019 and this Certificate is effective from April 1, 2019 and valid upto March 31, 2022. The Company has complied with Insurance Regulatory and Development Authority of India (Registration of Corporate Agents) Regulations, 2015 and all submissions, returns and reports have been duly filed within the timeline. No Penalties/Fine has been levied by the regulator during the year 2018-19.Various inspection observations of IRDAI were satisfactorily complied and resolved and reported to the Board.

13. Reserve Bank of India Compliance:

During the year under review your Company has complied with all regulatory notifications, guidelines, circulars, rules and directions laid down by the Reserve Bank of India (RBI) with respect to the Foreign Direct Investment through the Automatic Route and necessary approvals have been obtained by your Company. There have been no delays in filing the necessary disclosures, returns and necessary forms in this regard for the year under review. No Fines/Penalties have been levied by the RBI during the year 2018-19.

14. The Compliances under Companies Act, 2013:

i) **Annual Return:**

During the year 2018-19, Annual General Meeting (AGM) was duly held on August 3, 2018, and Annual Return filing was done within prescribed time limit. Your Company has also filed FORM 'ACTIVE' with ROC Bangalore on April 16, 2019 and is duly approved by the ROC.

As provided under section 92(3) and 134(3)(a) of the Companies Act, 2013, an extract of the Annual Return is annexed as Annexure- I to this Report in Form MGT-9.

The Annual Return filed by the Company for FY 2017-18 to Registrar of Companies, Karnataka, is available at the website of the Company, URL : www.aadharhousing.com under Investor Relations.

ii) **Number of meetings of the Board- section 134(3)(b):**

During the year under review the Board of Directors met eight times to deliberate various issues, policy matters etc. The details of Board of Directors and their Meetings and also various other Board level Committees are furnished separately under the Corporate Governance Reporting mentioned under section 134(3)(i).

iii) **Directors Responsibility Statement:**

As required by section 134(3)(c) of the Companies Act, 2013, the Board of Directors states that.

a) in the preparation of the Annual Financial Statements for the year ended March 31, 2019, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;

b) the Directors had 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 at March 31, 2019 and of the profit or loss of the Company for that period;

c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

d) the Directors had prepared the Annual Financial Statements on a going concern basis;

e) the Directors, in the case of a listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

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

iv) **Details of Fraud Reporting, as per provisions of section 134 (3) (ca), read with section 143 (12) of the Companies Act, 2013:**

There were no such frauds detected and reported during the year under review, as per the provisions of section 134 (3) (ca), read with section 143 (12) of the Companies Act, 2013.

However, the frauds of ₹ 1 Lakh & above and frauds committed by unscrupulous borrowers, detected, during the year under review, were duly reported by the Company, as per Circular(s)/ Guidelines, issued by National Housing Bank.

In terms of section 134(3)(d), your Board states that, the independent directors, have given a declaration under section 149(6) of the Companies act, 2013.

With regard to section 134(3)(e) of the Companies Act, 2013, the Board has adopted Nomination (including Boards' Diversity), Remuneration & Evaluation Policy (NRE Policy), which, inter alia, lays down the approach to diversity of the Board, criteria for identifying the persons who are qualified to be appointed as Directors, Key Managerial Personnel (KMP) & Top Managerial Personnel of the Company, along with the criteria for determination of remuneration there of and evaluation of Board of Directors/Committees (including Independent Directors) and KMPs/Top managerial personnel of the Company and includes other matters, as prescribed under the provisions of Section 178 of Companies Act, 2013. During the financial year under review, your Company has amended the NRE Policy to align the same with the applicable regulatory requirements.

The said policy is available on the website of the Company, i.e. www.aadharhousing.com.

As per section 134(3)(f) of the Companies Act, 2013, your Board states that during the year under review, there are no adverse qualification, reservation or adverse remark or disclaimer made by the Auditors of the Company, during the course of their audits.

In terms of section 134(3)(g) of the Companies Act, 2013, details of all loans, guarantees or investments, including that of made under section 186 of the Companies Act, 2013, are given in Financial Statements and Notes of Accounts, thereto, which is forming part of Annual Report.

v) Particulars of transactions with related parties under section 134(3)(h) and section 188:

During the year the Board has approved the proposal for the loan assignment transaction with Dewan Housing Finance Corporation Limited (DHFL) and executed the same by a deed of assignment on November 1, 2018. This was a materially significant related party transaction. Transactions entered with all related parties/ entities/ group companies as defined under the Companies Act, 2013 during the financial year 2018-19 were mainly in the ordinary course of business and at arm's length basis and as per laid down guidelines on securitisation issued by RBI.

Prior approval of the Audit Committee is obtained by the Company before entering into any major related party transaction as per the applicable provisions of Companies Act, 2013. In the aforesaid case the proposal was placed before the Audit Committee for its approval on November 1, 2018 and before the Board for ratification on January 23, 2019 as per the provisions of Section 188 of the Companies Act, 2013 which mandates approval of the Board of Directors to be obtained for entering into related party transactions by the Company. A quarterly update is also given to the Audit committee and the Board of Directors on the Related Party Transactions undertaken by the Company for their review and consideration.

The details with respect to the related party transactions are mentioned in the notes to the audited financial statements for the financial year ended March 31, 2019. The Policy on Related Party Transactions is approved by the Board. None of the Directors have any pecuniary relationships or transactions vis-à-vis with the Company.

The disclosure of material related party transaction as per Section 188 of the Companies Act, 2013 read with rule 15 of Companies (Meeting of Board and its Power) Amendment Rules, 2017 dated March 30, 2017 was reported as required in the prescribed Form AOC – 2 and enclosed herewith.

Pursuant to Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016, the Related Party Transaction Policy of the Company is available on the website of the Company at URL https://aadharhousing.com/pdf/related-party-transactions-policy.pdf

Post the Secondary transaction in June 2019 the abovementioned promoter entities are not to be treated as related party with the Company or associate concern with the Company.

vi) Corporate Governance Reporting :

Since the Specified Securities of the Company is/are not listed, the detailed corporate governance reporting is not mandatory. However, the company is making voluntary disclosures about various disclosures to fulfil its obligations to stake-holders and members as given below:-

Your company is managed by the Board of Directors duly assisted by the Audit Committee, Assets & Liabilities Management Committee, Management Committee, Nomination & Remuneration Committee, Share Transfer Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee, Risk Management Committee and IT Strategy Committee.

A brief note about the Board and other Board level Committees are furnished below;

vii) Composition of Board of Directors:

The Board is headed by Shri Kapil Wadhawan, as a Non-Executive Chairman of the Board and other Board of Directors are experts from various fields like housing finance/finance sector, company affairs, etc. During the financial year 2018-19, the Board of Directors met 8 (eight) times which was attended by following Directors;

Name of the Director	Date of Board Meetings attended								No. of Meetings Attended
	24/04/2018	11/05/2018	18/05/2018	06/07/2018	17/07/2018	13/08/2018	29/10/2018	23/01/2019	
Mr. Kapil Wadhawan, Chairman	Yes	-	-	-	-	-	Yes	Yes	3
Mr. G. P. Kohli, Independent Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes		8

Name of the Director	Date of Board Meetings attended								No. of Meetings Attended
	24/04/2018	11/05/2018	18/05/2018	06/07/2018	17/07/2018	13/08/2018	29/10/2018	23/01/2019	
Mr. V. Sridar, Independent Director	Yes	Yes	Yes*	Yes*	Yes	Yes*	Yes	Yes	8
Ms. Sasikala V. Additional Director**	Yes	Yes	Yes	-	-	-	-	-	3
Mr. Suresh Mahalingam Additional Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	8
Dr. Nivedita Haran, Additional Director***	-	-	-	-	-	-	Yes	Yes	2
Mr. Deo Shankar Tripathi Managing Director & CEO	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	8

Note:

* Mr. V. Sridar, Independent Director was present through Video Conferencing.

** Ms. Sasikala V. Additional Director, tendered her resignation with effect from June 13, 2018.

*** Dr. Nivedita Haran was appointed as Additional Director of the Company effective from September 15, 2018.

Note:

Out of the above the three promoter group directors viz. Mr. Kapil Wadhawan, Mr. G.P Kohli and Mr. Suresh Mahalingam have resigned from the Board of Directors on June 10, 2019. Your Company has filed necessary Forms and intimations with the various regulators for the same.

viii) Composition of Audit Committee-

As per section 177 of the Companies Act, 2013, Company have Audit Committee of Directors. At the beginning of the year the Committee consisted of Mr. V. Sridar, Independent Director as the Chairman of the committee and Mr. Kapil Wadhawan, Mr. G. P. Kohli and Ms. Sasikala V. as members. During the FY 2018-19- the Audit Committee was re-constituted by the Board at its meeting held on October 29, 2018 due to change in Directors of the Company and members are Mr. V. Sridar, Independent Director as the Chairman of the committee and Mr. Kapil Wadhawan, Mr. G. P. Kohli & Dr. Nivedita Haran as other Members of the Committee. During the financial year 2018-19, the Audit Committee met 5 (Five) times. The Committee makes suitable recommendation to the Board from time to time after careful consideration of matters related to finance, accounts, inspection, audits, etc.

Audit Committee meetings were held, which were attended by following members;

Name of the Members	Date of Audit Committee Meetings attended					No. of Meetings Attended
	24/04/2018	06/07/2018	13/08/2018	29/10/2018	23/01/2019	
Mr. V. Sridar, Chairman	Yes	Yes*	Yes*	Yes	Yes	5
Mr. Kapil Wadhawan	Yes	-	Yes	Yes	-	3
Mr. G. P. Kohli	Yes	Yes	Yes	Yes	Yes	5
Ms. Sasikala V.**	Yes	-	-	-	-	1
Dr. Nivedita Haran***	-	-	-	-	Yes	1

Note:

* Mr. V. Sridar, Independent Director was present through Video Conferencing.

** Ms. Sasikala V. Additional Director, tendered her resignation with effect from June 13, 2018.

*** Dr. Nivedita Haran was appointed as Additional Director of the Company effective from September 15, 2018.

ix) Composition of Asset Liability Management Committee (ALCO)-

The Company has Asset Liability Management Committee (ALCO) and consists of members viz. Mr. Kapil Wadhawan, Mr. G. P. Kohli and Mr. Deo Shankar Tripathi. Total 5 (five) ALCO meetings were held in the year, which were attended by following members:

Name of the Members	Date of Asset Liability Management Committee Meeting attended					No. of Meetings Attended
	24/04/2018	07/06/2019	13/08/2018	29/10/2018	23/01/2019	
Mr. G.P. Kohli	Yes	Yes	Yes	Yes	Yes	5
Mr. Kapil Wadhawan	-	-	-	Yes	-	1
Mr. Deo Shankar Tripathi	Yes	Yes	Yes	Yes	Yes	5

x) Composition of Management Committee (MC)

The committee members are; Mr. Kapil Wadhawan, Director, Mr. G.P. Kohli, Independent Director and Mr. Deo Shankar Tripathi, Managing Director & CEO. One of the Member present will act as the chairman of this committee. During the financial year 2018-19, 21 (twenty-one) number of circular resolutions were passed by Management Committee duly approved by Mr. G. P. Kohli Independent Director and Mr. Deo Shankar Tripathi, Managing Director & CEO, being members of the Committee and reported in the Board meetings on quarterly basis.

xi) Composition of Nomination & Remuneration Committee (NRC)

The constitution of Nomination and Remuneration Committee is in compliance with the requirements of provisions of Section 178 of the Companies Act, 2013, and the members who attended the meeting are mentioned below and the meetings were held as and when required.. During the FY 2018-19, the NRC was re-constituted by the Board at its meeting held on October 29, 2018, due to change in Directors of the Company and members are Mr. V Sridar, Chairman of the Committee, Mr. G. P. Kohli and Dr. Nivedita Haran as other members of the Committee.

During the year under report 3 (three) committees meeting were held as under:-

Name of the Members	Date of Nomination & Remuneration Committee Meetings attended			No. of Meetings Attended
	24/04/2018	18/05/2018	28/11/2018	
Mr. G. P. Kohli	Yes	Yes	Yes	3
Mr. V. Sridar	Yes	Yes*	Yes	3
Ms. Sasikala V. **	Yes	Yes	-	2
Dr. Nivedita Haran***	-	-	Yes	1

Note:

* Mr. V. Sridar, Independent Director was present through Video Conferencing.

** Ms. Sasikala V. Additional Director, tendered her resignation with effect from June 13, 2018.

*** Dr. Nivedita Haran was appointed as Additional Director of the Company effective from September 15, 2018.

xii) Composition of Corporate Social Responsibility Committee (CSR):

As per section 135 of the Companies Act, 2013 the Company had duly constituted CSR Committee, consist of; Mr. V. Sridar, Independent Director, as Chairman of the Committee, Mr. G.P. Kohli, Independent Director and Mr. Suresh Mahalingam, Additional Director, as Members of the Committee.

During the financial year 2018-19, one CSR meeting was held on July 17, 2018, which was attended by Mr. V. Sridar, Chairman, Mr. G. P. Kohli, member and Mr. Suresh Mahalingam, Member. Further the Committee passed the Circular resolution on March 27, 2019 for approval of CSR contribution made by the Company during the FY 2018-19.

xiii) Composition of Stakeholders Relationship Committee (SRC):

As per section 178(5) of the Companies Act, 2013, your Company has duly constituted Stakeholders Relationship Committee, consist; Mr. G. P. Kohli, Independent Director as Chairman, Mr. V. Sridar, Independent Director and Mrs. Komala Nair, Senior Vice-President., of the Company, as Members of the Committee. Further during the FY 2018-19 the Committee was reconstituted by the Board at its meeting held on October 29, 2018, due to change in Directors of the Company and the members are Mr. V. Sridar, Independent Director, as Chairman, Mr. G. P. Kohli, Independent Director and Dr. Nivedita Haran, Additional Director as member of the Committee.

During the financial year 2018-19, SRC passed by way of circular resolution on March 27, 2019, for information and noting the various details of investor grievances and clarifications received by the Company.

xiv) Composition of Share Allotment/ Transfer Committee :

This committee consists of Mr. Kapil Wadhawan, Non-Executive Director, as Chairman, Mr. Deo Shankar Tripathi, Managing Director & CEO and Mr. Suresh Mahalingam, Additional Director, as Members of the Committee. During the financial year 2018-19, three meetings were held.

Name of the Members	Date of Share Allotment/ Transfer Committee Meeting attended			No. of Meetings
	14/12/2018	12/02/2019	15/03/2019	
Mr. Kapil Wadhawan	-	-	-	0
Mr. Deo Shankar Tripathi	Yes	Yes	Yes	3
Mr. Suresh Mahalingam	Yes	Yes	Yes	3

xv) Composition of Risk Management Committee :

This committee consists of Mr. G. P. Kohli, Independent Director, as Chairman and Mr. V. Sridar, Independent Director and Mr. Suresh Mahalingam, Additional Director, as Members of the Committee. During the financial year 2018-19, four meetings were held.

Name of the Members	Date of Risk Management Committee Meeting attended				No. of Meetings
	23/04/2018	30/08/2018	29/10/2018	23/01/2019	
Mr. G. P. Kohli	Yes	Yes	Yes	Yes	4
Mr. V. Sridar	Yes	Yes*	Yes	Yes	4
Mr. Suresh Mahalingam	-	Yes	Yes	Yes	3

Note:

* Mr. V. Sridar, Independent Director was present through Video Conferencing.

xvi) Composition of Investment Committee:

This committee consists of Mr. G. P. Kohli, Independent Director, as Chairman and Mr. Deo Shankar Tripathi, Managing Director & CEO, as Member of the Committee. During the financial year 2018-19, four meetings were held.

Name of the Members	Date of Investment Committee Meeting attended				No. of Meetings
	23/04/2018	13/08/2018	29/10/2018	23/01/2019	
Mr. G. P. Kohli	Yes	Yes	Yes	Yes	4
Mr. Deo Shankar Tripathi	Yes	Yes	Yes	Yes	4

xvii) Composition of IT Strategy Committee:

During the year under report the Board of Directors of the Company at its meeting held on October 29, 2018 constituted IT Strategy Committee as per the NHB guidelines, consisting of members Mr. G. P. Kohli, Independent Director, as Chairman and Mr. Suresh Mahalingam, Director, Mr. Deo Shankar Tripathi, Managing Director & CEO, Mr. Rishi Anand, Chief Business Officer, Mr Sharad Jambukar, Head- IT and Mr. Madhur Bhatnagar, Head- Collection as other members of the Committee. During the FY 2018-19, the IT strategy meeting was held on January 22, 2019 attended by Mr. G. P. Kohli, Chairman and Mr. Suresh Mahalingam & Mr. Deo Shankar Tripathi, members of the Committee.

xviii) Wilful Defaulter Review Committee:

During the year under report the Board of Directors of the Company at its meeting held on October 29, 2018 constituted the Wilful Defaulter Review Committee as per NHB guidelines, consisting of members viz. Mr. G. P. Kohli, Independent Director, as Chairman and Mr. Suresh Mahalingam, Director & Mr. Deo Shankar Tripathi, Managing Director & CEO, as other members of the Committee.

xix) Transfer of profits to Reserves, in terms of section 134(3)(j) of the Companies Act, 2013, Company has transferred ₹ 30 Crores to General Reserve, ₹ 56.37 Crores to Debenture Redemption Reserve and a sum of ₹ 32.45 Crores to the Special Reserves under Section 29C of National Housing Bank Act, 1987 and Section 36(1)(viii) of the Income Tax Act, 1961, during the year under report.

Material changes and commitments in terms of section 134(3)(l) of the Companies Act, 2013 are as given at the beginning of this Report.

xx) Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo in terms of Section 134(3)(m):

- **Conservation of Energy**

  Your company is not engaged in any manufacturing activity and thus its operations are not energy intensive. However, we always take adequate measures to ensure optimum utilization and maximum possible saving of energy. We have also conducted the electrical audit at various locations to identify and to prevent wastage of energy if at all. Subsequently the company has also implemented process to install all the energy saving devices in the branches such as PLC, LED Light, 5 Star Inverter ACs, etc. which runs on very nominal energy with high impact.

- **Technology Upgradation:**

  In terms of Rule 8(3) B of the Companies (Accounts) Rules, 2014, the latest Technology up gradation measures adopted by the company, had helped to efficiently manage inter-connectivity and system based loan processing and accounting facilities at all levels of the organisation and improve efficiency by using Tech 1.0 platform from time to time provided by Promoter/Parent Company, DHFL. New system evaluation is proposed to be implemented in FY 2019-20. The Company is in process of implementing various digital solutions to improve efficiency and customer superior experiences.

  In terms of Rule 8(3) C of the Companies (Accounts) Rules, 2014, Foreign exchange earnings and outgo etc. and other provisions of reporting as per the provisions of the Companies Act, 2013 are given below as applicable to the company during the year under report.

Amount in ₹ (in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Foreign business travel	0*	4
Directors sitting fees (IFC)	-	3
Total	0*	7

*Amount less than ₹ 50,000

xxi) Risk Management under Section - 134(3)(n) :

Risk Management is an integral part of the Company's business strategy. The Risk Management oversight structure includes Committee of the Board and Senior Management Committee. The Risk Management process is governed by the Comprehensive Risk Management Framework which lays down guidelines for Risk identification, assessment and monitoring as an ongoing process that is supported by a robust risk reporting framework. Risk Management Framework of the Company covers Credit Risk, Market Risk & Operational Risk. The Risk Management Committee of the Board is set up to assist the Board in its oversight of various risks, review of compliance with risk policies, monitoring of risk tolerance limits, review and analyse the risk exposures related to specific issues and provides oversight of risk across the organization.

xxii) Corporate Social Responsibility - Section - 134(3)(o):

The Corporate Social Responsibility (CSR), under section 135(1) of the Companies Act, 2013 is applicable to the company during the year under report. Your company has in place, Corporate Social Responsibility Policy, as per the provisions of the Companies (Corporate Social Responsibility Policy) Rules, 2014, which lays down the guidelines and mechanism for undertaking socially useful projects for welfare and sustainable development of the community at large. According to the provisions of the section the Corporate Social Responsibility Committee was formed by the company. The annual report on CSR activities is annexed separately to this report. The total amount of CSR contribution and payment details are given in Annexure to this Board's Report.

The amended CSR Policy is available on the website of the Company, i.e. www.aadharhousing.com.

xxiii) Formal Annual Evaluation of the Board, its Committees and of individual directors under section 134(3)(p) and rule 8(4) of the Companies (Accounts) Rules, 2014-

Pursuant to the provisions of the Companies Act, 2013 and its Rules, an annual evaluation of the performance of the Board, its Committees and of Individual Directors, were carried out during the year. The details of evaluation process as carried out and the evaluation criteria have been explained in the Corporate Governance Report, forming part of this Annual Report.

xxiv) Vigil Mechanism / Whistle Blower Policy:

In terms of section 177(9) of the Companies Act, 2013 and Rule 7 Companies (Meetings of Board and its Powers) Rules, 2014, the Board of Directors has put in place a Vigil Mechanism and adopted a Whistle Blower Policy to provide for adequate safeguards against victimization of employees and directors who may avail of the vigil mechanism/ whistle blower, by directly sending mail to the Chairman of the Audit Committee, Shri V. Sridar.

These provisions are already circulated to the employees through the intra-net. Hence, the company has complied with the provisions of the Act and NHB Directions.

During the year Whistle Blower Policy & Fair Practice Code (FPC) Policy of the Company have been duly amended by the Board of Directors, at their meeting held on April 30, 2019, as per NHB circulars & notifications .

xxv) Investments made, loans and guarantees given by the Company:

Your Board further states that during the year under report, your company did not make any major investment in other companies, bodies corporate, provided loans and given guarantees, etc. above the limits prescribed under section 185, 186 and 187 of the Companies Act, 2013, read with Companies (Meetings of Board and its Powers) Rules, 2014, as applicable to the company. Details of Investments made, loans and guarantees given by the Company are disclosed in the Financial Statements for F Y 2018-19.

xxvi) Name of the Companies, which have become or ceased to become Subsidiary, Joint Venture or Associate Company, during the year under review : During the year under there is no change in the Subsidiary and Associate Companies.

xxvii) Details of significant and material Order, passed by the Regulators or Court or Tribunals, impacting the going concern status and company's operations in future :

The National Housing Bank, vide its in-principle approval dated May 7, 2019, as well as final approval dated June 7, 2019, gave its approval for the purchase of the shares of the Company by the Investor. Further, as required under the NHB in-principle approval, the shareholders of the Company, vide EGM dated June 6, 2019, provided their approval for the purchase of the shares of the Company by the Investor.

The Company has filed an application before the Regional Director/ National Company Law Tribunal, Bengaluru, on April 10, 2018 seeking compounding of offence under Section 137 of the Companies Act, 2013 for delay in filing of Form AOC- 4 for financial year 2016-17. In the application, the Company has stated that the violation had occurred accidentally, due to technical error while uploading documents/e-forms. without any malafide or wilful intention. The Regional Director has accepted the petition and issued a favourable order, without any fine /penalty.

xxviii) Appointment of Statutory Auditors:

The Members of the Company have appointed M/s Deloitte Haskins & Sells LLP, Chartered Accountants, Mumbai having Firm Registration Number (FRN): 117366W/W-100018, who have given their consent of appointment, as Joint Statutory Auditors of the Company, from the conclusion of 28th Annual General Meeting (AGM), held at August 3, 2018 till the conclusion of 32nd AGM as per provisions of sections 139, 141, 142 and 177 of the Companies Act, 2013 read with rules made thereunder, applicable Regulations of National Housing Bank Directions.

M/s. Deloitte Haskins & Sells LLP has furnished written consent and a confirmation to the effect that they are not disqualified to be appointed as the Joint Statutory Auditors of the Company in terms of the provisions the Companies Act, 2013 and Rules framed thereunder.

Further, M/s Chaturvedi SK & Fellows, Chartered Accountants, Mumbai on the recommendation of the Board of Directors was appointed as Statutory Auditors by the Members of the Company at their 27th Annual General Meeting (AGM) held on July 24, 2017, will continue to hold office for the period of 5 years i.e. from the conclusion of 27th AGM till the conclusion of 32nd AGM.

xxix) Training & Development :

During the FY 2018-19, the company has conducted 6562 Man-days of functional training for on-roll and off-roll employees. The trainings were imparted on various aspects including Risk Management, Fraud Prevention, KYC and Anti-Money Laundering, Credit Process, Operational Effectiveness, Business Development, Branch Manager Effectiveness Workshops, Process & Product update training & Soft Skills.

xxx) Human Resources-

While the company maintains cordial and harmonious relationship with its employees, continuous training programmes are conducted by the company to enhance their efficiency. The Company has adopted a Robust Process of learning and development for its employees which comprises of specific training related to product and services by the Company along with management and administration training which enables the company to deliver required support to the employees with proper motivation for improved quality of service.

Human Resources are cornerstone of Company's growth and progress. Aadhar team also grew stronger from 1729 on roll employees post-merger last year to 2219 on roll employees during the current year under report. Your Board would like to make a special mention about the competence, hard work, solidarity, co-operation, support and commitment of the employees at all levels, who caused achievement of several milestones in the growth of the company during the year under report.

xxxi) Buy-back of the Company's Own Shares:

During the year under report, the Company did not buy back any of its shares, hence the provisions of section 68 of the Companies Act, 2013, are not applicable.

xxxii) Directors and Key Managerial Personnel :

Mr. Deo Shankar Tripathi, CEO of erstwhile Aadhar Housing Finance Ltd. (Transferor Company) was appointed/co-opted as CEO of the Company, w.e.f. November 21, 2017, without any break and interruption of Services, as per NCLT Order, approving the Scheme of Amalgamation. He was further appointed as Managing Director of the Company, post-merger w.e.f. December 5, 2017 got period of 5 years. He will retire being the Additional Director and proposed for his re-appointment at the ensuing AGM.

During the year under review Ms. Sasikala Varadachari, Woman Director of erstwhile Aadhar Housing Finance Ltd. (Transferor Company) resigned from the directorship of the Company and Dr. Nivedita Haran was appointed as an Additional Director, w.e.f. September 15, 2018. She will be retiring at this AGM and offer herself for re-appointment. Brief resume of the Director, proposed to be considered for re-appointment, nature of her expertise in specific functional areas and names of other companies in which she holds Directorship alongwith the Membership/Chairmanship of Committees of the Board as stipulated under Secretarial Standard (SS-2) on General Meetings are provided in the annexure to the Notice of the ensuing AGM, being sent to the Members along with the Annual Report.

Dr. Nivedita is Ex- Additional Chief Secretary, Department of Home Affairs, Government of Kerala, India. Dr. Nivedita has served extensively in various capacities with the Government of Kerala as well as Government of India. She was also the Civil Affairs Officer for the UN Peacekeeping Mission in Kosovo for five years. She has worked through the ranks of Indian Administrative Services (IAS) leading Home, Revenue, Land Management, Energy and Institutional Capacity Building Initiatives in Kerala. She brought up the Disaster Management Department with the Hazard Vulnerability and Risk Assessment Cell and the State Disaster Management Authority in Kerala. She also headed the Delhi Division in Ministry of Urban Development, Government of India. Having served as former Additional Chief Secretary, Department of Labour, Government of Kerala, Dr. Nivedita has a fair understanding on issues related to labour migration. She has a Ph.D. in Sociology from Indian Institute of Technology (IIT) Delhi, India. She serves as the honorary Chairperson of the Board of Directors of CMID.

xxxiii) Changes in the Board of Directors - During the period upto June 30, 2019:

Mr. Kapil Wadhawan, Chairman (DIN 00028528), Mr. Suresh Mahalingam, Director (DIN 01781730) and Mr. Guru Prasad Kohli, Director (DIN 00230388), pursuant to the execution of the share Purchase agreement ceased to be the Directors of the Company w.e.f June 10, 2019 and the Board took note of the resignation tendered by them.

All Independent Directors have given declarations that they meet the criteria of independence, as laid down under Section 149(6) of the Companies Act, 2013.

None of the Directors of your Company are related to each other.

xxxiv) Particulars of employees in receipt of remuneration above the limits and other applicable provisions of the Companies Act, 2013:

The various provisions of section 197 of the Companies Act, 2013 and Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are given in Annexure V to this Board Report.

xxxv) Acknowledgement:

Your directors would like to place on record their sincere gratitude to the Regulators, National Housing Bank, Registrar of Companies, Securities and Exchange Board of India, Insurance Regulatory and Development Authority of India, Ministry of Corporate Affairs, Reserve Bank of India, Stock Exchange, all Bankers to the company, other Associate companies, Central & State governments departments, Tax authorities, Debenture Trustees, Debenture holders, Registrars, other stake-holders, customers and all other business associates for their continued support during the year under report. The Directors would also like to thank the Bombay Stock Exchange Limited, National Securities Depository Limited and Central Depository Services (India) Limited and the Credit Rating Agencies for their support & co-operation.

Your Directors wish to acclaim the hard work and commitment of the employees at all levels who had contributed their might for improving the performance of the company year by year.

For and on behalf of the Board,

V. Sridar	**Deo Shankar Tripathi**
DIN:- 02241339	**DIN:- 07158794**
Independent Director	**Managing Director & CEO**

Corporate Office:
201, Raheja Point -1, Nr. SVC Bank, Vakola,
Nehru Rd., Santacruz - E, Mumbai- 400055

Date : July 4, 2019

ANNEXURE - I

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31-03-2019

[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:

1. Corporate Identity Number (CIN) of the Company	U66010KA1990PLC011409
2. Registration date	26-11-1990
3. Name of the Company	Aadhar Housing Finance Limited (formerly known as DHFL Vysya Housing Finance Limited)
4. Category / Sub-Category of the Company	Company Limited by Shares
5. Address of the Registered office and contact details	2nd Floor, No. 3, JVT Towers, 8th A Main Road, Sampangi Rama Nagar, Hudson Circle, Bengaluru, Karnataka- 560027 Phone- 022-39509900 Fax- 022-39509934 E-mail- customercare@aadharhousing.com Contact Person- Mr. Sreekanth V. N., Company Secretary
6. Whether listed Yes/ No	No (Non- Convertible Debentures listed in debt segment with BSE)
7. Name, Address and Contact details of Registrar and Transfer Agent, if any	For Debentures issued on public issue basis and Equity shares from April 10, 2019 onwards : - 1) Karvy Fintech Private Limited (Formerly known as Karvy Computershare Private Limited) Karvy Selenium Tower B, Plot No 31 & 32 Financial District, Nanakramguda, Gachibowli, Hyderabad – 500 032, Telangana Ph. No. 040 67162222 Email : einward.ris@karvy.com For Privately placed Non-Convertible Debentures and for Equity shares as on March 31, 2019 :- 2) TSR Darashaw Limited, 6-10, Haji Moosa Patrawala Ind. House, 20, Sr. E Moses Road, Near Famous Studio, Mahalaxmi, Mumbai- 400011. Phone: 022-66578484 3) For Privately placed Non-Convertible Debentures Link Intime India Private Limited. C 101, 247 Park, L. B. S Marg, Vikhroli West, Mumbai – 400083 Tel. No.: +91 22-49186000 E-mail: rnt.helpdesk @linkintime.co.in ()

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	To advance long term financial assistance to person or persons of lower and middle income group or economically weaker section of the society or co-operative society or AOP or company or corporation, jointly or individually for purpose of construction, purchase, acquisition of residential houses or flats on terms and conditions specified. To solicit and procure Insurance Business as Corporate Agent and to undertake such other activities incidental and ancillary thereto	65,922	100%

III. Particulars of Holding, Subsidiary and Associate Companies (As on June 30, 2019)

Sr. No.	Name and Address of the Company	Corporate Identity Number	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	BCP Topco VII Pte. Ltd. (Singapore)	N.A.	Holding	98.28%	2(46)
2	Aadhar Sales and Services Private Limited, Registered Office Address: 201, Raheja Point-1, Near SVC Bank, Vakola Pipeline, Nehru Road, Santacruz, Mumbai-400055	U74999MH2017PTC297139	Wholly-Owned Subsidiary	100%	2(87)

IV. SHARE HOLDING PATTERN
(Equity Share Capital Breakup as percentage of Total-Equity – As on March 31, 2019)

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 and Promoter Group									
(1) Indian									
a) Individual/ HUF	4,12,068		4,12,068	1.64%	4,12,068	-	4,12,068	1.64%	Nil
b) Central Govt.					-	-	-	-	-
c) State Govt. (s)					-	-	-	-	-
d) Body Corporate	1,98,98,805	-	1,98,98,805	79.13%	1,98,98,805	-	1,98,98,805	79.13%	Nil
e) Banks/ FI					-	-	-	-	-
f) Any other					-	-	-	-	-
Sub-Total (A) (1)	**2,03,10,873**	**-**	**203,10,873**	**80.77%**	**2,03,10,873**	**-**	**2,03,10,873**	**80.77%**	**Nil**
(2) Foreign									
(a) NRIs- Individual	-	-	-	-	-	-	-	-	-
(b) Other Individual	-	-	-	-	-	-	-	-	-
(c) Body Corporate	-	-	-	-	-	-	-	-	-
(d) Banks/ FI	-	-	-	-	-	-	-	-	-
(e) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Shareholding of Promoters (A) = (A) (1) + (A) (2)	**2,03,10,873**	**-**	**2,03,10,873**	**80.77%**	**2,03,10,873**	**-**	**2,03,10,873**	**80.77%**	**Nil**
B. Public Shareholding									
1. Institutions									
a) Mutual Fund	-	-	-	-	-	-	-	-	-
b) Banks/ FI	4,65,000		4,65,000	1.85%	4,65,000	-	4,65,000	1.85%	Nil
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt. (s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	42,53,389	-	42,53,389	16.91%	42,53,389	-	42,53,389	16.91%	16.91%
h) Foreign Venture Capital	-	-	-	-	-	-	-	-	-
i) Funds Others	-	-	-	-	-	-	-	-	-
Sub-total (B) (1):-	**47,18,389**		**47,18,389**	**18.76%**	**47,18,389**	**-**	**47,18,389**	**18.76%**	**Nil**

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	
2. Non- Institutions									
a) Body Corporates									
i) Indian	38,603	2,000	40,603	0.16%	38,603	2,000	40,603	0.16%	Nil
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individual									
i) Individual Shareholders holding nominal share capital upto ₹ 1 Lakh.	30,800	42,807	73,607	0.29%	30,700	31,607	62,307	0.25%	(-ve)0.04%
ii) Individual Shareholders holding nominal share capital in excess of ₹ 1 Lakh	-	-	-	-	-	-	-	-	-
c) Other	5,000	-	5,000	0.02%	5,000	-	5,000	0.02%	Nil
i. Trust ii. IEPF	-	-	-	-	11,300	-	11,300	0.04%	-
Sub-total (B) (2):-	**74,403**	**44,807**	**1,19,210**	**0.47%**	**85,603**	**33,607**	**1,19,210**	**0.47%**	**Nil**
Total Public Shareholding (B) = (B) (1) + (B) (2)	**47,92,792**	**44,807**	**48,37,599**	**19.23%**	**48,03,992**	**33,607**	**48,37,599**	**19.23%**	**Nil**
C. Shares held by Custodian for GDRs & ADRs	---------------------------------------NIL---								
Grand Total (A+B+C)	**2,51,03,665**	**44,807**	**2,51,48,472**	**100.00%**	**2,51,14,865**	**33,607**	**2,51,48,472**	**100.00%**	**-**

ii) Change in Promoters and Promoter Group Shareholding (please specify, if there is no change) - (As on March 31, 2019)

Sr. No.	Shareholder's Name	Shareholding at the beginning/ end of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	a. M/s. Wadhawan Global Capital Limited	1,75,97,715	69.98%	1,75,97,715	69.98%
	b. Sh. Kapil Wadhawan	1,34,017	0.53%	1,34,017	0.53%
	c. Sh. Dheeraj Wadhawan	1,34,017	0.53%	1,34,017	0.53%
	d. Sh. Aruna Wadhawan	1,44,034	0.57%	1,44,034	0.57%
	e. M/s Dewan Housing Finance Corporation Limited	23,01,090	9.15%	23,01,090	9.15%
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus / sweat equity etc.):	1. Allotment of Equity Shares on the basis of Swap Ratio post- merger on December 5, 2017. 2. Allotment Equity Shares on the basis of Preferential Issue on March 8, 2018 to M/s Wadhawan Global Capital Ltd.			
3.	At the end of the year:-				
	a. M/s. Wadhawan Global Capital Limited	1,75,97,715	69.98%	1,75,97,715	69.98%
	b. Sh. Kapil Wadhawan	1,34,017	0.53%	1,34,017	0.53%
	c. Sh. Dheeraj Wadhawan	1,34,017	0.53%	1,34,017	0.53%
	d. Sh. Aruna Wadhawan	1,44,034	0.57%	1,44,034	0.57%
	e. M/s Dewan Housing Finance Corporation Limited	23,01,090	9.15%	23,01,090	9.15%

iii) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Promoter Group and Holders of GDRs and ADRs) - (As on March 31, 2019)

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during/ end the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	International Finance Corporation, USA	42,53,389	16.91%	42,53,389	16.91%
2	ICICI Bank Ltd.	4,65,000	1.85%	4,65,000	1.85%
3	RAMCO Industries Limited	30,000	0.12%	30,000	0.12%
4	Variya Hospitality & Investments Pvt. Ltd.	8,403	0.03%	8,403	0.03%
5	Mr. Ramesh Gelli	7,900	0.03%	7,900	0.03%
6	H R B Family Trust	5,000	0.02%	5,000	0.02%
7	Mr S. Rama Murthy	5,000	0.02%	5,000	0.02%
8	Mr.R Nambirajan	3,500	0.01%	3,500	0.01%
9	Mr. B L Narayana Murthy	2,000	0.01%	2,000	0.01%
10	B N Chandrasekar	2,000	0.01%	2,000	0.01%

i) Revised Shareholding of Promoters and other shareholders post primary infusion - (June 30, 2019)

Sr. No.	Shareholder's Name (Sh./ Smt./ M/s)	Shareholding at the beginning of the period (1st April, 2019)			Shareholding at the end of the period (30th June, 2019)			% change in shareholding during the year
		No. of shares	% of total Shares of the company	% of Shares Pledged/ encumbered to	No. of shares	% of total Shares of the company	% of Shares Pledged/ encumbered to	
1	BCP Topco VII Pte. Ltd.	NIL	NIL	NIL	3,33,74,350	98.28%	NIL	NIL
2	ICICI Bank Ltd.	4,65,000	1.37%	NIL	4,65,000	1.37%	NIL	NIL
3	Ramco Industries Limited	30,000	0.09%	NIL	30,000	0.09%	NIL	NIL
4	Variya Hospitality & Investments Pvt. Ltd.	8,403	0.02%	NIL	8,403	0.02%	NIL	NIL
5	IEPF Authority	11,300	0.03%	NIL	11,300	0.03%	NIL	NIL
6	Other Individual Shareholders	69,507	0.21%	NIL	69,507	0.21%	NIL	NIL
7	Total					100%		

ii) Shareholding of Directors and Key Managerial Personnel as on 31st March 2019-

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	a) Shri Kapil Wadhawan	No. of shares	% of total Shares of the company	No. of shares	% of total Shares of the company
	1. At the beginning of the year	1,34,017	0.53%	1,34,017	0.53%
	2. Date wise increase / Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.):	NIL			
	3. At the end of the year	1,34,017	0.53%	1,34,017	0.53%

iii) Shareholding of Directors and Key Managerial Personnel as on 30th June 2019-

Sr. No.	Shareholder's Name	Shareholding at the beginning of the period 1st April, 2019		Cumulative Shareholding during the year at the end of the period on 30th June 2019	
	b) Shri Kapil Wadhawan	No. of shares	% of total Shares of the company	No. of shares	% of total Shares of the company
	1. At the beginning of the year	1,34,017	0.53%	NIL*	NIL
	2. Date wise increase / Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.):	NIL			
	3. At the end of the year	1,34,017	0.53%	NIL	NIL

* Due to sale and transfer of share to BCP Topco due to change in control.

V. Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment: (As on March 31, 2019)

(₹ in Lakhs)

Particulars	Secured Loans and NCDs excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
a) Indebtedness at the beginning of the financial year				
i) Principal Amount	581877	42971	8401	633249
ii) Interest due but not paid	_	_	_	_
iii) Interest accrued but not due	5563	509	66	6138
Total (a) (i+ii+iii)	**587440**	**43480**	**8467**	**639387**
Change in Indebtedness during the financial year				
Addition	318135	103	7182	325420
Reduction	106315	22457	3846	132618
Net Change	211820	(22354)	3336	192802
b) Indebtedness at the end of the financial year				
i) Principal Amount	790702	20514	11687	822903
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	8558	612	116	9286
Total (b) (i+ii+iii)	**799260**	**21126**	**11803**	**832189**

VI. Remuneration of Directors and Key Managerial Personnel

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

Sr. No.	Particulars of Remuneration*	Name of Managing Director, Whole Time Directors and/or Manager Mr. Deo Shankar Tripathi	Total Amount (₹ In lakhs)
1	**Gross salary (₹ in lakhs)**		
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	146.87	146.87
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0
2	**Stock Option**	0	0
3	**Sweat Equity**	0	0
4	**Commission**		
	as % of profit	-	0
	others, specify....	-	0
5	**Others, please specify**		
	Bonus, P.F. Contribution,	28.28	28.28
	Gratuity provision, etc.	16.85	16.85
	Car Transfer	-	0
	Total (A)	**192.0**	**192.0**
	Ceiling as per the Act (Companies Act, 2013)	As per section 197 read with Schedule V of Companies Act, 2013 is ₹ 11.76 crores	

*Excluding Bonus

B. Remuneration to other directors:

Sr. No.	Name of Directors	Particulars of Remuneration (₹ in lakhs)			Total Amount (₹ in lakhs)
		Fees for attending Board/ committee meetings	Commission*	Others	
1	**Independent Directors**				
	a) Sh. V Sridar	8.05	5.0	0	13.05
	b) Sh. G. P. Kohli	9.10	5.0	0	14.10
	Total B(1)	**17.15**	**10.0**	**0**	**27.15**
2	**Other Non-Executive Directors**				
	a) Sh. Kapil Wadhawan	1.75	0	0	1.75
	b) Sh. Suresh Mahalingam	0	0	0	0
	c) Ms. Sasikala V**	1.75	2.5	0	4.25
	d) Dr. Nivedita Haran#	1.40	0	0	1.40
	Total B(2)	**4.90**	**2.5**	**0**	**7.4**

* ** Ms. Sasikala V resigned from the Directorship w.e.f. June 13, 2018

Dr. Nivedita Haran was appointed as an additional Director w.e.f September 15, 2018.

C. Remuneration to Key Managerial Personnel other than MD/ MANAGER/ WTD

Sr. No.	Particulars of Remuneration*	Key Managerial Personnel		Total (₹ In Lakhs)
		Sh. Anmol Gupta Chief Financial Officer	Sh. Sreekanth V. N. Company Secretary	
1.	**Gross Salary (₹ In Lakhs)**			
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	82.51	43.54	126.05
	b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0	1.84	1.84
	c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0	0	0
2	**Stock Option**	0	0	0
3	**Sweat Equity**	0	0	0
4	**Commission**			
	as % of profits	0	0	0
	others	0	0	0
5	**Others**	0	0	0
	Provident Fund	4.56	2.12	6.68
	Total (₹ In Lakhs)	**87.07**	**47.51**	**134.58**

*Excluding Bonus

VII. Penalties / Punishment/ Compounding of Offences:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD/ NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty Punishment Compounding	The Company has filed an application before the Regional Director/ National Company Law Tribunal, Bengaluru, on April 10, 2018 seeking compounding of offence under Section 137 of the Companies Act, 2013 for delay in filing of Form AOC- 4 for financial year 2016-17. In the application, the Company has stated that the violation had occurred accidentally, due to technical error while uploading documents/ e-forms. without any malafide or wilful intention. The Regional Director has accepted the petition and issued a favorable order, without any fine /penalty.				
B. DIRECTORS					
Penalty Punishment Compounding	------------------------------------NIL------------------------------------				
C. OTHER OFFICERS IN DEFAULT					
Penalty Punishment Compounding	------------------------------------NIL------------------------------------				

ANNEXURE - II

Specimen Declaration from Independent Directors on Annual Basis

The Board of Directors
Aadhar Housing Finance Limited

I, do hereby confirm that, I am an independent director in relation to the company and declare that:-

(a) I am/was not appointed as managing director or a whole-time director or a nominee director of holding, subsidiary or associate company;

(b) a person of integrity and possesses relevant expertise and experience;

(c) (i) not a promoter of the company or its holding, subsidiary or associate company;

(ii) not related to promoters or directors in the company, its holding, subsidiary or associate company;

(d) has or had no pecuniary relationship, other than remuneration as such director or having transaction not exceeding ten percent. of his total income or such amount as may be prescribed, with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;

(e) none of my relatives-

(i) is holding any security of or interest in the company, its holding, subsidiary or associate company during the two immediately preceding financial years or during the current financial year:

(ii) is indebted to the company, its holding, subsidiary or associate company or their promoters, or directors, in excess of such amount as may be prescribed during the two immediately preceding financial years or during the current financial year;

(iii) has given a guarantee or provided any security in connection with the indebtedness of any third person to the company, its holding, subsidiary or associate company or their promoters, or directors of such holding company, for such amount as may be prescribed during the two immediately preceding financial years or during the current financial year;

(iv) has any other pecuniary transaction or relationship with the company, or its subsidiary, or its holding or associate company amounting to two per cent or more of its gross turnover or total income singly or in combination with the transactions referred to in sub-clause (i), (ii) or (iii);

(f) neither myself nor any of my relatives-

(i) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;

(ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of—

(A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or

(B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent. or more of the gross turnover of such firm;

(iii) holds together with their relatives two per cent or more of the total voting power of the company; or

(iv) is a Chief Executive or director, by whatever name called, of any non-profit organisation that receives twenty-five per cent. or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent. or more of the total voting power of the company; or

(g) I hold/possess qualifications as may be prescribed under the Companies Act/Rules to become a director.

I also declare to intimate changes, if any in the above confirmations immediately as and when occurred to the Board Meeting.

Thanking You.

Yours Faithfully,

Shri V. Sridar DIN:- 02241339

Shri G. P. Kohli DIN:- 00230388

(Independent Directors)

Date: April 30, 2019
Place: Mumbai

ANNEXURE - III

The Annual Report on Corporate Social Responsibility (CSR) Activities

As per the provisions of Section 135 of the Companies Act, 2013, your Company had constituted a Corporate Social Responsibility Committee. The Corporate Social Responsibility Committee assists the Board in fulfilling its duty towards the community and society at large by identifying the activities and programmes that can be undertaken by the Company, in terms of the CSR Policy of the Company.

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

The Company believes in engaging and giving back to the community in a good way and in line with the Companies commitment to philanthropy. It intends to undertake the CSR activities strategically, systematically and more thoughtfully and to move from institutional building to community development through its various CSR programs and projects.

This policy, which encompasses the company's philosophy for delineating its responsibility as a corporate citizen, lays down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the community at large, is titled as **"AHFL Corporate Social Responsibility Policy".**

This policy aims to ensure that the Company as a socially responsible corporate entity contributes to the society at large.

a) **The Composition of the CSR Committee, as on March 31, 2019:-**

1) Sh. Sridar Venkatesan, Chairman
2) Sh. G. P. Kohli, Member
3) Sh. Suresh Mahalingam, Member

b) **Average net profit of the company for last three financial years:-**

Financial Year	Net Profit before tax (₹ In Lakhs)**
2015-16	₹ 4,001/-
2016-17	₹ 8,234/-
2017-18	₹ 15,905
Total	₹ 28,140
Average Net Profit	₹ 9,380

c) **Prescribed CSR Expenditure (two per cent. of the amount as in Sr. No (b) above):-**
Prescribed CSR expenditure at 2% of the average net profit is ₹ 188 Lakhs.

d) **Details of CSR spent during the financial year 2018-19:-**
The Company has spent ₹ 79.10 Lakhs during the financial year under report.

e) **Total amount to be spent for the financial year 2018-19:-**
The total amount to be spent for the financial year 2018-19 - 2% of average net profit that is ₹ 188 Lakhs.

f) **Amount unspent, if any and the reasons for not spending the amount and proposed initiatives:-**
The unspent amount for the year under report is ₹ 108.90 lakhs. The total amount mentioned above in Sr. No. (d) is spent in CSR activities.

g) Manner in which the amount spent during the financial year is detailed below:-

Sr. No.	CSR project or Activity identified		Sector in which the project is covered	Annual outlay or program wise actual spent (in Lakh)		Projects or Programs		Amount spent on the project or programs (in Lakh.)		Cumulative Expenditure upto the reporting period (in Lakh)	Amount Spent direct or through implementing agency, if any
	Nature of Expenditure	Recipient Institution		Actual Spent	Budget	Local area or other	State and district where project or programs undertaken	Direct expenditure on the project or program	Overheads		
1.	Aadhar Kaushal Skills Development for encouraging sustainable livelihoods amongst youth from underserved segment of the society	Mahendra Foundation Trust (NSDC accredited)	Skill Development	23.40	75.00	Other/ Local	1. Maharashtra – Mumbai 2. Uttar Pradesh - Lucknow	23.40	0	23.40	Through implementing agency
2	Aadhar's 'Sharmaji ke Sawal'. Vinodji ke Jawab.' Economic development of slum communities through financial literacy and inclusive growth. Also linkage with government welfare schemes, aiding transition from informal to formal housing, skills development and sustainable livelihood linkages	Saath Livelihoods	Financial Literacy	23.26	23.26	Other	1. Uttar Pradesh – Varanasi 2. Jharkhand-Ranchi 3. Chattisgarh-Raipur	23.26	0	23.26	Through implementing agency.
3	Aadhar's Donation to CRPF Wives Welfare Association (CWA) Contribution to the wives' of CRPF martyrs of Pulwama Attacks in Feb'19	NA	Financial Sustenance of the martyrs" families	22.44	22.44	Others	Across India	22.44	0	22.44	Direct

Sr. No.	CSR project or Activity identified		Sector in which the project is covered	Annual outlay or program wise actual spent (in Lakh)		Projects or Programs		Amount spent on the project or programs (in Lakh.)		Cumulative Expenditure upto the reporting period (in Lakh)	Amount Spent direct or through implementing agency, if any
	Nature of Expenditure	Recipient Institution		Actual Spent	Budget	Local area or other	State and district where project or programs undertaken	Direct expenditure on the project or program	Overheads		
4	Global Cancer Mission / Can-care Donation for treatment of Cancer detected Patients	NA	Medical relief	10.00	10.00	Others	Across India	10.00	0	10.00	Direct
	Total			**79.10**	**130.07**			**79.10**		**79.10**	

Note:- The unspent opening balance of the previous year's was ₹ 231.98 Lakhs, for both transferor & transferee company upon merger, which should have been utilized by the Company in the future years' CSR activities/ programmes including the current year. The aggregate unspent amount of CSR for the year ending March 31, 2019 was ₹ 108.90 Lakhs. Hence, the aggregate of CSR unspent amount would be ₹ 340.88 Lakhs, after taking into account the above mentioned CSR expenditures for the approved activities during the year.

h) A responsibility statement of the CSR Committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and Policy of the Company:-

The CSR Committee confirms that the CSR Policy as approved by the Board has been duly implemented and that the Committee monitors the implementation of various projects and activities and the same is in compliance with the CSR objectives and policy of the Company.

V. Sridar
DIN:- 02241339
Chairman of Committee

G. P. Kohli
DIN:- 00230388
Member of Committee

Suresh Mahalingam
DIN:- 01781730
Member of Committee

Place:- Mumbai
Date:- April 30, 2019

ANNEXURE - IV

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

Sl. No.	Particulars	(₹ in Lakhs)
1	Name of the subsidiary M/s **Aadhar Sales and Services Private Limited**	
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Not Applicable
4	Share capital	1
5	Reserves & surplus	8
6	Total assets	379
7	Total Liabilities	370
8	Investments	54
9	Turnover	2,915
10	Profit before taxation	28
11	Provision for taxation	14
12	Profit after taxation	14
13	Proposed Dividend	NIL
14	% of shareholding	100

The following information shall be furnished:

1	Names of subsidiaries which are yet to commence operations	NIL
2	Names of subsidiaries which have been liquidated or sold during the year	NIL

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Note:- Your Company does not hold significant influence in any other Associate Company, as per section 2(87) and 129(3) are disclosed in the Notes to Accounts and Related Party details in the Audited Financials.

For and on behalf of the Board of Directors

Kapil Wadhawan
Chairman
DIN 00028528

Deo Shankar Tripathi
Managing Director & CEO
DIN 07153794

Suresh Mahalingam
Director
DIN 01781730

Sridar Venkatesan
Director
DIN 02241339

G. P. Kohli
Director
DIN 00230388

Dr. Nivedita Haran
Director
DIN 06441500

Anmol Gupta
Chief Financial Officer

Sreekanth VN
Company Secretary

Place: Mumbai
Dated: April 30, 2019

ANNEXURE- V

The statement of disclosure of Remuneration under sub-Section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as on 31st March, 2019:

Sr. No.	Requirements	Disclosure
1	The Ratio of the remuneration of each Director to the median remuneration of the employees for the Financial Year 2018-19	Managing Director & CEO
		#Mr. Deo Shankar Tripathi- 43.0x of the Median Remuneration (Payment of salary excludes Bonus)
		Non-Executive Directors
		Mr. Kapil Wadhawan - 0.47x of the Median Remuneration (Only sitting fees paid)
		##Mr. Suresh Mahalingam – No Remuneration or sitting fees paid.
		*Ms. Sasikala V. - 1.14x of the Median Remuneration (Sitting fees & Commission paid)
		**Dr. Nivedita Haran - 0.37x of the Median Remuneration (Only sitting fees paid)
		Independent Directors
		Mr. V Sridar - 3.49x of the Median Remuneration (Sitting fees and commission paid)
		M. G. P. Kohli - 3.78x of the Median Remuneration (Sitting fees and commission paid)
2	The percentage increase/(decrease) in remuneration of each Director, Chief Financial Officer and Company Secretary in the Financial Year	**Managing Director & CEO**
		#Mr. Deo Shankar Tripathi - MD & CEO - 10%
		Non-Executive Directors
		$Mr. Kapil Wadhawan- (-12.5%)
		##Mr.. Suresh Mahalingam- N A
		*Ms. Sasikala V.- 41.67%
		**Dr. Nivedita Haran-NA
		Independent Directors
		Sh. V Sridar- 86.43%
		Sh. G. P. Kohli- 17.5%
		Key Managerial Personnel
		Mr. Sreekanth V N – Company Secretary - 10%
		Mr. Anmol Gupta – Chief Financial – 10%
3	The percentage increase in the median remuneration of employees in the Financial Year	3.75%
4	The number of permanent employees on the rolls of the Company	2219

Sr. No.	Requirements	Disclosure
5	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	The average percentage increase made in the salaries of employees other than the key Managerial Personnel was 12% (approx) while the average percentage increase in the salaries of Key Managerial Personnel was 10% The increase in the remuneration is in line with the Company's Performance appraisal policy.
6	Affirmation that the remuneration is as per the remuneration policy of the Company	It is hereby affirmed that the remuneration is as per the Nomination (including Board's Diversity), Remuneration and Evaluation Policy of the Company.

Note:-

#Remuneration paid to Mr. Deo Shankar Tripathi- MD& CEO, as per CTC, which does not include the Bonus paid for the period FY 2018-19.

#Mr. Kapil Wadhawan was paid only sitting fees for the Board/Committee meetings attended for the FY 2018-19. The sitting fees paid to Mr. Kapil Wadhawan in FY 2018-19 was 1,75,000 for meetings attended as disclosed in the Board's Report.

Mr. Suresh Mahalingam was not paid any remuneration either by way of Sitting Fees or Commission.

*Ms. Sasikala V, resigned w.e.f. 13th June, 2018 and hence the remuneration is considered for the said period.

** Dr. Nivedita Haran was appointed as an Additional Director of the Company, by the Board of Directors, w.e.f. 15th September, 2018 and hence increase/ (decrease) in remuneration in FY 2018-19 is not applicable/comparable.

ANNEXURE- VI

FORM NO. AOC-2

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

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto for the FY 2018-19.

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

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

(a). Name(s) of the related party and nature of relationship	Dewan Housing Finance Corporation Limited (DHFL)- Promoter/ Promoter Group**
(b). Nature of contracts/ arrangements/ transactions	Assignment of loan
(c). Duration of the contracts/ arrangements/ transactions	As per the Assignment Agreement, Deed of Assignment and Service Agreement executed on 1st November, 2018.
(d). Salient terms of the contracts or arrangements or transactions including the value, if any:	a) Assignor and Servicer- Dewan Housing Finance Corporation Limited (DHFL) b) Assignee- Aadhar Housing Finance Limited (the Company) c) Total consideration : ₹ 378.98 Crores d) Other terms and conditions as mentioned in the terms sheet of Deed of Assignment placed before the Audit Committee.
(e). Date(s) of approval by the Board, if any:	23rd January, 2019
(f). Date of Approval by the Shareholder	26th March, 2018
(g). Amount paid as advances, if any:	NA

Note:- ** Post the Stake-sale transaction on 10th June, 2019, with BCP Topco VII Pte. Ltd. DHFL does not fall under the related party.

(a). Name(s) of the related party and nature of relationship	Dewan Housing Finance Corporation Limited (DHFL)- Promoter/ Promoter Group**
(b). Nature of contracts/ arrangements/ transactions	Purchase and Sale of Investment
(c). Duration of the contracts/ arrangements/ transactions	In one or two tranches
(d). Salient terms of the contracts or arrangements or transactions including the value, if any:	Total Purchase Consideration: ₹ 395.27 crores Total Sale Consideration: ₹ 167.40 crores Purchase of secured Bonds and unsecured CP's Sale of secured Bonds
(e). Date(s) of approval by the Board, if any:	October 3, 2018
(g). Amount paid as advances, if any:	NA

Note:- ** Post the Stake-sale transaction on 10th June, 2019, with BCP Topco VII Pte. Ltd. DHFL does not fall under the related party.

(a).	Name(s) of the related party and nature of relationship	DHFL Pramerica Life Insurance Company Limited (DPLI)**
(b).	Nature of contracts/ arrangements/ transactions	To act as a Corporate Agent for Life Insurance product for securing their life cover against any future eventualities.
(c).	Duration of the contracts/ arrangements/ transactions	Till the date of termination
(d).	Salient terms of the contracts or arrangements or transactions including the value, if any:	Corporate Agency Agreement with DPLI for sale of Life Insurance products and the total premium collected from customers and remitted is ₹ 118.20 crores
(e).	Date(s) of approval by the Board, if any:	12th January, 2016
(f).	Amount paid as advances, if any:	₹ 22 lakhs as at March 31, 2019

Note:- ** Post the Stake-sale transaction on 10th June, 2019, with BCP Topco VII Pte. Ltd. DHFL Pramerica Life Insurance Company Limited (DPLI) does not fall under the related party.

(a).	Name(s) of the related party and nature of relationship	DHFL General Insurance Limited (DHFL GI)**
(b).	Nature of contracts/ arrangements/ transactions	To act as a Corporate Agent for General Insurance product viz. mediclaim, personal accident, critical illness and property insurance.
(c).	Duration of the contracts/ arrangements/ transactions	Till the date of termination
(d).	Salient terms of the contracts or arrangements or transactions including the value, if any:	Corporate Agency Agreement with DHFL GI General Insurance products and the total premium collected from customers and remitted is ₹ 61.60 crores
(e).	Date(s) of approval by the Board, if any:	14th October, 2017
(f).	Amount paid as advances, if any:	₹ 40 Lakhs as at March 31, 2019

Note:- ** Post the Stake-sale transaction on 10th June, 2019, with BCP Topco VII Pte. Ltd. DHFL General Insurance Limited (DHFL GI) does not fall under the related party.

Roy Jacob & C
Company Secretaries
207, Anjani Complex, Nr. WEH Metro Station, Pereira Hill Road, Off Andheri-Kurla Road, Andheri (East), Mumbai - 400099.
Tel: 022 4005 8178 / Mob.: 93223 85629 / 91671 63322 Email : royjacobandco@gmail.com / jacob@hushai.co.in

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointmentand Remuneration Personnel) Rules, 2014]

To,
The Members,

AADHAR HOUSING FINANCE LIMITED,
(Formerly known as DHFL Vysya Housing Finance Ltd.)

I have conducted the secretarial audit of the Company for checking the compliance of applicable statutory provisions and the adherence to good corporate practices as defined in the current scenario / industry by AADHAR HOUSING FINANCE LIMITED having the CIN No. U66010KA1990PLC011409 (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate 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 31st March, 2019 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 31st March, 2019according 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) 1. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') and which are applicable to the company:-

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

(b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015.

The Company has complied with the above mentioned laws and regulations of the SEBI Act. It has completed the necessary processes and procedures with regards to their listed secured, redeemable, non-convertible debentures on the Bombay Stock Exchange (BSE). The Company has also paid the interest on their debentures on timely basis.

2. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') and which are not applicable to the company:-

   (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:

   (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999:

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

   (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:

(vi) (a) The following Directions issued by National Housing Bank under sections 30, 30A, 31 and 33 of the National Housing Bank Act, 1987 (53 of 1987) are applicable to the Company.

   i) Housing Finance Companies (NHB) Directions, 2010 and National Housing Bank Act, 1987

   ii) Housing Finance Companies Issuance of Non-Convertible Debentures on Private Placement Basis (NHB) Directions, 2014

   The Company accepts Public Deposits as under the provisions of NHB Regulations, Company being a Housing Finance Company registered with NHB.

   The Company has filed all its monthly, quarterly and half yearly returns with the National Housing Board in a timely manner. Further, the Company has been up-to-date with all new compliances as prescribed in the recent NHB Regulations.

Other Regulatory provisions/laws applicable to the company are:-

(b) The Employees Provident Fund & Miscellaneous Provisions Act, 1952

(c) The payment of Bonus Act, 1965

(d) ESIC Act

(e) The payment of Gratuity Act, 1972.

(f) IRDA Act - Registration as Corporate Agent is taken

The Company has a well-defined HR policy with respect to the payment of salaries, gratuity, perquisites, contribution to provident fund, etc. for its employees.

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

(i) Secretarial Standards 1 & 2 issued by The Institute of Company Secretaries of India.

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

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. 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 at least seven days in advance, 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 decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that as per the information & explanation given to us the company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, ESI, Income Tax, Wealth Tax, Service Tax, Value Added Tax and other statutory dues applicable to it.

I further report that I rely on statutory auditors reports in relation to the financial statements and accuracy of financial figures for sales Tax, Wealth Tax, Value Added Tax, Related Party Tax, Provident Fund etc. as disclosed under the financial statements of the Company.

I further report that there are 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.

I further report that during the audit period the Company has filed Form IEPF-1 with respect to Unpaid/ Unclaimed dividend.

I further report that:

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these Secretarial Records based on our Audit.
2. I have followed 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 the test basis to ensure that correct facts are reflected in the Secretarial records. I believe that the processes and practices I followed provide a reasonable basis for our opinion.
3. Wherever required, I have obtained the Management Representation about the compliance of Laws, Rules and Regulations and happening of events, etc.
4. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination was limited to the verification of documents/procedures on the test basis.
5. The secretarial audit report is neither an assurance as to the future viability of the company nor the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Mumbai
Date : 04/07/2019

For Roy Jacob & Co.,
Company Secretaries

Roy Jacob
Proprietor
FCS No. 9017
COP No.: 8220

FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

To The Members of
Aadhar Housing Finance Limited
Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Aadhar Housing Finance Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditors' Responsibility for the Audit of the Standalone 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 standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

A. Application of new Accounting Standards (refer note 4 to the standalone financial statements)

Nature of Key Audit Matter

As per roadmap to Ind AS, under Phase I, NBFCs with networth of ₹ 500 Crores or more, shall be required to prepare financial statements in accordance with Ind AS for accounting periods beginning from April 1, 2018 onwards with comparatives for the periods ending March 31, 2018 or thereafter. The Company being as defined in the aforesaid roadmap has adopted Ind AS with effect from April 01, 2018 and April 01, 2017 being the transition date in terms of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time. The transition date balance sheet and the comparative financial statements for the year ended March 31, 2018 included in the financial statement, are based on the statutory financial statements prepared in accordance with the accounting standards prescribed under section 133 of the Act read with Companies (Accounting Standard) Rules, 2006 and have been restated to comply with Ind AS. The adoption of Ind AS involves significant level of judgment by the management for application of mandatory and optional transitional adjustment, restatement adjustments and significant increase in the disclosure requirements under Ind AS. Hence this has been identified as a key audit matter.

How our Audit addressed the Key Audit Matter

- We evaluated the design and implementation of the relevant controls and the operating effectiveness of such internal controls over the basis of preparation of the financial information in accordance with Ind AS.
- We examined the Company's assessment of mandatory and optional exemption considered in preparation of the opening balance sheet and restatement of the previous year balances and performed the following procedures:

    a. Agreed the various accounting positions and exemptions opted by the Company with the permitted exemptions as per Ind AS 101.

    b. Tested the restatement adjustments identified by the Company for the comparable years with the revisions in the accounting policies arising from adoption of Ind AS.

    c. Verified and confirmed the appropriateness of the reconciliations as disclosed in the financial statements of the previously published retained earnings and profits with the restated Ind AS balances.

    d. Ensured that the accounting policies as considered for the current year are in accordance with the applicable Ind AS.

    B. Impairment of loans (refer note 40 (c) to the standalone financial statements)

Nature of Key Audit Matter

As at the year end, the Company has reported financial assets carried at amortised cost in form of loans granted aggregating to ₹ 810,390 lakh net of provision for expected credit loans of ₹ 7,831 lakh. Management estimates impairment provision using collective/individual model based approach for the loan exposure. Measurement of loan impairment involves application of significant judgement by the management. The most significant judgements are:

- Timely identification and classification of the impaired loans.
- Determination of probability of defaults and estimation of loss given defaults and maturity profile based on the historical trends and other internal estimates.

How our Audit addressed the Key Audit Matter

- Tested the design and effectiveness of internal controls implemented by the management for following:
  a. Identification and classification of loans which have impaired in correct buckets
  b. Validation of the Model used for the impairment provision
  c. Management's judgement applied for the key assumptions used for the purpose of determination of impairment provision
- Tested the completeness and accuracy of data from underlying systems used in the models including the bucketing of loans into delinquency bands. The auditors critically assessed and tested the key underlying assumptions and significant judgements used by management.
- For loans identified by management as potentially impaired, examined on a sample basis, checked the calculation of the impairment, critically assessed the underlying assumptions and corroborated these to supporting evidence.
- Examined a sample of loans which had not been identified by management as potentially impaired (Stage 1 and 2 assets) and formed their own judgement as to whether that was appropriate through reviewing information such as the counterparty's payment history.
- Involved specialists for evaluation of the methodology and approach applied by the management.

Information Other than the Financial Statements and Auditors' Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis and Board's Report including Annexures to Board's Report (the "reports"), but does not include the standalone financial statements and our auditors' report thereon. The reports are expected to be made available to us after the date of this auditors' report.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

Management's Responsibility for the Standalone 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 standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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.

The Company's Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 these standalone 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 standalone 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 auditors' report to the related disclosures in the standalone 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 auditors' 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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 standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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 Matters

The transition date opening balance sheet as at April 01, 2017 included in these standalone financial statements, has been prepared after adjusting previously issued standalone financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS. The previously issued standalone financial statements of erstwhile Aadhar Housing Finance Limited and DHFL Vysya Housing Finance Limited were audited by the predecessor auditors whose reports for the year ended March 31, 2017 dated April 28, 2017 expressed an unmodified opinion on those standalone financial statements. Adjustments made to the previously issued standalone financial statements to comply with Ind AS have been audited by us.

Our opinion on the standalone financial statements is not modified in respect of the above matter on the comparative financial information.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, 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 Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified 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 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid 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 Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations as at the year-end which would impact its financial position, except as disclosed in Note No. 35 of the standalone financial statement.

ii. The Company did not have any long-term contracts including derivative contracts, as at the year-end for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

G.K. Subramaniam
Partner
(Membership No. 109839)

Mumbai, April 30, 2019

For CHATURVEDI SK & FELLOWS
Chartered Accountants
(Firm's Registration No. 112627W)

Srikant Chaturvedi
Partner
(Membership No. 070019)

Mumbai, April 30, 2019

INDEPENDENT AUDITORS' REPORT

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT
(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Aadhar Housing Finance Limited (the "Company") as at March 31, 2019 in conjunction with our audit of the standalone 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 over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India" (the "Guidance Note"). 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 Companies Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 over financial reporting 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' 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 system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note.

For Deloitte HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

G.K. Subramaniam
Partner
(Membership No. 109839)

Mumbai, April 30, 2019

For CHATURVEDI SK & FELLOWS
Chartered Accountants
(Firm's Registration No. 112627W)

Srikant Chaturvedi
Partner
(Membership No. 070019)

Mumbai, April 30, 2019

INDEPENDENT AUDITORS' REPORT

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT
(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) In respect of its fixed assets:

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

b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed, transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date except for the following:

Particulars of the land and building	Amount	Remarks
Plot no.11, Mangala Nagar alias Sri Arunachala Nagar situated in No. 68, Athur Village, Chengalpet Taluk, Kanchipuram District, Tamil Nadu	₹ 20 Lakh	The title deeds are in the name of DHFL Vysya Housing Finance Limited currently known as Aadhar Housing Finance Limited, The Company was merged under Section 230 to 232 of the Companies Act, 2013.
Plot no 14, Mangala Nagar alias Sri Arunachala Nagar situated in No. 68, Athur Village, Chengalpet Taluk, Kanchipuram District, Tamil Nadu	₹ 7.27 Lakh	The title deeds are in the name of erstwhile Aadhar Housing Finance Limited that was merged with the Company under Section 230 to 232 of the Companies Act 2013.
Unit No. 5, Row 07, Block B, Garden City, Coimbatore	₹ 11.67 Lakh	

The Company does not have any immovable properties taken on lease and disclosed as Property, Plant and Equipment in the financial statement.

(ii) The Company does not have any inventory and hence reporting under clause 3(ii) of the Order is not applicable.

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

(iv) According to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans and making investments, as applicable. The Company has not provided any guarantees and securities.

(v) As per the Ministry of Corporate Affairs notification dated 31st March, 2014, the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014, as amended, with regard to the deposits accepted are not applicable to the Company and hence reporting under Clause 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, in respect of the services rendered by the Company and hence reporting under clause 3(vi) of the order is not applicable.

(vii) According to the information and explanations given to us in respect of statutory dues:

(a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Value Added Tax, Cess and other material statutory dues where applicable, to it with the appropriate authorities. There were no arrears in respect of said statutory dues as at March 31, 2019 for a period of more than six months from the date they became payable.

(b) In respect of disputed amounts of Income tax aggregating to ₹136 lakh, the Company has deposited the demand amount with appropriate authorities. There are no amounts in dispute in respect of Provident Fund, Goods and Service Tax, cess or any other material statutory dues.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks, financial institutions and dues to debenture holders. The Company does not have loans or borrowings from Government.

(ix) In our opinion and according to the information and explanations given to us, money raised by way of debt instruments and the term loans have been applied by the Company during the year for the purposes for which they were raised. The Company has raised monies by way of initial public offer of debt instruments. In respect of the above issue, we further report that the amounts raised have been applied by the Company during the year for the purposes for which the funds were raised other than temporary deployment pending application.

(x) To the best of our knowledge and according to the information and explanation given to us, there is no fraud by the Company. There was an instance of fraud noticed by the Management involving the officer of the Company, the amounts whereof were not material and the same have been suitably dealt with in the financial statements of the Company.

(xi) To the best of our knowledge and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3(xiv) of the Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into non-cash transactions with its directors or persons connected with the directors and hence provisions of section 192 of the Act are not applicable.

(xvi) In our opinion and according to the information and explanation given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Deloitte HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

G.K. Subramaniam
Partner
(Membership No. 109839)

Mumbai, April 30, 2019

For CHATURVEDI SK & FELLOWS
Chartered Accountants
(Firm's Registration No. 112627W)

Srikant Chaturvedi
Partner
(Membership No. 070019)

Mumbai, April 30, 2019

BALANCE SHEET

AS AT MARCH 31, 2019

(₹ in Lakh)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
ASSETS				
1. FINANCIAL ASSETS				
a) Cash and cash equivalents	5	94,274	18,832	25,918
b) Other bank balances	5	11,058	1,018	2,864
c) Receivables	6	386	253	6
d) Housing and other loans	7	802,559	727,296	465,833
e) Investments	8	14,913	21,025	17,483
f) Other financial assets	9	18,032	6,133	3,802
		941,222	**774,557**	**515,906**
2. NON-FINANCIAL ASSETS				
a) Current tax assets (Net)	10	1,107	128	228
b) Property, plant and equipment	11	2,362	1,829	1,468
c) Other intangible assets	12	44	83	51
d) Other non-financial assets	13	1,379	2,011	1,365
		4,892	**4,051**	**3,112**
TOTAL ASSETS		**946,114**	**778,608**	**519,018**
LIABILITIES AND EQUITY				
LIABILITIES				
1. FINANCIAL LIABILITIES				
a) Trade payables				
i) Total outstanding dues to micro enterprises and small enterprises		-	-	-
ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	14	1,572	1,377	544
b) Debt securities	15	175,271	138,593	104,289
c) Borrowings (other than debt securities)	16	630,392	479,783	311,225
d) Deposits	17	14,351	10,786	6,760
e) Subordinated liabilities	18	8,769	8,763	8,760
f) Other financial liabilities	19	24,921	63,435	33,745
		855,276	**702,737**	**465,323**
2. NON-FINANCIAL LIABILITIES				
a) Current tax liabilities (Net)	20	-	333	118
b) Provisions	21	684	431	165
c) Deferred tax liabilities (Net)	22	3,138	1,854	2,912
d) Other non-financial liabilities	23	1,031	1,414	563
		4,853	**4,032**	**3,758**
3. EQUITY				
a) Equity share capital	24	2,515	2,515	2,121
b) Other equity	25	83,470	69,324	47,816
		85,985	**71,839**	**49,937**
Total liabilities and equity		**946,114**	**778,608**	**519,018**

The accompanying notes form an integral part of the financial statements

In terms of our report of even date attached.

For Chaturvedi S.K. & Fellows
Chartered Accountants
ICAI FRN:112627W

Srikant Chaturvedi
Partner
ICAI MN: 070019

Place : Mumbai
Dated: April 30, 2019

For Deloitte Haskins & Sells LLP
Chartered Accountants
ICAI FRN : 117366W/W-100018

G.K Subramaniam
Partner
ICAI M N : 109839

Place: Mumbai
Dated: April 30, 2019

For and on behalf of the Board of Directors

Kapil Wadhawan
Chairman
DIN 0028528

Deo Shankar Tripathi
Managing Director & CEO
DIN 07153794

Suresh Mahalingam
Director
DIN 01781730

Sridar Venkatesan
Director
DIN 02241339

G. P. Kohli
Director
DIN 00230388

Dr. Nivedita Haran
Director
DIN 06441500

Anmol Gupta
Chief Financial Officer

Sreekanth VN
Company Secretary

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Lakh)

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
1. INCOME			
Revenue from operations	26		
a) Interest income		109,495	70,474
b) Net gain on fair value changes		2,483	1,447
c) Net gain on derecognition of financial instruments under amortised cost category		9,185	3,635
d) Fees and commission Income		2,792	5,030
Total revenue from operations		**123,955**	**80,586**
Other income	27	4	14
Total income		**123,959**	**80,600**
2 EXPENSES			
Finance costs	28	73,051	46,227
Impairment on financial instruments	29	2,737	2,603
Employees benefits expense	30	15,279	9,721
Depreciation and amortisation expense	11&12	529	363
Operating expenses	31	7,437	5,511
Total expenses		**99,033**	**64,425**
3 PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS		**24,926**	**16,175**
4 EXCEPTIONAL ITEM	47	1,386	-
5 PROFIT BEFORE TAX		**23,540**	**16,175**
6 TAX EXPENSE	32		
Current tax		6,011	5,673
Deferred tax		1,305	(980)
		7,316	**4,693**
7 PROFIT FOR THE YEAR		**16,224**	**11,482**
8 OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit or loss			
i Remeasurements of the defined employee benefit plans		(60)	(224)
ii Income tax relating to items that will not be reclassified to profit or loss		(21)	(78)
Total other comprehensive income for the year (i - ii)		**(39)**	**(146)**
9 TOTAL COMPREHENSIVE INCOME		**16,185**	**11,336**
10 EARNINGS PER EQUITY SHARE	33		
Basic earnings per share (₹)		64.51	53.49
Diluted earnings per shares (₹)		64.06	53.49

The accompanying notes form an integral part of the financial statements

In terms of our report of even date attached.

For Chaturvedi S.K. & Fellows
Chartered Accountants
ICAI FRN:112627W

Srikant Chaturvedi
Partner
ICAI MN: 070019

Place : Mumbai
Dated: April 30, 2019

For Deloitte Haskins & Sells LLP
Chartered Accountants
ICAI FRN : 117366W/W-100018

G.K Subramaniam
Partner
ICAI M N : 109839

Place: Mumbai
Dated: April 30, 2019

For and on behalf of the Board of Directors

Kapil Wadhawan
Chairman
DIN 0028528

Deo Shankar Tripathi
Managing Director & CEO
DIN 07153794

Suresh Mahalingam
Director
DIN 01781730

Sridar Venkatesan
Director
DIN 02241339

G. P. Kohli
Director
DIN 00230388

Dr. Nivedita Haran
Director
DIN 06441500

Anmol Gupta
Chief Financial Officer

Sreekanth VN
Company Secretary

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2019

a) Equity Share Capital

(₹ in Lakh)

Particulars	Total
Balance as at April 01, 2017	2,121
Changes in equity share capital during the year	
Share issued on Preferential Allotment	394
Balance as at March 31, 2018	**2,515**
Changes in equity share capital during the year	-
Balance as at March 31, 2019	**2,515**

b) Other Equity

(₹ in Lakh)

Particulars	Capital reserve on amalgamation (Refer note 34)	Securities premium	Statutory reserve	Debenture redemption reserve	General Reserve	Retained earnings	Employees stock appreciation rights	Total
Balance as at April 01, 2017	**6**	**29,807**	**9,354**	**-**	**2,267**	**6,382**	**-**	**47,816**
Profit for the year	-	-	-	-	-	11,482	-	11,482
Other comprehensive income	-	-	-	-	-	(146)	-	(146)
Securities premium on allotment of equity share	-	11,106	-	-	-	-	-	11,106
Transferred to statutory reserve	-	-	2,814	-	-	(2,814)	-	-
Final dividend	-	-	-	-	-	(776)	-	(776)
Dividend distribution tax	-	-	-	-	-	(158)	-	(158)
Balance as at March 31, 2018	**6**	**40,913**	**12,168**	**-**	**2,267**	**13,970**	**-**	**69,324**
Profit for the year	-	-	-	-	-	16,224	-	16,224
Other comprehensive income	-	-	-	-	-	(39)	-	(39)
Transferred to general reserve	-	-	-	-	3,000	(3,000)	-	-
Transferred to statutory reserve	-	-	3,245	-	-	(3,245)	-	-
Transferred to debenture redemption reserve	-	-	-	5,637	-	(5,637)	-	-
Employee stock appreciation rights	-	-	-	-	-	-	83	83
Final dividend	-	-	-	-	-	(1,760)	-	(1,760)
Dividend distribution tax	-	-	-	-	-	(362)	-	(362)
Balance as at March 31, 2019	**6**	**40,913**	**15,413**	**5,637**	**5,267**	**16,151**	**83**	**83,470**

The accompanying notes form an integral part of the financial statements

In terms of our report of even date attached.

For Chaturvedi S.K. & Fellows
Chartered Accountants
ICAI FRN:112627W

Srikant Chaturvedi
Partner
ICAI MN: 070019

Place : Mumbai
Dated: April 30, 2019

For Deloitte Haskins & Sells LLP
Chartered Accountants
ICAI FRN : 117366W/W-100018

G.K Subramaniam
Partner
ICAI M N : 109839

Place: Mumbai
Dated: April 30, 2019

For and on behalf of the Board of Directors

Kapil Wadhawan
Chairman
DIN 0028528

Deo Shankar Tripathi
Managing Director & CEO
DIN 07153794

Suresh Mahalingam
Director
DIN 01781730

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Director
DIN 02241339

G. P. Kohli
Director
DIN 00230388

Dr. Nivedita Haran
Director
DIN 06441500

Anmol Gupta
Chief Financial Officer

Sreekanth VN
Company Secretary

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	23,540	16,175
Adjustments for:		
Depreciation	529	363
Loss on sale of fixed assets sold (Net)	6	-
Provision for contingencies & write offs	3,242	2,935
Profit on sale of investment in mutual fund and other investments	(2,484)	(1,448)
Provision for Employee share appreciation rights	83	-
Operating profit before working capital changes	**24,916**	**18,025**
Adjustments for:		
Increase/(Decrease) in other financial and non-financial liabilities and provisions	(37,493)	33,665
(Increase)/Decrease in trade receivables	(133)	(247)
(Increase)/Decrease in other financial and non-financial assets	(8,516)	(1,238)
Cash generated from / (used in) operations during the year	**(21,226)**	**50,205**
Tax paid	(7,323)	(5,358)
Net cash flow generated from / (used in) operations before movement in housing and other loans	(28,549)	44,847
Housing and other property loans disbursed	(357,079)	(390,465)
Housing and other property loans repayments	129,842	89,115
Net cash used in operating activities [A]	**(255,786)**	**(256,503)**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds received on sale / redemption of investments	1,453,491	714,257
Payment towards purchase of investments	(1,447,395)	(716,351)
Investment in fixed deposits (net of maturities)	(10,040)	1,846
Payment towards purchase of fixed assets	(868)	(903)
Proceeds received on sale of fixed assets	9	19
Net cash used in from investing activities [B]	**(4,803)**	**(1,132)**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds received on allotment of equity shares	-	11,500
Proceeds from loans from banks/institutions	247,500	231,695
Proceeds from NCDs	67,640	48,500
Repayment of loans to banks/institutions	(96,316)	(63,408)
Repayment of NCDs	(10,000)	(8,800)
Net proceeds / (repayment) of short term Loan	(22,457)	(5,027)
Proceeds from deposits	7,066	3,878

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Repayment of deposits	(3,591)	(2,196)
Proceeds from assignment of portfolio	148,311	35,341
Dividend paid	(1,760)	(776)
Tax paid on dividend	(362)	(158)
Net cash generated from financing activities [C]	**336,031**	**250,549**
Net increase / (decrease) in cash and cash equivalents [A+B+C]	**75,442**	**(7,086)**
Cash and cash equivalents at the beginning of the year	**18,832**	**25,918**
Cash and cash equivalents at the end of the year (refer note 5)	**94,274**	**18,832**

The accompanying notes form an integral part of the financial statements

In terms of our report of even date attached.

For Chaturvedi S.K. & Fellows
Chartered Accountants
ICAI FRN:112627W

Srikant Chaturvedi
Partner
ICAI MN: 070019

Place : Mumbai
Dated: April 30, 2019

For Deloitte Haskins & Sells LLP
Chartered Accountants
ICAI FRN : 117366W/W-100018

G.K Subramaniam
Partner
ICAI M N : 109839

Place: Mumbai
Dated: April 30, 2019

For and on behalf of the Board of Directors

Kapil Wadhawan
Chairman
DIN 0028528

Deo Shankar Tripathi
Managing Director & CEO
DIN 07153794

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G. P. Kohli
Director
DIN 00230388

Dr. Nivedita Haran
Director
DIN 06441500

Anmol Gupta
Chief Financial Officer

Sreekanth VN
Company Secretary

1. CORPORATE INFORMATION

Aadhar Housing Finance Limited (Formerly known as DHFL Vysya Housing Finance Limited) (the "Company") was incorporated in India in the name of Vysya Bank Housing Finance Limited on 26th November, 1990 and is carrying business of providing loans to customers including individuals, Companies, Corporations, Societies or Association of Persons for purchase / construction / repair and renovation of residential property, loans against property and provide other property related services. The Company is registered with National Housing Bank under section 29A of the National Housing Bank Act, 1987. The Company is subsidiary of Wadhawan Global Capital Limited ("Holding Company").

The Holding Company and Dewan Housing Finance Limited, along with promoter shareholders (collectively "sellers") have entered into a share purchase agreement on February 02, 2019 with BCP Topco VII Pte. Ltd., which is held through intermediary companies by private equity funds managed by wholly owned subsidiaries of The Blackstone Group L.P. (collectively "Blackstone"), for transfer of the sellers' entire stake in the company constituting 80.76% of the equity share capital to Blackstone, subject to regulatory and other approvals. Blackstone will also infuse INR 800 crores fresh equity capital into the Company as part of the transaction.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation and Presentation

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

Effective April 01, 2018, the Company has adopted the Ind AS and the adoption was carried out in accordance with Ind AS 101 "First-time Adoption of Indian Accounting Standards" with April 01, 2017 being the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 ("IGAAP"), which was the previous GAAP.

These financial statements have been prepared on a going concern basis. The company has prepared cash flows for the next 12 months from the balance sheet date which will be positive considering all the contractual cash flows, expenses, loan prepayments in line with past trends and excluding impact of equity infusion of ₹ 800 Crore from Blackstone.

Historical cost convention

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. The measurement and/ or disclosure in these financial statements has been accordingly determined except for share based payment transactions, leasing transactions and certain other transactions that are required to be valued in accordance with Ind AS 102, Ind AS 17 and Ind AS 36, respectively.

2.2 Presentation of financial statements

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

Amounts in the financial statements are presented in Indian Rupees in Lakhs. Per share data is presented in Indian Rupee.

2.3 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured and there exists reasonable certainty of its recovery. Revenue is measured at the fair value of the consideration received or receivable, as applicable.

a. Interest Income

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

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

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

The interest income on non-credit impaired financial assets is calculated by applying the EIR to the gross carrying amount (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). Interest income on credit-impaired financial assets is calculated on net carrying value (i.e. the gross carrying amount less the allowance for expected credit losses (ECLs)).

b. Fee and Commission income:

Fee and commission, other than the fee that forms an integral part of EIR, are accounted on accrual basis.

c. Dividend Income

Dividend income is recognised when the Company's right to receive dividend is established by the reporting date.

d. Investment income

The gains/losses on sale of investments are recognised in the statement of profit and loss on trade date. Gain or loss on sale of investments is determined on the basis of weighted average cost.

e. Other operating revenue:

Prepayment charges, delayed payment interest and other such incomes where recovery is uncertain are recognized on receipt basis.

2.4 Property, plant and equipment and Intangible Assets

Property Plant and Equipment (PPE)

PPE is recognised when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. PPE is stated at cost less accumulated depreciation/ amortization and impairment losses, if any. The cost of PPE is its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the PPE ready for its intended use, other incidental expenses and interest on borrowing attributable to acquisition of qualifying PPE upto the date the asset is ready for its intended use.

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. 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 the Statement of Profit and Loss.

PPE not ready for the intended use on the date of the Balance Sheet are disclosed as "capital work-in-progress".

Depreciation is recognised using straight line method so as to write off the cost of the assets (other than freehold land which is not depreciated) less their residual values over their useful lives specified in Schedule II to the Act, or in case of assets where the useful life was determined by technical evaluation, over the useful life so determined. Depreciation method is reviewed at each financial year end to reflect expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life and residual values are also reviewed at each financial year end with the effect of any change in the estimates of useful life/residual value is accounted on prospective basis.

Estimated useful life considered by the Company are:

Asset	Estimated Useful Life
Office Equipment	5 – 10 Years
Furniture and fittings	10 Years
Vehicles	8 Years
Leasehold improvements	Lease Period
Buildings	60 Years

Intangible assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortisation and cumulative impairment. Administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalised as a part of the cost of the intangible assets.

Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as "Intangible assets under development".

Intangible assets are amortised on straight line basis over the estimated useful life of 6 years. The method of amortisation and useful life are reviewed at the end of each accounting year with the effect of any changes in the estimate being accounted for on a prospective basis.

Amortisation on impaired assets is provided by adjusting the amortisation charge in the remaining periods so as to

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allocate the asset's revised carrying amount over its remaining useful life.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in statement of profit and loss when the asset is derecognised.

Deemed Cost of PPE on transition to Ind AS

For transition to Ind AS, the company has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets recognised as of April 01, 2017 (transition date) measured as per the IGAAP and use that carrying value as its deemed cost as of the transition date.

Impairment of assets

As at the end of each financial year, the Company reviews the carrying amounts of its PPE and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the PPE and intangible assets are tested for impairment so as to determine the impairment loss, if any.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If recoverable amount of an asset is estimated to be less than its carrying amount, such deficit is recognised immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the asset is reduced to its recoverable amount.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss was recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

2.5 Employee benefits

i. Defined contribution plan

The contribution to provident fund, pension fund, National Pension Scheme and employee state insurance scheme are considered as defined contribution plans and are charged as an expense in the Statement of Profit and Loss based on the amount of contribution required to be made as and when services are rendered by the employees.

ii. Defined benefits plan

The Company's Gratuity liability under the Payment of Gratuity Act, 1972 is determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method.

The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed periodically by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognition of the asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in Other Comprehensive Income (OCI). Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in statement of profit and loss.

iii. Short-term employee benefits

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

The cost of short-term compensated absences is accounted as under:

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

iv. Other Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date less the fair value of the plan assets out of which the obligations are expected to be settled.

v. Share-based payment arrangements

The share appreciation rights granted to employees pursuant to the Company's Stock appreciation rights scheme are measured at the fair value of the rights at the grant date. The fair value of the rights is treated as discount and accounted as employee compensation cost over the vesting period on a straight line basis. The amount recognised as expense in each year is at based on the number of grants expected to vest. If a grant lapses after the vesting period, the cumulative discount recognised as expense in respect of such grant is transferred to the general reserve within other equity.

2.6 Leases

The determination of whether an agreement is, or contains, a lease is based on the substance of the agreement at the date of inception. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Operating Lease

Operating lease are recognized as expense in the Statement of Profit and Loss in line with contractual term to compensate the lessor's expected inflationary cost.

2.7 Financial instruments

Recognition of Financial Instruments

Financial instruments comprise of financial assets and financial liabilities. Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument. Financial assets primarily comprise of loans and advances, deposits, trade receivables and cash and cash equivalents. Financial liabilities primarily comprise of borrowings and trade payables.

Initial Measurement of Financial Instruments

Recognised financial assets and financial liabilities are initially measured at fair value. Transaction costs and revenues that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs and revenues directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in the Statement of Profit and Loss.

If the transaction price differs from fair value at initial recognition, the Company will account for such difference as follows:

- If fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets, then the difference is recognised in the Statement of Profit and Loss on initial recognition (i.e. day 1 profit or loss);
- In all other cases, the fair value will be adjusted to bring it in line with the transaction price (i.e. day 1 profit or loss will be deferred by including it in the initial carrying amount of the asset or liability).

  After initial recognition, the deferred gain or loss will be released to profit or loss on a rational basis, only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

Financial Assets

Classification of Financial Assets

- Debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI), are subsequently measured at amortised cost;
- All other debt instruments (e.g. debt instruments managed on a fair value basis, or held for sale) and equity investments are subsequently measured at FVTPL.

However, the Company may make the following irrevocable election / designation at initial recognition of a financial asset on an asset-by-asset basis:

- The Company may irrevocably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies, in OCI; and

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- the Company may irrevocably designate a debt instrument that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (referred to as the fair value option).

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee

Investment in equity instruments at FVOCI

The Company subsequently measures all equity investments at fair value through profit or loss, unless the Company's management has elected to classify irrevocably some of its equity investments as equity instruments at FVOCI.

The Company has not elected to classify any equity investment at FVOCI.

Debt instruments at amortised cost or at FVTOCI

The Company assesses the classification and measurement of a financial asset based on the contractual cash flow characteristics of the asset individually and the Company's business model for managing the asset.

For an asset to be classified and measured at amortised cost or at FVTOCI, its contractual terms should give rise to cash flows that are meeting SPPI test.

For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. That principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The SPPI assessment is made in the currency in which the financial asset is denominated.

Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI. An originated or an acquired financial asset can be a basic lending arrangement irrespective of whether it is a loan in its legal form.

An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Company determines the business models at a level that reflects how financial assets are managed individually and together to achieve a particular business objective.

When a debt instrument measured at FVTOCI is derecognised, the cumulative gain/loss previously recognised in OCI is reclassified from equity to profit or loss. In contrast, for an equity investment designated as measured at FVTOCI, the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss but transferred within equity.

Debt instruments that are subsequently measured at amortised cost or at FVTOCI are subject to impairment.

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

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects or initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in statement of profit or loss.

Subsequent Measurement of Financial assets

All recognised financial assets that are within the scope of Ind AS 109 are required to be subsequently measured at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

The Company business model objective is to hold financial assets in order to collect contractual cash flows. The contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates. During the current year due to certain market conditions, the company has sold financial assets during the year by way of assignment transactions which does not impact the business model of the Company and hence the Company continues to carry the financial assets at amortised cost.

Reclassifications

If the business model under which the Company holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that result in reclassifying the Company's financial assets. During the current financial year and previous financial year there was no change in the business model under which the Company holds financial assets and therefore no reclassifications were made.

Impairment

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a 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. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

The Company measures ECL based on category of loans at a collective level. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original EIR.

Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

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

- Stage 1 - Performing assets with zero to thirty days past due (DPD). Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2 and Stage 3.
- Stage 2 - Under-performing assets having 31 to 90 DPD. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.
- Stage 3 - Non-performing assets with overdue more than 90 DPD

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

The Financial assets for which the Company has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) derecognition of the financial asset.

Derecognition of financial assets

A financial asset is derecognised only when:

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

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

The Company transfers loans through assignment transactions. In accordance with the Ind AS 109, on derecognition of a financial asset under assignment transactions, the difference between the carrying amount and the consideration received shall be recognised in Statement of Profit and Loss.

Write-off

Loans and debt securities are written off when the Company has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Company determines that the borrower does not

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have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Company may apply enforcement activities to financial assets written off. Recoveries resulting from the Company's enforcement activities will result in gains.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments issued by a Company entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain/loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

A financial liability is a contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Company or a contract that will or may be settled in the Company's own equity instruments and is a non-derivative contract for which the Company is or may be obliged to deliver a variable number of its own equity instruments, or a derivative contract over own equity that will or may be settled other than by the exchange of a fixed amount of cash (or another financial asset) for a fixed number of the Company's own equity instruments.

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL. However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition

Derecognition of financial liabilities

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

2.8 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, balance in current account and Balances with banks in deposits accounts with original maturity of less than 3 months. Short term and liquid investments being subject to more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

2.9 Borrowing Costs

Interest expenses are calculated using EIR and all other borrowing costs are recognised in the statement of profit and loss when they are incurred.

2.10 Foreign currencies

a. The functional currency and presentation currency of the Company is Indian Rupee. Functional currency of the Company has been determined based on the primary economic environment in which the Company operate considering the currency in which funds are generated, spent and retained.

b. Transactions in currencies other than the Company's functional currency are recorded on initial recognition using the exchange rate at the transaction date. At each Balance Sheet date, foreign currency monetary items are reported at the rates prevailing at the year end Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated.

Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date at the closing spot rate are recognised in the Statement of Profit and Loss in the period in which they arise except for exchange differences on transactions entered into in order to hedge certain foreign currency risks;

2.11 Segments

Based on "Management Approach" as defined by Ind AS 108, The Chief Operating Decision Maker (CODM) evaluates the "Operating Segments". Operating segments are reported in a manner consistent with the internal reporting provided to the CODM. The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Income / costs which relate to the Company as a whole and are not allocable to segments on a reasonable basis have been included under Unallocated Income / Costs.

2.12 Investments in Subsidiary

Investments in Subsidiary is measured at cost as per Ind AS 27 – Separate Financial Statements.

2.13 Earnings per share

Basic earnings per share has been computed by dividing net income by the weighted average number of shares outstanding during the year. Partly paid up shares are included as fully paid equivalents according to the fraction paid up. Diluted earnings per share has been computed using the weighted average number of shares and dilutive potential shares, except where the result would be anti-dilutive

2.14 Taxes on income

Income tax expense represents the sum of the tax currently payable and deferred tax. Income tax expense comprises current and deferred taxes. Income tax expense is recognized in the Statement of Profit and Loss except when they relate to items that are recognized outside profit or loss (whether in other comprehensive income or directly in equity), in which case tax is also recognized outside profit or loss.

Current Tax

The tax currently payable is based on the estimated taxable profit for the year for the Company and is calculated using applicable tax rates and tax laws that have been enacted or substantively enacted. 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 current tax is calculated using applicable tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Such deferred tax assets and liabilities are computed separately for each taxable entity. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which gives rise to future economic benefits in the form of adjustment of future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the balance sheet when the assets can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized.

2.15 Special Reserve

The company creates statutory reserve every year out of its profits in terms of section 36(1)(viii) of the Income Tax Act,

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1961 read with section 29C of the National Housing Bank Act, 1987.

2.16 Provisions, contingent liabilities and contingent assets

- Provisions are recognised only when: an entity has a present obligation (legal or constructive) as a result of a past event; and
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation

Provision is measured using the cash flows estimated to settle the present obligation and when the effect of time value of money is material, the carrying amount of the provision is the present value of those cash flows. Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and
- a present obligation arising from past events, when no reliable estimate is possible.

Where the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under such contract, the present obligation under the contract is recognised and measured as a provision.

Contingent Assets:

Contingent assets are not recognised but disclosed in the financial statements

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

2.17 Commitments

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

- estimated amount of contracts remaining to be executed on capital account and not provided for;
- other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

2.18 Non-Current Assets held for sale

Non-current assets are classified as held for sale if their carrying amount is intended to be recovered principally through a sale (rather than through continuing use) when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset and the sale is highly probable and is expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at lower of their carrying amount and fair value less costs to sell.

2.19 Exceptional items

An item of income or expense which its size, type or incidence requires disclosure in order to improve an understanding of the performance of the Company is treated as an exceptional item and the same is disclosed in the notes to accounts.

2.20 Statement of Cash Flows

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of Balance Sheet.

2.21 Critical accounting judgements and key sources of estimation uncertainties

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable.

Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

Expected Credit Loss

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and credit assessment and including forward-looking information. In certain cases, the assessment based on past experience is required for future estimation of cash flows which requires significant judgment.

The inputs used and process followed by the Company in determining the increase in credit risk have been detailed in Note 40.

EIR

The Company's EIR methodology, recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given.

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well as other fee income/expense that are integral parts of the instrument

3. RECENT ACCOUNTING PRONOUNCEMENTS

3.1 Ind AS 116 Leases :

Ind AS 116 Leases was notified on 28th March, 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after April 01, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. The Company is in the process of assessing the impact of the new standard. or As the Company does not have any material leases, therefore the adoption of this standard is not likely to have a material impact in its Financial Statements.

3.2 Amendment to Ind AS 12 – Income taxes : On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Effective date for application of this amendment is annual period beginning on or after April 1, 2019.

The Company is currently evaluating the effect of this amendment on the financial statements.

4. EXPLANATION TO THE TRANSITION TO IND-AS

The transition as at April 1, 2017 to Ind AS was carried out from Previous GAAP. The exemptions and exceptions applied by the Company in accordance with Ind AS 101 First–time Adoption of Indian Accounting Standards, the reconciliations of equity and total comprehensive income in accordance with Previous GAAP to Ind AS are explained below.

4.1 First-time adoption

Overall principle:

The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended March 31, 2019, the comparative information presented in these financial statements for the year ended March 31, 2018 and in the preparation of an opening Ind AS transition balance sheet as at April 1, 2017 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous Indian GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

Exemptions and Exceptions availed:

We have set out below the applicable Ind AS 101 optional and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

Ind AS Optional Exemptions:

Deemed cost for property, plant and equipment and other intangible assets

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets.

Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED MARCH 31, 2019

Designation of previously recognized financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments at FVTPL on the basis of the facts and circumstances at the date of transition to IndAS. The Company has designated certain investments in equity share as held at FVTPL on the basis of the facts and circumstances that existed at the transition date.

Derecognition of financial assets and financial liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the derecognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions. The Company has elected to apply the de-recognition provisions of Ind AS 109 retrospectively.

Business Combination

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date. The Company elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated.

Ind AS Mandatory Exceptions

Estimates:

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at 1 April 2017 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for Impairment of financial assets based on expected credit loss model in accordance with Ind AS at the date of transition as these were not required under previous GAAP.

Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS. The Company has determined the classification of Financial Assets in terms of whether they meet the amortized cost criteria, FVTPL criteria or FVOCI criteria based on the facts and circumstances that existed as of transition date.

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.

4.2 First-time adoption – Mandatory exception, Optional exemptions

Reconciliation of total equity between the figures reported under previous GAAP and Ind AS is given below :

(₹ in Lakh)

Particulars	Note	As at March 1, 2018	As at April 1, 2017
Total equity (Shareholder's Fund as reported in previous GAAP)		69,960	15,373
Adjustment on account of amalgamation*		-	33,114
Total equity as per previous GAAP		69,960	48,487
Adjustment on account of :			
Dividend and dividend distribution tax	1	-	934
Effective interest rate for financial assets and liabilities recognised at amortised cost / net interest on credit impaired loan	2,3,4	(2,841)	(1,336)
Net gain on derecognition of financial instruments under amortised cost category	4	5,669	3,476
Expected credit loss (Impairment on financial instruments)	6	(936)	(306)
Fair value of investment	7	24	35
Deferred tax adjustment on special reserve and balance sheet approach as per Ind AS	9	(37)	(1,353)
Total equity as per Ind AS		**71,839**	**49,937**

* Total equity is restated to give the effect of amalgamation as per Ind AS (refer note 34).

Reconciliation of net profit between the figures reported under previous GAAP and Ind AS is given below :

(₹ in Lakh)

Particulars	Note	For the year ended March 31, 2018
Net profit after tax as per previous GAAP		9,973
Adjustment on account of :		
Effective interest rate for financial assets and liabilities recognised at amortised cost / net interest on credit impaired loan	2,3,4	(2,947)
Net gain on derecognition of financial instruments under amortised cost category	4	3,635
Expected credit loss (Impairment on financial instruments)	6	(630)
Fair value of investment	7	(11)
Reclassification of actuarial gain losses (net of tax) to OCI	5	146
Deferred tax adjustment on special reserve and balance sheet approach as per Ind AS	9	1,316
Net profit after tax as per Ind AS		**11,482**
Other comprehensive income (Net of taxes)	5	(146)
Total comprehensive income as per Ind AS		**11,336**

Reconciliation of cash flows between the figures reported under previous GAAP and Ind AS is given below :

There is no change in cash flow items under Ind AS and IGAAP.

Notes :

1. Under previous GAAP, dividends on equity shares recommended by the Board of Directors after the end of the reporting period but before the financial statement were approved for issue were recognised in the financial statement as a liability. Under Ind AS, such dividends are recognised when approved by the members in a general meeting.

2. Under previous GAAP, loans were carried at cost whereas under IND AS loans are measured based on entity's business model for managing the financial assets and contractual cash flow characteristics of the financial asset. The loans that meet the business model and contractual cash flow tests are measured at amortised cost and interest income is recognised as per effective interest rate method.

3. Under Previous GAAP, borrowings were recorded at cost and transaction costs were charged to Statement of Profit and Loss on a systematic basis over the tenure of the borrowing. Under Ind AS, transaction cost incurred towards origination of borrowings is required to be deducted from the carrying amount of borrowings on initial recognition. These cost are recognised in the Statement of Profit and Loss over the tenure of the borrowing as part of interest expense by applying effective interest rate method.

4. Under Previous GAAP, gain on derecognition of financial assets on account of assignment transactions is recognised over the contractual tenure of the loan asset. However, as per Ind AS – 109 gain on derecognition of financial assets (i.e difference between sale consideration and carrying value) is recognised in the statement of profit & loss in the year of sale.

5. Under the previous GAAP, 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 were forming part of the profit or loss for the year. Under Ind AS, these remeasurements are recognized in other comprehensive income instead of profit or loss.

6. Under previous GAAP, provision for loans was calculated using incurred loss model. Under Ind AS, the provision on financial assets and commitments, needs to be calculated using the expected credit loss model.

7. Under previous GAAP, the investment in equity shares and mutual funds other than subsidiaries were carried at cost. However, under Ind AS, these are measured at fair value through profit and loss.

8. The Company has elected not to apply Ind AS 103 Business Combinations retrospectively to past business combinations that occurred before the transition date of April 1, 2017 (refer note 34).

9. Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind-AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. It also includes impact of deferred tax arising on account of transition to IND AS.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED MARCH 31, 2019

5 CASH AND BANK BALANCE

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Cash and cash equivalents			
a) Cash on hand	599	636	271
b) Balances with banks in current accounts	13,475	13,196	23,647
c) Balances with banks in deposits accounts with original maturity of less than 3 months (refer note (i))	80,200	5,000	2,000
	94,274	**18,832**	**25,918**
Other bank balances			
a) In other deposit accounts			
- Original maturity of more than three months (refer note (ii) & (iii) below)	11,051	1,012	2,859
b) Earmarked balances with banks			
- Unclaimed dividend account	7	6	5
	11,058	**1,018**	**2,864**
Total	**105,332**	**19,850**	**28,782**

i) Short-term deposits are made for varying periods of between seven day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

ii) Fixed deposit with banks earns interest at fixed rate.

(iii) Bank balance in deposit account having original maturity of more than three months to the extent of ₹ Nil (March 31, 2018 and April 1, 2017 : ₹ 293 Lakh and ₹ 280 Lakh) carry a floating charge in favour of depositors of Fixed Deposits read with note no 17.

6 RECEIVABLES

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Trade receivables			
Unsecured, considered good	386	253	6
Total	**386**	**253**	**6**

i) Trade receivables includes amounts due from the related parties amounting to ₹ 328 Lakh (As at March 31, 2018 : ₹ 239 Lakh and As at April 1, 2017 : Nil) [Refer Note 46].

ii) No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

iii) Trade receivables are non-interest bearing and are generally on terms upto 90 days.

iv) Impairment allowance for trade receivable is Nil and therefore related disclosures as required by Ind AS 107 are not given in the financial statement.

7 HOUSING AND OTHER LOANS

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
At amortised cost			
i) Housing and other property loan	798,273	718,209	453,003
ii) Loans to developers	9,488	12,512	14,222
iii) Loan given to Dewan Housing Finance Corporation Limited under joint syndication for project Loan	-	546	865
iv) Loan against fixed deposits	18	11	10
v) Interest accrued on above loans	2,611	2,192	1,590
Total gross	**810,390**	**733,470**	**469,690**
Less: Impairment loss allowance	7,831	6,174	3,857
Total net	**802,559**	**727,296**	**465,833**

i) All Housing and other loans are originated in India.

ii) Loans granted by the company are secured by equitable mortgage/ registered mortgage of the property and assets financed and/or undertaking to create a security and/or assignment of Life Insurance Policies and/or personal guarantees and/or hypothecation of assets and are considered appropriate and good.

iii) The Company has assigned pool of certain housing and property loans and managed servicing of such loan accounts. The balance outstanding in the pool, as at the reporting date aggregates ₹ 1,89,197 Lakh (March 31, 2018 and April 1, 2017 : ₹ 61,315 Lakh and ₹ 40,145 Lakh respectively). The carrying value of these assets have been de-recognised in the books of the Company.

iv) There is no Outstanding loan from Public institution.

v) Housing loan and other property loan includes ₹ 2,604 Lakh (March 31, 2018 and April 1, 2017 : ₹ 1,085 Lakh and ₹ 1,270 Lakh respectively) given to employees of the Company under the staff loan.

vi) The Company has entered into a loan syndication agreement with Dewan Housing Finance Corporation Ltd (DHFL) to provide housing and property loans to borrowers wherein DHFL originates loan files through its branches and get it processed under common credit norms. Aadhar Housing Finance Ltd has agreed to participate in some of the loan disbursed by DHFL under the loan syndication agreement.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED MARCH 31, 2019

8 INVESTMENTS

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
	Nos of Units / Shares			(₹ in Lakh)		
At cost						
Investments in equity instruments (Subsidiary)						
Investment in Aadhar Sales and Services Private Limited	10,000	10,000	-	1	1	-
				1	**1**	**-**
At amortised cost						
Investments in bonds						
6.25% GOI Bonds 2018 Face Value of ₹ 100/- each	-	-	100,000	-	-	101
6.05% GOI Bonds 2019 Face Value of ₹ 100/- each	-	500,000	500,000	-	502	501
6.57% GOI Bonds 2033 Face Value of ₹ 100/- each	500,000	500,000	500,000	494	494	491
9.80% NCD Jaipur Vidyut Vitran Nigam Ltd Face Value of ₹ 10,00,000/- each	1,000,000	-	-	1,902	-	-
				2,396	**996**	**1,093**
Investment in inter-corporate deposits (refer note (iii) below)						
Investment in inter-corporate deposit				-	300	300
Less : Provision for diminution in the value of investment				-	(300)	(300)
				-	**-**	**-**
At fair value through profit and loss						
Investments in mutual funds						
HSBC Cash Fund	134,392	115,683	61,738	2,502	2,001	1,000
IDBI Liquid Fund	-	80,701	57,452	-	1,501	1,000
Invesco India Liquid Fund	97,262	83,712	89,361	2,502	2,003	2,001
Peerless Liquid Fund	-	52,292	111,722	-	1,001	2,000
BOI AXA Liquid Fund	116,180	124,997	-	2,503	2,504	-
L&T Mutual Fund - Liquid Fund	-	84,030	-	-	2,002	-
LIC Mutual Fund - Liquid Fund	-	47,665	-	-	1,502	-
M & M Liquid Find - Direct Growth	-	88,984	-	-	1,001	-
Mirea Cash Management Fund - Direct Growth	-	54,607	-	-	1,001	-
Principal Cash Management Fund - Direct Growth	-	118,258	-	-	2,003	-
Reliance Liquid Fund Treasure Plan - Direct Growth	-	35,431	-	-	1,502	-
SBI Magnum Insta Cash Plus Fund - Direct Growth	85,473	52,129	-	2,503	2,003	-
BOI AXA treasury Advantage Fund	-	-	1,474,649	-	-	887
DHFL Pramerica Insta cash Plus Fund	-	-	946,559	-	-	2,000
DHFL Pramerica Short Term Floating Rate Fund	-	-	13,757,580	-	-	2,500
Indiabulls Ultra Short Term Fund	-	-	124,145	-	-	2,000
Invesco India Medium Bond Fund	-	-	17,928	-	-	304
Peerless short term Fund	-	-	546,523	-	-	102
Reliance Money Manager Fund	-	-	109,817	-	-	2,500
Axis Liquid Fund - Direct Growth	120,713	-	-	2,503	-	-
Taurus Dynamic Income Fund	-	-	643,124	-	-	91
				12,513	**20,024**	**16,385**

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
	Nos of Units / Shares			(₹ in Lakh)		
Investments in quoted equity instruments (others than subsidiary)						
Reliance Power Limited Equity Shares of Face value of ₹ 10 each	222	222	222	0	1	1
IDFC First Bank Limited Equity Shares of Face value of ₹ 10 each	2,390	172	172	2	1	1
Mangalore Refinery and Petrochemical Limited Equity Shares of Face value of ₹ 10 each	3,000	3,000	3,000	1	2	3
				3	4	5
Total				**14,913**	**21,025**	**17,483**

Notes :

i) Amount "0" represent value less than ₹ 50,000/-.

ii) All investments are made within India.

iii) Investment in inter-corporate deposit is written off during the year ended March 31, 2019 by utilising the provision for an amount of ₹ 300 Lakh.

iv) Investment in bonds aggregating to ₹ 1,902 Lakh (March 31, 2018 and April 1, 2017 : ₹ 996 Lakh and ₹ 1,093 Lakh) carry a floating charge in favour of depositors of fixed deposits read with note no 17.

9 OTHER FINANCIAL ASSETS

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Unsecured, Considered Good			
Receivable from related parties			
Security deposits	266	81	16
Receivable from assignment of receivables (net of servicing fee)	926	20	21
Other dues from related parties	0	2	1
Others			
Receivable from assignment of portfolio	13,634	5,669	3,476
Receivable from mutual fund	2,502	-	-
Security deposits	694	349	282
Advances to employees	10	12	6
Total	**18,032**	**6,133**	**3,802**

Note : Amount "0" represent value less than ₹ 50,000/-.

10 CURRENT TAX ASSETS (NET)

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Income tax paid in advance (net of provisions)	1,107	128	228
Total	**1,107**	**128**	**228**

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED MARCH 31, 2019

11. PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakh)

Particulars	Freehold Land	Building - Owned	Furniture & Fixture	Office Equipment's	Vehicles	Computer	Total
Cost or deemed cost							
Balance as at April 1, 2017	27	13	778	271	21	358	1,468
Additions during the year	-	-	233	106	36	345	720
Deduction / adjustments	-	-	-	-	(18)	(2)	(20)
Balance as at March 31, 2018	**27**	**13**	**1,011**	**377**	**39**	**701**	**2,168**
Balance as at April 1, 2018	**27**	**13**	**1011**	**377**	**39**	**701**	**2168**
Additions during the year	-	-	441	333	-	263	1,037
Deduction / adjustments	-	-	(11)	(2)	(6)	(1)	(20)
Balance as at March 31, 2019	**27**	**13**	**1441**	**708**	**33**	**963**	**3185**
Accumulated depreciation							
Balance as at April 1, 2017	-	-	-	-	-	-	-
Depreciation for the year	-	1	105	55	4	174	339
Deduction / adjustments	-	-	-	-	-	-	-
Balance as at March 31, 2018	**-**	**1**	**105**	**55**	**4**	**174**	**339**
Balance as at April 1, 2018	**-**	**1**	**105**	**55**	**4**	**174**	**339**
Depreciation for the year		1	128	96	6	258	489
Deduction / adjustments	-	-	-	-	(5)	-	(5)
Balance as at March 31, 2019	**-**	**2**	**233**	**151**	**5**	**432**	**823**
Net book value							
As at March 31, 2019	**27**	**11**	**1,208**	**557**	**28**	**531**	**2,362**
As at March 31, 2018	**27**	**12**	**906**	**322**	**35**	**527**	**1,829**
As at April 1, 2017	**27**	**13**	**778**	**271**	**21**	**358**	**1,468**

The Company has availed the deemed cost exemption in relation to the property, plant and equipment (except freehold land) on the date of transition and hence the net block carrying amount has been considered as the gross block carrying amount on that date. Refer below for the gross block value and the accumulated depreciation on April 1, 2017 under the previous GAAP.

(₹ in Lakh)

Particulars	Building - Owned	Furniture & Fixture	Office Equipment's	Vehicles	Computer	Total
Gross Block	**13**	**898**	**342**	**28**	**517**	**1,798**
Accumulated Depreciation	-	120	71	7	159	357
Net Block	**13**	**778**	**271**	**21**	**358**	**1,441**

11. OTHER INTANGIBLE ASSETS

(₹ in Lakh)

Particulars	Software
Cost or deemed cost	
Balance as at April 1, 2017	**51**
Additions during the year	56
Deduction / adjustments	-
Balance as at March 31, 2018	**107**
Balance as at April 1, 2018	**107**
Additions during the year	1
Deduction / adjustments	-

(₹ in Lakh)

Particulars	Software
Balance as at March 31, 2019	**108**
Accumulated depreciation	
Balance as at April 1, 2017	-
Depreciation for the year	24
Deduction / adjustments	-
Balance as at March 31, 2018	**24**
Balance as at April 1, 2018	**24**
Depreciation for the year	40
Deduction / adjustments	-
Balance as at March 31, 2019	**64**
Net book value	
As at March 31, 2019	**44**
As at March 31, 2018	**83**
As at April 1, 2017	**51**

The Company has availed the deemed cost exemption in relation to the intangible assets on the date of transition and hence the net block carrying amount has been considered as the gross block carrying amount on that date. Refer below for the gross block value and the accumulated depreciation on April 1, 2017 under the previous GAAP.

(₹ in Lakh)

Particulars	Software
Gross Block	**112**
Accumulated Depreciation	61
Net Block	**51**

13 OTHER NON-FINANCIAL ASSETS

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Asset held for sale	875	1,017	1,017
Less : Provision for diminution in the value of asset held for sale	(285)	-	-
	590	**1,017**	**1,017**
Gratuity Asset	-	-	1
Prepaid expenses	239	345	197
Capital advance	7	177	49
Advance for expenses (refer note below)	296	54	71
Balance with government authorities	247	418	8
Recoverable from customers towards expenses incurred under Sarfeasi Act	-	-	22
Total	**1,379**	**2,011**	**1,365**

Note : Advance for expenses includes ₹ 66 Lakh (March 31, 2018 and April 1, 2017 : ₹ 44 Lakh and 10 Lakh respectively) due to related parties [Refer Note 46].

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED MARCH 31, 2019

14 TRADE PAYABLES

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Total outstanding dues to micro enterprises and small enterprises	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,572	1,377	544
Total	**1,572**	**1,377**	**544**

a) There are no overdue amounts to Micro, Small and Medium Enterprises as at March 31, 2019 for which disclosure requirements under Micro, Small and Medium Enterprises Development Act, 2006 are applicable.

b) Trade Payables includes ₹ 214 Lakh (March 31, 2018 and April 1, 2017 : ₹ 105 Lakh and Nil respectively) due to related parties [Refer Note 46].

15 DEBT SECURITIES

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
At amortised cost			
Secured			
Redeemable non convertible debentures	165,657	106,522	64,691
Unsecured			
Commercial paper (Unamortised discount as at March 31, 2019 : ₹ 386 Lakh (March 31, 2018 and April 1, 2017 ₹ 429 Lakh and ₹ 402 Lakh respectively)	9,614	32,071	39,598
Total	**175,271**	**138,593**	**104,289**

i) All debt securities are issued in India

ii) Terms of repayment and rate of interest in case of Debt Securities.

As At March 31, 2019

(₹ in Lakh)

Particulars	Interest Rate	0-3 Years	3-5 Years	>5 Years	Grand Total
Secured					
Redeemable non convertible debentures	(8.40% to 10.25%)	116,919	23,877	19,484	160,280
Unsecured					
Commercial paper	(9.40%)	10,000	-	-	10,000

As At March 31, 2018

Particulars	Interest Rate	0-3 Years	3-5 Years	>5 Years	Grand Total
Secured					
Redeemable non convertible debentures	(8.30% to 10.25%)	56,900	20,450	25,290	102,640
Unsecured					
Commercial paper	(9.40%)	32,500	-	-	32,500

As At April 1, 2017

Particulars	Interest Rate	0-3 Years	3-5 Years	>5 Years	Grand Total
Secured					
Redeemable non convertible debentures	(7.20% to 7.90%)	12,000	14,650	36,290	62,940
Unsecured					
Commercial paper	(6.95% to 7.55%)	40,000	-	-	40,000

Maturity profile disclosed above excludes discount, accrued interest and EIR adjustments amounting to ₹ 4,991 Lakh (March 31, 2018 and April 1, 2017 : ₹ 3,453 Lakh and 1,349 Lakh respectively).

List of Redeemable debentures

S. No.	ISIN	Rate of interest	Date of Redemption	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
1	INE538L07387	8.99%	25-Jun-2018	-	3,000	1,000
2	INE538L07387	8.99%	25-Jun-2018	-	1,500	450
3	INE538L07387	8.99%	25-Jun-2018	-	500	1,500
4	INE538L07395	8.97%	29-Jun-2018	-	2,500	5,000
5	INE538L07437	8.30%	4-Feb-2019	-	2,500	-
6	INE538L07452	8.40%	6-May-2019	1,100	1,100	-
7	INE538L07452	8.40%	6-May-2019	1,400	1,400	-
8	INE538L07452	8.40%	6-May-2019	2,500	2,500	-
9	INE538L07452	8.40%	6-May-2019	2,500	2,500	-
10	INE538L07452	8.40%	6-May-2019	1,000	1,000	-
11	INE538L07452	8.40%	6-May-2019	1,500	1,500	-
12	INE538L07429	8.60%	24-Jul-2019	5,000	5,000	-
13	INE538L07023	10.25%	9-Jan-2020	1,000	1,000	1,000
14	INE538L07023	10.25%	9-Jan-2020	500	500	500
15	INE538L07023	10.25%	9-Jan-2020	200	200	200
16	INE538L07023	10.25%	9-Jan-2020	1,000	1,000	1,000
17	INE538L07023	10.25%	9-Jan-2020	500	500	500
18	INE538L07403	8.88%	12-Jun-2020	2,000	2,000	1,000
19	INE538L07445	8.58%	23-Jun-2020	15,000	15,000	-
20	INE538L07411	8.80%	3-Jul-2020	5,000	5,000	500
21	INE538L07130	9.70%	9-Nov-2020	1,000	1,000	1,000
22	INE538L07148	9.65%	11-Dec-2020	1,000	1,000	2,000
23	INE538L07239	9.55%	3-Mar-2021	1,000	1,000	500
24	INE538L07247	9.40%	21-Mar-2021	700	700	100
25	INE538L07247	9.40%	21-Mar-2021	500	500	1,000
26	INE538L07460	8.90%	26-Mar-2021	1,000	1,000	-
27	INE538L07460	8.90%	26-Mar-2021	500	500	-
28	INE538L07262	9.50%	29-Mar-2021	1,000	1,000	700
29	INE538L07338	9.40%	27-May-2021	450	450	1,000
30	INE883F07033	9.60%	5-Jul-2021	200	200	200
31	INE883F07082	9.35%	17-Aug-2021	200	200	200
32	INE883F07090	9.35%	25-Aug-2021	100	100	100
33	INE538L07486	9.60%	29-Sep-2021	2,943	-	-
34	INE538L07494	9.60%	29-Sep-2021	57,627	-	-
35	INE538L07353	9.20%	18-Oct-2021	5,000	5,000	130
36	INE883F07108	9.37%	20-Oct-2021	200	200	200

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S. No.	ISIN	Rate of interest	Date of Redemption	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
37	INE883F07116	9.36%	25-Oct-2021	100	100	100
38	INE883F07132	9.36%	27-Oct-2021	200	200	200
39	INE538L07361	9.00%	11-Nov-2021	1,000	1,000	500
40	INE538L07064	9.80%	27-Mar-2022	2,000	2,000	500
41	INE538L07072	9.80%	3-Jun-2022	1,000	1,000	2,500
42	INE538L07072	9.80%	3-Jun-2022	1,000	1,000	2,000
43	INE538L07080	9.80%	7-Aug-2022	800	800	1,000
44	INE538L07080	9.80%	7-Aug-2022	100	100	1,000
45	INE538L07080	9.80%	7-Aug-2022	100	100	800
46	INE538L07098	9.80%	3-Sep-2022	1,000	1,000	100
47	INE538L07106	9.80%	10-Sep-2022	1,000	1,000	100
48	INE538L07122	9.70%	4-Nov-2022	2,000	2,000	1,000
49	INE538L07155	9.60%	28-Dec-2022	2,000	2,000	2,000
50	INE538L07171	9.60%	7-Jan-2023	2,000	2,000	1,000
51	INE538L07296	9.30%	28-Apr-2023	1,000	1,000	1,000
52	INE538L07296	9.30%	28-Apr-2023	130	130	1,000
53	INE883F07017	9.40%	5-May-2023	3,000	3,000	3,000
54	INE538L07304	9.50%	13-May-2023	500	500	250
55	INE538L07502	9.25%	29-Sep-2023	3,051	-	-
56	INE538L07510	9.65%	29-Sep-2023	1,896	-	-
57	INE883F07124	9.36%	27-Oct-2023	400	400	400
58	INE883F07140	9.40%	21-Nov-2023	1,800	1,800	1,800
59	INE883F07140	9.40%	21-Nov-2023	200	200	200
60	INE883F07157	9.40%	22-Nov-2023	900	900	900
61	INE538L07056	9.80%	23-Mar-2025	2,500	2,500	1,300
62	INE538L07163	9.60%	6-Jan-2026	1,000	1,000	1,000
63	INE538L07163	9.60%	6-Jan-2026	1,000	1,000	1,000
64	INE538L07163	9.60%	6-Jan-2026	1,000	1,000	2,000
65	INE538L07189	9.60%	19-Jan-2026	1,000	1,000	1,000
66	INE538L07197	9.60%	19-Jan-2026	100	100	1,000
67	INE538L07197	9.60%	19-Jan-2026	170	170	2,000
68	INE538L07205	9.60%	25-Jan-2026	1,000	1,000	1,000
69	INE538L07205	9.60%	25-Jan-2026	1,000	1,000	100
70	INE538L07213	9.55%	29-Jan-2026	500	500	170
71	INE538L07213	9.55%	29-Jan-2026	100	100	1,000
72	INE538L07213	9.55%	29-Jan-2026	500	500	1,000
73	INE538L07213	9.55%	29-Jan-2026	100	100	500
74	INE538L07221	9.55%	1-Mar-2026	1,000	1,000	100
75	INE538L07254	9.55%	22-Mar-2026	2,000	2,000	1,000
76	INE538L07270	9.55%	31-Mar-2026	1,000	1,000	500
77	INE538L07270	9.55%	31-Mar-2026	250	250	2,000
78	INE883F07025	9.40%	5-May-2026	2,000	2,000	2,000
79	INE883F07041	9.35%	8-Jul-2026	200	200	200
80	INE883F07058	9.40%	13-Jul-2026	120	120	120
81	INE883F07066	9.28%	18-Jul-2026	200	200	200
82	INE883F07074	9.15%	5-Aug-2026	120	120	120
83	INE538L07379	9.00%	16-Nov-2026	500	500	2,500

S. No.	ISIN	Rate of interest	Date of Redemption	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
84	INE538L07528	9.35%	29-Sep-2028	955	-	-
85	INE538L07536	9.75%	29-Sep-2028	1,168	-	-

iii) The Company has raised 67,640 Lakh (March 31, 2018 : ₹ 48,500 Lakh) from Secured Redeemable Non Convertible Debentures (NCDs) during the year ended March 31, 2019. NCDs are long term and are secured by way of jointly ranking pari passu inter-se first charge, along with NHB and other banks, on the Company's book debts, housing loans and on a specific immovable asset of the Company . NCDs including current maturities are redeemable at par on various periods.

iv) There has been no deviation in the utilisation of issue proceeds of publically issued secured redeemable NCD, from the Objects as stated in the Shelf prospectus document dated September 03, 2018.

16 BORROWINGS (OTHER THAN DEBT SECURITIES)

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Secured			
At amortised cost			
Term Loans			
from banks	541,782	430,863	256,453
from National Housing Bank	88,610	46,381	51,272
Cash credit facilities			
from banks	-	2,539	3,500
Total	**630,392**	**479,783**	**311,225**

i) All borrowings are issued in India

ii) Terms of repayment and rate of interest in case of Borrowings.

As At March 31, 2019

Particulars	Interest Rate	0-3 Years	3-5 Years	>5 Years	Grand Total
Secured					
Term loan from banks	Floating*	311,912	117,100	112,800	541,812
Term Loan from National Housing Bank	4.86% to 9.75%	29,484	20,261	38,865	88,610

As At March 31, 2018

Particulars	Interest Rate	0-3 Years	3-5 Years	>5 Years	Grand Total
Secured					
Term loan from banks	Floating*	217,627	114,752	97,938	430,317
Term Loan from National Housing Bank	4.86% to 9.75%	17,067	11,159	18,155	46,381

As At April 1, 2017

Particulars	Interest Rate	0-3 Years	3-5 Years	>5 Years	Grand Total
Secured					
Term loan from banks	Floating*	130,745	63,741	61,692	256,178
Term Loan from National Housing Bank	5.75% to 10.05%	20,288	9,519	21,465	51,272

*(Linked with MCLR/Base Rate of respective banks)

Maturity profile disclosed above excludes accrued interest and EIR adjustments amounting to ₹ (30) Lakh (March 31, 2018 and April 1, 2017 : ₹ 546 Lakh and 275 Lakh respectively).

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED MARCH 31, 2019

iii) The secured term loans from all other banks are availed from various scheduled banks. These loans are repayable as per the individual contracted terms in one or more instalments between April 2019 and March 2033. These loans are secured / to be secured by way of jointly ranking pari passu inter-se charge, along with NHB and NCD holders, on the Company's book debts, housing loans and the whole of the present and future movable assets of the Company as applicable.

iv) Secured term loan from National Housing Bank are repayable as per the contracted terms in one or more instalments between April 2019 and December 2033. These loans from National Housing Bank are secured / to be secured by way of first charge to and in favour of NHB, other banks and NCD holders and jointly ranking pari passu inter-se, on the Company's book debts, housing loans and the whole of the present and future movable and immovable assets wherever situated excluding SLR assets and are also guaranteed by some of the promoters and promoter director.

v) Cash credit facilities from banks are secured by way of jointly ranking pari passu inter-se charge, along with NHB and NCD holders, on the Company's book debts, housing loans and the whole of the present and future movable assets of the Company as applicable. All cash credit facilities are repayable as per the contracted / rollover term.

17 DEPOSITS

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Deposit			
At amortised cost			
Public deposits	11,608	8,212	6,760
From others	2,743	2,574	-
Total	**14,351**	**10,786**	**6,760**

The National Housing Bank Directives requires all HFCs, accepting public deposits, to create a floating charge on the statutory liquid assets maintained in favour of the depositors through the mechanism of a Trust Deed. The Company has accordingly appointed SEBI approved Trustee Company as a Trustee for the above by executing a trust deed.

The public deposits of the Company as defined in paragraph 2(1)(y) of the Housing Finance Companies (NHB) Directions, 2010, are secured by floating charge on the Statutory Liquid Assets maintained in terms of sub-sections (1) and (2) of Section 29B of the National Housing Bank Act, 1987.

18 SUBORDINATED LIABILITIES

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Unsecured			
Redeemable non convertible debentures	8,769	8,763	8,760
Total	**8,769**	**8,763**	**8,760**

i) All subordinated liabilities are issued in India

ii) Terms of repayment and rate of interest in case of Subordinated Liabilities.

As At March 31, 2019

Particulars	Interest Rate	0-3 Years	3-5 Years	>5 Years	Grand Total
Redeemable non convertible debentures	9.75% to 10.00%	-	2,400	6,000	8,400

As At March 31, 2018

Particulars	Interest Rate	0-3 Years	3-5 Years	>5 Years	Grand Total
Redeemable non convertible debentures	9.75% to 10.00%	-	1,800	6,600	8,400

As At April 1, 2017

Particulars	Interest Rate	0-3 Years	3-5 Years	>5 Years	Grand Total
Redeemable non convertible debentures	9.75% to 10.00%	-	-	8,400	8,400

Maturity profile disclosed above excludes accrued interest and EIR adjustments amounting to ₹ 369 Lakh (March 31, 2018 and April 1, 2017 : ₹ 363 Lakh and 360 Lakh respectively).

iii) Unsecured Redeemable Non-Convertible Debentures are subordinated to present and future senior indebtedness of the Company. These Unsecured Redeemable Non-Convertible Debentures qualifies as Tier II capital in accordance with National Housing Bank (NHB) guidelines for assessing capital adequacy based on balance term to maturity. These debentures are redeemable at par on maturity at the end of various periods.

19 OTHER FINANCIAL LIABILITIES

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Book overdraft	17,663	59,075	31,133
Accrued employee benefits	2,761	920	824
Payable to insurance companies towards disbursements	-	1,404	346
Amount payable under assignment of receivables	4,345	1,795	1,358
Unpaid dividend (refer note below)	7	6	5
Unpaid matured deposits and interest accrued thereon	145	235	79
Total	**24,921**	**63,435**	**33,745**

The Company has transferred a sum of ₹ 0.15 Lakh during the year ended March 31, 2019 (March 31, 2018 : ₹ 0.38 Lakh) being Unclaimed Dividend to Investor Education and Protection Fund under section 124 of the Companies Act, 2013 .

20 CURRENT TAX LIABILITIES (NET)

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Provision for Income tax (net of advance tax)	-	333	118
Total	-	**333**	**118**

21 PROVISIONS

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Provision for employee benefits			
Provision for compensated absences	613	423	163
Provision for gratuity	71	8	2
Total	**684**	**431**	**165**

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED MARCH 31, 2019

22 DEFERRED TAX LIABILITIES (NET)

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Deferred tax liabilities	7,365	5,305	4,994
Deferred Tax Assets	4,227	3,451	2,082
Total	**3,138**	**1,854**	**2,912**

Deferred tax assets and liabilities in relation to:

Particulars	Opening balance as at April 1, 2017	Recognised in Profit and Loss	Recognised in Other Comprehensive Income	Closing balance as at March 31, 2018	Recognised in Profit and Loss	Recognised in Other Comprehensive Income	Closing balance as at March 31, 2019
Deferred tax liabilities							
On difference between book balance and tax balance of assets	36	39	-	75	(26)	-	49
Fair value on Amalgamation	3,755	(506)	-	3,249	(546)	-	2,703
Receivable on Excess interest spread	1,203	778	-	1,981	2,632	-	4,613
	4,994	**311**	**-**	**5,305**	**2,060**	**-**	**7,365**
Deferred tax assets							
On account of impairment on financial instruments	1,354	453		1,807	369		2,176
On account of provision for employee benefits	56	(31)	78	103	67	21	191
Others	672	869	-	1,541	319	-	1,860
	2,082	**1,291**	**78**	**3,451**	**755**	**21**	**4,227**
Net	**2,912**	**(980)**	**(78)**	**1,854**	**1,305**	**(21)**	**3,138**

23 OTHER NON-FINANCIAL LIABILITIES

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Advance from Customers	396	355	271
Statutory remittance	235	814	103
Others	400	245	189
Total	**1,031**	**1,414**	**563**

23 EQUITY SHARE CAPITAL

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
	Nos of Units / Shares			(₹ in Lakh)		
Authorised share capital						
Equity shares of ₹ 10 each	220,000,000	220,000,000	20,000,000	22,000	22,000	2,000
Issued share capital						
Equity shares of ₹ 10 each	25,148,472	25,148,472	11,080,705	2,515	2,515	1,108
Subscribed and paid up capital						
Equity shares of ₹ 10 each	25,148,472	25,148,472	11,080,705	2,515	2,515	1,108
Equity share capital suspense account (refer note 34)	-	-	10,125,360	-	-	1,013
Total				**2,515**	**2,515**	**2,121**

a) **Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:**

Particulars	As at March 31, 2019	As at March 31, 2018
Equity shares at the beginning of the year	25148472	11080705
Add: Shares issued during the year		
On Amalgamation (refer note 34)	-	10125360
Preferential Allotment	-	3942407
Equity shares at the end of the year	**25148472**	**25148472**

b) **Terms / Rights attached to equity shares**

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares 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 the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the share holders. Dividend declared towards equity shares will be subject to the approval of shareholder in the ensuing Annual General Meeting."

c) The Company has not proposed any dividend for the year ended March 31, 2019. For the year ended March 31, 2018, the Company had declared final dividend @ ₹ 7 per equity share to the equity shareholders subject to the approval of the shareholders at the ensuing Annual General Meeting. The same was approved in the Annual General Meeting Dated August 03, 2018.

For the year ended March 31, 2017, the Company had declared final dividend @ ₹ 7 per equity share to the equity shareholders subject to the approval of the shareholders at the ensuing Annual General Meeting. The same was approved in the Annual General Meeting Dated July 24, 2017.

d) Details of shareholders holding more than five percent equity shares in the Company are as under:

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	% of Holding	Number of shares	% of Holding	Number of shares	% of Holding	Number of shares
Wadhawan Global Capital Ltd (Holding Company)	69.98%	17,597,715	69.98%	17,597,715	83.89%	9,295,941
Dewan Housing Finance Corporation Ltd	9.15%	2,301,090	9.15%	2,301,090	9.47%	1,048,989
International Finance Corporation (IFC Washington)	16.91%	4,253,389	16.91%	4,253,389	-	-

e) The Holding Company and Dewan Housing Finance Limited, along with promoter shareholders (collectively "sellers") have entered into a share purchase agreement on February 02, 2019 with BCP Topco VII Pte. Ltd., which is held through intermediary companies by private equity funds managed by wholly owned subsidiaries of The Blackstone Group L.P. (collectively "Blackstone"), for transfer of the sellers' entire stake in the company constituting 80.76% of the equity share capital to Blackstone, subject to regulatory and other approvals.

25 OTHER EQUITY

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Capital reserve on amalgamation	6	6	6
Securities premium (refer note (iii below)	40,913	40,913	29,807
Statutory reserve (Special reserve as per Section 29C of National Housing Bank Act, 1987 and Special reserve as per Section 36(1)(viii) of the Income Tax Act, 1961) (refer note (i) below)	15,413	12,168	9,354
Debenture redemption reserve (refer note (ii) below)	5,637	-	-
General reserve	5,267	2,267	2,267
Employees stock appreciation rights	83	-	-
Retained earnings	16,151	13,970	6,382
Total	**83,470**	**69,324**	**47,816**

Notes : i) Statement for Disclosure on Statutory / Special Reserves, as prescribed by NHB vide its circular no NHB(ND)/DRS/Pol.Circular.61/2013-14, dated: 7th April, 2014 and NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

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(₹ in Lakh)

Particulars		As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the year			
a)	Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	708	604
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	11,460	8,750
c)	**Total**	**12,168**	**9,354**
Additions during the year			
a)	Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	-	104
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	3,245	2,710
c)	**Total**	**3,245**	**2,814**
Utilised during the year			
a)	Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	-	-
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	-	-
c)	**Total**	**-**	**-**
Balance at the end of the year			
a)	Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	708	708
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	14,705	11,460
c)	**Total**	**15,413**	**12,168**

ii) Department of Company Affairs with reference to the General Circular no. 4/2003 vide G.S.R. 413 (E) dated 18.06.2014, had clarified that, Housing Finance Companies registered with National Housing Bank are exempted from the requirement of creating Debenture Redemption Reserve (DRR) in case of privately placed debentures. However, the Company needs to create DRR in case of public issue of Debentures and accordingly, the Company has created DRR as at year end March 31, 2019 to the tune of ₹ 5,637 Lakh against ₹ 16,910 Lakh towards its public issue of Secured Redeemable Non-Convertible Debentures and remaining ₹ 11,273 Lakh will be created before the maturity date.

(iii) Securities premium as at April 1, 2017 includes ₹ 28,503 Lakh pertaining to equity shares issued on amalgamation during the year ended March 31, 2018.

26. REVENUE FROM OPERATIONS

(₹ in Lakh)

Particulars		For the year ended March 31, 2019	For the year ended March 31, 2018
a)	**Interest income**		
	On financial assets measured at amortised cost		
	Interest on Loans	106,810	70,228
	Interest on fixed deposits	1,238	171
	Interest on bonds	736	70
	Other interest	711	5
		109,495	**70,474**

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
b) Net gain on fair value changes		
Measured at FVTPL		
Equity investment measured at FVTPL		
Realised	-	-
Unrealised	(1)	(1)
	(1)	(1)
Investment in mutual fund measured at FVTPL		
Realised	2,498	1,472
Unrealised	(14)	(24)
	2,484	**1,448**
	2,483	**1,447**
c) Net gain on derecognition of financial instruments under amortised cost category		
On assignment of portfolio	9,185	3,635
d) Fees and commission Income		
Loan processing fee and other charges (net of business sourcing expenses)	1,054	4,402
Intermediary services	1,738	628
	2,792	**5,030**
Total	**123,955**	**80,586**

27. OTHER INCOME

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Rent income	2	2
Miscellaneous income	2	12
Total	**4**	**14**

28. FINANCE COSTS

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest expenses on financial liabilities measured at amortised cost		
Interest on borrowings (other than debt securities)	51,987	31,896
Interest on fixed deposits	915	740
Interest on non convertible debentures	12,081	8,288
Interest on subordinated liabilities	829	862
Interest on others	4,703	3,564
Finance charges	2,536	877
Total	**73,051**	**46,227**

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

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29 IMPAIRMENT ON FINANCIAL INSTRUMENTS

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
On Financial instruments measured at Amortised Cost		
Loans	2,452	2,603
Others		
Asset held for sale	285	-
Total	**2,737**	**2,603**

30 EMPLOYEE BENEFITS EXPENSE

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries, bonus and other allowances	13,864	8,706
Contribution to provident fund and other funds (refer note 43)	1,002	726
Share Based Payments to employees	83	-
Staff welfare expenses	330	289
Total	**15,279**	**9,721**

30 OPERATING EXPENSES

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Rent	1,142	806
Rates and taxes	2	4
Travelling expenses	1,255	997
Printing and stationery	410	256
Advertisement and business promotion	401	573
Insurance	330	239
Legal and professional charges	645	441
Auditors remuneration (refer note below 31.2)	61	65
Postage, telephone and other communication expenses	532	431
General repairs and maintenance	445	235
Loss on sale of asset held for sale	42	-
Bad-debts written off (net of utilised from Provision ₹ 796 Lakh (March 31, 2018 : ₹ 286 Lakh))	463	332
Electricity charges	255	189
Directors sitting fees and commission (refer note below 31.3)	82	47
Corporate social responsibility expenses (refer note below 31.1)	79	23
Goods and service tax /service tax expenses	775	509
Loss on sale of fixed assets	6	-
Other expenses	512	364
Total	**7,437**	**5,511**

31.1 Details of Corporate Social Responsibility

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
a) Amount required to be spend during the year	188	110
b) Amount spend during the year	79	23

Amount mentioned above were paid in cash during the respective financial year and were incurred for the purpose other than construction / purchase of assets.

31.2 Details of auditors remuneration :

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Audit fee (including regulatory certificates)	52	57
Tax audit fee	8	8
Others	1	-
	61	**65**
Services towards NCD IPO (including fees paid to previous auditors)	104	-
Total	**165**	**65**

31.3 Directors sitting fees and commission includes ₹ 60 Lakh of commission which will be paid subject to approval in the ensuing Annual General Meeting.

32. TAXES

a) Income tax expenses

The major components of income tax expenses

i) Profit and Loss section

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Current tax expenses	6,011	5,673
Deferred tax	1,305	(980)
Total	**7,316**	**4,693**

ii) Other comprehensive income section

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Current tax expenses	-	-
Deferred tax	(21)	(78)
Total	**(21)**	**(78)**

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b) Reconciliation of effective tax rate

(₹ in Lakh)

Particulars		For the year ended March 31, 2019	For the year ended March 31, 2018
(A)	Profit before income taxes	23,480	15,951
(B)	Enacted tax rate in India (including surcharge and cess)	34.944%	34.608%
(C)	Expected tax expenses	8,205	5,520
(D)	Other than temprarory difference		
	Special reserve	986	976
	Merger Expenses	-	25
	Effect of change in rate	-	(21)
	Expenses disallowed / (allowed)	(76)	(75)
(E)	Tax expense recognised in profit and loss	7,316	4,693
(F)	Tax expense recognised in other comprehensive income	(21)	(78)

33. EARNINGS PER SHARE

The following is the computation of earnings per share on basic and diluted earnings per equity share

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Net profit after tax attributable to equity shareholders (₹ In Lakh)	16,224	11,482
Weighted average number of equity shares outstanding during the year (Nos)	2,51,48,472	2,14,65,292
Add: Effect of potential issue of shares / stock rights *	1,78,724	-
Weighted average number of equity shares outstanding during the year including potential shares outstanding (Nos)	2,53,27,196	2,14,65,292
Face value per equity share (₹)	10	10
Basic earnings per equity share (₹)	64.51	53.49
Diluted earnings per equity share (₹)	64.06	53.49

* not considered when anti-dilutive

34. AMALGAMATION

In terms of the Scheme of Amalgamation ("the Scheme"), approved by the National Company Law Tribunal ("NCLT") on October 27, 2017, with an appointed date of April 01, 2016 and an effective date of November 20, 2017 ('the Effective Date'), being the date on which all the requirement of Companies Act, 2013 were completed, Aadhar Housing Finance Limited (the "Transferor Company") has been amalgamated with the Company ("Transferee Company"). Upon the amalgamation, the undertaking and the entire business, including all assets and liabilities of erstwhile Aadhar Housing Finance Limited stand transferred to and vested in the Transferee Company. The amalgamation has been accounted under "Purchase Method" as envisaged in the Scheme and Accounting Standard (AS) – 14 "Accounting for Amalgamations" notified under the Companies (Accounting Standards) Rules, 2006. Accordingly, the assets and liabilities taken over on amalgamation of the Transferor Company are fair valued as on the appointed date. Further, in consideration, the Company has issued equity shares in accordance with the approved swap ratio to the shareholders of the Transferor Company. These shares are fair valued for the purpose of recording in the books of account (capital and share premium) based on the equity valuation considered in arriving at the swap ratio by an independent firm of Chartered Accountants.

As per the Scheme, the name of the transferee company DHFL Vysya Housing Finance Limited was changed to Aadhar Housing Finance Limited, name of the transferor Company. (refer note 4)

The Previous GAAP reported figures as at March 31, 2017 have been adjusted to give effect of amalgamation which was effective from 1st April 2016 and was approved by the Tribunal order dated October 27, 2017.

Equity shares of ₹ 10/- each to be issued as fully paid-up pursuant to merger of Erstwhile Aadhar Housing Finance Limited with the Company under the scheme of amalgamation without the payment being received in cash as accounted under equity share capital suspense account till the date of actual allotment of equity shares.

35. CONTINGENT LIABILITIES

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Income tax matters of earlier years	136	127	149

The aforementioned contingent liabilities towards income tax have been paid under protest.

36. COMMITMENTS

i. Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for as at March 31, 2019 ₹ 114 Lakh (March 31, 2018 and April 1, 2017: ₹ 100 Lakh and ₹ 12 Lakh respectively)

ii. Undisbursed amount of loans sanctioned and partly disbursed as at March 31, 2019 ₹ 40,431 Lakh (March 31, 2018 and April 1, 2017: ₹ 49,058 Lakh and ₹ 30,677 Lakh)

37. OPERATING LEASE

The Company has taken certain office premises on non-cancellable operating lease basis. .

Future minimum lease payments under non-cancellable operating leases are as follows :

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Not later than 1 Year	16	23	23
Later than 1 Year and not later than 5 years	7	22	6
More than 5 Years	-	-	-

38. FINANCIAL INSTRUMENTS

(i) Fair value hierarchy

The company uses the following hierarchy to determine the fair values of its financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

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

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

There were no transfers between levels 1, 2 and 3 during the year.

The Company's recognises transfers in and transfers out of fair value hierarchy levels as at the end of the reporting period.

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(ii) Valuation process

The management of the Company performs the valuations of financial assets and liabilities required for financial reporting purposes.

The carrying amounts of trade receivables, trade payables, capital creditors and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

The fair values for loans are calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

The fair values of borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

Valuation processes and Technique

Type of Instrument	Reference Price
Investment in Mutual Funds	NAV as on the reporting date.
Investment in Equity Shares	Quoted price on exchange as on the reporting date.

As at March 31, 2019

(₹ in Lakh)

Particulars	Fair Value Hierarchy	Fair Value			Carrying Value		
		FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets							
Investments							
- Equity instruments	Level 1	3	-	-	3	-	-
- Mutual funds	Level 1	12,513	-	-	12,513	-	-
- Government securities	Level 2	-	-	470	-	-	494
Financial liabilities							
Debt securities	Level 1	-	-	64,861	-	-	69,548
Debt securities	Level 3	-	-	97,643	-	-	96,109

As at March 31, 2018

Particulars	Fair Value Hierarchy	Fair Value			Carrying Value		
		FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets							
Investments							
- Equity instruments	Level 1	4	-	-	4	-	-
- Mutual funds	Level 1	20,024	-	-	20,024	-	-
- Government securities	Level 2	-	-	982	-	-	996
Financial liabilities							
Debt securities	Level 3	-	-	1,08,315	-	-	1,06,522

As at April 1, 2017

Particulars	Fair Value Hierarchy	Fair Value			Carrying Value		
		FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets							
Investments							
- Equity instruments	Level 1	5	-	-	5	-	-
- Mutual funds	Level 1	16,385	-	-	16,385	-	-
- Government securities	Level 2	-	-	1,093	-	-	1,093
Financial liabilities							
Debt securities	Level 3	-	-	65,710	-	-	64,691

The Company considers that the carrying amounts recognised in the financial statements for housing and other loans, debt securities (other than disclosed above), deposits, borrowings (other than debt securities), trade receivables, payables and other financial assets and liabilities whose fair value is not disclosed approximate their fair values.

39. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities according to when they are expected to be recovered or settled. With regard to loans and advances to customers, the Company uses the same basis of expected repayment behaviour as used for estimating the EIR.

(₹ in Lakh)

Particulars	March 31, 2019			March 31, 2018			April 1, 2017		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS									
Cash and cash equivalents	94,274	-	94,274	18,832	-	18,832	25,918	-	25,918
Other bank balances	10,955	103	11,058	834	184	1,018	2,430	434	2,864
Receivables	386	-	386	253	-	253	6	-	6
Housing and other loans	1,33,098	6,69,461	8,02,559	1,24,028	6,03,268	7,27,296	82,738	3,83,095	4,65,833
Investments	12,517	2,396	14,913	20,531	494	21,025	16,491	992	17,483
Other financial assets	8,786	9,246	18,032	2,153	3,980	6,133	1,345	2,457	3,802
Non-financial assets									
Current tax assets (Net)	1,107	-	1,107	128	-	128	228	-	228
Property, plant and equipment	-	2,362	2,362	-	1,829	1,829	-	1,468	1,468
Other intangible assets	-	44	44	-	83	83	-	51	51
Other non-financial assets	1,372	7	1,379	1,834	177	2,011	1,316	49	1,365
Total Assets	**2,62,495**	**6,83,619**	**9,46,114**	**1,68,593**	**6,10,015**	**7,78,608**	**1,30,472**	**3,88,546**	**5,19,018**
LIABILITIES									
Financial Liabilities									
Trade Payables	1,572	-	1,572	1,377	-	1,377	544	-	544
Debt Securities	33,191	1,42,080	1,75,271	45,953	92,640	1,38,593	46,849	57,440	1,04,289
Borrowings (Other than debt securities)	1,55,188	4,75,204	6,30,392	75,429	4,04,354	4,79,783	54,670	2,56,555	3,11,225
Deposits	7,331	7,020	14,351	5,692	5,094	10,786	2,542	4,218	6,760
Subordinated liabilities	369	8,400	8,769	363	8,400	8,763	360	8,400	8,760
Other financial liabilities	24,921	-	24,921	63,435	-	63,435	33,745	-	33,745
Non-Financial Liabilities									
Current tax liabilities (Net)	-	-	-	333	-	333	118	-	118
Provisions	684	-	684	431	-	431	165	-	165
Deferred tax liabilities (Net)	-	3,138	3,138	-	1,854	1,854	-	2,912	2,912
Other non-financial liabilities	1,031	-	1,031	1,414	-	1,414	563	-	563
Total liabilities	**2,24,287**	**6,35,842**	**8,60,129**	**1,94,427**	**5,12,342**	**7,06,769**	**1,39,556**	**3,29,525**	**4,69,081**
Net	**38,208**	**47,777**	**85,985**	**(25,834)**	**97,673**	**71,839**	**(9,084)**	**59,021**	**49,937**

Note: The maturity analysis is prepared considering the prepayments on housing and other loans in line with historical trend

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

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40. FINANCIAL RISK MANAGEMENT

a. Liquidity Risk

Liquidity risk is the current and prospective risk arising out of an inability to meet financial commitments as they fall due, through available cash flows or through the sale of assets at fair market value. It includes both, the risk of unexpected increases in the cost of funding an asset portfolio at appropriate maturities and the risk of being unable to liquidate a position in a timely manner at a reasonable price.

The Company manages liquidity risk by maintaining sufficient cash and marketable securities and by having access to funding through an adequate amount of committed credit lines. Given the need to fund diverse products, the Company maintains flexibility in funding by maintaining availability under committed credit lines to meet obligations when due. Management regularly monitors the position of cash and cash equivalents vis-à-vis projections. Assessment of maturity profiles of financial assets and financial liabilities including debt financing plans and maintenance of Balance Sheet liquidity ratios are considered while reviewing the liquidity position.

Liquidity risk is managed in accordance with our Asset Liability Management Policy. This policy is framed as per the current regulatory guidelines and is approved by the Board of Directors. The Asset Liability Management Policy is reviewed periodically to incorporate changes as required by regulatory stipulation or to realign the policy with changes in the economic landscape. The Asset Liability Committee (ALCO) of the Company formulates and reviews strategies and provides guidance for management of liquidity risk within the framework laid out in the Asset Liability Management Policy.

Maturity Analysis of Financial assets and Financial Liabilities

As at March 31, 2019

(₹ in Lakh)

Particulars	Carrying Value	Due within 1 year	Due within 1 to 3 year	Due within 3 to 5 year	More than 5 year
Financial Assets					
Cash and cash equivalents	94,274	94,274	-	-	-
Other bank balances	11,058	10,955	103	-	-
Housing and other loans	8,02,559	1,33,098	1,90,025	1,54,906	3,24,530
Investments	14,913	12,517	-	-	2,396
Receivables & Other financial assets	18,418	9,172	5,444	2,501	1,300
Total	**9,41,222**	**2,60,016**	**1,95,572**	**1,57,407**	**3,28,226**
Financial Liabilities					
Trade payables	1,572	1,572	-	-	-
Debt securities	1,75,271	33,191	98,719	23877	19484
Borrowings (other than debt securities)	6,30,392	1,55,188	1,86,178	137361	151665
Deposits	14,351	7,331	6,423	479	118
Subordinated liabilities	8,769	369	-	2400	6000
Other financial liabilities	24,921	24,921	-	-	-
Total	**8,55,276**	**2,22,572**	**2,91,320**	**1,64,117**	**1,77,267**
Net	**85,946**	**37,444**	**(95,748)**	**(6,710)**	**1,50,959**

As at March 31, 2018

(₹ in Lakh)

Particulars	Carrying Value	Due within 1 year	Due within 1 to 3 year	Due within 3 to 5 year	More than 5 year
Financial Assets					
Cash and cash equivalents	18,832	18,832	-	-	-
Other bank balances	1,018	834	184	-	-
Housing and other loans	7,27,296	1,24,028	2,23,826	1,77,881	2,01,561
Investments	21,025	20,531	-	-	494
Receivables & Other financial assets	6,386	2,406	2,275	1,070	635
Total	**7,74,557**	**1,66,631**	**2,26,285**	**1,78,951**	**2,02,690**
Financial Liabilities					
Trade payables	1,377	1,377	-	-	-
Debt securities	1,38,593	45,953	46,900	20450	25290
Borrowings (other than debt securities)	4,79,783	75,429	1,62,350	125911	116093
Deposits	10,786	5,692	4,103	866	125
Subordinated liabilities	8,763	363	-	1800	6600
Other financial liabilities	63,435	63,435	-	-	-
Total	**7,02,737**	**1,92,249**	**2,13,353**	**1,49,027**	**1,48,108**
Net	**71,820**	**(25,618)**	**12,932**	**29,924**	**54,582**

As at April 1, 2017

(₹ in Lakh)

Particulars	Carrying Value	Due within 1 year	Due within 1 to 3 year	Due within 3 to 5 year	More than 5 year
Financial Assets					
Cash and cash equivalents	25,918	25,918	-	-	-
Other bank balances	2,864	2,430	434	-	-
Housing and other loans	4,65,833	82,738	1,49,725	1,18,237	1,15,133
Investments	17,483	16,491	501	-	491
Receivables & Other financial assets	3,808	1,351	1,356	663	438
Total	**5,15,906**	**1,28,928**	**1,52,016**	**1,18,900**	**1,16,062**
Financial Liabilities					
Trade payables	544	544	-	-	-
Debt securities	1,04,289	46,849	6,500	14650	36290
Borrowings (other than debt securities)	3,11,225	54,670	1,00,138	73260	83157
Deposits	6,760	2,542	2,888	1208.8	121
Subordinated liabilities	8,760	360	-	0	8400
Other financial liabilities	33,745	33,745	-	-	-
Total	**4,65,323**	**1,38,710**	**1,09,526**	**89,119**	**1,27,968**
Net	**50,583**	**(9,782)**	**42,490**	**29,781**	**(11,906)**

Notes:

1. The maturity analysis is prepared considering the prepayments on housing and other loans in line with historical trend.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

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b. Interest Risk

The core business of the company is providing housing and other mortgage loans. The company borrows through various financial instruments to finance its core lending activity. These activities expose the company to interest rate risk.

Interest rate risk is measured through earnings at risk from an earnings perspective and through duration of equity from an economic value perspective. Further, exposure to fluctuations in interest rates is also measured by way of gap analysis, providing a static view of the maturity and re-pricing characteristic of Balance sheet positions. An interest rate sensitivity gap report is prepared by classifying all rate sensitive assets and rate sensitive liabilities into various time period categories according to contracted/behavioural maturities or anticipated re-pricing date. The difference in the amount of rate sensitive assets and rate sensitive liabilities maturing or being re-priced in any time period category, gives an indication of the extent of exposure to the risk of potential changes in the margins on new or re-priced assets and liabilities. The interest rate risk is monitored through above measures on a quarterly basis.

Interest Rate Sensitivity

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

(₹ in Lakh)

Particulars	Basis Points	For the year ended March 31, 2019	For the year ended March 31, 2018
Increase by basis points	**50**	735	1,142
Decrease by basis points	**-50**	(735)	(1,142)

c. Credit risk

Credit risk is the risk of loss that may occur from the failure of any party to abide by the terms and conditions of any contract, principally the failure to make required payments of amounts due to the company. In its lending operations, the Company is principally exposed to credit risk.

The credit risk is governed by the Credit Policy approved by the Board of Directors. The Credit Policy outlines the type of products that can be offered, customer categories, the targeted customer profile and the credit approval process and limits.

The Company measures, monitors and manages credit risk at an individual borrower level and at the group exposure level for corporate borrowers. The credit risk for retail borrowers is being managed at portfolio level for both Home loans and Other property loans. The Company has a structured and standardized credit approval process, which includes a well-established procedure of comprehensive credit appraisal. The Risk Management Policy addresses the recognition, measurement, monitoring and reporting of the Credit risk.

Credit Risk Assessment Methodology

Company's customers for retail loans are primarily Lower and middle income, salaried and self-employed individuals.

The Company's credit officers evaluate credit proposals on the basis of operating policies approved by the Committee of Executive Directors. The criteria typically include factors such as the borrower's income, the loan-to-value ratio and demographic parameters. Any deviations need to be approved at the designated levels.

External agencies such as field investigation agencies facilitate a comprehensive due diligence process including visits to offices and homes in the case of loans made to retail borrowers.

Company monitor's borrower account behaviour as well as static data regularly to monitor the portfolio performance of each product segment regularly, and use these as inputs in revising its product programs, target market definitions and credit assessment criteria to meet the twin objectives of combining volume growth and maintenance of asset quality.

The loans are secured by the mortgage of the borrowers' property.

The Company's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising expected credit losses
Stage 1	High quality assets	12-month ECL
Stage 2	Assets for which there is no significant increase in credit risk	Lifetime ECL
Stage 3	Assets for which there is significant increase in credit risk	Lifetime ECL – credit-impaired

The key elements in calculation of ECL are as follows:

PD - The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. The PD has been determined based on seasoned historical portfolio data using the survival analysis methodology.

EAD - The Exposure at Default includes repayments scheduled by contract or otherwise, expected drawdowns on committed facilities, accrued interest from missed payments and loan commitments.

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

An analysis of changes in the gross carrying amount (excluding adjustment to carrying value on account of application of effective interest rate) and the corresponding ECL allowances in relation to lending is, as follows:

a) Housing and Other Property Loan

The table below shows the credit quality and the exposure to credit risk based on the year-end stage classification. The amounts presented are gross of impairment allowances.

(₹ in Lakh)

Particulars	Asset category	Gross Carrying Amount	Expected Credit Loss*	Net Carrying Amount	PD
Stage 1 – High quality assets	Loan	7,62,243	1,322	7,60,921	0.89% to 0.93%
Stage 2 – Assets for which there is no significant increase in credit risk	Loan	36,346	1,916	34,430	38.70% to 40.22%
Stage 3 - Assets for which there is significant increase in credit risk	Loan	6,301	1,280	5,021	100%

* includes Expected Credit Loss provision on Loan commitment amount to ₹ 46 Lakh.

Reconciliation of Loan balances is given below:

(₹ in Lakh)

Particulars	March 31, 2019				March 31, 2018			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**6,95,597**	**23,046**	**5,105**	**7,23,748**	**4,41,440**	**11,003**	**4,044**	**4,56,487**
New assets added during the year	3,57,078	-	-	3,57,078	3,90,219	-	-	3,90,219
Assets derecognised under direct assignment	(1,48,304)	-	-	(1,48,304)	(33,051)	-	-	(33,051)
Repayment of Loans (excluding write offs)	(1,21,844)	(3,993)	(846)	(1,26,683)	(86,765)	(2,040)	(614)	(89,419)
Transfers to / from Stage 1	3,328	(5,853)	(218)	(2,743)	(234)	(2,441)	(213)	(2,888)
Transfers to / from Stage 2	(22,124)	25,172	(398)	2,650	(14,611)	17,626	(311)	2,704
Transfers to / from Stage 3	(1,360)	(1,818)	3,416	238	(1,288)	(967)	2,569	314
Amounts written off	(128)	(208)	(758)	(1,094)	(113)	(135)	(370)	(618)
Gross carrying amount closing balance	**7,62,243**	**36,346**	**6,301**	**8,04,890**	**6,95,597**	**23,046**	**5,105**	**7,23,748**

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FOR THE YEAR ENDED MARCH 31, 2019

Reconciliation of ECL balances is given below:

(₹ in Lakh)

Particulars	March 31, 2019				March 31, 2018			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**986**	**1,349**	**952**	**3,287**	**648**	**657**	**726**	**2,031**
New assets added during the year	423	-	-	423	519	-	-	519
Assets derecognised under direct assignment	(176)	-	-	(176)	(44)	-	-	(44)
Repayment of Loans (excluding write offs)	(145)	(211)	(174)	(530)	(115)	(119)	(132)	(366)
Transfers to / from Stage 1	4	(309)	(45)	(350)	-	(143)	(46)	(189)
Transfers to / from Stage 2	(26)	1,327	(82)	1,219	(19)	1,031	(67)	945
Transfers to / from Stage 3	(2)	(96)	671	573	(2)	(57)	525	466
Impact on year end ECL of exposures transferred between stages during the year	258	(144)	557	671	(1)	(20)	232	211
Amounts written off	-	-	(599)	(599)	-	-	(286)	(286)
Gross carrying amount closing balance	**1,322**	**1,916**	**1,280**	**4,518**	**986**	**1,349**	**952**	**3,287**

Above includes Expected Credit Loss provision on Loan commitment amount to ₹ 46 Lakh (As at March 31, 2018 and April 1, 2017 : ₹ 61 Lakh and ₹ 39 Lakh respectively.

b) Loans to Developers

The table below shows the credit quality and the exposure to credit risk based on the year-end stage classification. The amounts presented are gross of impairment allowances.

(₹ in Lakh)

Particulars	Asset category	Gross Carrying Amount	Expected Credit Loss	Net Carrying Amount	PD
Stage 1 – High quality assets	Loan	2,675	180	2,495	13.51%
Stage 2 – Assets for which there is no significant increase in credit risk	Loan	2,422	689	1,733	56.93%
Stage 3 - Assets for which there is significant increase in credit risk	Loan	4,997	2,444	2,553	100.00%

Reconciliation of Loan balances is given below:

(₹ in Lakh)

Particulars	March 31, 2019				March 31, 2018			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**7,102**	**2,243**	**4,369**	**13,714**	**11,996**	**487**	**2,735**	**15,218**
New assets added during the year	-	-	-	-	246			246
Repayment of Loans (excluding write offs)	(1,854)	(372)	(1,236)	(3,462)	(1,498)	-	(607)	(2,105)
Transfers to / from Stage 1	1,671	(1,143)	(528)	-	-	-	(145)	(145)
Transfers to / from Stage 2	(2,278)	2,278	-	-	(2,243)	1,756	-	(487)
Transfers to / from Stage 3	(1,966)	(584)	2,571	21	(1,399)		2,386	987
Amounts written off	-	-	(179)	(179)	-	-	-	-
Gross carrying amount closing balance	**2,675**	**2,422**	**4,997**	**10,094**	**7,102**	**2,243**	**4,369**	**13,714**

Reconciliation of ECL balance is given below:

(₹ in Lakh)

Particulars	March 31, 2019				March 31, 2018			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**355**	**590**	**1,942**	**2,887**	**405**	**119**	**1,302**	**1,826**
New assets added during the year	-	-	-	-	11	-	-	11
Repayment of Loans (excluding write offs)	(125)	(106)	(618)	(849)	(67)	-	(304)	(371)
Transfers to / from Stage 1	113	(325)	(264)	(476)	-	-	(73)	(73)
Transfers to / from Stage 2	(154)	648	-	494	(101)	462	-	361
Transfers to / from Stage 3	(133)	(166)	1,275	976	(63)	-	1,016	953
Impact on year end ECL of exposures transferred between stages during the year	124	48	288	460	170	9	1	180
Amounts written off	-	-	(179)	(179)	-	-	-	-
Gross carrying amount closing balance	**180**	**689**	**2,444**	**3,313**	**355**	**590**	**1,942**	**2,887**

Above includes Expected Credit Loss provision on Loan commitment amount to Nil Lakh (As at March 31, 2018 and April 1, 2017 : ₹ 36 Lakh and ₹ 35 Lakh respectively).

Impairment allowance for loan against fixed deposit is Nil and therefore related disclosures as required by Ind AS 109 are not given in the financial statement.

41. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry, the Company monitors capital on the basis of the following gearing ratio: Net debt (total borrowings net of cash and cash equivalents and Liquid investments) divided by Total 'equity' (as shown in the balance sheet) and Capital adequacy ratio.

Particulars	Amount
Total Net Borrowings (₹ in Lakh)	7,19,509
Total Equity (₹ in Lakh)	85,985
Debt Equity Ratio	8.37

*Total net borrowing = Total borrowings – Cash and Cash Equivalents – Investment in Liquid Mutual fund – Receivable from Mutual Fund

The Company is required to maintain the CAR of 12% as required by NHB. Further company is required to maintain borrowing not exceeding 16 time of Net Owned Fund.

42. SEGMENT REPORTING

The Company operates only in one Operating Segment i.e Housing Finance business - Financial Services and all other activities are incidental to the main business activity, hence have only one reportable Segment as per Indian Accounting Standard 108 "Operating Segments". The reportable business segments are in line with the segment wise information which is being presented to the CODM. The Company has identified Managing Director and CEO as CODM.

The Company has its operations within India and all revenue is generated within India.

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43. EMPLOYEE BENEFITS

43.1 Defined Contribution Plan

The company makes contributions to provident fund for qualifying employees to Regional Provident Fund Commissioner under defined contribution plan under the Provident Fund Act.

Amount recognised as an expense and included under the head "Contribution to Provident and Other Funds" of Statement of Profit and Loss are as follows:

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Contribution to provident fund	236	210
Contribution to pension fund	245	132
Contribution to new pension scheme	9	-
Contribution to ESIC	20	17

43.2 Defined Obligation Benefit

The company provides gratuity to its employees which are defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

These gratuity plan typically expose the Company to actuarial risks such as: investment risk, interest risk, longevity risk and salary risk.

Investment Risk:

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. For other defined benefit plans, the discount rate is determined by reference to market yield at the end of reporting period on high quality corporate bonds when there is a deep market for such bonds; if the return on plan asset is below this rate, it will create a plan deficit.

Interest risk:

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan debt investments.

Longevity risk:

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk:

The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The following table sets out the funded status of the Gratuity and the amount recognised in the Financial Statements:

i. Changes in Defined Benefit Obligation

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Liability at the beginning of the year	415	104
Acquired on amalgamation	-	119
Current service cost	120	75
Interest cost	30	15
Plan Amendment Cost	-	24
Actuarial (gain) /losses	59	98
Benefits paid	(44)	(20)
Liability at the end of the year	580	415

ii. Changes in Fair Value of Plan Assets

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Plan Assets at the beginning of the year	407	105
Acquired on amalgamation	-	117
Expected return on plan assets	34	23
Actuarial Gain/(Loss)	(2)	(10)
Employer Contribution	70	176
Benefits Paid	-	(4)
Plan Assets at the end of the year	509	407

iii. Reconciliation of Fair Value of Assets and Obligations

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Fair value of Plan Assets	509	407
Present Value of Obligation	580	415
Amount Recognised in Balance Sheet	(71)	(8)

iv. Expenses recognized in Statement of Profit and Loss

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Current Service Cost	120	75
Net interest on net defined benefit liability / (asset)	(4)	(8)
Plan Amendment cost / Direct Payment	-	25
Expenses recognized in the statement of profit and loss under employee benefits expenses	116	92

v. Expenses recognized in Statement of Other Comprehensive Income

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Actuarial (gain) / loss arising during year	60	108
Expenses recognized in the other comprehensive income	60	108

vi. Expected benefit payments

(₹ in Lakh)

Particulars	As at March 31, 2019
March 31, 2020	53
March 31, 2021	62
March 31, 2022	52
March 31, 2023	66
March 31, 2024	107
After March 31, 2025	839

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FOR THE YEAR ENDED MARCH 31, 2019

vii. Actuarial Assumptions

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Mortality Table	Indian Assured Lives Mortality (2006-08) Ult.	Indian Assured Lives Mortality (2006-08) Ult.
Discount Rate	7.6%	7.6%
Expected rate of return on plan asset (per annum)	7.5%	7.5%
Salary Escalation Rate	8%	8%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factor including supply and demand in the employment market. The above information is certified by actuary.

The expected rate of return on plan asset is determined considering several applicable factors , mainly the composition of plan asset held, assessed risks, historical result of return on plan assets and the Company's policy for plan assets management.

Effect of change in assumptions

(₹ in Lakh)

Particulars	Plan Liabilities	Plan Asset
Discount Rate (increase by 0.5%)	(24)	-
Discount Rate (decrease by 0.5%)	26	-
Salary Escalation Rate (increase by 0.5%)	24	-
Salary Escalation Rate (decrease by 0.5%)	(23)	-

viii. Amount recognised in current year and previous year
Gratuity :

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015
Defined benefit obligation	580	415	104	79	71
Fair value of plan asset	509	407	105	97	93
(Surplus)/ Deficit in the plan	71	8	(1)	18	22
Actuarial (gain)/loss on plan obligation	59	98	7	(4)	1
Actuarial gain/(loss) on plan asset	(2)	(10)	-	(1)	1

Plan Assets as at March 31, 2019

Plan asset composition	Percentage
Schemes of Insurance –conventional products	2.95%
Schemes of Insurance –ULIP Product	97.05%

44. EMPLOYEE STOCK APPRECIATION RIGHTS

Employee Stock Appreciation Rights Plan 2018 ("ESAR 2018" / "Plan")

During the Last year, the Company has approved the ESAR 2018, which covers eligible employees of the Company. The scheme was approved by the shareholders of the company and subsequently the Grant was approved by the Board and the Nomination and Remuneration Committee at its meeting held on March 26, 2018.

Movement in ESARs

Particulars	For the year ended March 31, 2019 (Nos)
Opening as at April 1, 2018	-
Granted during the year	2,77,295.20
Lapsed during the year	13,986.44
Closing as at March 31, 2019	**2,63,308.76**
Vested as at March 31, 2019	**78,992.63**
Unvested as at March 31, 2019	**1,84,316.13**

ESAR were granted at the Price of ₹ 291.70 which was the fair value on the grant date.

The key assumptions used to estimate the fair value of ESARs are:

(₹ in Lakh)

Particulars	As at March 31, 2019
Dividend yield	2.40%
Expected Life	3 Years
Risk free interest rate	7.45%
Volatility	0.01%
Model Used	Black & Scholes

The expense arises from equity settled share based payment transaction amounting to ₹ 83 Lakh (March 31, 2018 : Nil) for the year ended 31 March 2019.

45. FOREIGN CURRENCY TRANSACTIONS

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Foreign business travel	0*	4
Directors sitting fees (IFC)	-	3
Total	**0**	**7**

* Amount less than ₹ 50,000.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

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46. RELATED PARTY TRANSACTIONS

List of related parties with whom transactions have taken place during the year and relationship:

S. no.	Relationship	Name of Related Party
1.	Holding Company	Wadhawan Global Capital Limited (Formerly Known as Wadhawan Global Capital Private Limited)
2.	Enterprise having Significant Influence	International Finance Corporation (Washington)
3.	Wholly Owned Subsidiary	Aadhar Sales and Service Private Limited (w.e.f July 11, 2017)
4.	Associate Companies	Dewan Housing Finance Corporation Limited
5.	Other Group Companies	DHFL Pramerica Life Insurance Company Limited
		DHFL General Insurance Limited
		DHFL Pramerica Asset Manager
		Avanse Financial Services Limited
6.	Key Management Personal	Kapil Wadhawan – Chairman and Director
		Deo Shankar Tripathi - Managing Director and CEO (w.e.f 21-11-2017)
		Shri. R Nambirajan Managing Director (upto 02-07-2017)
		Shri. G P Kohli
		Shri. Sridar Venkatesan
		Ms. Sasikala Varadachari
		Dr. Nivedita Haran
		Suresh Mahalingam

Transactions with Related Parties:

(₹ in Lakh)

Name	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Income :			
DHFL Pramerica Life Insurance Company Limited	Intermediary Services	645	254
DHFL General Insurance Limited	Intermediary Services	965	283
Dewan Housing Finance Corporation Limited	Other Income	1	1
Dewan Housing Finance Corporation Limited	Sale of Fixed Asset	8	-
Aadhar Sales and Services Private Limited	Rent Income	2	2
Aadhar Sales and Services Private Limited	Recovery of Expenses	1	29
Expenditure:			
Aadhar Sales and Services Private Limited	Business sourcing services	2,913	913
Dewan Housing Finance Corporation Limited	IT support services	200	90
Dewan Housing Finance Corporation Limited	Rent	163	152
Dewan Housing Finance Corporation Limited	Legal and Professional Fees	-	6
DHFL Pramerica Life Insurance Company Limited	Insurance Premium	48	6
Dewan Housing Finance Corporation Limited	Service fee on assignment	20	1
DHFL General Insurance Limited	Insurance Premium	335	-
Deo Shankar Tripathi – Managing Director and CEO	Remuneration	430	198
Shri. R Nambirajan	Remuneration	-	39
Dividend Payment :			
Wadhawan Global Capital Limited	Dividend Payment	1,232	651
Dewan Housing Finance Corporation Limited	Dividend Payment	161	73

(₹ in Lakh)

Name	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Others :			
Aadhar Sales and Services Private Limited	Investment	-	1
Dewan Housing Finance Corporation Limited	Purchase of Investment	39,527	-
Dewan Housing Finance Corporation Limited	Sale of Investment	16,740	-
Dewan Housing Finance Corporation Limited	Purchase of portfolio	37,894	-
Wadhawan Global Capital Limited	Proceeds received on allotment of Equity Shares	-	5,000
International Finance Corporation	Proceeds received on allotment of Equity Shares	-	6,500

Compensation of key management personnel of the Company

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Short–term employee benefits	423	229
Post–employment pension (defined contribution)	7	8
Termination benefits	-	-
Sitting fee and commission	82	47
Total	**430**	**237**

Balances with Related Parties:

(₹ in Lakh)

Name	Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Dewan Housing Finance Corporation Limited	Receivable	926	20	20
Dewan Housing Finance Corporation Limited	Payable	214	105	-
Dewan Housing Finance Corporation Limited	Security Deposit	16	16	16
Aadhar Sales and Services Private Limited	Investment	1	1	-
Aadhar Sales and Services Private Limited	Deposit	250	65	-
Aadhar Sales and Services Private Limited	Receivable	0*	2	-
DHFL Pramerica Life Insurance Company Limited	Receivable	113	71	12
DHFL Pramerica Life Insurance Company Limited	Advance	22	22	10
DHFL General Insurance Limited	Receivable	215	168	-
DHFL General Insurance Limited	Advance	40	20	-
DHFL Pramerica Life Insurance Company Limited	Secured Non-convertible debentures (Liabilities) (Excluding Accrued Interest)	2,000	-	-

* Less than ₹ 50,000

47. EXCEPTIONAL ITEM

During the current year, the Company has paid one-time retention bonus to its employees amounting to ₹ 1,386 lakh that is debited to the Statement of Profit & Loss. Considering the nature, frequency, and materiality of the item it is treated as an exceptional item in the Statement of Profit & Loss.

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48. Disclosure of details as required under notification issued by NHB dated February 09, 2017, NHB.HFC.CG-DIR.1/MDandCEO/2016. The below disclosures required pursuant to the NHB master directions and circulars are prepared after giving effect required to comply with the extant provisions of National Housing Bank directions including framework on Prudential Norms and other related circulars :

48.1 Capital to Risk Asset Ratio (CRAR)

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
CRAR	18.28%	18.76%
CRAR-Tier I Capital	15.57%	16.23%
CRAR- Tier II Capital	2.71%	2.54%
Amount of subordinated debt raised as Tier-II Capital (₹ in Lakh)	7,560	8,040
Amount raised by issue of perpetual debt instruments	Nil	Nil

48.2 Derivatives transaction entered by company is ₹ Nil (Previous Year ₹ Nil)

48.3 Maturity pattern of certain items of assets and liabilities as per Asset Liability Management system of the company as of March 31, 2019 is as under:

(₹ in Lakh)

Particulars	Liabilities			Assets	
	Deposits	Borrowings from Bank	Market Borrowings	Housing and Other Loans	Investments
1 day to 30 / 31 days (One Month)	241	25,076	-	29,962	1,06,916
Over 1 month and upto 2 Months	207	7,220	10,000	9,861	5,000
Over 2 months and upto 3 Months	177	20,023	2,500	9,760	-
Over 3 months and upto 6 Months	1,263	41,125	15,000	28,688	221
Over 6 Months and upto 1 Year	2,634	79,438	3,200	54,826	5,533
Over 1 year and upto 3 Years	6,402	1,86,178	98,719	1,90,025	99
Over 3 years and upto 5 Years	499	1,37,361	26,277	1,54,906	-
Over 5 years and upto 7 Years	47	78,818	14,220	1,54,830	-
Over 7 years and upto 10 Years	72	55,268	11,264	1,50,495	-
Over 10 Years	0	17,578	-	26,268	4,494
Total	**11,542**	**6,48,085**	**1,81,180**	**8,09,621**	**1,22,263**

Company has no Foreign Currency Assets and Liabilities as at March 31, 2019 (March 31, 2018 : Nil).

48.4 Exposure to Real Estate Sector

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
A. DIRECT EXPOSURE		
(i) Residential Mortgages –		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented.		
· Individual housing loans up to ₹ 15 Lakh	5,18,316	4,89,331
· Others	1,41,101	1,35,038
(ii) Commercial Real Estate		
Lending secured by mortgages on commercial real estates		
· Funds Based	5,236	1,733
· Non-Funds Based	-	-
· Others (refer note below)	1,47,720	1,09,168

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
(iii) Investments in Mortgage Backed Securities (MBS) and other securitized exposures		
. Residential	-	-
. Commercial Real Estate	-	-
B. INDIRECT EXPOSURE		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-

Note : Amount disclosed under Commercial Real Estate includes non-housing loan which are provided against residential property

48.5 Exposure to Capital Market

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
(i) Direct investment in equity shares	3	5

The company does not have any other exposure to capital market.

48.6 Details of financing parent company products

Nil during the year ended March 31, 2019 (March 31, 2018 : Nil)

48.7 The Exposure to a single borrower and group of borrower does not exceed the limit stipulated by the NHB prudential norms applicable to Housing Finance Companies.

48.8 Disclosure as per Loan Portfolio

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Secured		
Housing loans		
Standard loans	6,24,283	5,87,040
Sub-Standard loans	5,306	3,790
Doubtful loans	3,786	3,872
Loss assets	-	43
Total Housing Loans	**6,33,375**	**5,94,745**
Other property loan		
Standard loans	1,78,075	1,39,816
Sub-Standard loans	517	318
Doubtful loans	406	391
Loss assets	-	-
Total Other Property Loans	**1,78,998**	**1,40,525**
Total Own Loan Book	**8,12,373**	**7,35,270**
Assigned Book	**1,89,197**	**61,315**
Total Asset Under Management	**10,01,570**	**7,96,585**

48.9 Insurance portion of Housing Loan is excluded from Housing Loan and regrouped in Other Property Loans. The Insurance portion amounting to ₹ 35,530 lakh (March 31, 2018 : ₹ 29,623 Lakh) helps in mitigating the risk and secures the Company's Loan portfolio against any eventuality.

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48.10 Detail of Assignment transactions undertaken:

(₹ in Lakh)

	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
1	No of Pools	9	3
2	Aggregate value (Net of Provisions) of accounts assigned	1,47,940	35,253
3	Aggregate consideration	1,48,311	35,341
4	Additional consideration realized in respect of accounts transferred in earlier years	-	-
5	Aggregate gain over net book value for the year	-	-

48.11 The Company has complied with norms prescribed under Housing Finance Companies (NHB) Directions, 2010 for recognizing Non- Performing Assets in preparation of accounts. The Company has disclosed and considered adequate provision on Non-performing Assets as prescribed under Housing Finance Companies (NHB) Directions 2010 in CAR and other NHB returns.

The Company has disclosed and considered provision on outstanding standard loans as prescribed under Housing Finance Companies (NHB) Directions 2010 and Notifications as amended from time to time in CAR and other NHB returns.

48.12 Unsecured Advances

Nil during the year ended March 31, 2019 (March 31, 2018 : Nil)

48.13 Registration obtained from other financial sector regulators

Regulator	Registration Number
IRDA Registration as Corporate Agent(Composite)	Registration Code :- CA0012
AMFI Registered Mutual Fund Advisor	AMFI Registration No. :- ARN – 102681
IRDA Registration as Corporate Agent(Composite)	Registration Code :- CA0141
AMFI Registered Mutual Fund Advisor	AMFI Registration No.:- ARN – 103958
LEI	335800JQMNJOX3W7LY96
SEBI	SCRIP CODE NCDs(BSE) : 953947
RBI	RBI Registration Number : FC 11 BYR 0068

48.14 Disclosure of penalties imposed by NHB and other regulators

Nil during the year ended March 31, 2019

48.15 Rating assigned by Credit Rating Agencies and migration of rating during the year.

Name of the Rating Agency	Type	Rating As at March 31, 2019	Rating As at March 31, 2018
CARE	Long Term Bank Facilities	CARE AA (Credit watch with developing implications)	CARE AA+ (SO)
CARE	Non-Convertible Debentures	CARE AA (Credit watch with developing implications)	CARE AA+ (SO)
CARE	Subordinated Debt	CARE AA - (Credit watch with developing implications)	CARE AA (SO)
CARE	Commercial Paper	NA	CARE A1+
BRICKWORKS	Non-Convertible Debentures	BWR AA+ (SO) (Credit watch with Negative implications)	BWR AA+ (SO)
BRICKWORKS	Subordinated Debt	BWR AA+ (SO) (Credit watch with Negative implications)	BWR AA+ (SO)

Name of the Rating Agency	Type	Rating As at March 31, 2019	Rating As at March 31, 2018
CRISIL	Commercial Paper	CRISIL A1 (Rating Watch with Negative implications)	CRISIL A1+
CRISIL	Fixed Deposits	FA + (Rating Watch with Negative implications)	FAA - / Stable
ICRA	Short Term Borrowings	ICRA A1 + & Rating placed on watch with developing implications	ICRA A1+

48.16 Remuneration of Non-Executive Directors for the year ended March 31, 2019.

(In ₹)

Name of the Director	Sitting Fee	Commission	Total
Shri. Kapil Wadhawan	1,75,000	-	1,75,000
Shri. G P Kohli	9,10,000	5,00,000	14,10,000
Shri. Sridar Venkatesan	8,05,000	5,00,000	13,05,000
Ms. Sasikala Varadachari	1,75,000	2,50,000	4,25,000
Dr. Nivedita Haran	1,40,000	-	1,40,000

* Above does not include the provision for commission for an amount of ₹ 60 Lakh for the year ended March 31, 2019 which will be paid subject to approval in the ensuing Annual General Meeting.

48.17 Net profit or Loss for the period, prior period items and changes in accounting policies

The financial statements have been prepared under historical cost convention on an accrual basis in accordance with the Indian Accounting Standards ("Ind AS") and the relevant provisions of the Companies Act, 2013 (the "Act") (to the extent notified). Same accounting policies have been followed for all period presented in these financial statements.

Additional Disclosures

48.18 Provisions and Contingencies

Break up of provisions and contingencies shown under the head Expenditure in Profit and Loss Account

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
1. Provisions for depreciation on Investment	14	14
2. Provision made towards Income Tax	6,011	5,673
3. Provision towards NPA	922	1,061
4. Provision for Standard Assets	1,530	913
5. Other Provision (Expenses) and Contingencies		
(a) Provision for Expenses	4,546	1,574
(b) Provision for asset held for sale	285	-

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED MARCH 31, 2019

48.19 Break up of Loan and Advances and Provisions thereon

(₹ in Lakh)

Particulars	Housing		Non-Housing	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Standard Assets				
a) Total Outstanding Amount	6,24,283	5,87,040	1,78,075	1,39,816
b) Provisions made	3,515	1,632	1,564	1,003
Sub-Standard Assets				
a) Total Outstanding Amount	5,306	3,790	517	318
b) Provisions made	1,015	766	106	71
Doubtful Assets - Category – I				
a) Total Outstanding Amount	1,721	2,634	199	183
b) Provisions made	485	739	61	51
Doubtful Assets - Category – II				
a) Total Outstanding Amount	1,976	848	195	101
b) Provisions made	896	385	88	51
Doubtful Assets - Category – III				
a) Total Outstanding Amount	86	390	15	107
b) Provisions made*	86	390	15	107
Loss Assets				
a) Total Outstanding Amount	-	43	-	-
b) Provisions made	-	43	-	-
TOTAL				
a) Total Outstanding Amount	**6,33,372**	**5,94,745**	**1,79,001**	**1,40,525**
b) Provisions made	**5,997**	**3,955**	**1,834**	**1,283**

48.20 Concentration of Public Deposits

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Total Deposits of twenty largest depositors	2,469	1,892
Percentage of Deposits of twenty largest deposits to Total Deposits of the HFC	21.13%	22.53%

48.21 Concentration of Loans and Advances

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Total Loans and Advances to twenty largest borrowers	8,804	10,460
Percentage of Loans and Advances to twenty largest borrowers to Total Advances of the HFC	1.08%	1.42%

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

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Total Loans and Advances to twenty largest borrowers	8,804	10,770
Percentage of Loans and Advances to twenty largest borrowers / customers to Total exposure of the HFC on borrowers / customers.	1.03%	1.46%

48.23 Concentration of NPAs

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Total Exposure to top ten NPA accounts	4,542	4,155

48.24 Sector-wise NPAs

(₹ in Lakh)

S. No.	Particulars	Percentage of NPAs to Total Advances in that Sector
A.	**Housing Loan**	
1.	Individuals	0.73%
2.	Builders / Project Loans	47.32%
3.	Corporate	-
4.	Others	-
B.	**Non Housing Loans:**	
1.	Individuals	0.48%
2.	Builders / Project Loans	-
3.	Corporate	-
4.	Others	-

48.25 Movement of NPAs

(₹ in Lakh)

S. No.	Particulars		For the year ended March 31, 2019	For the year ended March 31, 2018
i)	Net NPAs to Net Advances (%)		0.90%	0.78%
ii)	Movement of NPAs (Gross)			
	a)	**Opening Balance**	**8,629**	**2,811**
	b)	Transferred on Amalgamation	-	3,276
	c)	Additions during the year	5,829	3,965
	d)	Reductions during the year	4,451	1,423
	e)	**Closing Balance**	**10,007**	**8,629**
iii)	Movement of Net NPAs			
	a)	**Opening Balance**	**5,739**	**1,993**
	b)	Transferred on Amalgamation	-	2,216
	c)	Additions during the year	4,886	2,761
	d)	Reductions during the year	3,370	1,231
	e)	**Closing Balance**	**7,255**	**5,739**
iv)	Movement of provisions for NPAs (excluding provision on standard assets)			
	a)	**Opening Balance**	**2,891**	**818**
	b)	Transferred on Amalgamation	-	1,060
	c)	Additions during the year	943	1,205
	d)	Reductions during the year	1,082	192
	e)	**Closing Balance**	**2,752**	**2,891**

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED MARCH 31, 2019

48.26 Overseas Assets

Nil as at March 31, 2019 (March 31, 2018 : Nil)

48.27 Off- Balance Sheet SPV's sponsored (which are required to be consolidated as per accounting norms)

Overseas : Nil

Domestic : Nil

48.28 Disclosure of Complaints

S. No.	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
a)	No. of complaints pending at the beginning of the year	6	4
b)	No. of complaints received during the year	715	664
c)	No. of complaints redressed during the year	721	658
d)	No. of complaints pending at the end of the year	0	6

49. Previous year figures have been regrouped/re-classified wherever necessary to confirm to current year's classification. Accordingly, amounts and other disclosures for the previous year are included as an integral part of the current year's financial statement and are to be read in relation to the amounts and other disclosures relating to the current year.

In terms of our report of even date attached.

For Chaturvedi S.K. & Fellows
Chartered Accountants
ICAI FRN:112627W

Srikant Chaturvedi
Partner
ICAI MN: 070019

Place : Mumbai
Dated: April 30, 2019

For Deloitte Haskins & Sells LLP
Chartered Accountants
ICAI FRN : 117366W/W-100018

G.K Subramaniam
Partner
ICAI M N : 109839

Place: Mumbai
Dated: April 30, 2019

For and on behalf of the Board of Directors

Kapil Wadhawan
Chairman
DIN 0028528

Deo Shankar Tripathi
Managing Director & CEO
DIN 07153794

Suresh Mahalingam
Director
DIN 01781730

Sridar Venkatesan
Director
DIN 02241339

G. P. Kohli
Director
DIN 00230388

Dr. Nivedita Haran
Director
DIN 06441500

Anmol Gupta
Chief Financial Officer

Sreekanth VN
Company Secretary

INDEPENDENT AUDITORS' REPORT

To The Members of
Aadhar Housing Finance Limited
Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Aadhar Housing Finance Limited (the "Parent") and its subsidiary, (the Parent and its subsidiary together referred to as the "Group"), which comprise the Consolidated Balance Sheet as at March 31, 2019, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (the "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of the other auditor on the financial statements of its subsidiary referred to in the Other Matters section below, the aforesaid consolidated 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS"), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditors' Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group 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 consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by other auditor in terms of their report referred to in the sub-paragraph (a) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

A. Application of new Accounting Standards (refer note 4 to the consolidated financial statements)

Nature of Key Audit Matter

As per roadmap to Ind AS, under Phase I, NBFCs with networth of ₹ 500 Crores or more, shall be required to prepare financial statements in accordance with Ind AS for accounting periods beginning from April 1, 2018 onwards with comparatives for the periods ending March 31, 2018 or thereafter. The Parent being as defined in the aforesaid roadmap has adopted Ind AS with effect from April 01, 2018 and April 01, 2017 being the transition date in terms of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time. The comparative financial statements for the year ended March 31, 2018 included in the financial statement, is based on the statutory financial statements prepared in accordance with the Companies (Accounting Standard) Rules, 2006 and have been restated to comply with Ind AS. The adoption of Ind AS involves significant level of judgment by the management for application of mandatory and optional transitional adjustment, restatement adjustments and significant increase in the disclosure requirements under Ind AS. Hence this has been identified as a key audit matter.

How our Audit addressed the Key Audit Matter

- Evaluated the design and implementation of the relevant controls and the operating effectiveness of such internal controls over the basis of preparation of the financial information in accordance with Ind AS.
- Examined the Company's assessment of the mandatory and optional exemption considered in preparation of the opening balance sheet and the restatement of the previous year balances and performed the following procedures:
    a. Agreed the various accounting positions and exemptions opted by the Company with the permitted exemptions as per Ind AS 101.
    b. Tested the restatement adjustments identified by the Company for the comparable years with the revisions in the accounting policies arising from adoption of Ind AS.

c. Verified and confirmed the appropriateness of the reconciliations as disclosed in the financial statements of the previously published retained earnings and profits with the restated Ind AS balances.

d. Ensured that the accounting policies as considered for the current year are in accordance with the applicable Ind AS.

B. Impairment of loans (refer note 40(c) to the consolidated financial statements)

Nature of Key Audit Matter

As at the year end, the Parent has reported financial assets carried at amortised cost in form of loans granted aggregating to ₹ 810,390 lakh net of provision for expected credit loans of ₹ 7,831 lakh. Management estimates impairment provision using collective/individual model based approach for the loan exposure. Measurement of loan impairment involves application of significant judgement by the management. The most significant judgements are:

- Timely identification and classification of the impaired loans.
- Determination of probability of defaults and estimation of loss given defaults and maturity profile based on the historical trends and other internal estimates.

How our Audit addressed the Key Audit Matter

- Tested the design and effectiveness of internal controls implemented by the management for following:
  a. Identification and classification of loans which have impaired in correct buckets
  b. Validation of the Model used for the impairment provision
  c. Management's judgement applied for the key assumptions used for the purpose of determination of impairment provision
- Tested the completeness and accuracy of data from underlying systems used in the models including the bucketing of loans into delinquency bands. The auditors critically assessed and tested the key underlying assumptions and significant judgements used by management.
- For loans identified by management as potentially impaired, examined on a sample basis, checked the calculation of the impairment, critically assessed the underlying assumptions and corroborated these to supporting evidence.
- Examined a sample of loans which had not been identified by management as potentially impaired (Stage 1 and 2 assets) and formed their own judgement as to whether that was appropriate through reviewing information such as the counterparty's payment history.
- Involved specialists for evaluation of the methodology and approach applied by the management.

Information Other than the Financial Statements and Auditors' Report Thereon

The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis and Board's Report including Annexures to Board's Report (the "reports") but does not include the consolidated financial statements and our auditors' report thereon. The reports is expected to be made available to us after the date of this auditors' report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, compare with the financial statement of the subsidiary audited by the other auditor, to the extent it relates to this entity and, in doing so, place reliance on the work of the other auditor and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiary, is traced from their financial statement audited by the other auditor.

When we read the reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate or cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditors' Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 these consolidated 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 consolidated 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 financial 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 Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated 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 auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent and such other entity included in the consolidated financial statements of which we are the independent auditors 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 consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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 Matters

(a) We did not audit the financial statement of one subsidiary whose financial statements reflect total assets of ₹ 379 lakh as at March 31, 2019, total revenues of ₹ 2,915 lakh and net cash outflows amounting to ₹ 12 lakh for the year ended on that date, as considered in the consolidated financial statements. The financial statement has been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the report of the other auditor.

(b) The comparative financial statement for the year ended March 31, 2018 in respect of one subsidiary prepared in accordance with the Ind AS and included in these consolidated financial statements have been audited by other auditor, whose report have been furnished to us by the Management and in so far as it relates to the comparative amounts and disclosures included in respect of this subsidiary made in these consolidated Ind AS financial statement, is based solely on the report of the other auditor.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditor on the separate financial statement of its subsidiary entity referred to in the Other Matters section above 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 of the aforesaid consolidated financial statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the report of the other auditor.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified 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 of the Parent and taken on record by the Board of Directors of the Company and the report of the statutory auditor of its subsidiary company incorporated in India, none of the directors of the Group company is disqualified as on March 31, 2019 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 over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent and its subsidiary company. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

   g) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of section 197(16) of the Act, as amended,

      In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent 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 Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i) there were no pending litigations as at the year-end which would impact the consolidated financial position of the Group, except as disclosed in Note No. 35 of the consolidated financial statement.

      ii) the Group did not have any material foreseeable losses on long-term contracts including derivative contracts as at the year-end for which there were any material foreseeable losses;

      iii) there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent, and its subsidiary company.

For Deloitte HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

G.K. Subramaniam
Partner
(Membership No. 109839)

Mumbai, April 30, 2019

For CHATURVEDI SK & FELLOWS
Chartered Accountants
(Firm's Registration No. 112627W)

Srikant Chaturvedi
Partner
(Membership No. 070019)

Mumbai, April 30, 2019

INDEPENDENT AUDITORS' REPORT

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as at and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of Aadhar Housing Finance Limited (the "Parent") and its subsidiary company as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent and its subsidiary company, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note"). 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 the respective 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 Companies Act 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent and its subsidiary company based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 over financial reporting 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor of the subsidiary company, in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent and its subsidiary company.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting 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 over financial reporting 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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 to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor referred to in the Other Matters paragraph below, the Parent and its subsidiary company, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one of the subsidiary company, is based solely on the corresponding report of the auditor of such company.

Our opinion is not modified in respect of the above matter.

For Deloitte HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

G.K. Subramaniam
Partner
(Membership No. 109839)

Mumbai, April 30, 2019

For CHATURVEDI SK & FELLOWS
Chartered Accountants
(Firm's Registration No. 112627W)

Srikant Chaturvedi
Partner
(Membership No. 070019)

Mumbai, April 30, 2019

CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2019

(₹ in Lakh)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
ASSETS			
1. FINANCIAL ASSETS			
a) Cash and cash equivalents	5	94,335	18,906
b) Other bank balances	5	11,058	1,018
c) Receivables	6	386	253
d) Housing and other loans	7	802,559	727,296
e) Investments	8	14,966	21,024
f) Other financial assets	9	17,782	6,065
		941,086	**774,562**
2. NON-FINANCIAL ASSETS			
a) Current tax assets (Net)	10	1,361	217
b) Property, plant and equipment	11	2,362	1,829
c) Other intangible assets	12	44	83
d) Deferred tax assets (Net)	22	9	4
e) Other non-financial assets	13	1,379	2,012
		5,155	**4,145**
TOTAL ASSETS		**946,241**	**778,707**
LIABILITIES AND EQUITY			
LIABILITIES			
1. FINANCIAL LIABILITIES			
a) Trade payables			
i) Total outstanding dues to micro enterprises and small enterprises		-	-
ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	14	1,576	1,381
b) Debt securities	15	175,271	138,593
c) Borrowings (other than debt securities)	16	630,392	479,783
d) Deposits	17	14,351	10,786
e) Subordinated liabilities	18	8,769	8,763
f) Other financial liabilities	19	24,923	63,436
		855,282	**702,742**
2. NON-FINANCIAL LIABILITIES			
a) Current tax liabilities (Net)	20	-	333
b) Provisions	21	715	431
c) Deferred tax liabilities (Net)	22	3,138	1,854
d) Other non-financial liabilities	23	1,114	1,519
		4,967	**4,137**
3. EQUITY			
a) Equity share capital	24	2,515	2,515
b) Other equity	25	83,477	69,313
		85,992	**71,828**
TOTAL LIABILITIES AND EQUITY		**946,241**	**778,707**

The accompanying notes form an integral part of the financial statements

In terms of our report of even date attached.

For Chaturvedi S.K. & Fellows
Chartered Accountants
ICAI FRN:112627W

Srikant Chaturvedi
Partner
ICAI MN: 070019

Place : Mumbai
Dated: April 30, 2019

For Deloitte Haskins & Sells LLP
Chartered Accountants
ICAI FRN : 117366W/W-100018

G.K Subramaniam
Partner
ICAI M N : 109839

Place: Mumbai
Dated: April 30, 2019

For and on behalf of the Board of Directors

Kapil Wadhawan
Chairman
DIN 0028528

Deo Shankar Tripathi
Managing Director & CEO
DIN 07153794

Suresh Mahalingam
Director
DIN 01781730

Sridar Venkatesan
Director
DIN 02241339

G. P. Kohli
Director
DIN 00230388

Dr. Nivedita Haran
Director
DIN 06441500

Anmol Gupta
Chief Financial Officer

Sreekanth VN
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Lakh)

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
1. INCOME			
Revenue from operations	26		
a) Interest income		109,495	70,474
b) Net gain on fair value changes		2,485	1,447
c) Net gain on derecognition of financial instruments under amortised cost category		9,185	3,635
d) Fees and commission Income		5,211	5,944
Total revenue from operations		**126,376**	**81,500**
Other income	27	2	12
Total Income		**126,378**	**81,512**
2. EXPENSES			
Finance costs	28	73,051	46,227
Impairment on financial instruments	29	2,737	2,603
Employees benefits expense	30	17,600	10,605
Depreciation and amortisation expense	11&12	529	363
Operating expenses	31	7,508	5,554
Total expenses		**101,425**	**65,352**
3. PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS		**24,953**	**16,160**
4. EXCEPTIONAL ITEM	47	1,386	-
5. PROFIT BEFORE TAX		**23,567**	**16,160**
6. TAX EXPENSE	32		
Current tax		6,032	5,673
Deferred tax		1,298	(984)
		7,330	**4,689**
7. PROFIT FOR THE YEAR		**16,237**	**11,471**
8. OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit or loss			
i) Remeasurements of the defined employee benefit plans		(53)	(224)
ii) Income tax relating to items that will not be reclassified to profit or loss		(19)	(78)
TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR (I - II)		**(34)**	**(146)**
9. TOTAL COMPREHENSIVE INCOME		**16,203**	**11,325**
10. EARNINGS PER EQUITY SHARE	33		
Basic earnings per share (₹)		64.56	53.44
Diluted earnings per shares (₹)		64.11	53.44

The accompanying notes form an integral part of the financial statements

In terms of our report of even date attached.

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ICAI FRN:112627W

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Dr. Nivedita Haran
Director
DIN 06441500

Anmol Gupta
Chief Financial Officer

Sreekanth VN
Company Secretary

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2019

a) **Equity Share Capital**

(₹ in Lakh)

Particulars	Total
Balance as at April 01, 2017	**2,121**
Changes in equity share capital during the year	
Share issued on Preferential Allotment	394
Balance as at March 31, 2018	**2,515**
Changes in equity share capital during the year	-
Balance as at March 31, 2019	**2,515**

b) Other Equity

(₹ in Lakh)

Particulars	Capital reserve on amalgamation (Refer note 34)	Securities premium	Statutory reserve	Debenture redemption reserve	General Reserve	Retained earnings	Employees stock appreciation rights	Total
Balance as at April 01, 2017	**6**	**29,807**	**9,354**	**-**	**2,267**	**6,382**	**-**	**47,816**
Profit for the year	-	-	-	-	-	11,471	-	11,471
Other comprehensive income	-	-	-	-	-	(146)	-	(146)
Securities preimium on allotment of equity share	-	11,106	-	-	-	-	-	11,106
Transferred to statutory reserve	-	-	2,814	-	-	(2,814)	-	-
Final dividend	-	-	-	-	-	(776)	-	(776)
Dividend distribution tax	-	-	-	-	-	(158)	-	(158)
Balance as at March 31, 2018	**6**	**40,913**	**12,168**	**-**	**2,267**	**13,959**	**-**	**69,313**
Profit for the year	-	-	-	-	-	16,237	-	16,237
Other comprehensive income	-	-	-	-	-	(34)	-	(34)
Transferred to general reserve	-	-	-	-	3,000	(3,000)	-	-
Transferred to statutory reserve	-	-	3,245	-	-	(3,245)	-	-
Transferred to debenture redemption reserve	-	-	-	5,637	-	(5,637)	-	-
Employee stock appreciation rights	-	-	-	-	-	-	83	83
Final dividend	-	-	-	-	-	(1,760)	-	(1,760)
Dividend distribution tax	-	-	-	-	-	(362)	-	(362)
Balance as at March 31, 2019	**6**	**40,913**	**15,413**	**5,637**	**5,267**	**16,158**	**83**	**83,477**

The accompanying notes form an integral part of the financial statements

In terms of our report of even date attached.

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Chartered Accountants
ICAI FRN:112627W

Srikant Chaturvedi
Partner
ICAI MN: 070019

Place : Mumbai
Dated: April 30, 2019

For Deloitte Haskins & Sells LLP
Chartered Accountants
ICAI FRN : 117366W/W-100018

G.K Subramaniam
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ICAI M N : 109839

Place: Mumbai
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For and on behalf of the Board of Directors

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Director
DIN 06441500

Anmol Gupta
Chief Financial Officer

Sreekanth VN
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	23,567	16,160
Adjustments for:		
Depreciation	529	363
Loss on sale of fixed assets sold (Net)	6	-
Provision for contingencies & write offs	3,242	2,935
Profit on sale of investment in mutual fund and other investments	(2,486)	(1,448)
Provision for Employee share appreciation rights	83	-
Operating profit before working capital changes	**24,941**	**18,010**
Adjustments for:		
Increase/(Decrease) in other financial and non-financial liabilities and provisions	(37,476)	33,775
(Increase)/Decrease in trade receivables	(133)	(247)
(Increase)/Decrease in other financial and non-financial assets	(8,333)	(1,171)
Cash generated from / (used in) operations during the year	**(21,001)**	**50,367**
Tax paid	(7,509)	(5,447)
Net cash flow generated from / (used in) operations before movement in housing and other loans	(28,510)	44,920
Housing and other property loans disbursed	(357,079)	(390,465)
Housing and other property loans repayments	129,842	89,115
Net cash used in operating activities [A]	**(255,747)**	**(256,430)**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds received on sale / redemption of investments	1,453,491	714,257
Payment towards purchase of investments	(1,447,447)	(716,350)
Investment in fixed deposits (net of maturities)	(10,040)	1,846
Payment towards purchase of fixed assets	(868)	(903)
Proceeds received on sale of fixed assets	9	19
Net cash used in from investing activities [B]	**(4,855)**	**(1,131)**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds received on allotment of equity shares	-	11,500
Proceeds from loans from banks/institutions	247,500	231,695
Proceeds from NCDs	67,640	48,500
Repayment of loans to banks/institutions	(96,316)	(63,408)
Repayment of NCDs	(10,000)	(8,800)
Net proceeds / (repayment) of short term Loan	(22,457)	(5,027)
Proceeds from deposits	7,066	3,878

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Repayment of deposits	(3,591)	(2,196)
Proceeds from assignment of portfolio	148,311	35,341
Dividend paid	(1,760)	(776)
Tax paid on dividend	(362)	(158)
Net cash generated from financing activities [C]	**336,031**	**250,549**
Net increase / (decrease) in cash and cash equivalents [A+B+C]	**75,429**	**(7,012)**
Cash and cash equivalents at the beginning of the year	**18,906**	**25,918**
Cash and cash equivalents at the end of the year (refer note 5)	**94,335**	**18,906**

The accompanying notes form an integral part of the financial statements

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For Chaturvedi S.K. & Fellows
Chartered Accountants
ICAI FRN:112627W

Srikant Chaturvedi
Partner
ICAI MN: 070019

Place : Mumbai
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Chief Financial Officer

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Company Secretary

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED MARCH 31, 2019

1. CORPORATE INFORMATION

Aadhar Housing Finance Limited (Formerly known as DHFL Vysya Housing Finance Limited)(the "Parent Company")and its subsidiary company (collectively referred to as "the Group" or "the Company") was incorporated in India in the name of Vysya Bank Housing Finance Limited on 26th November, 1990 and is carrying business of providing loans to customers including individuals, Companies, Corporations, Societies or Association of Persons for purchase / construction / repair and renovation of residential property, loans against property and provide other property related services. The Company is registered with National Housing Bank under section 29A of the National Housing Bank Act, 1987.The Company is subsidiary of Wadhawan Global Capital Limited("Holding Company").

The Holding Company and Dewan Housing Finance Limited, along with promoter shareholders (collectively "sellers") have entered into a share purchase agreement on February 02, 2019 with BCP Topco VII Pte. Ltd., which is held through intermediary companies by private equity funds managed by wholly owned subsidiaries of The Blackstone Group L.P. (collectively "Blackstone"), for transfer of the sellers' entire stake in the company constituting 80.76% of the equity share capital to Blackstone, subject to regulatory and other approvals. Blackstone will also infuse INR 800 crores fresh equity capital into the Company as part of the transaction.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation and Presentation

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

Effective April 01, 2018, the Company has adopted the Ind AS and the adoption was carried out in accordance with Ind AS 101 "First-time Adoption of Indian Accounting Standards" with April 01, 2017 being the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 ("IGAAP"), which was the previous GAAP.

These financial statements have been prepared on a going concern basis. The company has prepared cash flows for the next 12 months from the balance sheet date which will be positive considering all the contractual cash flows, expenses, loan prepayments in line with past trends and excluding impact of equity infusionof ₹ 800 Crore from Blackstone.

Historical cost convention

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. The measurement and/ or disclosure in these financial statements has been accordingly determined except for share based payment transactions, leasing transactions and certain other transactions that are required to be valued in accordance with Ind AS 102, Ind AS 17 and Ind AS 36, respectively.

The group has not reported the transition date balance sheet as at April 01, 2017 i.e. the transition date, as there is no subsidiaries as at the transition date.

2.2 Basis of Consolidation

The Company consolidates all entities which are controlled by it.

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

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

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

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

Details of Companies Consolidated in these consolidated financial statements

Name of the Company	Type	Country of Incorporation	Holding As at March 31, 2019	Holding As at March 31, 2018
Aadhar Housing Finance Limited	Parent Company	India	Parent Company	Parent Company
Aadhar Sales and Services Private Limited	Subsidiary Company	India	100%	100%

2.3 Presentation of financial statements

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

Amounts in the financial statements are presented in Indian Rupees in Lakhs. Per share data is presented in Indian Rupee .

2.4 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured and there exists reasonable certainty of its recovery. Revenue is measured at the fair value of the consideration received or receivable, as applicable.

a. Interest Income

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

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

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

The interest income on non-credit impaired financial assets is calculated by applying the EIR to the gross carrying amount (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). Interest income on credit-impaired financial assets is calculated on net carrying value (i.e. the gross carrying amount less the allowance for expected credit losses (ECLs)).

b. Fee and Commission income:

Fee and commission, other than the fee that forms an integral part of EIR, are accounted on accrual basis.

c. Dividend Income

Dividend income is recognised when the Group's right to receive dividend is established by the reporting date.

d. Investment income

The gains/losses on sale of investments are recognised in the statement of profit and loss on trade date. Gain or loss on sale of investments is determined on the basis of weighted average cost.

e. Other operating revenue:

Prepayment charges, delayed payment interest and other such incomes where recovery is uncertain are recognized on receipt basis.

2.5 Property, plant and equipment and Intangible Assets

Property Plant and Equipment (PPE)

PPE is recognised when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. PPE is stated at cost less accumulated depreciation/ amortization and impairment losses, if any. The cost of PPE is its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the PPE ready for its intended use, other incidental expenses and interest on borrowing attributable to acquisition of qualifying PPE upto the date the asset is ready for its intended use.

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. 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 the statement of the Statement of Profit and Loss.

PPE not ready for the intended use on the date of the Balance Sheet are disclosed as "capital work-in-progress".

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED MARCH 31, 2019

Depreciation is recognised using straight line method so as to write off the cost of the assets (other than freehold land which is not depreciated) less their residual values over their useful lives specified in Schedule II to the Act, or in case of assets where the useful life was determined by technical evaluation, over the useful life so determined. Depreciation method is reviewed at each financial year end to reflect expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life and residual values are also reviewed at each financial year end with the effect of any change in the estimates of useful life/residual value is accounted on prospective basis.

Estimated useful life considered by the Company are:

Asset	Estimated Useful Life
Office Equipment	5 – 10 Years
Furniture and fittings	10 Years
Vehicles	8 Years
Leasehold improvements	Lease Period
Buildings	60 Years

Intangible assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortisation and cumulative impairment. Administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalised as a part of the cost of the intangible assets.

Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as "Intangible assets under development".

Intangible assets are amortised on straight line basis over the estimated useful life of 6 years. The method of amortisation and useful life are reviewed at the end of each accounting year with the effect of any changes in the estimate being accounted for on a prospective basis.

Amortisation on impaired assets is provided by adjusting the amortisation charge in the remaining periods so as to allocate the asset's revised carrying amount over its remaining useful life.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the Statement of Profit and Loss when the asset is derecognised.

Deemed Cost of PPE on transition to Ind AS

For transition to Ind AS, the company has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets recognised as of April 01, 2017 (transition date) measured as per the IGAAP and use that carrying value as its deemed cost as of the transition date.

Impairment of assets

As at the end of each financial year, the Company reviews the carrying amounts of its PPE and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the PPE and intangible assets are tested for impairment so as to determine the impairment loss, if any.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If recoverable amount of an asset is estimated to be less than its carrying amount, such deficit is recognised immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the asset is reduced to its recoverable amount.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss wasrecognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

2.6 Employee benefits

i. Defined contribution plan

The contribution to provident fund, pension fund, National Pension Scheme and employee state insurance scheme are considered as defined contribution plans and are charged as an expense in the Statement of Profit and Loss based on the amount of contribution required to be made as and when services are rendered by the employees.

ii. Defined benefits plan

The Group's Gratuity liability under the Payment of Gratuity Act, 1972 is determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method.

The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed periodically by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognition of the asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in Other Comprehensive Income (OCI). Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in statement of profit and loss.

iii. Short-term employee benefits

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

The cost of short-term compensated absences is accounted as under:

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

iv. Other Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date less the fair value of the plan assets out of which the obligations are expected to be settled.

v. Share-based payment arrangements

The share appreciation rights granted to employees pursuant to the Company's Stock appreciation rights scheme are measured at the fair value of the rights at the grant date. The fair value of the rights is treated as discount and accounted as employee compensation cost over the vesting period on a straight line basis. The amount recognised as expense in each year is at based on the number of grants expected to vest. If a grant lapses after the vesting period, the cumulative discount recognised as expense in respect of such grant is transferred to the general reserve within other equity.

2.7 Leases

The determination of whether an agreement is, or contains, a lease is based on the substance of the agreement at the date of inception. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Operating Lease

Operating lease are recognized as expense in the Statement of Profit and Loss in line with contractual term to compensate the lessor's expected inflationary cost.

2.8 Financial instruments

Recognition of Financial Instruments

Financial instruments comprise of financial assets and financial liabilities. Financial assets and financial liabilities are recognised in the Group's balance sheet when the Company becomes a party to the contractual provisions of the instrument. Financial assets primarily comprise of loans and advances, deposits, trade receivables and cash and cash equivalents. Financial liabilities primarily comprise of borrowings and trade payables.

Initial Measurement of Financial Instruments

Recognised financial assets and financial liabilities are initially measured at fair value. Transaction costs and revenues that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs and revenues directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in the Statement of Profit and Loss.

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If the transaction price differs from fair value at initial recognition, the Company will account for such difference as follows:

- if fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets, then the difference is recognised in the Statement of Profit and Loss on initial recognition (i.e. day 1 profit or loss);
- in all other cases, the fair value will be adjusted to bring it in line with the transaction price (i.e. day 1 profit or loss will be deferred by including it in the initial carrying amount of the asset or liability).

After initial recognition, the deferred gain or loss will be released to profit or loss on a rational basis, only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

Financial Assets

Classification of Financial Assets

- debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI), are subsequently measured at amortised cost;
- all other debt instruments (e.g. debt instruments managed on a fair value basis, or held for sale) and equity investments are subsequently measured at FVTPL.

  However, the Group may make the following irrevocable election / designation at initial recognition of a financial asset on an asset-by-asset basis:
- the Group may irrevocably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies, in OCI; and
- the Group may irrevocably designate a debt instrument that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (referred to as the fair value option).

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee

Investment in equity instruments at FVOCI

The Group subsequently measures all equity investments at fair value through profit or loss, unless the Group's management has elected to classify irrevocably some of its equity investments as equity instruments at FVOCI.

The Company has not elected to classify any equity investment at FVOCI.

Debt instruments at amortised cost or at FVTOCI

The Company assesses the classification and measurement of a financial asset based on the contractual cash flow characteristics of the asset individually and the Company's business model for managing the asset.

For an asset to be classified and measured at amortised cost or at FVTOCI, its contractual terms should give rise to cash flows that are meeting SPPI test.

For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. That principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The SPPI assessment is made in the currency in which the financial asset is denominated.

Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI. An originated or an acquired financial asset can be a basic lending arrangement irrespective of whether it is a loan in its legal form.

An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Company determines the business models at a level that reflects how financial assets are managed individually and together to achieve a particular business objective.

When a debt instrument measured at FVTOCI is derecognised, the cumulative gain/loss previously recognised in OCI is reclassified from equity to profit or loss. In contrast, for an equity investment designated as measured at FVTOCI, the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss but transferred within equity.

Debt instruments that are subsequently measured at amortised cost or at FVTOCI are subject to impairment.

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

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects or initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in statement of profit or loss.

Subsequent Measurement of Financial assets

All recognised financial assets that are within the scope of Ind AS 109 are required to be subsequently measured at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

The Group's business model's objective is to hold financial assets in order to collect contractual cash flows.The contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates. During the current year due to certain market conditions, the company has sold financial assets during the year by way of assignment transactions which does not impact the business model of the Company and hence the Company continues to carry the financial assets at amortised cost.

Reclassifications

If the business model under which the Company holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that result in reclassifying the Company's financial assets. During the current financial year and previous financial year there was no change in the business model under which the Company holds financial assets and therefore no reclassifications were made.

Impairment

The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a 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. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

The Company measures ECL based on category of loans at a collective level. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original EIR.

Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

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

- Stage 1 - Performing assets with zero to thirty days past due (DPD). Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2 and Stage 3.
- Stage 2 - Under-performing assets having 31 to 90 DPD. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.
- Stage 3 - Non-performing assets with overdue more than 90 DPD

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

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The Financial assets for which the Company has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) derecognition of the financial asset.

Derecognition of financial assets

A financial asset is derecognised only when:

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

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

The Company transfers loans through assignment transactions. In accordance with the Ind AS 109, on derecognition of a financial asset under assignment transactions, the difference between the carrying amount and the consideration received shall be recognised in Statement of Profit and Loss.

Write-off

Loans and debt securities are written off when the Company has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Company may apply enforcement activities to financial assets written off. Recoveries resulting from the Company's enforcement activities will result in gains.

Financial liabilities and equity
Classification as debt or equity

Debt and equity instruments issued by a Company entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain/loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

A financial liability is a contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Company or a contract that will or may be settled in the Company's own equity instruments and is a non-derivative contract for which the Company is or may be obliged to deliver a variable number of its own equity instruments, or a derivative contract over own equity that will or may be settled other than by the exchange of a fixed amount of cash (or another financial asset) for a fixed number of the Company's own equity instruments.

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL. However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition

Derecognition of financial liabilities

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

2.9 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, balance in current account and Balances with banks in deposits accounts with original maturity of less than 3 months. Short term and liquid investments being subject to more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

2.10 Borrowing Costs

Interest expenses are calculated using EIR and all other borrowing costs are recognised in the statement of profit and loss when they are incurred.

2.11 Foreign currencies

a. The functional currency and presentation currency of the Group is Indian Rupee. Functional currency of the Company has been determined based on the primary economic environment in which the Company operate considering the currency in which funds are generated, spent and retained.

b. Transactions in currencies other than the Group's functional currency are recorded on initial recognition using the exchange rate at the transaction date. At each Balance Sheet date, foreign currency monetary items are reported at the rates prevailing at the year end Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated.

Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date at the closing spot rate are recognised in the Statement of Profit and Loss in the period in which they arise except for exchange differences on transactions entered into in order to hedge certain foreign currency risks;

2.12 Segments

Based on "Management Approach" as defined by Ind AS 108, The Chief Operating Decision Maker (CODM) evaluates the "Operating Segments". Operating segments are reported in a manner consistent with the internal reporting provided to the CODM. The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Income / costs which relate to the Company as a whole and are not allocable to segments on a reasonable basis have been included under Unallocated Income / Costs.

2.13 Earnings per share

Basic earnings per share has been computed by dividing net income by the weighted average number of shares outstanding during the year. Partly paid up shares are included as fully paid equivalents according to the fraction paid up. Diluted earnings per share has been computed using the weighted average number of shares and dilutive potential shares, except where the result would be anti-dilutive

2.14 Taxes on income

Income tax expense represents the sum of the tax currently payable and deferred tax. Income tax expense comprises current and deferred taxes. Income tax expense is recognized in the Statement of Profit and Loss except when they relate to items that are recognized outside profit or loss (whether in other comprehensive income or directly in equity), in which case tax is also recognized outside profit or loss.

Current Tax

The tax currently payable is based on the estimated taxable profit for the year for each entity in the of the Company and is calculated using applicable tax rates and tax laws that have been enacted or substantively enacted. 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 current tax is calculated using applicable tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Such deferred tax assets and liabilities are computed separately for each taxable entity. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against

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which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which gives rise to future economic benefits in the form of adjustment of future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the balance sheet when the assets can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized.

2.15 Special Reserve

The parent company creates statutory reserve every year out of its profits in terms of section 36(1)(viii) of the Income Tax Act, 1961 read with section 29C of the National Housing Bank Act, 1987.

2.16 Provisions, contingent liabilities and contingent assets

- Provisions are recognised only when: an entity has a present obligation (legal or constructive) as a result of a past event; and
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation

Provision is measured using the cash flows estimated to settle the present obligation and when the effect of time value of money is material, the carrying amount of the provision is the present value of those cash flows. Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and
- a present obligation arising from past events, when no reliable estimate is possible.

Where the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under such contract, the present obligation under the contract is recognised and measured as a provision.

Contingent Assets:

Contingent assets are not recognised but disclosed in the financial statements

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

2.17 Commitments

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

- estimated amount of contracts remaining to be executed on capital account and not provided for;
- other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

2.18 Non-Current Assets held for sale

Non-current assets are classified as held for sale if their carrying amount is intended to be recovered principally through a sale (rather than through continuing use) when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset and the sale is highly probable and is expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at lower of their carrying amount and fair value less costs to sell.

2.19 Exceptional items

An item of income or expense which its size, type or incidence requires disclosure in order to improve an understanding of the performance of the Company is treated as an exceptional item and the same is disclosed in the notes to accounts.

2.20 Statement of Cash Flows

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of Balance Sheet.

2.21 Critical accounting judgements and key sources of estimation uncertainties

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable.

Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

Expected Credit Loss

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and credit assessment and including forward-looking information. In certain cases, the assessment based on past experience is required for future estimation of cash flows which requires significant judgment.

The inputs used and process followed by the Company in determining the increase in credit risk have been detailed in Note 40.

EIR

The Company's EIR methodology, recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given.

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well as other fee income/expense that are integral parts of the instrument.

3. RECENT ACCOUNTING PRONOUNCEMENTS

3.1 Ind AS 116 Leases :

Ind AS 116 Leases was notified on 28th March, 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after April 01, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. The Company is in the process of assessing the impact of the new standard. or As the Company does not have any material leases, therefore the adoption of this standard is not likely to have a material impact in its Financial Statements.

3.2 Amendment to Ind AS 12 – Income taxes : On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Effective date for application of this amendment is annual period beginning on or after April 1, 2019.

The Company is currently evaluating the effect of this amendment on the financial statements.

4. EXPLANATION TO THE TRANSITION TO IND-AS

The transition as at April 1, 2017 to Ind AS was carried out from Previous GAAP. The exemptions and exceptions applied by the Company in accordance with Ind AS 101 First–time Adoption of Indian Accounting Standards, the reconciliations of equity and total comprehensive income in accordance with Previous GAAP to Ind AS are explained below.

4.1 First-time adoption

Overall principle:

The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended March 31, 2019, the comparative information presented in these financial statements for the year ended March 31, 2018 and in the preparation of an opening Ind AS transition balance sheet as at April 1, 2017 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous Indian GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

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Exemptions and Exceptions availed:

We have set out below the applicable Ind AS 101 optional and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

Ind AS Optional Exemptions:

Deemed cost for property, plant and equipment and other intangible assets

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets.

Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

Designation of previously recognized financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments at FVTPL on the basis of the facts and circumstances at the date of transition to IndAS. The Company has designated certain investments in equity share as held at FVTPL on the basis of the facts and circumstances that existed at the transition date.

Derecognition of financial assets and financial liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the derecognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions. The Company has elected to apply the de-recognition provisions of Ind AS 109 retrospectively.

Business Combination

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date. The Company elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated.

Ind AS Mandatory Exceptions:

Estimates:

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at 1 April 2017 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for Impairment of financial assets based on expected credit loss model in accordance with Ind AS at the date of transition as these were not required under previous GAAP.

Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS. The Company has determined the classification of Financial Assets in terms of whether they meet the amortized cost criteria, FVTPL criteria or FVOCI criteria based on the facts and circumstances that existed as of transition date.

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.

4.2 First-time adoption – Mandatory exception, Optional exemptions

Reconciliation of total equity between the figures reported under previous GAAP and Ind AS is given below :

(₹ in Lakh)

Particulars	Note	As at March 31, 2018
Total equity (Shareholder's Fund as reported in previous GAAP)		69,949
Adjustment on account of :		
Effective interest rate for financial assets and liabilities recognised at amortised cost / net interest on credit impaired loan	1,2,3	(2,841)
Net gain on derecognition of financial instruments under amortised cost category	3	5,669
Expected credit loss (Impairment on financial instruments)	5	(936)
Fair value of investment	6	24
Deferred tax adjustment on special reserve and balance sheet approach as per Ind AS	8	(37)
Total equity as per Ind AS		**71,828**

Reconciliation of net profit between the figures reported under previous GAAP and Ind AS is given below :

(₹ in Lakh)

Particulars	Note	For the year ended March 31, 2018
Net profit after tax as per previous GAAP		9,962
Adjustment on account of :		
Effective interest rate for financial assets and liabilities recognised at amortised cost / net interest on credit impaired loan	1,2,3	(2,947)
Net gain on derecognition of financial instruments under amortised cost category	3	3,635
Expected credit loss (Impairment on financial instruments)	5	(630)
Fair value of investment	6	(11)
Reclassification of actuarial gain losses (net of tax) to OCI	4	146
Deferred tax adjustment on special reserve and balance sheet approach as per Ind AS	8	1,316
Net profit after tax as per Ind AS		**11,471**
Other comprehensive income (Net of taxes)	4	(146)
Total comprehensive income as per Ind AS		**11,325**

Reconciliation of cash flows between the figures reported under previous GAAP and Ind AS is given below :

There is no change in cash flow items under Ind AS and IGAAP.

Notes :

1. Under previous GAAP, loans were carried at cost whereas under IND AS loans are measured based on entity's business model for managing the financial assets and contractual cash flow characteristics of the financial asset. The loans that meet the business model and contractual cash flow tests are measured at amortised cost and interest income is recognised as per effective interest rate method.

2. Under Previous GAAP, borrowings were recorded at cost and transaction costs were charged to Statement of Profit and Loss on a systematic basis over the tenure of the borrowing. Under Ind AS, transaction cost incurred towards origination of borrowings is required to be deducted from the carrying amount of borrowings on initial recognition. These cost are recognised in the Statement of Profit and Loss over the tenure of the borrowing as part of interest expense by applying effective interest rate method.

3. Under Previous GAAP, gain on derecognition of financial assets on account of assignment transactions is recognised over the contractual tenure of the loan asset. However, as per Ind AS – 109 gain on derecognition of financial assets (i.e difference between sale consideration and carrying value) is recognised in the statement of profit & loss in the year of sale.

4. Under the previous GAAP, 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 were forming part of the profit or loss for the year. Under Ind AS, these remeasurements are recognized in other comprehensive income instead of profit or loss.

5. Under previous GAAP, provision for loans was calculated using incurred loss model. Under Ind AS, the provision on financial assets and commitments, needs to be calculated using the expected credit loss model.

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6. Under previous GAAP, the investment in equity shares and mutual funds other than subsidiaries were carried at cost. However, under Ind AS, these are measured at fair value through profit and loss.
7. The Company has elected not to apply Ind AS 103 Business Combinations retrospectively to past business combinations that occurred before the transition date of April 1, 2017, thus not having any impact on total equity as on that date.
8. Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind-AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. It also includes impact of deferred tax arising on account of transition to IND AS.

5. CASH AND BANK BALANCES

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Cash and cash equivalents		
a) Cash on hand	599	636
b) Balances with banks in current accounts	13,536	13,270
c) Balances with banks in deposits accounts with original maturity of less than 3 months (refer note (i))	80,200	5,000
	94,335	**18,906**
Other bank balances		
a) In other Deposit accounts		
- Original maturity of more than three months (refer note (ii) & (iii) below)	11,051	1,012
b) Earmarked balances with banks		
- Unclaimed dividend account	7	6
	11,058	**1,018**
Total	**105,393**	**19,924**

i) Short-term deposits are made for varying periods of between seven day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

ii) Fixed deposit with banks earns interest at fixed rate.

iii) Bank balance in deposit account having original maturity of more than three months to the extent of ₹ Nil (March 31, 2018 : ₹ 293 Lakh) carry a floating charge in favour of depositors of Fixed Deposits read with note no 17.

6. RECEIVABLES

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Trade receivables		
Unsecured, considered good	386	253
Total	**386**	**253**

i) Trade Receivables includes amounts due from the related parties amounting to ₹ 328 Lakh (As at March 31, 2018 : ₹ 239 Lakh) [Refer Note 46].

ii) No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

iii) Trade receivables are non-interest bearing and are generally on terms of upto 90 days.

iv) Impairment allowance for trade receivable is Nil and therefore related disclosures as required by Ind AS 107 are not given in the financial statement.

7. HOUSING AND OTHER LOANS

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
At amortised cost		
a) Housing and Other Property Loan	798,273	7,18,209
b) Loans to Developers	9,488	12,512
c) Loan given to Dewan Housing Finance Corporation Limited under joint syndication for project Loan	-	546
d) Loan against fixed deposits	18	11
e) Interest accrued on above loans	2,611	2,192
Total gross	**810,390**	**7,33,470**
Less: Impairment loss allowance	7,831	6,174
Total net	**802,559**	**7,27,296**

i) All Housing and other loans are originated in India.

ii) Loans granted by the company are secured by equitable mortgage/ registered mortgage of the property and assets financed and/or undertaking to create a security and/or assignment of Life Insurance Policies and/or personal guarantees and/or hypothecation of assets and are considered appropriate and good.

iii) The Company has assigned pool of certain housing and property loans and managed servicing of such loan accounts. The balance outstanding in the pool, as at the reporting date aggregates ₹ 1,89,197 Lakh (March 31, 2018 : ₹ 61,315 Lakh). The carrying value of these assets have been de-recognised in the books of the Company.

iv) There is no Outstanding loan from Public institution.

v) Housing loan and other property loan includes ₹ 2,604 Lakh (March 31, 2018 : ₹ 1,085 Lakh) given to employees of the Company under the staff loan.

vi) The Company has entered into a loan syndication agreement with Dewan Housing Finance Corporation Ltd (DHFL) to provide housing and property loans to borrowers wherein DHFL originates loan files through its branches and get it processed under common credit norms. Aadhar Housing Finance Ltd has agreed to participate in some of the loan disbursed by DHFL under the loan syndication agreement.

8. INVESTMENTS

Particulars	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
	Nos of Units / Shares		(₹ in Lakh)	
At amortised cost				
Investments in bonds				
6.05% GOI Bonds 2019 Face Value of ₹ 100/- each	-	500,000	-	502
6.57% GOI Bonds 2033 Face Value of ₹ 100/- each	500,000	500,000	494	494
9.80% NCD Jaipur Vidyut Vitran Nigam Ltd Face Value of ₹ 10,00,000/- each	1,000,000	-	1,902	-
			2,396	**996**
Investment in inter-corporate deposits (refer note (iii) below)				
Investment in inter-corporate deposit			-	300
Less : Provision for diminution in the value of investment			-	(300)
			-	-
At fair value through profit and loss				
Investments in mutual funds				
HSBC Cash Fund	134,392	115,683	2,502	2,001
IDBI Liquid Fund	-	80,701	-	1,501
Invesco India Liquid Fund	97,262	83,712	2,556	2,003
Peerless Liquid Fund	-	52,292	-	1,001

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Particulars	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
	Nos of Units / Shares		(₹ in Lakh)	
BOI AXA Liquid Fund	116,180	124,997	2,503	2,504
L&T Mutual Fund - Liquid Fund	-	84,030	-	2,002
LIC Mutual Fund - Liquid Fund	-	47,665	-	1,502
M & M Liquid Find - Direct Growth	-	88,984	-	1,001
Mirea Cash Management Fund - Direct Growth	-	54,607	-	1,001
Principal Cash Management Fund - Direct Growth	-	118,258	-	2,003
Reliance Liquid Fund Treasure Plan - Direct Growth	-	35,431	-	1,502
SBI Magnum Insta Cash Plus Fund - Direct Growth	85,473	52,129	2,503	2,003
Axis Liquid Fund - Direct Growth	120,713	-	2,503	-
			12,567	**20,024**
Investments in quoted equity instruments				
Reliance Power Limited Equity Shares of Face value of ₹ 10 each	222	222	0	1
IDFC First Bank Limited Equity Shares of Face value of ₹ 10 each	2,390	172	2	1
Mangalore Refinery and Petrochemical Limited Equity Shares of Face value of ₹ 10 each	3,000	3,000	1	2
			3	4
Total			**14,966**	**21,024**

Notes :

i) Amount "0" represent value less than ₹ 50,000/-.

ii) All investments are made within India.

iii) Investment in inter-corporate deposit is written off during the year ended March 31, 2019 by utilising the provision for an amount of ₹ 300 Lakh.

iv) Investment in bonds aggregating to ₹ 1,902 Lakh (March 31, 2018 : ₹ 996 Lakh) carry a floating charge in favour of depositors of fixed deposits read with note no 17.

9. OTHER FINANCIAL ASSETS

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured, Considered Good		
Receivable from related parties		
Security deposits	16	16
Receivable from assignment of receivables (net of servicing fee)	926	19
Others		
Receivable from assignment of portfolio	13,634	5,669
Receivable from mutual fund	2,502	-
Security deposits	694	349
Advances to employees	10	12
Total	**17,782**	**6,065**

10. CURRENT TAX ASSETS (NET)

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Income tax paid in advance (net of provisions)	1,361	217
Total	**1,361**	**217**

11. PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakh)

Particulars	Freehold Land	Building - Owned	Furniture & Fixture	Office Equipments	Vehicles	Computer	Total
Cost or deemed cost							
Balance as at April 1, 2017	**27**	**13**	**778**	**271**	**21**	**358**	**1,468**
Additions during the year	-	-	233	106	36	345	720
Deduction / adjustments	-	-	-	-	(18)	(2)	(20)
Balance as at March 31, 2018	**27**	**13**	**1,011**	**377**	**39**	**701**	**2,168**
Balance as at April 1, 2018	**27**	**13**	**1011**	**377**	**39**	**701**	**2168**
Additions during the year	-	-	441	333	-	263	1,037
Deduction / adjustments	-	-	(11)	(2)	(6)	(1)	(20)
Balance as at March 31, 2019	**27**	**13**	**1441**	**708**	**33**	**963**	**3185**
Accumulated depreciation							
Balance as at April 1, 2017	-	-	-	-	-	-	-
Depreciation for the year	-	1	105	55	4	174	339
Deduction / adjustments	-	-	-	-	-	-	-
Balance as at March 31, 2018	-	**1**	**105**	**55**	**4**	**174**	**339**
Balance as at April 1, 2018	-	**1**	**105**	**55**	**4**	**174**	**339**
Depreciation for the year	-	1	128	96	6	258	489
Deduction / adjustments	-	-	-	-	(5)	-	(5)
Balance as at March 31, 2019	-	**2**	**233**	**151**	**5**	**432**	**823**
Net book value							
As at March 31, 2019	**27**	**11**	**1,208**	**557**	**28**	**531**	**2,362**
As at March 31, 2018	**27**	**12**	**906**	**322**	**35**	**527**	**1,829**

The Company has availed the deemed cost exemption in relation to the property, plant and equipment (except freehold land) on the date of transition and hence the net block carrying amount has been considered as the gross block carrying amount on that date. Refer below for the gross block value and the accumulated depreciation on April 1, 2017 under the previous GAAP.

Particulars	Building - Owned	Furniture & Fixture	Office Equipments	Vehicles	Computer	Total
Gross Block	**13**	**898**	**342**	**28**	**517**	**1,798**
Accumulated Depreciation	-	120	71	7	159	357
Net Block	**13**	**778**	**271**	**21**	**358**	**1,441**

12. OTHER INTANGIBLE ASSET

(₹ in Lakh)

Particulars	Software
Cost or deemed cost	
Balance as at April 1, 2017	**51**
Additions during the year	56
Deduction / adjustments	-
Balance as at March 31, 2018	**107**
Balance as at April 1, 2018	**107**
Additions during the year	1
Deduction / adjustments	-
Balance as at March 31, 2019	**108**
Accumulated depreciation	

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(₹ in Lakh)

Particulars	Software
Balance as at April 1, 2017	-
Depreciation for the year	24
Deduction / adjustments	-
Balance as at March 31, 2018	**24**
Balance as at April 1, 2018	**24**
Depreciation for the year	40
Deduction / adjustments	-
Balance as at March 31, 2019	**64**
Net book value	
As at March 31, 2019	**44**
As at March 31, 2018	**83**

The Company has availed the deemed cost exemption in relation to the intangible assets on the date of transition and hence the net block carrying amount has been considered as the gross block carrying amount on that date. Refer below for the gross block value and the accumulated depreciation on April 1, 2017 under the previous GAAP.

Particulars	Software
Gross Block	**112**
Accumulated Depreciation	61
Net Block	**51**

13. OTHER NON-FINANCIAL ASSETS

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Asset held for sale	875	1,017
Less : Provision for diminution in the value of asset held for sale	(285)	-
	590	1,017
Prepaid expenses	239	345
Capital advance	7	177
Advance for expenses	296	55
Balance with government authorities	247	418
Total	**1,379**	**2,012**

Note : Advance for expenses includes ₹ 66 Lakh (March 31, 2018 : ₹ 44 Lakh) due to related parties [Refer Note 46].

14. TRADE PAYABLES

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Total outstanding dues to micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,576	1,381
Total	**1,576**	**1,381**

a) There are no overdue amounts to Micro, Small and Medium Enterprises as at March 31, 2019 for which disclosure requirements under Micro, Small and Medium Enterprises Development Act, 2006 are applicable.

b) Trade Payables includes ₹ 214 Lakh (March 31, 2018 : 105 Lakh) due to related parties [Refer Note 46].

15. DEBT SECURITIES

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
At amortised cost		
Secured		
Redeemable non convertible debentures	165,657	106,522
Unsecured		
Commercial paper (Unamortised discount as at March 31, 2019 : ₹ 386 Lakh (March 31, 2018 ₹ 429 Lakh)	9,614	32,071
Total	**175,271**	**138,593**

a) All debt securities are issued in india.

b) Terms of repayment and rate of interest in case of Debt Securities.

As At March 31, 2019

(₹ in Lakh)

Particulars	Interest Rate	0-3 Years	3-5 Years	>5 Years	Grand Total
Secured*					
Redeemable non convertible debentures	(8.40% to 10.25%)	116,919	23,877	19,484	**160,280**
Unsecured					
Commercial paper	(9.40%)	10,000	-	-	10,000

As At March 31, 2018

Particulars	Interest Rate	0-3 Years	3-5 Years	>5 Years	Grand Total
Secured*					
Redeemable non convertible debentures	(8.30% to 10.25%)	56,900	20,450	25,290	102,640
Unsecured					
Commercial paper	(9.40%)	32,500	-	-	32,500

Maturity profile disclosed above excludes discount, accrued interest and EIR adjustments amounting to ₹ 4,991 Lakh (March 31, 2018 : ₹ 3,453 Lakh).

LIST OF REDEEMABLE DEBENTURES

S. No.	ISIN	Rate of interest	Date of Redemption	As at March 31, 2019	As at March 31, 2018
1	INE538L07387	8.99%	25-Jun-2018	-	3,000
2	INE538L07387	8.99%	25-Jun-2018	-	1,500
3	INE538L07387	8.99%	25-Jun-2018	-	500
4	INE538L07395	8.97%	29-Jun-2018	-	2,500
5	INE538L07437	8.30%	4-Feb-2019	-	2,500
6	INE538L07452	8.40%	6-May-2019	1,100	1,100
7	INE538L07452	8.40%	6-May-2019	1,400	1,400
8	INE538L07452	8.40%	6-May-2019	2,500	2,500
9	INE538L07452	8.40%	6-May-2019	2,500	2,500
10	INE538L07452	8.40%	6-May-2019	1,000	1,000
11	INE538L07452	8.40%	6-May-2019	1,500	1,500
12	INE538L07429	8.60%	24-Jul-2019	5,000	5,000
13	INE538L07023	10.25%	9-Jan-2020	1,000	1,000
14	INE538L07023	10.25%	9-Jan-2020	500	500

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S. No.	ISIN	Rate of interest	Date of Redemption	As at March 31, 2019	As at March 31, 2018
15	INE538L07023	10.25%	9-Jan-2020	200	200
16	INE538L07023	10.25%	9-Jan-2020	1,000	1,000
17	INE538L07023	10.25%	9-Jan-2020	500	500
18	INE538L07403	8.88%	12-Jun-2020	2,000	2,000
19	INE538L07445	8.58%	23-Jun-2020	15,000	15,000
20	INE538L07411	8.80%	3-Jul-2020	5,000	5,000
21	INE538L07130	9.70%	9-Nov-2020	1,000	1,000
22	INE538L07148	9.65%	11-Dec-2020	1,000	1,000
23	INE538L07239	9.55%	3-Mar-2021	1,000	1,000
24	INE538L07247	9.40%	21-Mar-2021	700	700
25	INE538L07247	9.40%	21-Mar-2021	500	500
26	INE538L07460	8.90%	26-Mar-2021	1,000	1,000
27	INE538L07460	8.90%	26-Mar-2021	500	500
28	INE538L07262	9.50%	29-Mar-2021	1,000	1,000
29	INE538L07338	9.40%	27-May-2021	450	450
30	INE883F07033	9.60%	5-Jul-2021	200	200
31	INE883F07082	9.35%	17-Aug-2021	200	200
32	INE883F07090	9.35%	25-Aug-2021	100	100
33	INE538L07486	9.60%	29-Sep-2021	2,943	-
34	INE538L07494	9.60%	29-Sep-2021	57,627	-
35	INE538L07353	9.20%	18-Oct-2021	5,000	5,000
36	INE883F07108	9.37%	20-Oct-2021	200	200
37	INE883F07116	9.36%	25-Oct-2021	100	100
38	INE883F07132	9.36%	27-Oct-2021	200	200
39	INE538L07361	9.00%	11-Nov-2021	1,000	1,000
40	INE538L07064	9.80%	27-Mar-2022	2,000	2,000
41	INE538L07072	9.80%	3-Jun-2022	1,000	1,000
42	INE538L07072	9.80%	3-Jun-2022	1,000	1,000
43	INE538L07080	9.80%	7-Aug-2022	800	800
44	INE538L07080	9.80%	7-Aug-2022	100	100
45	INE538L07080	9.80%	7-Aug-2022	100	100
46	INE538L07098	9.80%	3-Sep-2022	1,000	1,000
47	INE538L07106	9.80%	10-Sep-2022	1,000	1,000
48	INE538L07122	9.70%	4-Nov-2022	2,000	2,000
49	INE538L07155	9.60%	28-Dec-2022	2,000	2,000
50	INE538L07171	9.60%	7-Jan-2023	2,000	2,000
51	INE538L07296	9.30%	28-Apr-2023	1,000	1,000
52	INE538L07296	9.30%	28-Apr-2023	130	130
53	INE883F07017	9.40%	5-May-2023	3,000	3,000
54	INE538L07304	9.50%	13-May-2023	500	500
55	INE538L07502	9.25%	29-Sep-2023	3,051	-
56	INE538L07510	9.65%	29-Sep-2023	1,896	-
57	INE883F07124	9.36%	27-Oct-2023	400	400
58	INE883F07140	9.40%	21-Nov-2023	1,800	1,800
59	INE883F07140	9.40%	21-Nov-2023	200	200
60	INE883F07157	9.40%	22-Nov-2023	900	900

S. No.	ISIN	Rate of interest	Date of Redemption	As at March 31, 2019	As at March 31, 2018
61	INE538L07056	9.80%	23-Mar-2025	2,500	2,500
62	INE538L07163	9.60%	6-Jan-2026	1,000	1,000
63	INE538L07163	9.60%	6-Jan-2026	1,000	1,000
64	INE538L07163	9.60%	6-Jan-2026	1,000	1,000
65	INE538L07189	9.60%	19-Jan-2026	1,000	1,000
66	INE538L07197	9.60%	19-Jan-2026	100	100
67	INE538L07197	9.60%	19-Jan-2026	170	170
68	INE538L07205	9.60%	25-Jan-2026	1,000	1,000
69	INE538L07205	9.60%	25-Jan-2026	1,000	1,000
70	INE538L07213	9.55%	29-Jan-2026	500	500
71	INE538L07213	9.55%	29-Jan-2026	100	100
72	INE538L07213	9.55%	29-Jan-2026	500	500
73	INE538L07213	9.55%	29-Jan-2026	100	100
74	INE538L07221	9.55%	1-Mar-2026	1,000	1,000
75	INE538L07254	9.55%	22-Mar-2026	2,000	2,000
76	INE538L07270	9.55%	31-Mar-2026	1,000	1,000
77	INE538L07270	9.55%	31-Mar-2026	250	250
78	INE883F07025	9.40%	5-May-2026	2,000	2,000
79	INE883F07041	9.35%	8-Jul-2026	200	200
80	INE883F07058	9.40%	13-Jul-2026	120	120
81	INE883F07066	9.28%	18-Jul-2026	200	200
82	INE883F07074	9.15%	5-Aug-2026	120	120
83	INE538L07379	9.00%	16-Nov-2026	500	500
84	INE538L07528	9.35%	29-Sep-2028	955	-
85	INE538L07536	9.75%	29-Sep-2028	1,168	-

iii) The Company has raised 67,640 Lakh (March 31, 2018 : ₹ 48,500 Lakh) from Secured Redeemable Non Convertible Debentures (NCDs) during the year ended March 31, 2019. NCDs are long term and are secured by way of jointly ranking pari passu inter-se first charge, along with NHB and other banks, on the Company's book debts, housing loans and on a specific immovable asset of the Company . NCDs including current maturities are redeemable at par on various periods.

iv) There has been no deviation in the utilisation of issue proceeds of publically issued secured redeemable NCD, from the Objects as stated in the Shelf prospectus document dated September 03, 2018.

16. BORROWINGS OTHER THAN DEBT SECURITIES

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Secured		
At amortised cost		
Term loan		
from banks	541,782	430,863
from National Housing Bank	88,610	46,381
Cash credit facilities		
from banks	-	2,539
Total	**630,392**	**479,783**

i) All borrowings are issued in India.

ii) Terms of repayment and rate of interest in case of Borrowings.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

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As at March 31, 2019

(₹ in Lakh)

Particulars	Interest Rate	0-3 Years	3-5 Years	>5 Years	Grand Total
Secured					
Term loan from banks	Floating*	311,912	117,100	112,800	**541,812**
Term Loan from National Housing Bank	4.86% to 9.75%	29,484	20,261	38,865	**88,610**

As at March 31, 2018

Particulars	Interest Rate	0-3 Years	3-5 Years	>5 Years	Grand Total
Secured					
Term loan from banks	Floating*	217,627	114,752	97,938	**430,317**
Term Loan from National Housing Bank	4.86% to 9.75%	17,067	11,159	18,155	**46,381**

*(Linked with MCLR/Base Rate of respective banks)

Maturity profile disclosed above excludes accrued interest and EIR adjustments amounting to ₹ (30) Lakh (March 31, 2018 : ₹ 546 Lakh).

iii) The secured term loans from all other banks are availed from various scheduled banks. These loans are repayable as per the individual contracted terms in one or more instalments between April 2019 and March 2033. These loans are secured / to be secured by way of jointly ranking pari passu inter-se charge, along with NHB and NCD holders, on the Company's book debts, housing loans and the whole of the present and future movable assets of the Company as applicable.

iv) Secured term loan from National Housing Bank are repayable as per the contracted terms in one or more instalments between April 2019 and December 2033. These loans from National Housing Bank are secured / to be secured by way of first charge to and in favour of NHB, other banks and NCD holders and jointly ranking pari passu inter-se, on the Company's book debts, housing loans and the whole of the present and future movable and immovable assets wherever situated excluding SLR assets and are also guaranteed by some of the promoters and promoter director.

v) Cash credit facilities from banks and are secured by way of jointly ranking pari passu inter-se charge, along with NHB and NCD holders, on the Company's book debts, housing loans and the whole of the present and future movable assets of the Company as applicable. All cash credit facilities are repayable as per the contracted / rollover term.

17. DEPOSITS

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Deposits		
At amortised cost		
Public deposits	11,608	8,212
From others	2,743	2,574
Total	**14,351**	**10,786**

The National Housing Bank Directives requires all HFCs, accepting public deposits, to create a floating charge on the statutory liquid assets maintained in favour of the depositors through the mechanism of a Trust Deed. The Company has accordingly appointed SEBI approved Trustee Company as a Trustee for the above by executing a trust deed. The public deposits of the Company as defined in paragraph 2(1)(y) of the Housing Finance Companies (NHB) Directions, 2010, are secured by floating charge on the Statutory Liquid Assets maintained in terms of sub-sections (1) and (2) of Section 29B of the National Housing Bank Act, 1987.

18. SUBORDINATED LIABILITIES

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured		
Redeemable non convertible debentures	8,769	8,763
Total	**8,769**	**8,763**

i) All subordinated liabilities are issued in india

ii) Terms of repayment and rate of interest in case of Subordinated Liabilities.

As at March 31, 2019

(₹ in Lakh)

Particulars	Interest Rate	0-3 Years	3-5 Years	>5 Years	Grand Total
Redeemable non convertible debentures	9.75% to 10.00%	-	2,400	6,000	8,400

As at March 31, 2018

(₹ in Lakh)

Particulars	Interest Rate	0-3 Years	3-5 Years	>5 Years	Grand Total
Redeemable non convertible debentures	9.75% to 10.00%	-	1,800	6,600	8,400

Maturity profile disclosed above excludes accrued interest and EIR adjustments amounting to ₹ 369 Lakh (March 31, 2018 : ₹ 363 Lakh).

iii) Unsecured Redeemable Non-Convertible Debentures are subordinated to present and future senior indebtedness of the Company. These Unsecured Redeemable Non-Convertible Debentures qualifies as Tier II capital in accordance with National Housing Bank (NHB) guidelines for assessing capital adequacy based on balance term to maturity. These debentures are redeemable at par on maturity at the end of various periods.

19. OTHER FINANCIAL LIABILITIES

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Book overdraft	17,663	59,075
Accrued employee benefits	2,763	921
Payable to insurance companies towards disbursements	-	1,404
Amount payable under assignment of receivables	4,345	1,795
Unpaid dividend (refer note below)	7	6
Unpaid matured deposits and interest accrued thereon	145	235
Total	**24,923**	**63,436**

The Parent Company has transferred a sum of ₹ 0.15 Lakh during the year ended March 31, 2019 (March 31, 2018 : ₹ 0.38 Lakh) being Unclaimed Dividend to Investor Education and Protection Fund under section 124 of the Companies Act, 2013.

20. CURRENT TAX LIABILITIES (NET)

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for income tax (net of advance tax)	-	333
Total	**-**	**333**

21. PROVISIONS

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits		
Provision for compensated absences	613	423
Provision for gratuity	102	8
Total	**715**	**431**

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

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22. DEFERRED TAX BALANCES

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred tax liabilities	7,365	5,305
Deferred Tax Assets	4,227	3,451
Deferred tax liabilities (net)	**3,138**	**1,854**
Deferred Tax Assets	9	4
Deferred Tax Assets (net)	**9**	**4**
Total	**3,129**	**1,850**

Deferred tax assets and liabilities in relation to:

Particulars	Opening balance as at April 1, 2017	Recognised in Profit and Loss	Recognised in Other Comprehensive Income	Closing balance as at March 31, 2018	Recognised in Profit and Loss	Recognised in Other Comprehensive Income	Closing balance as at March 31, 2019
Deferred tax liabilities							
On difference between book balance and tax balance of assets	36	39	-	75	(26)	-	49
Fair value on Amalgamation	3,755	(506)	-	3,249	(546)	-	2,703
Receivable on Excess interest spread	1,203	778	-	1,981	2,632	-	4,613
	4,994	**311**	**-**	**5,305**	**2,060**	**-**	**7,365**
Deferred tax assets							
On account of provision for contingency	1,354	453	-	1,807	369	-	2,176
On account of provision for employee benefits	56	(31)	78	103	78	19	200
Others	672	873	-	1,545	315	-	1,860
	2,082	**1,295**	**78**	**3,455**	**762**	**19**	**4,236**
Net	**2,912**	**(984)**	**(78)**	**1,850**	**1,298**	**(19)**	**3,129**

23. OTHER NON-FINANCIAL LIABILITIES

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Advance from Customers	396	355
Statutory remittance	317	919
Others	401	245
Total	**1,114**	**1,519**

24. EQUITY SHARE CAPITAL

Particulars	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
	Nos of Shares		(₹ in Lakh)	
Authorised share capital				
Equity shares of ₹ 10 each	220,000,000	220,000,000	22,000	22,000
Issued share capital				
Equity shares of ₹ 10 each	25,148,472	25,148,472	2,515	2,515
Subscribed and paid up capital				
Equity shares of ₹ 10 each	25,148,472	25,148,472	2,515	2,515
Total			**2,515**	**2,515**

a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:

Particulars	As at March 31, 2019	As at March 31, 2018
Equity shares at the beginning of the year	25148472	11080705
Add: Shares issued during the year		
On Amalgamation (refer note 34)	-	10125360
Preferential Allotment	-	3942407
Equity shares at the end of the year	**25148472**	**25148472**

b) Terms / Rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares 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 the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the share holders. Dividend declared towards equity shares will be subject to the approval of shareholder in the ensuing Annual General Meeting.

c) The Company has not proposed any dividend for the year ended March 31, 2019. For the year ended March 31, 2018, the Company had declared final dividend @ ₹ 7 per equity share to the equity shareholders subject to the approval of the shareholders at the ensuing Annual General Meeting. The same was approved in the Annual General Meeting Dated August 03, 2018.

For the year ended March 31, 2017, the Company had declared final dividend @ ₹ 7 per equity share to the equity shareholders subject to the approval of the shareholders at the ensuing Annual General Meeting. The same was approved in the Annual General Meeting Dated July 24, 2017.

d) Details of shareholders holding more than five percent equity shares in the Company are as under:

Particulars	As at March 31, 2019		As at March 31, 2018	
	% of Holding	Number of shares	% of Holding	Number of shares
Wadhawan Global Capital Ltd (Holding Company)	69.98%	17,597,715	69.98%	17,597,715
Dewan Housing Finance Corporation Ltd	9.15%	2,301,090	9.15%	2,301,090
International Finance Corporation (IFC Washington)	16.91%	4,253,389	16.91%	4,253,389

e) The Holding Company and Dewan Housing Finance Limited, along with promoter shareholders (collectively "sellers") have entered into a share purchase agreement on February 02, 2019 with BCP Topco VII Pte. Ltd., which is held through intermediary companies by private equity funds managed by wholly owned subsidiaries of The Blackstone Group L.P. (collectively "Blackstone"), for transfer of the sellers' entire stake in the company constituting 80.76% of the equity share capital to Blackstone, subject to regulatory and other approvals.

25. OTHER EQUITY

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Capital reserve on amalgamation	6	6
Securities premium	40,913	40,913
Statutory reserve (Special reserve as per Section 29C of National Housing Bank Act, 1987 and Special reserve as per Section 36(1)(viii) of the Income Tax Act, 1961) (refer note below)	15,413	12,168
Debenture redemption reserve	5,637	-
General Reserve	5,267	2,267
Employees Stock Appreciation Rights	83	-
Retained earnings	16,158	13,959
Total	**83,477**	**69,313**

Notes :

a) Statement for Disclosure on Statutory / Special Reserves, as prescribed by NHB vide its circular no NHB(ND)/DRS/Pol. Circular.61/2013-14, dated: 7th April, 2014 and NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

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(₹ in Lakh)

Particulars		As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the year			
a)	Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	708	604
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	11,460	8,750
c)	**Total**	**12,168**	**9,354**
Additions during the year			
a)	Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	-	104
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	3,245	2,710
c)	**Total**	**3,245**	**2,814**
Utilised during the year			
a)	Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	-	-
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	-	-
c)	**Total**	-	-
Balance at the end of the year			
a)	Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	708	708
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	14,705	11,460
Total		**15,413**	**12,168**

ii) Department of Company Affairs with reference to the General Circular no. 4/2003 vide G.S.R. 413 (E) dated 18.06.2014, had clarified that, Housing Finance Companies registered with National Housing Bank are exempted from the requirement of creating Debenture Redemption Reserve (DRR) in case of privately placed debentures. However, the Company needs to create DRR in case of public issue of Debentures and accordingly, the Company has created DRR as at year end March 31, 2019 to the tune of ₹ 5,637 Lakh against ₹ 16,910 Lakh against its public issue of Secured Redeemable Non-Convertible Debentures and remaining ₹ 11,273 Lakh will be created before the maturity date.

26. REVENUE FROM OPERATIONS

(₹ in Lakh)

Particulars		For the year ended March 31, 2019	For the year ended March 31, 2018
a)	**Interest income**		
	On financial assets measured at amortised cost		
	Interest on Loans	106,810	70,228
	Interest on fixed deposits	1,238	171
	Interest on bonds	736	70
	Other interest	711	5
		109,495	**70,474**
b)	**Net gain on fair value changes**		
	Measured at FVTPL		
	Equity investment measured at FVTPL		
	Realised	-	-
	Unreaslised	(1)	(1)
		(1)	**(1)**
	Investment in mutual fund measured at FVTPL		
	Realised	2,500	1,472
	Unreaslised	(14)	(24)
		2,486	1,448

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
c) Net gain on derecognition of financial instruments under amortised cost category		
On assigment of portfolio	9,185	3,635
D) Fees and commission Income		
Loan processing fee and other charges (net of business sourcing expenses)	3,473	5,316
Intermediary services	1,738	628
	5,211	**5,944**
Total	**126,376**	**81,500**

27. OTHER INCOME

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Miscellaneous income	2	12
Total	**2**	**12**

28. FINANCE COSTS

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest expenses on financial liabilities measured at amortised cost		
Interest on borrowings (other than debt securities)	51,987	31,896
Interest on fixed deposits	915	740
Interest on non convertible debentures	12,081	8,288
Interest on subordinated liabilities	829	862
Interest on others	4,703	3,564
Finance charges	2,536	877
Total	**73,051**	**46,227**

29. IMPAIRMENT ON FINANCIAL INSTRUMENTS

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
On Financial instruments measured at Amortised Cost		
Loans	2,452	2,603
Others		
Asset held for sale	285	-
Total	**2,737**	**2,603**

30. EMPLOYEE BENEFITS EXPENSE

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries, bonus and other allowances	15,901	9,515
Contribution to provident fund and other funds (refer note 43)	1,286	801
Share Based Payments to employees	83	-
Staff welfare expenses	330	289
Total	**17,600**	**10,605**

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED MARCH 31, 2019

31. OTHER OPERATING EXPENSES

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Rent	1,142	806
Rates and taxes	2	4
Travelling expenses	1,255	997
Printing and stationery	410	256
Advertisement and business promotion	401	573
Insurance	373	269
Legal and professional charges	670	451
Auditors remuneration (refer note below 31.2)	63	66
Postage, telephone and other communication expenses	532	431
General repairs and maintenance	445	235
Loss on sale of asset held for sale	42	-
Bad-debts written off (net of utilised from Provision ₹ 796 Lakh (March 31, 2018 : ₹ 286 Lakh))	463	332
Electricity charges	255	189
Directors sitting fees and commission (refer note below 31.3)	82	47
Corporate social responsibility expenses (refer note below 31.1)	79	23
Goods and service tax /service tax expenses	775	509
Loss on sale of fixed assets	6	-
Other expenses	513	366
Total	**7,508**	**5,554**

31.1 Details of Corporate Social Responsibility

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
a) Amount required to be spend during the year	188	110
b) Amount spend during the year	79	23

Amount mentioned above were paid in cash during the respective financial year and were incurred for the purpose other than construction / purchase of assets.

31.2 Details of auditors remuneration

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Audit fee	54	57
Tax audit fee	8	8
Others	1	-
	63	**65**
Services towards NCD IPO (including fees paid to preivous auditors)	104	-
Total	**167**	**65**

31.3 Directors sitting fees and commission includes ₹ 60 Lakh of commission which will be paid subject to approval in the ensuing Annual General Meeting.

32. TAXES

a) **Income tax expenses**

The major components of income tax expenses

i) **Profit and Loss section**

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Current tax expenses	6,032	5,673
Deferred tax	1,298	(984)
Total	**7,330**	**4,689**

ii) **Other comprehensive income section**

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Current tax expenses	-	-
Deferred tax	(19)	(78)
Total	**(19)**	**(78)**

b) **Reconciliation of effective tax rate**

(₹ in Lakh)

	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
a)	Profit before income taxes	23,514	15,936
b)	Enacted tax rate in India (including surcharge and cess)	34.944%	34.608%
c)	Expected tax expenses	8,217	5,515
d)	Other than temprarory difference		
	Special reserve	993	976
	Merger Expenses	-	25
	Effect of change in rate	-	(21)
	Expenses disallowed / (allowed)	(87)	(76)
e)	Tax expense recognised in profit and loss	7,330	4,689
f)	**Tax expense recognised in other comprehensive income**	**(19)**	**(78)**

33. EARNINGS PER SHARE

The following is the computation of earnings per share on basic and diluted earnings per equity share:

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Net profit after tax attributable to equity shareholders (₹ In Lakh)	16,237	11,471
Weighted average number of equity shares outstanding during the year (Nos)	2,51,48,472	2,14,65,292
Add: Effect of potential issue of shares / stock rights *	1,78,724	-
Weighted average number of equity shares outstanding during the year including potential shares outstanding (Nos)	2,53,27,196	2,14,65,292
Face value per equity share (₹)	10	10
Basic earnings per equity share (₹)	64.56	53.44
Diluted earnings per equity share (₹)	64.11	53.44

* not considered when anti-dilutive

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED MARCH 31, 2019

34. AMALGAMATION

In terms of the Scheme of Amalgamation ("the Scheme"), approved by the National Company Law Tribunal ("NCLT") on October 27, 2017, with an appointed date of April 01, 2016 and an effective date of November 20, 2017 ('the Effective Date'), being the date on which all the requirement of Companies Act, 2013 were completed, Aadhar Housing Finance Limited (the "Transferor Company") has been amalgamated with the Company ("Transferee Company"). Upon the amalgamation, the undertaking and the entire business, including all assets and liabilities of erstwhile Aadhar Housing Finance Limited stand transferred to and vested in the Transferee Company. The amalgamation has been accounted under "Purchase Method" as envisaged in the Scheme and Accounting Standard (AS) – 14 "Accounting for Amalgamations" notified under the Companies (Accounting Standards) Rules, 2006. Accordingly, the assets and liabilities taken over on amalgamation of the Transferor Company are fair valued as on the appointed date. Further, in consideration, the Company has issued equity shares in accordance with the approved swap ratio to the shareholders of the Transferor Company. These shares are fair valued for the purpose of recording in the books of account (capital and share premium) based on the equity valuation considered in arriving at the swap ratio by an independent firm of Chartered Accountants.

As per the Scheme, the name of the transferee company DHFL Vysya Housing Finance Limited was changed to Aadhar Housing Finance Limited, name of the transferor Company. (refer note 4)

Equity shares of ₹ 10/- each to be issued as fully paid-up pursuant to merger of Erstwhile Aadhar Housing Finance Limited with the Company under the scheme of amalgamation without the payment being received in cash as accounted under equity share capital suspense account till the date of actual allotment of equity shares.

35. CONTINGENT LIABILITIES

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Income tax matters of earlier years	136	127

The aforementioned contingent liabilities towards income tax have been paid under protest.

36. COMMITMENTS

i. Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for as at March 31, 2019 ₹ 114 Lakh (March 31, 2018: ₹ 100 Lakh)

ii. Undisbursed amount of loans sanctioned and partly disbursed as at March 31, 2019 ₹ 40,431 Lakh (March 31, 2018 : ₹ 49,058 Lakh)

37. OPERATING LEASE

The group has taken certain office premises on non-cancellable operating lease basis.

Future minimum lease payments under non-cancellable operating leases are as follows :

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Not later than 1 Year	16	23
Later than 1 Year and not later than 5 years	7	22
More than 5 Years	-	-

38. FINANCIAL INSTRUMENTS

(i) Fair value hierarchy

The group uses the following hierarchy to determine the fair values of its financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

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

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

There were no transfers between levels 1, 2 and 3 during the year.

The group recognises transfers in and transfers out of fair value hierarchy levels as at the end of the reporting period.

(ii) Valuation process

The management of the Company performs the valuations of financial assets and liabilities required for financial reporting purposes.

The carrying amounts of trade receivables, trade payables, capital creditors and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

The fair values for loans are calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

The fair values of borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

Valuation processes and technique

Type of Instrument	Reference Price
Investment in Mutual Funds	NAV as on the reporting date.
Investment in Equity Shares	Quoted price on exchange as on the reporting date.

As at March 31, 2019

(₹ in Lakh)

Particulars	Fair Value Hierarchy	Fair Value			Carrying Value		
		FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets							
Investments							
- Equity instruments	Level 1	3	-	-	3	-	-
- Mutual funds	Level 1	12,567	-	-	12,567	-	-
- Government securities	Level 2	-	-	470	-	-	494
Financial liabilities							
Debt securities	Level 1	-	-	64,861	-	-	69,548
Debt securities	Level 3	-	-	97,643	-	-	96,109

As at March 31, 2018

(₹ in Lakh)

Particulars	Fair Value Hierarchy	Fair Value			Carrying Value		
		FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets							
Investments							
- Equity instruments	Level 1	4	-	-	4	-	-
- Mutual funds	Level 1	20,024	-	-	20,024	-	-
- Government securities	Level 2	-	-	982	-	-	996
Financial liabilities							
Debt securities	Level 3	-	-	1,08,315	-	-	1,06,522

The Group considers that the carrying amounts recognised in the financial statements for housing and other loans, debt securities (other than disclosed above), deposits, borrowings (other than debt securities) , trade receivables, payables and other financial assets and liabilities whose fair value is not disclosed approximate their fair values.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

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39. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. With regard to loans and advances to customers, the Company uses the same basis of expected repayment behaviour as used for estimating the EIR. Issued debt reflect the contractual coupon amortisations.

(₹ in Lakh)

Particulars	March 31, 2019			March 31, 2018		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Cash and cash equivalents	94,335	-	94,335	18,906	-	18,906
Other bank balances	10,955	103	11,058	834	184	1,018
Receivables	386	-	386	253	-	253
Housing and other loans	1,33,098	6,69,461	8,02,559	1,24,028	6,03,268	7,27,296
Investments	12,570	2,396	14,966	20,530	494	21,024
Other financial assets	8,537	9,245	17,782	2,085	3,980	6,065
Non-financial assets						
Current tax assets (Net)	1,361	-	1,361	217	-	217
Property, plant and equipment	-	2,362	2,362	-	1,829	1,829
Other intangible assets	-	44	44	-	83	83
Deferred tax assets (net)	-	9	9	-	4	4
Other non-financial assets	1,372	7	1,379	1,835	177	2,012
Total Assets	**2,62,614**	**6,83,627**	**9,46,241**	**1,68,688**	**6,10,019**	**7,78,707**
LIABILITIES						
Financial Liabilities						
Trade Payables	1,576	-	1,576	1,381	-	1,381
Debt Securities	33,191	1,42,080	1,75,271	45,953	92,640	1,38,593
Borrowings (Other than debt securities)	1,55,188	4,75,204	6,30,392	75,429	4,04,354	4,79,783
Deposits	7,331	7,020	14,351	5,692	5,094	10,786
Subordinated liabilities	369	8,400	8,769	363	8,400	8,763
Other financial liabilities	24,923	-	24,923	63,436	-	63,436
Non-Financial Liabilities						
Current tax liabilities (Net)	-	-	-	333	-	333
Provisions	715	-	715	431	-	431
Deferred tax liabilities (Net)	-	3,138	3,138	-	1,854	1,854
Other non-financial liabilities	1,114	-	1,114	1,519	-	1,519
Total liabilities	**2,24,407**	**6,35,842**	**8,60,249**	**1,94,537**	**5,12,342**	**7,06,879**
Net	**38,207**	**47,785**	**85,992**	**(25,849)**	**97,677**	**71,828**

Note: The maturity analysis is prepared considering the prepayments on housing and other loans in line with historical trend.

40. FINANCIAL RISK MANAGEMENT

a. Liquidity Risk

Liquidity risk is the current and prospective risk arising out of an inability to meet financial commitments as they fall due, through available cash flows or through the sale of assets at fair market value. It includes both, the risk of unexpected increases in the cost of funding an asset portfolio at appropriate maturities and the risk of being unable to liquidate a position in a timely manner at a reasonable price.

The group manages liquidity risk by maintaining sufficient cash and marketable securities and by having access to funding through an adequate amount of committed credit lines. Given the need to fund diverse products, the Company maintains flexibility in funding by maintaining availability under committed credit lines to meet obligations when due. Management regularly monitors the position of cash and cash equivalents vis-à-vis projections. Assessment of maturity profiles of financial assets and financial liabilities including debt financing plans and maintenance of Balance Sheet liquidity ratios are considered while reviewing the liquidity position.

Liquidity risk is managed in accordance with our Asset Liability Management Policy. This policy is framed as per the current regulatory guidelines and is approved by the Board of Directors. The Asset Liability Management Policy is reviewed periodically to incorporate changes as required by regulatory stipulation or to realign the policy with changes in the economic landscape. The Asset Liability Committee (ALCO) of the Company formulates and reviews strategies and provides guidance for management of liquidity risk within the framework laid out in the Asset Liability Management Policy.

Maturity Analysis of Financial assets and Financial Liabilities

As at March 31, 2019

(₹ in Lakh)

Particulars	Carrying Value	Due within 1 year	Due within 1 to 3 year	Due within 3 to 5 year	More than 5 year
Financial Assets					
Cash and cash equivalents	94,335	94,335	-	-	-
Other bank balances	11,058	10,955	103	-	-
Housing and other loans	8,02,559	1,33,098	1,90,025	1,54,906	3,24,530
Investments	14,966	12,570	-	-	2,396
Receivables & Other financial assets	18,168	8,923	5,444	2,501	1,300
Total	**9,41,086**	**2,59,881**	**1,95,572**	**1,57,407**	**3,28,226**
Financial Liabilities					
Trade payables	1,576	1,576	-	-	-
Debt securities	1,75,271	33,191	98,719	23,877	19,484
Borrowings (other than debt securities)	6,30,392	1,55,188	1,86,178	1,37,361	1,51,665
Deposits	14,351	7,331	6,423	479	118
Subordinated liabilities	8,769	369	-	2,400	6,000
Other financial liabilities	24,923	24,923	-	-	-
Total	**8,55,282**	**2,22,578**	**2,91,320**	**1,64,117**	**1,77,267**
Net	**85,804**	**37,303**	**-95,748**	**-6,710**	**1,50,959**

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED MARCH 31, 2019

As at March 31, 2018

(₹ in Lakh)

Particulars	Carrying Value	Due within 1 year	Due within 1 to 3 year	Due within 3 to 5 year	More than 5 year
Financial Assets					
Cash and cash equivalents	18,906	18,906	-	-	-
Other bank balances	1,018	834	184	-	-
Housing and other loans	7,27,296	1,24,028	2,23,826	1,77,881	2,01,561
Investments	21,024	20,530	-	-	494
Receivables & Other financial assets	6,318	2,338	2,275	1,070	635
Total	**7,74,562**	**1,66,636**	**2,26,285**	**1,78,951**	**2,02,690**
Financial Liabilities					
Trade payables	1,381	1,381	-	-	-
Debt securities	1,38,593	45,953	46,900	20450	25290
Borrowings (other than debt securities)	4,79,783	75,429	1,62,350	125911	116093
Deposits	10,786	5,692	4,103	866	125
Subordinated liabilities	8,763	363	-	1800	6600
Other financial liabilities	63,436	63,436	-	-	-
Total	**7,02,742**	**1,92,254**	**2,13,353**	**1,49,027**	**1,48,108**
Net	**71,820**	**-25,618**	**12,932**	**29,924**	**54,582**

The maturity analysis is prepared considering the prepayments on housing and other loans in line with historical trend.

b. Interest Risk

The core business of the group is providing housing and other mortgage loans. The company borrows through various financial instruments to finance its core lending business. These activities expose the company to interest rate risk.

Interest rate risk is measured through earnings at risk from an earnings perspective and through duration of equity from an economic value perspective. Further, exposure to fluctuations in interest rates is also measured by way of gap analysis, providing a static view of the maturity and re-pricing characteristic of Balance sheet positions. An interest rate sensitivity gap report is prepared by classifying all rate sensitive assets and rate sensitive liabilities into various time period categories according to contracted/behavioural maturities or anticipated re-pricing date. The difference in the amount of rate sensitive assets and rate sensitive liabilities maturing or being re-priced in any time period category, gives an indication of the extent of exposure to the risk of potential changes in the margins on new or re-priced assets and liabilities. The interest rate risk is monitored through above measures on a quarterly basis.

Interest Rate Sensitivity

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

Particulars	Basis Points	For the year ended March 31, 2019	For the year ended March 31, 2018
Increase by basis points	50	735	1,142
Decrease by basis points	-50	(735)	(1,142)

c. Credit risk

Credit risk is the risk of loss that may occur from the failure of any party to abide by the terms and conditions of any contract, principally the failure to make required payments of amounts due to the company. In its lending operations, the group is principally exposed to credit risk.

The credit risk is governed by the Credit Policy approved by the Board of Directors. The Credit Policy outlines the type of products that can be offered, customer categories, the targeted customer profile and the credit approval process and limits.

The Company measures, monitors and manages credit risk at an individual borrower level and at the group exposure level for corporate borrowers. The credit risk for retail borrowers is being managed at portfolio level for both Home loans and Other property loans. The Company has a structured and standardized credit approval process, which includes a well-established procedure of comprehensive credit appraisal. The Risk Management Policy addresses the recognition, measurement, monitoring and reporting of the Credit risk.

Credit Risk Assessment Methodology

Company's customers for retail loans are primarily Lower and middle income, salaried and self-employed individuals.

The Parent Company's credit officers evaluate credit proposals on the basis of operating policies approved by the Committee of Executive Directors. The criteria typically include factors such as the borrower's income, the loan-to-value ratio and demographic parameters. Any deviations need to be approved at the designated levels.

External agencies such as field investigation agencies facilitate a comprehensive due diligence process including visits to offices and homes in the case of loans made to retail borrowers.

Company monitor's borrower account behaviour as well as static data regularly to monitor the portfolio performance of each product segment regularly, and use these as inputs in revising its product programs, target market definitions and credit assessment criteria to meet the twin objectives of combining volume growth and maintenance of asset quality.

The loans are secured by the mortgage of the borrowers' property.

The Company's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising expected credit losses
Stage 1	High quality assets	12-month ECL
Stage 2	Assets for which there is no significant increase in credit risk	Lifetime ECL
Stage 3	Assets for which there is significant increase in credit risk	Lifetime ECL – credit-impaired

The key elements in calculation of ECL are as follows:

PD - The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. The PD has been determined based on seasoned historical portfolio data using the survival analysis methodology.

EAD - The Exposure at Default includes repayments scheduled by contract or otherwise, expected drawdowns on committed facilities, accrued interest from missed payments and loan commitments.

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

An analysis of changes in the gross carrying amount (excluding adjustment to carrying value on account of application of effective interest rate) and the corresponding ECL allowances in relation to lending is, as follows:

a) Housing and Other Property Loan

The table below shows the credit quality and the exposure to credit risk based on the year-end stage classification. The amounts presented are gross of impairment allowances.

(₹ in Lakh)

Particulars	Asset category	Gross Carrying Amount	Expected Credit Loss*	Net Carrying Amount	PD
Stage 1 – High quality assets	Loan	7,62,243	1,322	7,60,921	0.89% to 0.93%
Stage 2 – Assets for which there is no significant increase in credit risk	Loan	36,346	1,916	34,430	38.70% to 40.22%
Stage 3 - Assets for which there is significant increase in credit risk	Loan	6,301	1,280	5,021	100%

* includes Expected Credit Loss provision on Loan commitment amount to ₹ 46 Lakh.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED MARCH 31, 2019

Reconciliation of Loan balances is given below:

(₹ in Lakh)

Particulars	March 31, 2019				March 31, 2018			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**6,95,597**	**23,046**	**5,105**	**7,23,748**	**4,41,440**	**11,003**	**4,044**	**4,56,487**
New assets added during the year	3,57,078	-	-	3,57,078	3,90,219	-	-	3,90,219
Assets derecognised under direct assignment	(1,48,304)	-	-	(1,48,304)	(33,051)	-	-	(33,051)
Repayment of Loans (excluding write offs)	(1,21,844)	(3,993)	(846)	(1,26,683)	(86,765)	(2,040)	(614)	(89,419)
Transfers to / from Stage 1	3,328	(5,853)	(218)	(2,743)	(234)	(2,441)	(213)	(2,888)
Transfers to / from Stage 2	(22,124)	25,172	(398)	2,650	(14,611)	17,626	(311)	2,704
Transfers to / from Stage 3	(1,360)	(1,818)	3,416	238	(1,288)	(967)	2,569	314
Amounts written off	(128)	(208)	(758)	(1,094)	(113)	(135)	(370)	(618)
Gross carrying amount closing balance	**7,62,243**	**36,346**	**6,301**	**8,04,890**	**6,95,597**	**23,046**	**5,105**	**7,23,748**

Reconciliation of ECL balance is given below:

(₹ in Lakh)

Particulars	March 31, 2019				March 31, 2018			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**986**	**1,349**	**952**	**3,287**	**648**	**657**	**726**	**2,031**
New assets added during the year	423	-	-	423	519	-	-	519
Assets derecognised under direct assignment	(176)	-	-	(176)	(44)	-	-	(44)
Repayment of Loans (excluding write offs)	(145)	(211)	(174)	(530)	(115)	(119)	(132)	(366)
Transfers to / from Stage 1	4	(309)	(45)	(350)	-	(143)	(46)	(189)
Transfers to / from Stage 2	(26)	1,327	(82)	1,219	(19)	1,031	(67)	945
Transfers to / from Stage 3	(2)	(96)	671	573	(2)	(57)	525	466
Impact on year end ECL of exposures transferred between stages during the year	258	(144)	557	671	(1)	(20)	232	211
Amounts written off	-	-	(599)	(599)	-	-	(286)	(286)
Gross carrying amount closing balance	**1,322**	**1,916**	**1,280**	**4,518**	**986**	**1,349**	**952**	**3,287**

Above includes Expected Credit Loss provision on Loan commitment amount to ₹ 46 Lakh (As at March 31, 2018 and April 1, 2017 : ₹ 61 Lakh and ₹ 39 Lakh respectively.

b) Loans to Developers

The table below shows the credit quality and the exposure to credit risk based on the year-end stage classification. The amounts presented are gross of impairment allowances.

(₹ in Lakh)

Particulars	Asset category	Gross Carrying Amount	Expected Credit Loss	Net Carrying Amount	PD
Stage 1 – High quality assets	Loan	2,675	180	2,495	13.51%
Stage 2 – Assets for which there is no significant increase in credit risk	Loan	2,422	689	1,733	56.93%
Stage 3 - Assets for which there is significant increase in credit risk	Loan	4,997	2,444	2,553	100.00%

Reconciliation of Loan balances is given below:

(₹ in Lakh)

Particulars	March 31, 2019				March 31, 2018			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**7,102**	**2,243**	**4,369**	**13,714**	**11,996**	**487**	**2,735**	**15,218**
New assets added during the year	-	-	-	-	246			246
Repayment of Loans (excluding write offs)	(1,854)	(372)	(1,236)	(3,462)	(1,498)	-	(607)	(2,105)
Transfers to / from Stage 1	1,671	(1,143)	(528)	-	-	-	(145)	(145)
Transfers to / from Stage 2	(2,278)	2,278	-	-	(2,243)	1,756	-	(487)
Transfers to / from Stage 3	(1,966)	(584)	2,571	21	(1,399)		2,386	987
Amounts written off	-	-	(179)	(179)	-	-	-	-
Gross carrying amount closing balance	**2,675**	**2,422**	**4,997**	**10,094**	**7,102**	**2,243**	**4,369**	**13,714**

Reconciliation of ECL balance is given below:

(₹ in Lakh)

Particulars	March 31, 2019				March 31, 2018			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**355**	**590**	**1,942**	**2,887**	**405**	**119**	**1,302**	**1,826**
New assets added during the year	-	-	-	-	11	-	-	11
Repayment of Loans (excluding write offs)	(125)	(106)	(618)	(849)	(67)	-	(304)	(371)
Transfers to / from Stage 1	113	(325)	(264)	(476)	-	-	(73)	(73)
Transfers to / from Stage 2	(154)	648	-	494	(101)	462	-	361
Transfers to / from Stage 3	(133)	(166)	1,275	976	(63)	-	1,016	953
Impact on year end ECL of exposures transferred between stages during the year	124	48	288	460	170	9	1	180
Amounts written off	-	-	(179)	(179)	-	-	-	-
Gross carrying amount closing balance	**180**	**689**	**2,444**	**3,313**	**355**	**590**	**1,942**	**2,887**

Above includes Expected Credit Loss provision on Loan commitment amount to Nil Lakh (As at March 31, 2018 and April 1, 2017 : ₹ 36 Lakh and ₹ 35 Lakh respectively).

Impairment allowance for loan against fixed deposit is Nil and therefore related disclosures as required by Ind AS 109 are not given in the financial statement.

41. CAPITAL MANAGEMENT

The Group's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry, the Company monitors capital on the basis of the following gearing ratio: Net debt (total borrowings net of cash and cash equivalents and Liquid investments) divided by Total 'equity' (as shown in the balance sheet) and Capital adequacy ratio.

Particulars	Amount
Total Net Borrowings (₹ in Lakh)*	7,19,448
Total Equity (₹ in Lakh)	85,992
Debt Equity Ratio	8.37

*Total net borrowing = Total borrowings – Cash and Cash Equivalents – Investment in Liquid Mutual fund – Receivable from Mutual Fund

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

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The Parent Company is required to maintain the CAR of 12% as required by NHB. Furtherthe parent company is required to maintain borrowing not exceeding 16 time of Net Owned Fund.

42. SEGMENT REPORTING

The group operates only in one Operating Segment i.e Housing Finance business - Financial Services and all other activities are incidental to the main business activity, hence have only one reportable Segment as per Indian Accounting Standard 108 "Operating Segments". The reportable business segments are in line with the segment wise information which is being presented to the CODM. The Company has identified Managing Director and CEO as CODM.

The Company has its operations within India and all revenue is generated within India.

43. EMPLOYEE BENEFITS

43.1 Defined Contribution Plan

The group makes contributions to provident fund for qualifying employees to Regional Provident Fund Commissioner under defined contribution plan under the Provident Fund Act.

Amount recognised as an expense and included under the head "Contribution to Provident and Other Funds" of Statement of Profit and Loss are as follows:

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Contribution to provident fund	273	220
Contribution to pension fund	328	154
Contribution to new pension scheme	9	-
Contribution to ESIC	137	57

43.2 Defined Obligation Benefit

The group provides gratuity to its employees which are defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

These gratuity plan typically expose the Company to actuarial risks such as: investment risk, interest risk, longevity risk and salary risk.

Investment Risk:

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. For other defined benefit plans, the discount rate is determined by reference to market yield at the end of reporting period on high quality corporate bonds when there is a deep market for such bonds; if the return on plan asset is below this rate, it will create a plan deficit.

Interest risk:

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan debt investments.

Longevity risk:

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk:

The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The following table sets out the funded status of the Gratuity and the amount recognised in the Financial Statements:

i. Changes in Defined Benefit Obligation

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Liability at the beginning of the year	415	104
Acquired on amalgamation	-	119
Current service cost	157	75
Interest cost	31	15
Plan Amendment Cost	-	24
Actuarial (gain) /losses	52	98
Benefits paid	(44)	(20)
Liability at the end of the year	611	415

ii. Changes in Fair Value of Plan Assets

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Plan Assets at the beginning of the year	407	105
Acquired on amalgamation	-	117
Expected return on plan assets	34	23
Actuarial Gain/(Loss)	(2)	(10)
Employer Contribution	70	176
Benefits Paid	-	(4)
Plan Assets at the end of the year	509	407

iii. Reconciliation of Fair Value of Assets and Obligations

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Fair value of Plan Assets	509	407
Present Value of Obligation	611	415
Amount Recognised in Balance Sheet	(102)	(8)

iv. Expenses recognized in Statement of Profit and Loss

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Current Service Cost	157	75
Net interest on net defined benefit liability / (asset)	(3)	(8)
Plan Amendment cost / Direct Payment	-	25
Expenses recognized in the statement of profit and loss under employee benefits expenses	154	92

v. Expenses recognized in Statement of Other Comprehensive Income

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Actuarial (gain) / loss arising during year	53	108
Expenses recognized in the other comprehensive income	53	108

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vi. Expected benefit payments

(₹ in Lakh)

Particulars	For the year ended March 31, 2019
March 31, 2020	53
March 31, 2021	62
March 31, 2022	52
March 31, 2023	66
March 31, 2024	127
After March 31, 2025	1,028

vii. Actuarial Assumptions

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Mortality Table	Indian Assured Lives Mortality (2006-08) Ult.	Indian Assured Lives Mortality (2006-08) Ult.
Discount Rate	7.6%	7.6%
Expected rate of return on plan asset (per annum)	7.5%	7.5%
Salary Escalation Rate	8%	8%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factor including supply and demand in the employment market. The above information is certified by actuary.

The expected rate of return on plan asset is determined considering several applicable factors , mainly the composition of plan asset held, assessed risks, historical result of return on plan assets and the Company's policy for plan assets management.

Effect of change in assumptions

(₹ in Lakh)

Particulars	Plan Liabilities	Plan Asset
Discount Rate (increase by 0.5%)	(26)	-
Discount Rate (decrease by 0.5%)	28	-
Salary Escalation Rate (increase by 0.5%)	26	-
Salary Escalation Rate (decrease by 0.5%)	(25)	-

viii. Amount recognised in current year and previous year

Gratuity :

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015
Defined benefit obligation	611	415	104	79	71
Fair value of plan asset	509	407	105	97	93
(Surplus)/ Deficit in the plan	112	8	(1)	18	22
Actuarial (gain)/loss on plan obligation	55	98	7	(4)	1
Actuarial gain/(loss) on plan asset	(2)	(10)	-	(1)	1

Plan Assets as at March 31, 2019

Plan asset composition	Percentage
Schemes of Insurance –conventional products	2.95%
Schemes of Insurance –ULIP Product	97.05%

44. EMPLOYEE STOCK APPRECIATION RIGHTS

Employee Stock Appreciation Rights Plan 2018 ("ESAR 2018" / "Plan")

During the Last year, the group has approved the ESAR 2018, which covers eligible employees of the Company. The scheme was approved by the shareholders of the company and subsequently the Grant was approved by the Board and the Nomination and Remuneration Committee at its meeting held on March 26, 2018.

Movement in ESARs

Particulars	For the year ended March 31, 2019 (Nos)
Opening as at April 1, 2018	-
Granted during the year	2,77,295.20
Lapsed during the year	13,986.44
Closing as at March 31, 2019	**2,63,308.76**
Vested as at March 31, 2019	**78,992.63**
Unvested as at March 31, 2019	**1,84,316.13**

ESAR were granted at the Price of ₹ 291.70 which was the fair value on the grant date.

The key assumptions used to estimate the fair value of ESARs are:

Particulars	As at March 31, 2019
Dividend yield	2.40%
Expected Life	3 Years
Risk free interest rate	7.45%
Volatility	0.01%
Model Used	Black & Scholes

The expense arises from equity settled share based payment transaction amounting to ₹ 83 Lakh (March 31, 2018 : Nil) for the year ended 31 March 2019.

45. FOREIGN CURRENCY TRANSACTIONS

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Foreign business travel	0*	4
Directors sitting fees (IFC)	-	3
Total	**0**	**7**

* Amount less than ₹ 50,000.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED MARCH 31, 2019

46. RELATED PARTY TRANSACTIONS

List of related parties with whom transactions have taken place during the year and relationship:

S. NO.	Relationship	Name of Related Party
1.	Holding Company	Wadhawan Global Capital Limited (Formerly Known as Wadhawan Global Capital Private Limited)
2.	Enterprise having Significant Influence	International Finance Corporation (Washington)
3.	Associate Companies	Dewan Housing Finance Corporation Limited
4.	Other Group Companies	DHFL Pramerica Life Insurance Company Limited
		DHFL General Insurance Limited
		DHFL Pramerica Asset Manager
		Avanse Financial Services Limited
5.	Key Management Personal	Kapil Wadhawan – Chairman and Director
		Deo Shankar Tripathi - Managing Director and CEO (w.e.f 21-11-2017)
		Shri. R Nambirajan Managing Director (upto 02-07-2017)
		Shri. G P Kohli
		Shri. Sridar Venkatesan
		Ms. Sasikala Varadachari
		Dr. Nivedita Haran
		Suresh Mahalingam

Transactions with Related Parties:

(₹ in Lakh)

Name	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Income :			
DHFL Pramerica Life Insurance Company Limited	Intermediary Services	645	254
DHFL General Insurance Limited	Intermediary Services	965	283
Dewan Housing Finance Corporation Limited	Other Income	1	1
Dewan Housing Finance Corporation Limited	Sale of Fixed Asset	8	-
Expenditure:			
Dewan Housing Finance Corporation Limited	IT support services	200	90
Dewan Housing Finance Corporation Limited	Rent	163	152
Dewan Housing Finance Corporation Limited	Legal and Professional Fees	-	6
DHFL Pramerica Life Insurance Company Limited	Insurance Premium	48	6
Dewan Housing Finance Corporation Limited	Service fee on assignment	20	1
DHFL General Insurance Limited	Insurance Premium	335	-
Deo Shankar Tripathi – Managing Director and CEO	Remuneration	430	198
Shri. R Nambirajan	Remuneration	-	39
Others :			
Wadhawan Global Capital Limited	Dividend Payment	1,232	651
Dewan Housing Finance Corporation Limited	Dividend Payment	161	73
Dewan Housing Finance Corporation Limited	Purchase of Investment	39,527	-
Dewan Housing Finance Corporation Limited	Sale of Investment	16,740	-
Dewan Housing Finance Corporation Limited	Purchase of portfolio	37,894	-
Wadhawan Global Capital Limited	Proceeds received on allotment of Equity Shares	-	5,000
International Finance Corporation	Proceeds received on allotment of Equity Shares	-	6,500

Compensation of key management personnel of the Company

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Short–term employee benefits	423	229
Post–employment pension (defined contribution)	7	8
Termination benefits	-	-
Sitting fee and commission	82	47
Total	**430**	**237**

Balances with Related Parties:

(₹ in Lakh)

Name	Particulars	As at March 31, 2019	As at March 31, 2018
Dewan Housing Finance Corporation Limited	Receivable	926	20
Dewan Housing Finance Corporation Limited	Payable	214	105
Dewan Housing Finance Corporation Limited	Security Deposit	16	16
DHFL Pramerica Life Insurance Company Limited	Receivable	113	71
DHFL Pramerica Life Insurance Company Limited	Advance	22	22
DHFL General Insurance Limited	Receivable	215	168
DHFL General Insurance Limited	Advance	40	20
DHFL Pramerica Life Insurance Company Limited	Secured Non-convertible debentures (Liabilities) (Excluding Accrued Interest)	2,000	-

* Less than ₹ 50,000

47. EXCEPTIONAL ITEM

During the current year, the Parent Company has paid one-time retention bonus to its employees amounting to ₹ 1,386 lakh that is debited to the Statement of Profit & Loss. Considering the nature, frequency, and materiality of the item it is treated as an exceptional item in the Statement of Profit & Loss.

48. Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act.

Name of the entity in the	Net assets i.e. Total Assets minus Total Liabilities			
	As % of consolidated net assets	Amount (₹ in Lakh) As at March 31, 2019	As % of consolidated net assets	Amount (₹ in Lakh) As at March 31, 2018
Parent				
Aadhar Housing Finance Limited	99.99%	85,985	100.02%	71,839
Direct Subsidiary				
Aadhar Sales and Services Private Limited	0.01%	9	(0.02%)	(9)

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

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Name of the entity in the	Profit after tax			
	As % of consolidated net profit after tax	Amount (₹ in Lakh) As at March 31, 2019	As % of consolidated net profit after tax	Amount (₹ in Lakh) As at March 31, 2018
Parent				
Aadhar Housing Finance Limited	99.92%	16,224	100.10%	11,482
Direct Subsidiary				
Aadhar Sales and Services Private Limited	0.08%	14	(0.10%)	(10)

Name of the entity in the	Other Comprehensive Income			
	As % of consolidated Other Comprehensive Income	Amount (₹ in Lakh) As at March 31, 2019	As % of consolidated Other Comprehensive Income	Amount (₹ in Lakh) As at March 31, 2018
Parent				
Aadhar Housing Finance Limited	114.71%	(39)	100%	(146)
Direct Subsidiary				
Aadhar Sales and Services Private Limited	(14.71%)	5	-	-

Name of the entity in the	Total Comprehensive Income			
	As % of consolidated Total Comprehensive Income	Amount (₹ in Lakh) As at March 31, 2019	As % of consolidated Total Comprehensive Income	Amount (₹ in Lakh) As at March 31, 2018
Parent				
Aadhar Housing Finance Limited	99.89%	16,185	100.10%	11,336
Direct Subsidiary				
Aadhar Sales and Services Private Limited	0.11%	19	(0.10%)	(10)

49. Previous year's figures have been regrouped/re-classified wherever necessary to confirm to current year's classification. Accordingly, amounts and other disclosures for the previous year are included as an integral part of the current year's financial statement and are to be read in relation to the amounts and other disclosures relating to the current year.

In terms of our report of even date attached.

For Chaturvedi S.K. & Fellows
Chartered Accountants
ICAI FRN:112627W

Srikant Chaturvedi
Partner
ICAI MN: 070019

Place : Mumbai
Dated: April 30, 2019

For Deloitte Haskins & Sells LLP
Chartered Accountants
ICAI FRN : 117366W/W-100018

G.K Subramaniam
Partner
ICAI M N : 109839

Place: Mumbai
Dated: April 30, 2019

For and on behalf of the Board of Directors

Kapil Wadhawan
Chairman
DIN 0028528

Deo Shankar Tripathi
Managing Director & CEO
DIN 07153794

Suresh Mahalingam
Director
DIN 01781730

Sridar Venkatesan
Director
DIN 02241339

G. P. Kohli
Director
DIN 00230388

Dr. Nivedita Haran
Director
DIN 06441500

Anmol Gupta
Chief Financial Officer

Sreekanth VN
Company Secretary

GHAR BANEGA, TOH DESH BANEGA.

www.aadharhousing.com

Registered Office

Aadhar Housing Finance Ltd.

CIN: U66010KA1990PLC011409
2nd Floor, No. 03, JVT Towers, 8th 'A' Main Road, S.R. Nagar,
Bengaluru - 560 027, Karnataka
Toll Free: 1800 3004 2020

Corporate Office

201, Raheja Point-1, Nr. Shamrao Vitthal Bank, Nehru Road, Vakola, Santacruz (E), Mumbai - 400 055
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