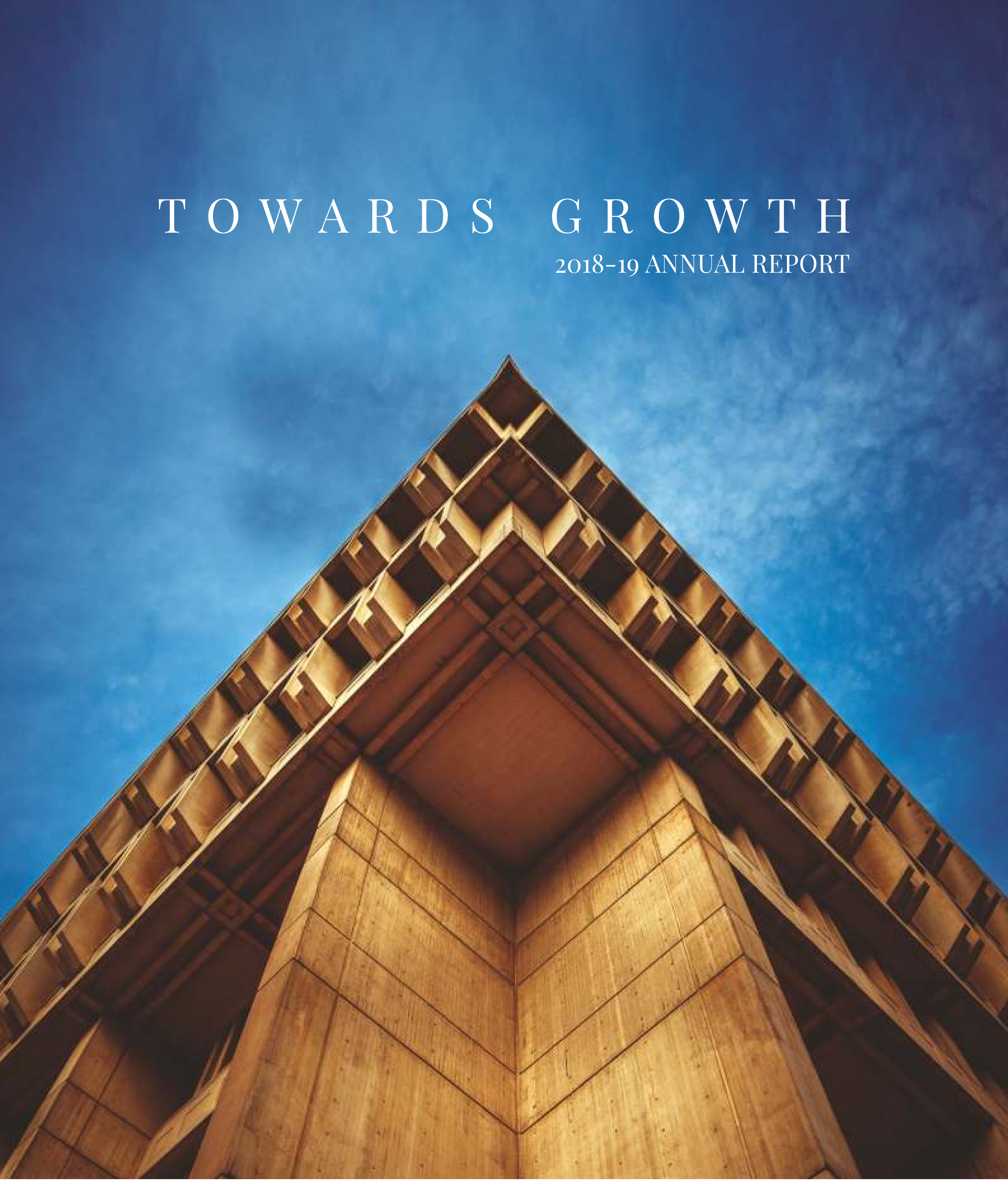
TOWARDS GROWTH

2018-19 ANNUAL REPORT



SHRIRAM
HOUSING FINANCE
FINDING WAYS TO FUNDING HOMES

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FORWARD LOOKING STATEMENT

In this annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements written and oral-that we periodically make 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 of such as 'anticipate', 'estimate', 'expect', '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 achievements of results are 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 very materially from those anticipated, estimated, or projected. Readers should keep 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

The Masters Behind the *Masterpiece*

Board of Directors

SUBRAMANIAN JAMBUNATHAN
Managing Director and CEO

YALAMATI SRINIVASA CHAKRAVARTI
Director

VENKATARAMAN MURALI
Director

LAKSHMINARAYANAN PRIYADARSHINI
Director

Key Managerial Personnel

SUBRAMANIAN JAMBUNATHAN
Managing Director & CEO

KUNAL KARNANI
Chief Financial Officer

NIKITA HULE
Company Secretary

Bankers

AXIS BANK

BARCLAYS BANK

HDFC BANK

IDBI BANK

INDIAN BANK

SYNDICATE BANK

THE CATHOLIC SYRIAN BANK

UNION BANK OF INDIA

UNITED BANK OF INDIA

VIJAYA BANK

WOORI BANK

Auditors

STATUTORY AUDITORS
M/s Pijush Gupta & Co.
Chartered Accountants
P-199, C.I.T. Road, Scheme IV-M,
Kolkata - 700 010.

Directors' PROFILE

MR. SUBRAMANIAN JAMBUNATHAN

Mr. Subramanian Jambunathan is the Managing Director and CEO of the Company. He is a Management Graduate from IIM – Bangalore. He has a total work experience of over two decades in the banking and financial services sector across organisations like HSBC, Citibank, ANZ Grindlays Bank and IBM–India (then TISL). He successfully led independent businesses with complete P&L accountability, over the last 15 years. He has served in Senior Management roles in diverse functions ranging from business process reengineering to heading a business. He has been instrumental in building businesses in Assets, Credit Cards, consumer finance and Mortgages, rebuilding and reengineering debt management infrastructure and has also led branch banking teams.

Mr. Subramanian joined the Shriram Group in the year 2010. His role as an Executive Director at Shriram City Union Finance Limited entailed building and growing the lending business across all the retail lending products (SME, Business Loans, Personal Loans, Mortgages and other collateralised loans), pan India.

MR. YALAMATI SRINIVASA CHAKRAVARTI

Mr. Chakravarti is a Non-Executive, Non Independent Director on the Board. He holds a degree of Bachelor of Commerce and is a retail finance professional with proven skills and organizing abilities. He has worked in various assignments in the field of financial services for over two decades. He serves the Boards of Shriram Chits Pvt Ltd and Shriram Chits (Maharashtra) Limited. He has been in the Board since November 2010.

MR. VENKATARAMAN MURALI

Mr. Murali is a Non-Executive, Independent Director on the Board. He holds degrees of Bachelors of Commerce, from Vivekananda College, Chennai. He is a fellow member of the Institute of Chartered Accountants of India and an associate member of the Institute of Cost and Works Accountants of India and has to his credit more than three decades of experience in the relevant fields. He has been elected as Central Council Member of the Institute of Chartered Accountants of India for four terms in succession for the periods from 2004-2016 and secured sixth consecutive record win in ICAI elections from the Southern Region. He has been on the Board since July 2013.

MS. LAKSHMINARAYANAN PRIYADARSHINI

Ms. Priyadarshini is an Additional Director on the Board of SHFL. She holds a Post Graduate Diploma in Business Management (Marketing & Finance) and has a B.A. Honours (Economics) degree from Delhi University. In a career spanned over two decades she has a diverse work experience with local and global players such as HSBC, ABN AMRO, ICICI Bank, Reliance Industries - Corporate Treasury, GE India, IFCI and ONICRA. She has a wide experience in a variety of leadership roles in Business Development, Corporate & Retail sales, Corporate Banking, Key Account Management Business Strategy. She has been on the Board since October 2018.

DIRECTORS' REPORT

To,
The Members of
Shriram Housing Finance Limited

The Board of Directors of your company have great pleasure in presenting the Ninth Annual Report together with the Audited Financial Statements for the year ended March 31, 2019.

FINANCIAL RESULTS

The summary of financial performance of the Company for the Year is as under:

(₹in lacs)

Particulars	2018-19	2017-18
Profit before depreciation and taxation	2,739.77	5,994.66
Less: Depreciation	232.50	193.10
Profit before tax	2,507.27	5,801.56
Less: Provision for taxation	842.14	1,965.21
Profit after tax	1,665.13	3,836.35
Add: Profit brought forward from previous year	8,584.09	5,325.74
Add: Employee compensation cost for lapsed options	9.52	0
Profit available for appropriation	10,258.74	9,162.09
Less: Appropriations	337.99	578.00
Profits available after appropriations	9,920.75	8584.09
Earnings per share		
Basic ₹	0.78	1.79
Diluted ₹	0.77	1.79

A. DIVIDEND

In order to conserve reserves and grow further, no Dividends were proposed for the financial year 2018-19.

B. PERFORMANCE REVIEW

Total income for the year amounted to ₹29,127.36 lacs as compared to ₹28,065.64 lacs in 2018. The revenue from operations for the year was ₹29,088.62 lacs. The profit before tax for the year was ₹2,507.27 lacs.

The loan disbursement during the year was ₹75,881.95 lacs.

The total assets under management for the FY 2019 was ₹1,84,766.19 lacs. The Company has transferred an amount of ₹337.99 Lacs to statutory reserve as per the requirement of the section 29 C of National Housing Bank Act, 1987.

C. SHARE CAPITAL

The paid up equity share capital of the Company as on March 31, 2019 was ₹214.16 crores. During the year under review, the Company has not issued any shares.

D. NON CONVERTIBLE DEBENTURES (NCDs)

As per the special resolution passed at the annual general meeting of the shareholders of the Company held on July 12, 2018, the Board is authorized to issue non-convertible debentures not exceeding an amount of ₹2,000 crores (Rupees two thousand crores only). The Board has approved Resource Mobilisation Policy for private placement of Non-Convertible Debentures (NCDs) formulated as per the guidelines issued by National Housing Bank.

The NCDs issued by the Company are listed on the Wholesale Debt Segment of BSE Ltd. NCDs amounting to ₹80 crores matured during the financial year. As at March 31, 2019, NCDs amounting to ₹559 crore are outstanding. The NCDs have been assigned rating of "CARE AA+" by Credit Analysis & Research Ltd (CARE).

The Company has been regular in making payment of principal and interest on the NCDs and the same has been reported to BSE and the Trustees. As at March 31, 2019, there were no NCDs which have not been claimed by the Investors or not paid by the Company after the date on which the said NCDs became due for redemption. Hence the amount of NCDs remaining unclaimed or unpaid beyond due date is Nil.

As a security for the Non-Convertible Debenture holders your Company has duly executed and registered Debenture Trustee Agreements, Deed of Hypothecation and Debenture Trust Deeds with Catalyst Trusteeship Limited in various tranches and are duly modified as and when the NCDs are redeemed.

Your Company being Housing Finance Company is exempted from the requirement of creating Debenture Redemption Reserve (DRR) in case of privately placed debentures. Since the Debenture issues of the Company till date are through private placement, no DRR has been created.

COMMERCIAL PAPER

The Commercial Paper (CP) programme of the Company have been assigned the rating of A1+ by CARE Ratings. As at March 31, 2019, Commercial Paper outstanding amount stood at ₹50 crore.

LOANS FROM BANKS

As part of its asset liability management, your Company strives to diversify the sources of its fund base as to achieve suitable maturity schedule and optimise the average cost of borrowed funds.

As at March 31, 2019, the Company's outstanding bank loan stood at ₹90,575.06 lacs vis-à-vis ₹54,055.72 lacs as at March 31, 2018.

RESOURCE MOBILISATION

Your Company's resource planning policy has been approved by the Board of Directors. The Company vide a special resolution passed by the shareholders at its annual general meeting held on July 12, 2018, under sections 42, 71, 180(1) (c) of the Companies Act, 2013 and other applicable provisions, authorized the Board and a committee authorized by the Board to raise or borrow any for the purpose of the business of Company any sum or sums of moneys for and on behalf of the Company in Indian Rupees and/or in any foreign currency by way of availing of long/short term loans and all kinds of financial assistance by all permissible methods, secured/ unsecured from banking companies, financial institutions, bodies corporate or any person(s), by way of issue of commercial papers, rupee denominated bonds/senior notes to eligible person(s), lenders, investor(s), by way of issue of redeemable non-convertible debentures, subordinated debentures, bonds or any other security or instrument(s) on private placement basis as well as by way of public issue by issue of shelf-disclosure documents, prospectus, shelf prospectus, information memorandum, offering circular or otherwise, from persons, institutional investors, Foreign Institutional Investors, qualified institutional buyers, resident public financial institutions, multilateral financial institutions, regional financial institutions, statutory corporations, provident funds, pension funds, superannuation funds, gratuity funds, alternative investments funds, insurance companies, mutual funds, national investment fund, insurance funds, non-institutional investors, companies, bodies corporate, societies, educational institutions and association of persons, trusts, scientific and /or industrial research organizations, partnership firms, Limited Liability Partnerships, Resident Individuals, High Net-worth Individuals (HNIs), Hindu Undivided Families (HUFs), retail individual investors, and by way of issuance of any other permissible instruments or methods of borrowing, whether unsecured or secured by mortgage, charge, hypothecation, lien, pledge or otherwise of the Company's assets and properties, whether movable or immovable, 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 ₹5,000 Crores (Rupees five thousand crores only).

STATUTORY & REGULATORY COMPLIANCE

The Company has complied with the applicable statutory provisions, including those of the Companies Act, 2013 and the Income-tax Act, 1961. Further, the Company has complied with the NHB's Housing Finance Companies Directions, 2010, as prescribed by National Housing Bank ("NHB") and has been in compliance with the various circulars, notifications and guidelines issued by NHB from time to time. The Company is also in compliance with Housing Finance Companies issuance of Non-Convertible Debentures on private placement basis (NHB) Directions, 2014.

The Company has complied with various provisions, regulations and guidelines prescribed by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time i.e. Chapter V– Obligations of listed entity which has listed its Non-Convertible Debt Securities or Non- Redeemable Preference Shares or both. The Company has also registered with SEBI-SCORES for monitoring and reporting/resolving of investor's complaints.

The Company has finalized its financial statements for the year under review as per the Accounting standards issued by Institute of Chartered Accountants of India.

DEBENTURE TRUSTEES

The details of debenture trustees are as below:

Catalyst Trusteeship Limited
(Erstwhile GDA Trusteeship Limited)
CIN: U74999PN1997PLC110262
Address: GDA House, Plot No. 85, Bhusari Colony (Right), Paud Road, Pune - 411 038
Contact No.: +91 (020) 2528 0081
Fax No.: +91 (020) 2528 0275
Website: www.catalysttrustee.com
Email id: dt@ctltrustee.com

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All Related Party Transactions (RPT) that were entered during the financial year were in the ordinary course of business of the Company and were on arm's length basis. There were no materially significant related party transactions entered in by the Company with Promoters, Directors, key managerial personnel or other persons which may have a potential conflict with the interest of the Company. Considering the nature of the industry in which the Company operates, transactions with related parties of the Company are in the ordinary course of business which are also on arm's length basis. All such Related Party Transactions are placed before the Audit and Risk Management Committee for approval/ratification, wherever applicable. The particulars of the contracts or arrangements with related parties as referred in section 188(1) of the Act is attached to this Report in prescribed form AOC -2 as Annexure 1. Your Directors draw attention of the members of Note 41 to the financial statement which sets out related party disclosures.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

Housing Finance Companies are exempt from the provisions of the section 186 (except sub- Section (1)) of the Companies Act, 2013. Hence the said provision is not applicable to the company.

HOLDING COMPANY

Shriram City Union Finance Limited (CIN : L65191TN1986PLC012840) is the holding Company.

BOARD OF DIRECTORS

The Company has four Directors consisting of two Non-Executive Independent Directors, one Non-Executive Non-Independent Director and one Managing Director & CEO as Executive Director as on the date of adoption of this report.

During the year, Mr. Khushru Jijina, Dr. Qudisa Gandhi and Ms. Subhasri Sriram, non-executive directors ceased to be the directors of the Company.

Pursuant to Section 152(6) of the Companies Act, 2013, Mr. Y. S. Chakravarti (DIN: 00052308), Director, retires by rotation at the ensuing Annual General Meeting, who is eligible for re-appointment and has offered himself for re-appointment.

KEY MANAGERIAL PERSONNEL

Mr. Subramanian Jambunathan, Managing Director & Chief Executive Officer, Mr. Kunal Karnani, Chief Financial Officer and Ms. Nikita Hule, Company Secretary of the Company are the Key Managerial Personnel of the Company as per the provisions of the Companies Act, 2013 as on the date of adoption of this report. Their appointment as Key Managerial Personnel has been duly formalized pursuant to section 203 of the Companies Act, 2013.

Mr. Subramanian Jambunathan was appointed as the Managing Diretcor & CEO of the company w.e.f. November 20, 2018.

Mr. Kunal Karnani was appointed as the Chief Financial Officer of the company w.e.f. January 21, 2019.

During the year, Mr. Sujan Sinha ceased to be the Managing Director & CEO w.e.f. August 31, 2018 and Mr. Kankshit Munshi ceased to be the Chief Financial Officer w.e.f. November 19, 2018.

DECLARATION BY INDEPENDENT DIRECTORS

The Board has received declarations from all the Independent Directors as per the Section 149(7) of the Companies Act, 2013 and the Board is satisfied that all the Independent Directors meet the criterion of independence as mentioned in Section 149(6) of the Companies Act, 2013.

It is proposed to appoint Mr. Venkataraman Murali as an independent director on the Board of the Company for a second term subject to the approval of the shareholders of the Company at its ensuing Annual General meeting.

Ms. Lakshminarayanan Priyadarshini was appointed as an additional director on the Board of the Company upto the date of the ensuing Annual General meeting. It is proposed to appoint Ms. Priyadarshini as an independent director subject to the approval of the shareholders of the Company at its ensuing Annual General meeting.

Brief resume of the Directors, proposed to be appointed, nature of their expertise in specific functional areas and names of other companies in which they hold 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 Ninth (9^{th}) AGM, being sent to the Members along with the Annual Report.

All the independent Directors have complied with the code of conduct as prescribed in schedule IV of the Companies Act, 2013.

COMPANY'S POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES:

The Nomination and Remuneration Committee has put in a place a policy on Board diversity for appointment of Directors taking into consideration qualification and wide experience of the Directors in the fields of banking, finance, regulatory, administration, legal, commercial segment apart from compliance of legal requirements of the Company. The Company has laid down remuneration criteria for the Directors in the Nomination Remuneration Policy. The Nomination Remuneration Policy approved by the Board is available on the Company's website www.shriramhousing.in

NUMBER OF BOARD MEETINGS AND ATTENDANCE OF DIRECTORS

During the financial year 2018-19, the Board of Directors met 5 (Five) times which was attended by the following directors:

Sr. No.	Name of the Director	20.04.2018	20.07.2018	22.10.2018	20.11.2018	21.01.2019	AGM Attendance 12.07.2018
1.	Mr. Subramanian Jambunathan, Managing Director & CEO	NA	Yes	Yes	Yes	Yes	NA
2.	Mr. Y.S. Chakravarti, Director	Yes	Yes	Yes	Yes	Yes	Yes
3.	Mr. Venkataraman Murali, Independent Director	Yes	Yes	Yes	Yes	Yes	Yes
4.	Ms. Lakshminarayanan Priyadarshini, Additional Director	NA	NA	Yes	Yes	Yes	NA
5.	Mr. Khushru Jijina, Director	No	NA	NA	NA	NA	NA
6.	Mr. Sujan Sinha, Managing Director & CEO	Yes	Yes	NA	NA	NA	Yes
7.	Ms. Subhasri Sriram, Director	Yes	No	NA	NA	NA	No
8.	Dr. Qudsia Gandhi, Independent Director	Yes	NA	NA	NA	NA	NA

Note:

- *Mr. Subrmanian Jambunathan was appointed as an additional director w.e.f. July 20, 2018 and then as the Managing Director & CEO w.e.f. November 20, 2018.*
- *Ms. Lakshminaryanan Priyadarshini was appointed as an additional director w.e.f. October 16, 2018.*
- *Mr. Khushru Jijina ceased to be a director w.e.f. May 7, 2018.*
- *Dr. Gandhi ceased to be a director w.e.f. May 23, 2018.*
- *Mr. Sujan Sinha ceased to be the Managing Director & CEO w.e.f. August 31, 2018.*
- *Ms. Subhasri Sriram ceased to be a director w.e.f. September 3, 2018.*

BOARD EVALUATION

The Board of Directors has carried out an annual evaluation of its own performance, Board committees and individual Directors pursuant to the provisions of the Companies Act, 2013 and Rules.

The performance of the Board was evaluated after seeking inputs from all the Directors on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc. The performance of the committees was evaluated by the Board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

In a separate meeting of Independent Directors, performance of non-independent Directors and the performance of the Board as a whole was evaluated.

COMMITTEES OF THE BOARD

The Company has various Committees which have been established as a part of the best corporate governance practices and are in compliance with the requirements of the relevant provisions of applicable laws and statutes.

- Audit and Risk Management Committee
- Nomination and Remuneration Committee
- Asset Liability Management Committee
- Banking and Finance Committee
- Corporate Social Responsibility Committee
- Whistle Blower and Vigil Mechanism Committee
- Internal Complaints Committee

AUDIT AND RISK MANAGEMENT COMMITTEE

The Audit and Risk Management Committee comprises of Mr. Venkataraman Murali – Chairman, Mr. Subramanian Jambunathan and Ms. Lakshminarayanan Priyadarshini as members. All the recommendations made by the Audit and Risk Management Committee were accepted by the Board.

Brief description of terms of reference:

» Recommend appointment, re-appointment, terms of appointment/reappointment and remuneration of Auditors and review and monitor auditor's independence and performance and effectiveness of audit process.

» Examine the Financial Statements, financial reporting process, proper disclosure in the financial statements and the auditor's report and evaluation of internal financial controls and risk management systems, internal audit function, internal audit report follow up on findings, the performance of the internal auditor and to approve appointment of Chief Financial Officer (CFO) of the Company.

» Monitor the end use of funds raised and related matters.

» Review Asset Liability Management, capital adequacy, resources raised, credit ratings and management of Non Performing Assets.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee comprises of Mr. Venkataraman Murali – Chairman, Ms. Lakshminarayanan Priyadarshini and Mr. Y. S. Chakravarti as members.

Brief description of terms of reference

» Identify persons who qualify to become Directors and recommend their appointment to the Board, as and when vacancies arise and to identify persons who may be appointed as members of senior management.

» Carry out evaluation of performance of every Director on an annual basis and formulate policies for qualification, attributes and independence of Directors.

» Recommend to the Board policy relating to remuneration for Directors

» Formulate, recommend to the Board and administer Employees Stock Option Plans (ESOP) and other incentive plans for Employees and Directors and interpret and adopt rules for the operation thereof.

ASSET LIABILITY MANAGEMENT COMMITTEE

The Asset Liability Management Committee comprises of Mr. Subramanian Jambunathan – Chairman and Mr. Kunal Karnani as members.

Brief description of terms of reference

- Funding and Capital, profit Planning and growth projections, Balance Sheet planning from risk-return perspective and strategic management of interest and liquidity risk.
- Adoption of Asset-Liability management practices.
- Providing a comprehensive and dynamic framework for measuring, monitoring and managing liquidity and interest rate risks of major operators in the financial system.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee comprises of Ms. Lakshminaryanan Priyadarshini – Chairperson, Mr. Subramanian Jambunathan and Mr. Y. S. Chakravarti as members.

Brief description of terms of reference

- To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII;
- To recommend the amount of expenditure to be incurred on the activities referred to in the above clause.
- To monitor the Corporate Social Responsibility Policy of the Company from time to time.

WHISTLE BLOWER POLICY/VIGIL MECHANISM COMMITTEE

The Whistle Blower and Vigil Mechanism Committee comprises of Mr. Venkataraman Murali - Chairman, Mr. Subramanian Jamburathan, Mr. Kunal Karnani and Mr. Paresh Athalye.

The Company believes in conducting its affairs in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behavior. The Company has adopted a Code of Conduct for Directors and Senior Management Personnel ("Code"), which lays down the principles and standards that should govern the actions of the Directors and Senior Management Personnel. The Company has formulated personnel policies that govern the actions of it's employees. Any actual or potential violation of the policy, Code howsoever insignificant it may be, would be a matter of serious concern for the Company. Employees have a role and responsibility in pointing out such violations. The Whistle Blower and Vigil Mechanism Policy is formulated as part of the Vigil Mechanism established by the Company for Directors and Employees to report genuine concerns, to provide a secure environment and to encourage employees to report unethical, unlawful or improper practices, acts or activities in the Company and to prohibit managerial personnel from taking any adverse personnel action against those employees who report such practices in good faith. The Whistle Blower and Vigil Mechanism Policy aims to provide a channel to the Directors and employees to report genuine concerns and grievances about victimization, unethical behaviour, actual or suspected fraud, violation of the Codes of Conduct or policy. This Policy provides for adequate safeguards against victimization of Directors and employees and also provides direct access to the Chairman of the Audit & Risk Management Committee of the Company. The Whistle Blower Policy/ Vigil Mechanism is uploaded on the Company's website: www.shriramhousing.in

INTERNAL COMPLAINTS COMMITTEE

The Company has in place an Internal Complaints Committee formed in accordance with the policy on 'The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act and Rules, 2013'. The Internal complaints committee comprises of Ms. Lakshminaryanan Priyadarshini – Chairperson, Mr. Nagendra Singh, Mr. B. Srinivasa Rao and Ms. Minal Trivedi.

Brief description of terms of reference

- Any member who feels being sexually harassed directly or indirectly may submit a complaint of the alleged incident to any member of the committee within 10 days of occurrence of such incident.
- To collect any corroborative material with a documentary proof etc. to substantiate the complaint.
- To take corrective action against the offender, if found guilty.

The members are requested to note that there no complaints received during the period under review.

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 new frauds detected during the period under review. However, regular reporting of updates on previous frauds detected were made by the Company to NHB and to the Audit & Risk Management Committee and

Board of Directors, during the year under review.

FAIR PRACTICE CODE, KYC NORMS AND ANTI MONEY LAUNDERING STANDARDS

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 a board approved KYC/AML policy for compliance by the branches. The Company has also registered with the Financial Intelligence Unit (FIU) India, New Delhi and will also make periodical reporting from time to time as per the applicable provisions of AML policy. The Internal Auditors conducted an audit of the branches to ensure adherence of these AML standards during the year under report.

EMPLOYEES' STOCK OPTION SCHEME

Nomination and Remuneration Committee of the Board of Directors of the Company, inter alia administers and monitors the Employees' Stock Option Schemes of the Company in accordance with the provisions under Section 62(1) (b) of the Companies Act, 2013 read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014.

The applicable disclosures as stipulated under the Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 as at March 31, 2019 are provided in Annexure - II to this Report. The Schemes have been implemented in accordance with the provisions of the Companies Act and other applicable rules and guidelines and the resolution passed by the shareholders.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO DURING THE YEAR

A. CONSERVATION OF ENERGY

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

B. TECHNOLOGY ABSORPTION

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

C. FOREIGN EXCHANGE EARNINGS AND OUTFLOW

Foreign Exchange earnings	NIL
Foreign Exchange outgo	

INTERNAL CONTROL SYSTEMS

Your Company has an adequate system of internal control procedures which are commensurate with the size and nature of business. Detailed procedural manuals are in place to ensure that all the assets are safeguarded, protected against loss and all transactions are authorized, recorded and reported correctly. The internal control systems of the Company are monitored and evaluated by internal auditors and their audit reports are periodically reviewed by the Audit and Risk Management Committee of the Board of Directors. The observations and comments of the Audit and Risk Management Committee are placed before the Board.

Further the Company has policies and procedures in place for Internal Financial Control 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.

RISK MANAGEMENT FRAMEWORK

Your Company is in the business of lending to individuals and non-individual clients whether on secured or unsecured basis. The Company faces various risks in its scale of operations. The company has in place a Risk Management framework so that risks that the company faces are identified and controlled in a manner that the Company can continue its operations in a profitable and sustainable manner. The Company places significant emphasis on the adequacy of management of risk and the risk management framework is set to outline the approach towards risk and the process of oversight and management of the risks. Sound risk management systems would enable the Company to take risks knowingly, reduce risks where appropriate and strive to prepare for a future, which by its nature cannot be predicted with absolute certainty. Risk Management is a discipline at the core of our operations and encompasses all activities that affect its risk profile. The Risk management framework seeks to lay down the broad contours under which risks would be managed and controlled. Your Company follows the best practice for management of credit risk, market risk and operational risk and has put in place a comprehensive Risk Management Policy envisaging a robust risk management programme.

PUBLIC DEPOSITS:

Your Company has not accepted deposits from public since its inception.

CORPORATE SOCIAL RESPONSIBILITY (CSR):

In compliance with Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has established Corporate Social Responsibility Committee and statutory disclosures with respect to the CSR Committee and an annual report on CSR activities is annexed as Annexure - III to this report.

The present constitution of the Committee is as follows:

Sr.No.	Name of Director	Category	Designation in the Committee
1.	Ms. Lakshminarayanan Priyadarshini	Independent Director	Chairperson
2.	Mr. Subramanian Jambunathan	Managing Director	Member
3.	Mr. Y. S. Chakravarti	Director	Member

The CSR policy approved by the Board is available on the Company's website www.shriramhousing.in

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3) (c) of the Companies Act, 2013:

- That in the preparation of the Annual financial statements for the year ended March 31, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- The Annual accounts have been prepared on a going concern basis.
- That proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- That systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively. In the opinion of the Board, there are no risks, which may threaten the existence of the Company.

MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate on the date of this report.

HUMAN RESOURCE DEVELOPMENT

People are our greatest pride and resource. The Company is focused on hiring the finest talent and in providing them with opportunities that match their ability, aspirations and drive. We believe that the ultimate success of our organization resides in the exceptional quality of our people and their extraordinary efforts. In our pursuit of excellence, we remain committed to hiring, developing, motivating and retaining our employees. We are committed to help our employees perform and realize their fullest potential through continuous recognition, encouragement, nurturance and skill development.

The Company stands committed to the current and future development of staff skills, expertise and ability in support of the Company's strategy, business objectives, operational plans and also the career aspirations of our employees. In addition to providing mandatory training to our staff, and conducting other products and skill based programs, the Company is now leveraging on technology to develop newer programs in an e-Iearning format, to ensure a wider reach to our employees, based in branches spread across the country.

It is our endeavor to provide our employees an environment that encourages continuous learning and regular performance feedback, the Performance Management System contribute significantly in the identification and nurturing of the high performers in the organization. Recognition plays a critical role in our Company and our Rewards and Recognition programs empower our managers to recognize and appreciate contributions of their teams and the team members in a timely manner. We equally understand the importance of having an integrated employee information systems, hence our HRMS application enables us to manage and track data and people processes across the organization.

Our aspiration is to become an 'Employer of Choice' and as an organization we remain committed to entrench the best in class practices pertinent to our employees. Simplicity, discipline, compassion and ethics remain the key values that we cherish and hold dear to our hearts. We together will continue to ensure that we build an enduring 'business institution' in which our employees experience 'membership beyond employment'.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURT

There are no material order passed by Regulators/Courts, which would impact the going concern status of the Company and its future operations.

AUDITORS

A) Statutory Auditors:

M/s. Pijush Gupta & Co, Chartered Accountants, Kolkata, (FRN 309015E), Statutory Auditors of the Company were appointed at the 8th Annual General meeting of the Company held on July 12, 2018 for a period of three years.

As per section 134(3)(f) of the Companies Act, 2013, the Board state that during the year under review, there are no adverse comments or disqualifications made by the Statutory Auditors of the company, during the course of their audit.

B) Secretarial Auditors:

The Board had appointed M/s. P. Sriram, Practicing Company Secretary (Certificate of Practice No. 3310) (Membership No. FCS 4862) to carry out Secretarial Audit under the provisions of Section 204 of the Companies Act, 2013 for the financial year 2018-19. The Practicing Company Secretary also carried out an audit in terms of the SEBI circular CIR/CFD/CMD1/27/2019 dated February 8, 2019 read with regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and has furnished an Annual Secretarial Compliance report for the financial year 2018-19.

There is no adverse remark or observation made by the Practicing Company Secretary in the audit report.

The Secretarial Audit Report and the annual secretarial compliance report for the period under review is annexed to this report as Annexure- V.

The Company has adhered to the applicable Secretarial standard as prescribed.

EXTRACT OF ANNUAL RETURN

The extract of the Annual Return in the Form MGT 9 is annexed to this report as Annexure- VI.

COMPLIANCE CERTIFICATE ON FINANCIAL REPORTING

The CEO and Managing Director ("MD") and Chief Financial Officer ("CFO") of the Company have given annual certification on financial reporting and internal control to the Board.

The said certificate issued for the year is attached to this report as Annexure - VII.

ACKNOWLEDGMENT

The Board expresses gratitude for the guidance and cooperation extended by National Housing Bank, statutory authorities and regulators. The Board appreciates the excellent co-operation and assistance received from Banks and Financial Institutions. The Board is thankful to the auditors of the Company. The Board is pleased to record its appreciation for the enthusiasm, commitment, dedicated efforts of the employees of the Company at all levels. The Board is also deeply grateful for the continued confidence and faith reposed in the Company by the shareholders, depositors, debenture holders and debt holders.

For and on behalf of the Board of Directors

Place: Mumbai	**Subramanian Jambunathan**	**Y.S. Chakravarti**
Date: April 22, 2019	**Managing Director & CEO**	**Director**
	(DIN: 00969478)	**(DIN: 00052308)**

ANNEXURE-I

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 arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not arm's length basis:- **NIL**
   (a) Name (s) of the related party and nature of relationship: **NA**
   (b) Nature of contracts/arrangements/transactions : **NA**
   (c) Duration of the contracts/arrangements/transactions : **NA**
   (d) Salient terms of the contracts or arrangements or transactions including the value, if any : **NA**
   (e) Justification for entering into such contracts or arrangements or transactions : **NA**
   (f) Date(s) of approval by the Board : **NA**
   (g) Amount paid as advances, if any : **NA**
   (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188 : **NA**
2. Details of material contracts or arrangements or transactions at arm's length basis
   (a) Date (s) of approval by the Board – January 21, 2019

Sr. No.	Nature of contracts/ arrangements/ transactions	Name of Related Party	Nature of Relationship	Duration of Contracts	Salient terms of contacts/ transactions	₹in Lacs
1.	Rental Expenses	Shriram City Union Finance Limited	Holding Company	Various maturities	Rental expenses for sharing space at various locations	84.53
2.	Rental Income	Shriram City Union Finance Limited	Holding Company	Various maturities	Rent received for occupying space	302.22
3.	Reimbursement of expenses	Shriram City Union Finance Limited	Holding Company	-	Common corporate expenses and sharing charges	63.17
4.	Reimbursement of expenses-Receipts	Shriram City Union Finance Limited	Holding Company	-	Common corporate expenses and sharing charges	15.26
5.	Use of Intellectual Property	Shriram Ownership Trust	Others	5 years	1% of total income subject to limit of 5% on PBT	148.52
6.	Transfer of employees - Payable	Shriram City Union Finance Limited	Holding Company	5 years	Transfer of liability for employee benefits as per actuarial valuation on transfer date	6.98
7.	Transfer of employees - Receivable	Shriram City Union Finance Limited	Holding Company	5 years	Transfer of liability for employee benefits as per actuarial valuation on transfer date	32.64
8.	Inter Corporate Loan-Receipts	Shriram City Union Finance Limited	Holding Company	-	-	16,500

Sr. No.	Nature of contracts/ arrangements/ transactions	Name of Related Party	Nature of Relationship	Duration of Contracts	Salient terms of contacts/ transactions	₹in Lacs
9.	Inter-Corporate Loan-Payments	Shriram City Union Finance Limited	Holding Company	-	-	16,500
10.	Inter Corporate Loan-Interest Payments	Shriram City Union	Holding	-	-	255.92
11.	Rental Expenses	Shriram Fortune Solutions Limited	-	Various maturities	Rental expenses for sharing space at various locations	0.75
12.	Rental Expenses	Shriram Financial Products Solutions (Chennai) Private Limited	-	Various maturities	Rental expenses for sharing space at various locations	1.06
13.	Reimbursement of expenses	Shriram Financial Products Solutions (Chennai) Private Limited	-	-	Common corporate expenses and sharing charges	0.19
14.	Reimbursement of expenses	Shriram General Insurance Limited	-	-	Common corporate expenses and sharing charges	17.19
15.	Reimbursement of expenses	Shriram Insight Share Broker Limited	-	-	Common corporate expenses and sharing charges	1.03
16.	Reimbursement of expenses	Shriram Life Insurance Company Limited	-	-	Common corporate expenses and sharing charges	15.41
17.	Reimbursement of expenses	Shriram Value Services Limited	-	-	Common corporate expenses and sharing charges	1210.13
18.	Rental Income	Shriram Fortune Solutions Limited	-	Various maturities	Rent received for occupying space	3.47
19.	Rental Income	Shriram Insight Share Broker Limited	-	Various maturities	Rent received for occupying space	0.57
20	Reimbursement of expenses - Receipts	Shriram Insight Share Broker Limited	-	-	Common corporate expenses and sharing charges	0.09

ANNEXURE-II

Disclosure pursuant to the provisions under Section 62(1) (b) of the Companies Act, 2013 read with Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 as at March 31, 2019.

I. SHFL Employees Stock Option Scheme, 2013

	PARTICULARS	
a)	Options granted	30,20,000
b)	Options vested	2,50,000
c)	Options exercised	NIL
d)	The total number of shares arising as a result of exercise of option	NIL
e)	Options lapsed and cancelled	3,40,000
f)	The exercise price	₹10/-
g)	Variation of terms of options	NIL
h)	Director and employee wise details of options granted to:	
	i) Key Managerial Personnel	1. Mr. Subramanian Jambunathan, Managing Director & CEO 2. Mr. Sujan Sinha (ceased to be the Managing Director & CEO w.e.f. August 31, 2018)
	ii) Any other employee who receives a grant of option in any one year of option amounting to 5% or more of option granted during that year.	NA
	iii) Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	1. Mr. Subramanian Jambunathan, Managing Director & CEO

II. SHFL Employees Stock Option Scheme, 2016

	PARTICULARS	
a)	Options granted	3,35,000
b)	Options vested	1,11,667
c)	Options exercised	Nil
d)	The total number of shares arising as a result of exercise of option	Nil
e)	Options lapsed	3,35,000
f)	The exercise price	₹35/-
g)	Variation of terms of options	Nil
h)	Director and employee wise details of options granted to:	
	i) Key Managerial Personnel	1. Mr. Sujan Sinha (ceased to be the Managing Director & CEO w.e.f. August 31, 2018)
	ii) Any other employee who receives a grant of option in any one year of option amounting to 5% or more of option granted during that year.	NA
	iii) Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	NA

ANNEXURE-III

Annual Disclosure on Corporate Social Responsibility (CSR) activities for the financial year 2018-19

(₹in lacs)

1.	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 and the composition of CSR Committee.	CSR Policy is stated herein below: Weblink: www.shriramhousing.in
2.	Composition of the CSR Committee	1. Ms. Lakshminarayanan Priyadarshini – Chairperson 2. Mr. Subramanian Jambunathan 3. Mr. Y. S. Chakravarti
3.	Average net profit of the Company for last three financial years.	4,228.37
4.	Prescribed CSR expenditure (two percent of the amount mentioned in item 2 above)	84.57
5.	Details of CSR spent during the financial year:	
	Total amount spent for the financial year	1.15
	Amount unspent, if any	83.42

Details of Amount Spent on CSR Activities during the Financial Year 2018-19

(₹in lacs)

Sr. No.	CSR project or Activity Identified	Sector in which the project is covered (clause no. of Schedule VII to the Companies Act, 2013, as amended)	Project of Program (1) Local Area or Other (2) Specify the State and district where projects or programs was undertaken	Amount Outlay (Budget) Project or Program Wise (₹)	Amount spent on the Projects or Programs Sub Heads: (1) Direct Expenditure on Projects or Programs (2) Overheads (₹)	Cumulative Expenditure upto the reporting period i.e. FY 2018 - 2019 (₹)	Amount Spent Direct or through Implementing Agency
1	Shakti Girls Education Trust	Promoting Education (Clause ii)	Local Area. Navi Mumbai, Maharashtra	-	1.15	1.15	Direct

In case the Company has failed to spend the two percent of the average net profit of the last three financial year or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report:

The Company believes in giving back to the society and ecosystem that it is a part of. Accordingly, due process has been put in place presently, for evaluating, selecting and monitoring the CSR contribution. The Company is in discussions with various parties to contribute towards various causes in a meaningful way.

We hereby affirm that the CSR Policy ("Policy") of the Company as approved by the Board of Directors of the Company is monitored by the CSR Committee and the CSR activities have been implemented in accordance with the Policy.

Ms. Lakshminarayanan Priyadarshini
(DIN : 06592671)
Chairperson of the Corporate
Social Responsibility Committee

Mr. Subramanian Jambunathan
(DIN : 00969478)
Managing Director & CEO and Member of the
Corporate Social Responsibility Committee

ANNEXURE-IV

Disclosure under Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sr. No.	Name of Directors & KMPs	Designation	Category	Remuneration during the year (2018-19)	% of increase during the year 2018-19	Ratio of remuneration of each Director/ to median remuneration of employees
1	Mr. Subramanian Jambunathan***	MD & CEO	E, NI	61.24	-	14.01
2	Mr. Y.S.Chakravarti	Director	NE,NI	-	-	-
3	Mr.Venkataraman Murali	Director	NE,I	2.60	-	0.59
4	Ms. Lakshminarayanan Priydarshini	Director	NE,I	1.80	-	0.41
5	Mr. Sujan Sinha@	MD & CEO	E, NI	41.89	-	9.58
6	Mr. Khushru Jijina$	Director	NE,NI	-	-	-
7	Dr. Qudsia Gandhi**	Director	NE,I	0.80	-	0.18
8	Ms. Subhasri Sriram##	Director	NE,NI	-	-	-
9	Mr. Kunal Karnani#	CFO	-	18.55	-	-
10	Ms. Nikita Hule	CS	-	12.03	-	-
11	Mr. Kankshit Munshi*	CFO	-	39.50	-	-

Managing Director ("MD"), Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO") and Company Secretary ("CS").

Non Executive ("NE"), Executive ("E"), Non Independent ("NI") and Independent ("I").

***Appointed as MD & CEO w.e.f. November 20, 2018
@Ceased to be MD & CEO w.e.f. August 31, 2018
$Ceased to be a Director w.e.f. May 7, 2018
**Ceased to be a Director w.e.f. May 23, 2018
##Ceased to be a Director w.e.f. September 3, 2018
#Appointed as Chief Financial Officer w.e.f. January 21, 2019.
*Ceased to be the Chief Financial Officer w.e.f November 19, 2018.

The percentage increase in the median remuneration of employees in the financial year was 14%.

The number of permanent employees on the rolls of company as on March 31, 2019 was 677.

The average increase in remuneration of employees was 20% and the average increase in the remuneration of the Managerial personnel was 29%. There was no exceptional circumstances for increasing the managerial remuneration.

No employee was paid in excess of the remuneration paid to the Managing Director, who is the highest paid employee.

It is affirmed that the remuneration paid is as per the remuneration policy for Directors, Key Managerial Personnel and Employees of the Company.

TOP TEN EMPLOYEES AS PER REMUNERATION - 2018-19

(₹in Lacs)

Sr. No.	Name	Designation	Remuneration (₹in Lacs)	Nature of employment (contractual or otherwise)	Qualifications	Experience	Date of commencement of employment	Age	Last employment held before joining the organisation	Relationship with MD or Directors
1	Subramanian Jambunathan	MD & CEO	61.24	Permanent	BE, PGDBM	26	November 20, 2018	49	Hong Kong and Shanghai Banking Corporation	No
2	Sujan Sinha	MD & CEO	41.89	Permanent	B.SC	37	November 8, 2010	61	Axis Bank Ltd.	No
3	Kankshit Munshi	Executive Vice President	39.50	Permanent	MBA	15	July 10, 2017	37	Adani Power Limited	No
4	Paresh Athalye	Vice President	32.46	Permanent	MBA	20	April 18, 2016	47	Axis Bank Ltd.	No
5	Prakash Sharma	Vice President	31.01	Permanent	C.A.	16	June 21, 2017	43	Axis Bank Ltd.	No
6	Ekta Maheshwari	Senior Vice President	29.38	Permanent	MMS	20	August 9, 2011	45	Axis Bank Ltd.	No
7	Manoj Kumar Gupta	Vice President	29.19	Permanent	MBA	18	December 30, 2014	45	ICICI Bank Ltd.	No
8	Munish Jain	Deputy Vice President	25.18	Permanent	MBA	16	January 19, 2017	38	Dewan Housing Finance Limited	No
9	Nagendra Singh	President	24.70	Permanent	B.Sc, PGDM	21	December 1, 2018	46	Equifax	No
10	Srinivasa Rao Bhrugumalla	Senior Vice President	23.89	Permanent	ICWA	22	February 8, 2011	47	Shriram Transport Finance Company Limited	No

ANNEXURE-V

FORM NO.MR-3

SECRETARIAL AUDIT REPORT

FINANCIAL YEAR ENDED MARCH 31, 2019

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

To,

THE MEMBERS,

SHRIRAM HOUSING FINANCE LIMITED

123, ANGAPPA NAICKEN STREET,

CHENNAI -600001

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Shriram Housing Finance Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on my verification of Company's 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, we hereby report that in our 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 31st March, 2019 according to the provisions of:

1) The Companies Act, 2013(the Act) and the rules made thereunder;
2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3) The Depositories Act,1996 and the Regulations and Bye-laws framed thereunder;
4) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment.
5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992('SEBI Act'):-
   a) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.
   b) 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.
   c) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015.
6) The National Housing Bank Act, 1987 including Housing Finance Companies(NHB) Directions, 2010.
7) Reserve Bank of India Act, 1934.

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

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

(ii) The Debt Listing Agreement entered into by the Company with BSE Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above. During the year under review, the Company has received a call for information from the Ministry of Corporate Affairs seeking clarification on the non-spending of Corporate Social Responsibility and necessary clarification in this regard was made by the Company.

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.

All decisions were carried out with unanimous approval of the Board and there was no instance of dissent voting by any member during the period under review.

I have examined the systems and processes established by the Company to ensure the compliance with general laws including Labour Laws, Employees Provident Funds Act, Employees State Insurance Act & other State Laws, considering and relying upon representations made by the Company and its Officers for systems and mechanisms formed by the Company for compliance under these laws and other applicable sector specific Acts, Laws, Rules and Regulations applicable to the Company and its observance by them.

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, there were no specific events / actions having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, etc.

Signature:

Place: Chennai
Date: April 22, 2019

(P. Sriram)
P. Sriram & Associates
FCS No. 4862/ CP No: 3310

ANNEXURE-A

To,

THE MEMBERS,
SHRIRAM HOUSING FINANCE LIMITED

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have 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 test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, the Company had followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company or of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Signature:

Place: Chennai
Date: April 22, 2019

(P. Sriram)
P. Sriram & Associates
FCS No. 4862/ CP No: 3310

SECRETARIAL COMPLIANCE REPORT OF SHRIRAM HOUSING FINANCE LIMITED FOR THE YEAR ENDED MARCH 31, 2019

I, P. Sriram, Proprietor, P. Sriram & Associates have examined

(a) All the documents and records made available to us and explanation provided by Shriram Housing Finance Limited ("the listed entity").

(b) The filings/ submissions made by the listed entity to the stock exchanges.

(c) Website of the listed entity.

(d) Any other document/ filing, as may be relevant, which has been relied upon to make this certification.

For the year ended 31st March, 2019 ("Review Period") in respect of compliance with the provisions of:

(a) The Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder;

(b) The Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI").

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, including:-

(a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; *(Not Applicable to the company during the review period)*

(c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; *(Not Applicable to the company during the review period)*

(d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; *(Not Applicable to the company during the review period)*

(e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; *(Not Applicable to the company during the review period)*

(f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; *(Not Applicable to the company during the review period)*

(g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; *(Not Applicable to the company during the review period)*

(h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; *(Not Applicable to the company during the review period)*

(i) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993

(j) Securities and Exchange Board of India (Depositories and Participant) Regulations, 2018.

Based on the above examination, I hereby report that, during the Review Period:

(a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

Sr. No.	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
1.	Nil	Nil	Nil

(b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from my examination of those records.

(c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (*including under the Standard Operating Procedures issued by SEBI through various circulars)* under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

Sr. No.	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any
1.	Nil	Nil	Nil	Nil

(d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
1.	Not Applicable	Not Applicable	Not Applicable	Not Applicable

Signature:

Place: Chennai
Date: April 22, 2019

(P. Sriram)
P. Sriram & Associates
FCS No. 4862/ CP No: 3310

ANNEXURE-VI

FORM NO. MGT - 9

EXTRACT OF ANNUAL RETURN
AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 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 :

i)	CIN	U65929TN2010PLC078004
ii)	Registration Date	November 9, 2010
iii)	Name of the Company	Shriram Housing Finance Limited
iv)	Category/Sub- Category of the Company	Company Limited by Shares / Indian Non Government Company
v)	Address of the Registered Office and contact details	123, Angappa Naicken Street, Chennai – 600 001 Contact No. 044- 2534 1431
vi)	Whether listed company	No. Debt securities are listed on the Wholesale Debt Segment of BSE Ltd.
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Shriram Insight Share Brokers Limited Mookambika Complex 4, Lady Desika Road, Mylapore Chennai – 600 004 Contact No. 044-2358 7188 Integrated Registry Management Services Private Limited 2nd Floor, Kences Towers No. 1 Ramakrishna Street, North Usman Road T Nagar, Chennai – 600 017 Contact No. 044-2814 0801

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ Service	% to total turnover of the Company
1	Interest income on Loans	65922	90.92%
2.	Fees Income	65922	4.45%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SI. No.	Name and Address of the Company	CIN/GLN	Holding/	% of shares held	Applicable Section
1.	Shriram City Union Finance Limited 123, AngappaNaicken Street, Chennai – 600 001	L65191TN1986PLC012840	Holding Company	77.25%	2(46)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage to Total Equity)

i) Category-wise share holding

Sl. No.	Category of shareholders	No. of shares held at the beginning of the year				No. of shares held at the during the year				% Change end of the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A.	**Promoters**									
1.	**Indian**									
a)	Individual/HUF	-	-	-	-	-	-	-	-	-
b)	Central Govt		-	-	-	-	-	-	-	-
c)	State Govt (s)		-	-	-	-	-	-	-	-
d)	Bodies*	-	16,54,40,000	16,54,40,000	77.25	-	16,54,40,000	16,54,40,000	77.25	Nil
e)	Banks/FIs		-	-	-	-	-	-	-	-
f)	Any other		-	-	-	-	-	-	-	-
	Sub-total (A) (1) :-	-	16,54,40,000	16,54,40,000	77.25	-	16,54,40,000	16,54,40,000	77.25	Nil
2.	**Foreign**		-	-	-	-	-	-	-	-
a)	NRIs – Individuals	-	-	-	-	-	-	-	-	
b)	Other- Individuals		-	-	-	-	-	-	-	-
c)	Bodies Corporate	-	-	-	-	-	-	-	-	-
d)	Banks /Fis		-	-	-	-	-	-	-	-
e)	Any other		-	-	-	-	-	-	-	-
	Sub-total (A) (2) :-	-	-	-	-	-	-	-	-	-
	Total Shareholding of Promoter (A) = (A) (1) + (A) (2)	-	16,54,40,000	16,54,40,000	77.25	-	16,54,40,000	16,54,40,000	77.25	Nil

*Includes 6 nominees of the holding Company, who hold 1 share each.

Sl. No.	Category of shareholders	No. of shares held at the beginning of the year				No. of shares held at the during the year				% Change end of the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
B.	**Public Shareholding**									
1.	**Institutions**	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
a)	Mutual Funds	-	-	-	-	-	-	-	-	-
b)	Banks / FI	-	-	-	-	-	-	-	-	-
c)	Central Govt.	-	-	-	-	-	-	-	-	-
d)	State Govt (s)	-	-	-	-	-	-	-	-	-
e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
f)	Insurance Companies	-	-	-	-	-	-	-	-	-
g)	FIIs	-	-	-	-	-	-	-	-	-
h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
I	Others (specify)	-	-	-	-	-	-	-	-	-
	Sub-total (B) (1) :-	-	-	-	-	-	-	-	-	-
2.	**Non - Institutions**									
a)	Bodies Corporate	-	-	-	-	-	-	-	-	-
I	Indian	-	-	-	-	-	-	-	-	-
ii)	Overseas	-	4,87,20,000	4,87,20,000	22.75%	-	4,87,20,000	4,87,20,000	22.75%	-
b)	Individuals	-	-	-	-	-	-	-	-	-
I	Individual shareholders holding nominal Share Capital upto ₹1 Lakh	-	-	-	-	-	-	-	-	-
ii)	Individual shareholders holding nominal share capital in excess of ₹1 Lakh	-	-	-	-	-	-	-	-	-
c)	Others (specify)	-	-	-	-	-	-	-	-	-
	Sub-total (B) (2) :-	-	–	-	-	-	-	-	-	-
	Total Public Shareholding (B) = (B) (1) + (B) (2)	-	-	-	-	-	-	-	-	-
C.	**Shares held by Custodian for GDRs & ADRs**	-	-	-	-	-	-	-	-	-
	Grand Total (A+B+C)	**-**	**21,41,60,000**	**21,41,60,000**	**100%**	**-**	**21,41,60,000**	**21,41,60,000**	**100%**	**-**

ii) Change in Promoters' Shareholding (please specify, if there is no change) - NIL

SI. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	At the beginning of the year	16,54,40,000	77.25	16,54,40,000	77.25
2	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. Allotment/ transfer/ bonus/ sweat equity etc)	Nil	Nil	Nil	Nil
3	At the end of the year	16,54,40,000	77.25	16,54,40,000	77.25

iii) Shareholding of Promoters

SI. No.	Shareholder's Name	Shareholding at the beginning of the year			No. of shares held at the end of the year			% Change in share-holding during the year
		No. of shares	% of total of the shares Company	% of shares Pledged/ Encumbered to total shares	No. of shares	% of total of the shares Company	% of shares Pledged/ Encumbered to total shares	
1.	**Shriram City Union Finance Limited**	16,54,40,000	77.25	Nil	16,54,40,000	77.25	Nil	Nil

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

SI. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For each of the top 10 shareholders	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Valiant Mauritius Partners FDI Ltd.	4,87,20,000	22.75	4,87,20,000	22.75
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. Allotment/ transfer/ bonus/ sweat equity etc)	Nil	Nil	Nil	Nil
	At the end of the year (or on the date of separation, if separated during the year)	4,87,20,000	22.75	4,87,20,000	22.75

v) Shareholding of Directors and Key Managerial Personnel.

SI. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	Negligible	Negligible	Negligible	Negligible
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. Allotment/ transfer/ bonus/ sweat equity etc)	Nil	Nil	Nil	Nil
	At the end of the year	Negligible	Negligible	Negligible	Negligible

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹in Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,34,781.67	9,860.43	-	1,44,642.10
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	3,341.28	-	-	3,341.28
Total (i+ii+iii)	**1,38,122.95**	**9,860.43**	**-**	**1,47,983.38**
Change in Indebtedness during the financial year				
• Addition	63154.76	43,704.25	-	1,06,859.01
• Reduction	(37,046.15)	(48,606.20)	-	(85,652.35)
Net Change	**(26,108.61)**	**(4,901.96)**	**-**	**(21,206.66)**
Indebtedness at the end of the financial year				
i) Principal Amount	1,61,916.80	4,958.47	-	1,66,875.27
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	2,314.76	-	-	2,314.76
Total (i+ii+iii)	**1,64,231.56**	**4,958.47**	**-**	**1,69,190.04**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/ OR MANAGER :

(₹in Lacs)

Sl. No.	Particulars of Remuneration	Name of MD/ WTD/Manager	Name of MD/ WTD/Manager	Total Amount
		Subramanian Jambunathan – Managing Director & CEO*	Sujan Sinha – Managing Director & CEO**	
1.	Gross Salary	61.24	41.89	103.13
(a)	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961			
(b)	Value of perquisites u/s 17(2) of the Income Tax Act, 1961			
(c)	Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961			
2.	Stock Option			
3.	Sweat Equity			
4.	Commission			
	- As % of profit			
	- Others, specify....			
5.	Others, please specify: Variable Pay			
	Total (A)	**61.24**	**41.89**	**103.13**

*Mr. Subramannian Jambunathan was appointed as the Managing Director & CEO w.e.f. November 20, 2018.

**Mr. Sujan Sinha ceased to be the Managing Director & CEO w.e.f. August 31, 2018.

The remuneration paid to the Managing Director is well within the prescribed limits of the Companies Act, 2013.

B. REMUNERATION TO OTHER DIRECTORS:

(₹in Lacs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
1.	Independent Directors	Venkataraman Murali	Lakshminarayanan Priyadarshini	Qudsia Gandhi	
	• Fee for attending Board Committee Meetings	2.60	1.80	0.80	5.20
	• Commission				
	• Others, please specify				
	Total (1)	2.60	1.80	0.80	5.20
2.	Other Non-Executive Directors • Fee for attending Board Committee meetings				
	• Commission				
	• Others, please specify				
	Total (2)				
	Total (B) = (1+2)	2.60	1.80	0.80	5.20
	Total Managerial Remuneration	**2.60**	**1.80**	**0.80**	**5.20**

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(₹in Lacs)

Sl.No.	Particulars of Remuneration	Company Secretary	Chief Financial Officer Kunal Karnani*	Chief Financial Officer Karkshit Munshi*	Total
1.	Gross Salary	12.03	18.55	39.50	70.08
(a)	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961				
(b)	Value of perquisites u/s 17(2) Income Tax Act, 1961				
(c)	Profits in lieu of salary under section 17(3) of Income Tax, 1961				
2.	Stock Option				
3.	Sweat Equity				
4.	Commission				
	- As % of profit				
	- Others, specify				
5.	Others, please, specify : Variable Pay				
	Total	**12.03**	**18.55**	**39.50**	**70.08**

*Mr. Kunal Karnani was appointed as the Chief Financial Officer w.e.f. January 21, 2019 and Mr. Karkshit Munshi ceased to be the Chief Financial Officer w.e.f. November 19, 2018.

VII. PENALITIES / PUNISHMENT / COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding/ fees imposed	Authority [RD/ NCLT/ COURT]	Appeal made if any (give details)
A. COMPANY					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
B. DIRECTORS					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
C. OTHER OFFICERS IN DEFAULT					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

ANNEXURE-VII

To,

The Board of Directors
Shriram Housing Finance Limited
123, Angappa Naicken Street,
Chennai – 600 001

CEO AND CFO CERTIFICATION

We the undersigned Subrmanian Jambunathan, Managing Director & CEO and Kunal Karnani, Chief Financial Officer hereby certify that for the financial year ended March 31, 2019, we have reviewed Annual accounts, financial statement and the cash flow statement and to the best of our knowledge and belief:

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standard, applicable laws and regulations.
3. There are no transaction entered into by the Company during the year which are fraudulent, illegal or violate the Company's Policies.
4. We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of internal control systems of the Company and we have disclosed to the auditors and the Audit Committee the deficiencies, of which we are aware, in the design or operation of the internal control systems and we have taken the steps to rectify these deficiencies.
5. We further certify that:
   a. There have been no significant changes in internal control during this year.
   b. There have been changes in the accounting policies during this as mentioned in the significant accounting policies and notes to accounts.

Place: Mumbai	**Mr. Subramanian Jambunathan**	**Mr. Kunal Karnani**
Date: April 22, 2019	**Managing Director & CEO**	**Chief Financial Officer**

MANAGEMENT DISCUSSION & ANALYSIS

Overview of the Indian Economy

Indian economy started the year with a growth of nearly 8% in the April to June 2018 quarter. The growth has however tapered down by the end of the financial year. The growth in the October – December 2018 hit a low of 6.6% on the back of a weak consumer demand and lower government spending. The economy faced various headwinds with the inflation reaching near 2 year high levels, driven by surging oil prices. On the back of rising inflation the Reserve Bank of India increased the Repo Rate by 25 basis points in June 2018 and August 2018. However in order to drive the slowing economy the rates were reduced by 25 basis points each in February 2019 and April 2019. Finally the RBI cut the rates yet again in June 2019 by another 25 basis points, moving to a more accommodative stance.

The New Government with a strong mandate at the centre will have a clear runway to drive reforms and growth which should augur well for the economy, on a long term basis, despite the near term uncertainty around the monsoon.

India's revenue receipts are estimated to touch ₹28-30 trillion (US$ 385-412 billion) by 2019, owing to Government of India's measures to strengthen infrastructure and reforms like demonetisation and Goods and Services Tax (GST).

Housing Finance Industry

Housing finance has been one of the fastest growing sectors within the financial services space. Housing finance companies (HFC) have been able to capture a large section of the growth within the sector. As per Crisil , there are two reasons for the fast growth – first is the ability of HFCs to tap the massive opportunity in affordable housing, and second is the slower credit growth at banks providing HFCs the room to ramp up faster and continue gaining market share.

The Financial services sector and HFCs in particular have seen challenging times since the Q3 of FY 19. Given the headwinds being faced by the sector, the credit growth has dried up leading to HFCs preferring to raise money through securitization.

Structural growth opportunities – The housing finance sector has steadily grown at 18% in the last seven years, according to the 2017 India Housing Finance Report. The sector has further growth in store with the Government focusing on Housing for All, through various schemes such as the The Pradhan Mantri Awas Yojana (PMAY) which aims to build over 2 crore affordable homes across 305 rural and urban centres.

Recent Development in Housing Finance Industry

- **Benefits to Affordable home buyers extended -** For making more homes available under affordable housing, the benefits under Section 80 - IBA of the Income Tax Act is being extended for one more year, i.e. to the housing projects approved till 31 March, 2020.
- **Additional boost from exemption of tax on Notional Rent -** Investors used to shy away from property market as they were charged tax on the notional rental income from their second homes irrespective of whether they put the property on rent or not. The exemption on notional rent is likely to attract more investors in the home market.
- **Tax Benefits -** Developers who build affordable homes are exempted from paying taxes on their profits for five years starting 2016 instead three years.

TDS threshold for deduction of tax on rent has been increased from ₹1.80 lakh to ₹2.40 lakh.

Challenges faced by HFCs

Some of the key challenges faced by the housing finance companies are as under:

- **Risk of increasing borrowing rate**

  The housing finance sector could experience some headwinds with the credit drying up and the borrowing costs increase. There are indications that inflation will rise over the medium-term, which will subsequently have an impact on this sector.
- **Impact of RERA**

  Implementation of the Real Estate Regulation and Development Act (RERA) was a big step in streamlining the real estate sector. However, new home projects took a big hit. Launch of new projects was down by 41% across the country, according to a July 2017 report by Knight Frank. A slowdown in new projects would consequently result in lesser people taking home loans. But most experts feel the RERA jolt is temporary and would be resolved over the medium-term

- **Rising NPA**

  There may be a growth in loan disbursement in the affordable housing category, but the amount of bad loans, also known as non-performing assets (NPAs), has risen sharply. Data suggest that the NPAs have risen starkly in the affordable housing sector.
- **Rising Repossessed Assets**

  Stock of Repossessed Assets have increased due to lower saleability of the assets leading to elongated recovery time.

Outlook for SHFL

SHFL embarked on a transformation plan in 2018 to grow the company into a premier housing finance company of scale. The plan included a complete revamp of the operating structure of the company.

The overall strategy for the near term – 3 years – would be to concentrate on few key states where the Company and the Group have a strong presence. The Company shall concentrate on the mid segment customer which resonates most with the ethos and experience of the Company and the Group. The Company shall further granulise the book relying on mortgages on end customers. The Company will also further continue to focus on its core product offering of providing secured mortgages, loans against properties to end users.

Financial Performance

Particulars (₹ cr.)	FY 19	FY 18
Total Income	291.27	280.65
PBT	25.07	58.02
Net Interest Income	162.25	164.51
PAT	16.65	38.36
AUM	1,847.66	1,790.07
Net Worth	465.80	448.46

Key Ratios

Particulars (%)	FY 19	FY 18
Return on Average Net Worth	3.78%	8.97%
Return on Assets	0.84%	2.13%
Capital Adequacy Ratio	29.94%	33.02%

Internal Control Systems

Shriram Housing Finance has laid adequate mechanisms to increase sustainable potential of the organization and maintain healthy working environment. It maintains a system of internal controls designed to provide a high degree of assurance regarding the effectiveness and efficiency of operations, the adequacy of safeguard for assets, the reliability of financial controls and compliance with applicable laws and regulations.

The sufficiency and efficacy of internal control system is monitored by the internal auditors in tandem with external audit firms, appointed by the Company, to carry out Concurrent Audit. The internal audit reports are placed before the Audit Committee along with significant audit observations and follow up actions thereon. The statutory auditors also present their suggestions to the members for improvements in control and compliance.

Developments in Human Resources Front

Shriram Housing Finance is committed in acquiring and retaining talent which plays a significant role in today's market scenario. The Company is focused on hiring the finest talent and in providing them with opportunities that match their ability, aspirations and drive.

SHFL endeavors to ensure that it continues to attract and acquire the best talent. Our selection processes elaborately covers various levels of assessment to ensure the right fit to the culture and roles available in the organization.

The Company aspires to provide our employees an environment that encourages continuous learning and regular performance feedback, the Performance Management System contribute significantly in the identification and nurturing of the high performers in the organization.

INDEPENDENT AUDITOR'S REPORT

To,
The Members of
Shriram Housing Finance Limited

REPORT ON THE STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying Standalone financial statements of **Shriram Housing Finance Limited ("the Company")** which comprises the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "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 accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS"), of the state of affairs of the Company as at March 31, 2019, its Total Comprehensive Income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

1. **Review of ERP System Controls**

   The company's nature of business is such that its operations, books of accounts and financial statements are mainly dependent on its Computerised Information systems. Controls in such systems are determined to be a Key Audit Matter because of its potential to impact the operations (i.e. overall results) as well its financial statements (i.e. results as reported).

   We have reviewed the controls put in place by the company in its information systems as detailed out in its various policies, procedures, guidelines and presentations relating to IT and IT related security, and reportsemanating from audit of information systems carried out by the Company through external service providers. The Company also does regular Vulnerability Assessment & Penetration Testing (VAPT) through CERT-IN empanelled organizations for effective functionality of its critical application and infrastructure. We have reviewed the controls in area of book closure, preparation of financial statements, and their reconciliation with books of accounts. Based on our review as above and discussion with the management including designated IT personnel, the controls put in place by the Company in its ERP systems are found to be satisfactory. The present ISO certification of the Company is valid upto July 2022.

2. Provisions & write-offs

Until the previous financial year, provision on loan assets was being made based on management estimates subject to minimum prescribed provision as per norms of NHB. Permanent diminution in value of investments was being provided for. This financial year onwards, provisions on all loans, and financial assets/ liabilities classified as at Amortised Cost or at Fair Value through Other Comprehensive Income has been made basis Expected Credit Loss model as required by Ind AS. This model takes into account the Company's exposure, the probability of default, the expected loss in the event of default, and time value of money. This model is dependent on management estimates based on historical data and future outlook on the business environment.

This matter is determined to be a Key Audit Matter because it impacts a major part of the assets and liabilities considering the nature of business of the Company.

We have reviewed the basis for the management's estimates made in this ECL model. We have checked the calculation of ECL made with the books of accounts and these are generally found to be satisfactory. Assets which are not recoverable as per management estimates are charged to revenue as write off.

3. Sale of Assets to an asset reconstruction company (ARC)

During the year under review the Company has sold 355 non-performing loans to an asset reconstruction company (ARC) vide agreement dated 28 December, 2018. Pursuant to this agreement, the Company has assigned all its rights, title, interest, underlying collateral and security interest in respect of these loans to the ARC. The amount outstanding on loans of ₹7,692.17 lakhs (including accrued interest of ₹1,367.83 lakhs) was sold for a consideration of ₹3,776.00 lakhs. The resulting loss of ₹3,916.17 lakhs is recognised and presented on the face of the statement of Profit & Loss. This transaction has also resulted in release in provisions carried out such accounts, effect of which has been given in the Profit & Loss account.

This matter is determined to be a Key Audit Matter because of it being a one off transaction and by its very nature and magnitude as compared to the total expense excluding this amount.

This Key Audit Matter was discussed with the management and those charged with governance. We have reviewed the agreement entered into by the Company, the minutes of the Banking & Finance Committee meeting dated 24 December, 2018 authorising the Company for this transaction and extracts of the bank statements reflecting receipt of consideration. The result of our verification was satisfactory.

Other Matter

The comparative financial information of the Company for the preceding year ended March 31, 2018 and the transition date opening balance sheet as at April 01, 2017 included in these Standalone Financial Statements, are based on the previously issued statutory financial statements prepared in accordance with the Accounting Standards Specified under Section 133 of the Act read with relevant rules issued there under and other accounting principles generally accepted in India, audited by us in our reports for the year ended March 31, 2018 and March 31, 2017 dated April 20, 2018 and dated April 22, 2017 respectively. Our reports expressed an unmodified opinion on those Standalone Financial Statements. These financial statements are adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance 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, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act read with relevant Rules issued thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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.

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

Auditor's Responsibility for the Audit of the 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of 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:

a. 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.

b. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) of the Companies Act, 2013, 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.

c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

d. Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

e. 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.

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.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 (“the Order”), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure “A” a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c. The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

d. In our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the relevant Rules made thereunder;

e. On the basis of the written representations received from the directors as on 31 March, 2019 taken on record by the Board of Directors, none of the directors are disqualified as on 31 March, 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 B".

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

h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 40 to the financial statements.

   ii. The Company does not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

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

For Pijush Gupta & Co.
Chartered Accountants
Firm Registration No. 309015E

Sangeeta Gupta
Partner
Membership No. 064225

Place: Mumbai
Date: April 22, 2019

ANNEXURE 'A'

Annexure referred to in paragraph heading "Report on Other Legal and Regulatory Requirements" of our Independent Auditor's Report of even date

Report under The Companies (Auditor's Report) Order, 2016

As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in this Annexure, a statement on the matters specified in paragraphs 3 and 4 of the said Order.

I (a) According to the information and explanations given to us and records produced before us, the Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) According to the information and explanations given to us and records produced before us, the fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such physical verification.

(c) According to the information and explanations given to us and records produced before us, the title deeds of the immovable properties are held in the name of the company.

ii. The Company is in the business of providing housing finance services and consequently does not hold inventory. 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 and hence reporting under Clause 3(iii) of the Order is not applicable.

iv. According to the information and explanations given to us, the Company has not granted any loans, made investments or provide guarantees coming under the purview of the provisions of section 185 and 186 of the Companies Act, 20l3 and hence reporting under Clause 3(iv) of the Order is not applicable.

v. According to the information and explanations given to us, the Company has not accepted deposits from the public during the year 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 maintenance of cost records under Section 148(1) of the Act in respect of the Company's nature of business.

vii. (a) According to the information and explanations provided to us and records examined by us, the Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues to the appropriate authorities.

(b) According to the information and explanations given to us and the relevant documents produced before us, the following disallowance under Income Tax has been disputed and not deposited by the company.

Statute	Nature of Dues	Amount (₹ in Lacs)	Years to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax Demands	49.20	Assessment Year 2016-17	Commissioner of Income Tax (Appeals), Chennai

viii. Based on our audit procedures and as per information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to Banks and Financial Institutions and dues to debenture holders. The company has not taken any loan or borrowing from the Government during the year.

ix. Based on our audit procedures performed and according to the information and explanations given to us, the money raised by the company by way of term loans were applied for the purposes for which it was raised. The company has not raised money by way of initial public offer or further public offer (including debt securities).

x. According to the information and explanations given to us and during the course of examination of the books and records of the Company, we have not come across any instance of material fraud by the Company or on the Company by its officers or employees noticed or reported during the year, nor have we been informed of any such case by the management.

xi. Based on our audit procedures and as per information and explanations given to us, managerial remuneration paid or provided during the year are in accordance with the requisite approvals mandated by provisions of section 197 read with Schedule V and are within the limits prescribed under the Act.

xii. In our opinion the Company is not a Nidhi Company and hence reporting under Clause 3(xii) of the Order is not applicable.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the Standalone Financial Statements as required by applicable Ind AS. (Refer Note 41 to the standalone financial statements)

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable to the Company.

xv. According to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, provisions of clause 3(xv) of the Order are not applicable to the Company.

xvi. According to the information and explanations given to us, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934.

For Pijush Gupta & Co.
Chartered Accountants
Firm Registration No. 309015E

Sangeeta Gupta
Partner
Membership No. 064225

Place: Mumbai
Date: April 22, 2019

ANNEXURE 'B'

Annexure referred to in paragraph (f) under heading "Report on Other Legal and Regulatory Requirements" of our Independent Auditor's Report of even date

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

We have audited the internal financial controls over financial reporting of Shriram Housing Finance Limited ("The Company") as of 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 ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both are issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls 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 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 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, 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 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.

For Pijush Gupta & Co.
Chartered Accountants
Firm Registration No. 309015E

Sangeeta Gupta
Partner
Membership No. 064225

Place: Mumbai
Date: April 22, 2019

SHRIRAM HOUSING FINANCE LIMITED
CIN U65929TN2010PLC078004

(₹in Lacs)

Balance Sheet	Notes	As at 31 March, 2019	As at 31 March, 2018	As at 01 April, 2017 - Opening
I ASSETS				
1. Financial assets				
Cash and cash equivalents	6	1,447.12	536.94	491.12
Bank Balance other than above	7	137.63	135.95	-
Receivables	8			
i) Trade Receivables		-	-	-
ii) Other Receivables		4.07	13.44	2.99
Loans	9	1,82,164.13	1,74,638.77	1,73,039.91
Investments	10	21,855.01	9,920.82	8,919.92
Other Financial assets	11	352.92	355.61	3,364.56
2. Non-financial Assets				
Current tax assets (net)	12	1,404.77	456.11	440.92
Deferred tax assets (net)	35	-	327.63	785.70
Investment Property	13	0.28	0.28	0.28
Property, plant and equipment	14	698.25	750.95	509.80
Capital Work in progress	14	-	11.05	98.64
Other Intangible assets	15	330.50	129.67	3.34
Other Non-financial assets	16	9,152.11	6,874.18	1,240.19
Total Assets		**2,17,546.79**	**1,94,151.40**	**1,88,897.37**
II LIABILITIES AND EQUITY				
1 Financial Liabilities				
(I) Trade Payables				
(i) Total outstanding dues of micro enterprises and small enterprises	17	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		1,123.03	876.19	812.41
Debt Securities	18	58,014.79	66,957.85	76,617.60
Borrowings (other than debt security)	19	1,10,868.40	80,697.75	69,362.96
Other Financial liabilities	20	301.88	282.33	636.90
Non-financial Liabilities				
Provisions	21	426.91	365.23	408.73
Deferred tax liabilities (net)	35	117.33	-	-
Other Non-financial liabilities	22	114.08	126.05	58.92
Equity				
Equity share capital	23	21,416.00	21,416.00	21,416.00
Other equity	24	25,164.37	23,430.00	19,583.85
Total Liabilities and Equity		**2,17,546.79**	**1,94,151.40**	**1,88,897.37**

As per our report of even date

For Pijush Gupta & Co.
Chartered Accountants
Firm Registration No.: 309015E

Sangeeta Gupta
Partner
Membership No.: 064225

Place: Mumbai
Date: April 22, 2019

For and on behalf of the Board of Directors
Shriram Housing Finance Limited

Subramanian Jambunathan
Managing Director and CEO
DIN: 00969478

Y. S. Chakravarti
Director
DIN: 00052308

Kunal Karnani
Chief Financial Officer

Nikita Hule
Company Secretary

Place: Mumbai
Date: April 22, 2019

(₹in Lacs)

	Statement of Profit & Loss	Notes	For Year Ended 31 March, 2019	For Year Ended 31 March, 2018
	REVENUE FROM OPERATIONS			
(i)	Interest Income	25	28,042.26	27,275.69
(ii)	Dividend Income		-	-
(iii)	Rental Income		-	-
(iv)	Fees and commission Income		-	-
(v)	Net gain on fair value changes	26	288.34	102.61
(vi)	Net gain on derecognition of financial instruments under amortised cost category		-	-
(vii)	Sale of products(including Excise Duty)		-	-
(viii)	Sale of services		-	-
(ix)	Others (to be specified)	27	758.02	636.78
(I)	**Total Revenue from operations**		29,088.62	28,015.08
(II)	Other Income (to be specified)	28	38.74	50.56
(III)	**Total Income (I+II)**		29,127.36	28,065.64
	EXPENSES			
(i)	Finance Costs	29	12,863.61	11,564.17
(ii)	Fees and commission expense		-	-
(iii)	Net loss on fair value changes		-	-
(iv)	Net loss on derecognition of financial instruments under amortised cost category	30	3,916.17	-
(v)	Impairment on financial instruments	31	(1,338.38)	1,161.74
(vi)	Cost of materials consumed			
(vii)	Purchases of Stock-in-trade			
(viii)	Changes in Inventories of finished goods, stock-in-trade and work-in- progress			
(ix)	Employee Benefits Expenses	32	5,895.66	4,256.33
(x)	Depreciation, amortization and impairment	33	232.50	193.10
(xi)	Others expenses (to be specified)	34	5,050.53	5,088.74
(IV)	**Total Expenses (IV)**		26,620.09	22,264.08
(V)	Profit / (loss) before exceptional items and tax (III-IV)		2,507.27	5,801.56
(VI)	Exceptional items		-	-
(VII)	Profit/(loss) before tax (V -VI)		2,507.27	5,801.56
(VIII)	Tax Expense:			
	(1) Current Tax	35	519.89	1,337.56
	(2) MAT	35	(519.89)	-
	(3) Deferred Tax	35	935.08	455.21
	(4) Earlier Year Adjustments	35	(92.94)	172.44
(VIII)	Profit/(loss) for the Year		1,665.13	3,836.35
(IX)	Other Comprehensive Income			
	A (i) Items that will not be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-

	Subtotal (A)		**-**	**-**
	B (i) Items that will be reclassified to profit or loss		89.19	8.32
	(ii) Income tax relating to items that will be reclassified to profit or loss		(29.77)	(2.88)
	Subtotal (B)		**59.42**	**5.44**
	Other Comprehensive Income (A + B)		59.42	5.44
(X)	Total Comprehensive Income for the period		1,724.55	3,841.79
(XI)	Earnings per equity share			
	Basic (₹)		0.78	1.79
	Diluted (₹)		0.77	1.79

As per our report of even date

For Pijush Gupta & Co.
Chartered Accountants
Firm Registration No.: 309015E

For and on behalf of the Board of Directors
Shriram Housing Finance Limited

Sangeeta Gupta
Partner
Membership No.: 064225

Subramanian Jambunathan
Managing Director and CEO
DIN: 00969478

Y. S. Chakravarti
Director
DIN: 00052308

Kunal Karnani
Chief Financial Officer

Nikita Hule
Company Secretary

Place: Mumbai
Date: April 22, 2019

Place: Mumbai
Date: April 22, 2019

SHRIRAM HOUSING FINANCE LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2019

a. Equity Share Capital

	No. of Shares	₹ in Lacs
Equity shares of Rs. 10 each issued, subscribed and fully paid		
As at 1 April, 2017	**21,41,60,000**	**21,416.00**
Changes in share capital during the year	-	-
As at 31 March, 2018	**21,41,60,000**	**21,416.00**
Issued during the year	-	-
As at 31 March, 2019	**21,41,60,000**	**21,416.00**

b. Other Equity

(₹in Lacs)

	Reserves and Surplus								Other comprehensive income			Total
	Statutory Reserve	Share option out-standing	Securities premium account	Deemed Investment (SCUF)	Hedge Reserve	General Reserve	Capital Reserve	Retained Earnings	Debt instruments through other comprehen-sive income	Equity instruments through other comprehen-sive income	Actuarial gain/ (losses)	
Balance as at April 1, 2017	**1,882.70**	**11.51**	**12,180.00**	**183.91**				**5,325.73**		**-**	**-**	**19,583.85**
Profit for the year								3,841.79				3,841.79
Other comprehensive income								(5.44)			5.44	-
Transferred from retained earnings to statutory reserve	578.00							(578.00)				-
Share-based payments		4.35										4.35
Other Additions/ Deductions during the year (to be specified)												-

Shares alloted during the year												-
Utilised during the year												-
Premium received during the year												-
Income tax on the above												-
Profit (loss) for the year after income tax												-
Other Comprehensive												-
Income for the year before income tax												
Less: Income Tax												-
Total Comprehensive												-
Income for the year												
Balance as at March 31, 2018	**2,460.70**	**15.86**	**12,180.00**	**183.91**	**-**	**-**	**-**	**8,584.09**	**-**	**-**	**5.44**	**23,430.00**
Profit for the year								1,724.55				1,724.55
Other comprehensive income								(59.42)			59.42	-
Dividends												-
Transferred from retained earnings to statutory reserve	337.99							(337.99)				-
Share-based payments		0.31						9.51				9.82
Other Additions/ Deductions during the year (to be specified)												-
Shares alloted during the year												-
Utilised during the year												-
Premium received during the year												-
Income tax on the above												-
Profit (loss) for the year after income tax												-
Other Comprehensive												-
Income for the year before income tax												
Less: Income Tax												-

Total Comprehensive Income for the year												-
Balance as at March 31, 2019	**2,798.69**	**16.17**	**12,180.00**	**183.91**	**-**	**-**	**-**	**9,920.74**	**-**	**-**	**64.86**	**25,164.37**

As per our report of even date

For Pijush Gupta & Co.
Chartered Accountants
Firm Registration No.: 309015E

Sangeeta Gupta
Partner
Membership No.: 064225

Place: Mumbai
Date: April 22, 2019

For and on behalf of the Board of Directors
Shriram Housing Finance Limited

Subramanian Jambunathan
Managing Director and CEO
DIN: 00969478

Y. S. Chakravarti
Director
DIN: 00052308

Kunal Karnani
Chief Financial Officer

Nikita Hule
Company Secretary

Place: Mumbai
Date: April 22, 2019

(₹in Lacs)

Cash Flow Statement	For Year Ended 31 March, 2019	For Year Ended 31 March, 2018
A) Cash flow from Operating activities		
Net Profit before taxation	2,507.27	5,801.56
Adjustment for :		
Unamortized Income	(971.98)	(870.86)
Fair Value Changes	(23.03)	0.48
Unamortized Expenses	20.51	1.33
Finance Cost related to SCUF Guarantee	15.60	15.60
Loss on sale of assets	1,367.83	-
Deferred Lease rental	32.39	27.85
Provisions	(778.25)	(649.16)
ESOP compensation cost	9.87	4.35
	2,180.21	**4,331.15**
Depreciation and amortization	232.49	193.10
Provision for sub standard, doubtful & loss assets	(1,010.25)	950.76
Contingent Provision on Standard assets	(10.16)	(118.96)
Bad debts written off	460.25	979.07
Loss on sale of loan assets	2,548.34	-
Provision for lease rental	25.73	27.31
Premium on PTC written off	-	1.18
NCD private placement Expenses	114.06	122.92
Interest received	(11.73)	(115.79)
(Profit)/Loss on sale of assets	22.52	0.54
Profit on sale of investment	(265.32)	(103.09)
Operating profit before working capital changes	**4,286.14**	**6,268.19**
Movement in working capital:		
(Increase) / decrease in Short-term loans and advances	(1,147.87)	(846.52)
(Increase) / decrease in Long-term loans and advances	(7,976.64)	(1,235.31)
(Increase) / decrease in other current assets	(2,508.95)	(4,837.07)
(Increase) / decrease in other non-current assets	81.24	2,314.79
Increase / (decrease) in current liabilities	(759.31)	(144.39)
Increase / (decrease) in non-current liabilities	-	(364.47)
Increase / (decrease) in provision for employee benefits	113.57	40.60
Cash generated from operation	**(7,911.82)**	**1,195.82**
Direct Taxes Paid(Net of refund)	(1,375.60)	(1,525.19)
Net Cash flow from/ (used in) operating activities (A)	**(9,287.42)**	**(329.37)**
B) Cash flow from investing activities		
Purchase of fixed and intangible assets	(409.73)	(561.35)
Proceeds from sale of fixed assets	6.57	0.22
Investment in security receipts	-	(2,303.10)
Proceeds from sale of Security Receipts	444.66	
Proceeds from sale of investments (net)	(12,077.80)	4,649.55
Investment in PTC	-	(3,249.51)
Investment in Fixed deposit	(1.56)	(25.00)
Interest received (others)	11.73	115.79
Net Cash flow from/(used in) investing activities (B)	**(12,026.13)**	**(1,373.40)**
C) Cash flow from financing activities		
Increase / (decrease) of long term borrowings	18,557.25	(19,876.47)
Increase / (decrease) of short term borrowings	3,675.91	21,641.93
Private placement expenses for non-convertible debentures paid	(9.43)	(16.87)
Net Cash flow from/(used in) financing activities (C)	**22,223.73**	**1,748.59**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**910.18**	**45.82**

Cash and cash equivalents at the beginning of the year	**536.94**	**491.12**
Cash and cash equivalents at the end of the year	**1,447.12**	**536.94**
Component of cash and cash equivalents	**For Year ended 31 March, 2019**	**For Year ended 31 March, 2018**
Cash on hand	2.76	3.56
Balances with banks:		
- Current Account /Cash Credit Account	1,444.36	533.38
Total Cash and cash equivalents	**1,447.12**	**536.94**

As per our report of even date

For Pijush Gupta & Co.
Chartered Accountants
Firm Registration No.: 309015E

Sangeeta Gupta
Partner
Membership No.: 064225

Place: Mumbai
Date: April 22, 2019

For and on behalf of the Board of Directors
Shriram Housing Finance Limited

Subramanian Jambunathan
Managing Director and CEO
DIN: 00969478

Y. S. Chakravarti
Director
DIN: 00052308

Kunal Karnani
Chief Financial Officer

Nikita Hule
Company Secretary

Place: Mumbai
Date: April 22, 2019

Note 1: Corporate Information

Shriram Housing Finance Limited (the Company) is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act, 1956. The Corporate Identification Number (CIN) is CIN U65929TN2010PLC078004.The company received its Certificate of Registration from National Housing Bank (NHB) as required under Section 29A of the National Housing Bank Act, 1987, on August 4, 2011. The Company is primarily engaged in the business of providing loans for construction or purchase of residential property and loans against property.

The Company is a subsidiary of Shriram City Union Finance Ltd.

The registered office of the Company is at No. 123, Angappa Naicken Street, Chennai – 600 001.

The financial statements of the Company for the year ended March 31, 2019 were approved for issue in accordance with the resolution of the Board of Directors on April 22, 2019.

Note 2: Basis of preparation and presentation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) . These financial statements, for the year ended 31 March 2019, are the first financial statements the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2018, the Company prepared its financial statements in accordance with Accounting Standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP). Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2019, together with the comparative period data as at and for the year ended 31 March 2018, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2017, the Company's date of transition to Ind AS.

The financial statements have been prepared under the historical cost convention, as modified by the application of fair value measurements required or allowed by relevant Accounting Standards. Accounting policies have been consistently applied to all periods presented, unless otherwise stated.

The financial statements of the Company are presented as per Schedule III (Division III) of the Companies Act, 2013 applicable to NBFCs, as notified by the Ministry of Corporate Affairs (MCA).The financial statements are presented in Indian Rupees (INR) which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates and all values are rounded to the nearest lacs, except when otherwise indicated.

Note 3: Significant accounting policies

3.1 Use of estimates, judgements and assumptions

The preparation of financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods are affected.

3.2 Revenue from operations

(i) Interest and similar income

a) Under Ind AS 109,Interest income is recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial assets other than credit-impaired assets and financial assets classified as measured at Fair value through Profit and loss (FVTPL).

The EIR in case of a financial asset is computed

a. As the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.

b. By considering all the contractual terms of the financial instrument in estimating the cash flows

c. Including all fees received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows is recognised in interest income with the corresponding adjustment to the carrying amount of the assets.

Interest income on credit impaired assets is recognised by applying the effective interest rate to the net amount, i.e., gross carrying amount less provisions of the financial asset.

b) All other charges such as cheque return charges, additional finance interest, etc. are recognised on realization basis. These charges are treated to accrue on realization, due to the uncertainty of their realization.

(ii) Dividend Income

Dividend income is recognised.

a. When the right to receive the payment is established,

b. it is probable that the economic benefits associated with the dividend will flow to the entity and

c. the amount of the dividend can be measured reliably.

(iii) Fees & Commission Income

Revenue from fee-based activities are recognized when the services are rendered. Fees earned from contract with customer is recognised as and when performance obligation is satisfied. Fees or components of fees that are linked to a certain performance are recognised after fulfilling the corresponding criteria.

(iv) Net gain on Fair value changes

Any differences between the fair values of financial assets classified as fair value through the profit or loss (refer Note 26), held by the Company on the balance sheet date is recognised as an unrealised gain/ loss. In cases there is a net gain in the aggregate, the same is recognised in “Net gains on fair value changes”under Revenue from operations and if there is a net loss the same is disclosed under “Expenses” in the statement of Profit and Loss.

Similarly, any realised gain or loss on sale of financial instruments measured at FVTPL and debt instruments measured at Fair value through Other Comprehensive Income (“FVOCI”) is recognised in net gain/ loss on fair value changes.

However, net gain / loss on derecognition of financial instruments classified as amortised cost is presented separately under the respective head in the Statement of Profit and Loss.

3.3 Expenses

(i) Finance costs

Finance costs represents Interest expense recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial liabilities.

The EIR in case of a financial liability is computed

a. As the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the gross carrying amount of the amortised cost of a financial liability.

b. By considering all the contractual terms of the financial instrument in estimating the cash flows

c. Including all fees paid between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows is recognised in interest expenses with the corresponding adjustment to the carrying amount of the liability.

Interest expense includes issue costs that are initially recognized as part of the carrying value of the financial liability and amortized over the expected life using the effective interest method.

(ii) Retirement and other employee benefits

Short term employee benefit

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised as an expense during the period. Benefits such as salaries, wages, etc. and the expected cost of the bonus/ex-gratia are recognised in the period in which the employee renders the related service.

Post-employment employee benefits

a) Defined contribution schemes

Eligible employees of the Company are entitled to receive benefits under the Provident Fund and Employees State Insurance scheme, defined contribution plans in which both the employee and the Company contribute monthly at a stipulated rate. The Company has no liability for future benefits other than its annual contribution and recognises such contributions as an expense in the period in which employee renders the related service.

b) Defined benefit schemes

The Company provides for the gratuity, a defined benefit retirement plan covering all employees. The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated years mentioned under 'The Payment of Gratuity Act, 1972'. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation, carried out by an independent actuary at each Balance Sheet date, using the Projected Unit Credit method, which recognizes each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government Securities as at the Balance Sheet date.

Net interest recognized in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognized as part of re-measurement of net defined liability or asset through other comprehensive income. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, attrition rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed annually.

The Company fully contributes all ascertained liabilities to the Trustees – Shriram Housing Finance Limited Employees Group Gratuity Fund Scheme. Trustees administer contributions made to the trust and contributions are invested in a scheme of insurance with the IRDA approved Insurance Companies.

Re-measurement, comprising of actuarial gains and losses and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit and loss in subsequent periods.

Other long-term employee benefits

Company's liabilities towards compensated absences to employees are accrued on the basis of valuations, as at the Balance Sheet date, carried out by an independent actuary using Projected Unit Credit Method. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the Statement of Profit and Loss.

(iii) Rent Expense:

Identification of Lease:

The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset.

For arrangements entered into prior to 1 April 2017, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Company as a Lessee:

Leases that do not transfer to the Company, substantially all of the risks and benefits incidental to ownership of the leased items are operating leases.

Rent expenses representing operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term, unless the increase is in line with expected general inflation, in which case lease payments are recognised based on contractual terms.

(iv) Impairment of non-financial assets

The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets, net selling price and value in use. In assessing value in use, the estimated future cash flow discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

(v) Expenditure on Corporate Social Responsibility (CSR)

The Company accounts the expenditure incurred towards Corporate Social Responsibility as required under the Act as a charge to the statement of profit and loss.

(vi) Rating Expenses

The company evaluates whether rating fee is directly attributable and incremental to each borrowing/NCD. If such fees are directly attributable to the acquisition of the borrowing, then same is considered for EIR. If such fees are not directly attributable to the acquisition of the borrowing, then the same is charged to Profit and Loss proportionately as and when the borrowing facility is availed.

(vii) Mortgage Guarantee Fee not written off

Mortgage Guarantee fee is the guarantee fee paid to a Mortgage Insurance for risk mitigation when any loan becomes NPA. The Company has decided to amortise such fee on straight line basis over the expected life of loan or actual life of loan whichever is earlier.

(viii) Other expenses

All Other expenses are recognized in the period they accrue.

(ix) Taxes

Income tax expense comprises of current and deferred income tax. Income tax expense is recognized in net profit in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income.

Current Tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date where the Company operates and generates taxable income.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant taxpaying unit intends to settle the asset and liability on a net basis.

Deferred tax

Deferred tax assets and liabilities are recognised for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are only recognised for temporary differences, unused tax losses and unused tax credits if it is probable that future taxable amounts will arise to utilise those temporary differences and losses. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

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

Minimum Alternate Tax (MAT)

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT credit is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably, and it is probable that the future economic benefit associated with the asset will be realised. The Company reviews the MAT Credit Entitlement asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

3.4 Property, plant and equipment

An item is recognised as an asset, if and only if, it is probable that the future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. PPE are initially recognised at cost. The initial cost of Property, plant and equipment (PPE) comprises its purchase price, freight, duties, taxes and any other incidental expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management.Subsequent to initial recognition, Property, plant and equipment (PPE) are measured at cost less accumulated depreciation and accumulated impairment, (if any). Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

Subsequent expenditure related to an item of tangible asset are added to its gross value only if it increases the future benefits of the existing asset, beyond its previously assessed standards of performance and cost can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

Depreciation

Depreciation is calculated using the straight–line method to write down the cost of property and equipment to their residual values over their estimated useful lives estimated by the management.

The estimated useful lives are as follows:

Particulars	Useful Life Estimated by Company
Electrical installation and equipment	10 years
Furniture and fixture	10 years
Office equipment	5 years
Computer	5 years

Leasehold improvements are amortised on a straight-line basis over the period of lease or estimated period of useful life of such improvement, subject to a maximum period of 60 months. Leasehold improvements include all expenditure incurred on the leasehold premises that have future economic benefits.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed annually.

Property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income/ expense in the statement of profit and loss in the year the asset is derecognised. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

3.5 Intangible assets

An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Company.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of an intangible asset comprises its purchase price and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The Company considers that the useful life of an intangible asset comprising of computer software will not exceed 5 years from the date when the asset is available for use.Changes in the expected useful life, or the expected pattern of consumption of future economic benefits embodied in the asset, are accounted for by changing the amortisation period or methodology, as appropriate, which are then treated as changes in accounting estimates.

Amortisation is calculated using the straight–line method to write down the cost of intangible assets to their residual values over their estimated useful lives.Amortisation on assets acquired/sold during the year is recognised on a pro-rata basis to the Statement of Profit and Loss from/ upto the date of acquisition/sale.

Gains or losses from derecognition of intangible assets are 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.

3.6 Investment Property

Investment property consists of vacant land. Investment properties are measured initially at cost including transaction costs. Investment property being land is not depreciated.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit orloss in the period of derecognition.

3.7 Foreign currency translation

(i) Functional and presentational currency

The standalone financial statements are presented in Indian Rupees which is also functional currency of the Company and the currency of the primary economic environment in which the Company operates.

(ii) Transactions and balances

Initial recognition:

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Conversion:

Monetary assets and liabilities denominated in foreign currency, which are outstanding as at the reporting date, are translated at the reporting date at the closing exchange rate and the resultant exchange differences are recognised in the Statement of Profit and Loss.

Non–monetary items that are measured at historical cost in a foreign currency are translated using the spot exchange rates as at the date of recognition.

3.8 Assets held for sale:

Assets held for sale comprises of house properties, which were held as collaterals against the loans given to customer, whose physical and legal possessing has been taken over by the company due to customers' default on repayment of the loan. Management intends to sell these properties for which regular auctions are conducted.

Such assets are classified as held for sale when their carrying amount is intended to be recovered principally through sale rather than through continued use.

At the time of initial classification as assets held for sale, these assets are measured at the lower of carrying amount and fair value less cost to sell. The fair value of the assets is determined by an independent valuer. These assets are carried at the fair value determined on initial recognition, unless there are indicators of significant changes in real estate market condition requiring a revised valuation.

Assets held for sale are not depreciated while they are held for sale. Assets which are unsold within a period of 3 years from the date of recognition as assets held for sale, the carrying value of such assets is written off.

3.9 Cash and cash equivalents

Cash and cash equivalents comprise the short-term, highly liquid investments that are readily convertible to known amounts of cash (short-term deposits with an original maturity of three months or less) and are subject to an insignificant risk of change in value, cheques on hand and balances with banks. They are held for the purposes of meeting short-term cash commitments (rather than for investment or other purposes).

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short- term deposits, as defined above.

3.10 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effectsof transactions of a non-cash nature, any deferrals oraccruals of past or future operating cash receipts orpayments and item of income or expenses associatedwith investing or financing cash flows. The cash flowsfrom operating, investing and financing activities ofthe Company are segregated.

3.11 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when the Entity becomes a party to the contractual provisions of the instruments.

3.11.1 Financial Assets

Initial Recognition – Financial assets are recognised at fair value. In case of financial assets which are recognised at fair value through profit and loss(FVTPL), its transaction costs are recognised in the statement of profit and loss. In other cases, the transaction costs are attributed to the acquisition value of the financial asset.

Subsequent measurement

For the purpose of subsequent measurement, financial assets are classified in four categories:

1. Financial assets to be measured at amortised cost
2. Financial assets to be measured at fair value through other comprehensive income(FVOCI)
3. Financial assets to be measured at fair value through profit or loss account (FVTPL)

Financial assets measured at amortised cost

Debt instruments

Debt instruments are measured at amortised cost where they have:

a) Contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and
b) Are held within a business model whose objective is achieved by holding to collect contractual cash flows.

These debt instruments are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest rate (EIR) method.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in Interest income in the profit or loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

The measurement of credit impairment is based on the three-stage expected credit loss model described below in Note 3.14 Impairment of financial assets.

Financial assets measured at fair value through other comprehensive income

Debt instruments

Investments in debt instruments are measured at fair value through other comprehensive income where they have:

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

These debt instruments are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at fair value. Gains and losses arising from changes in fair value are included in other comprehensive income within a separate component of equity. Impairment losses or reversals, interest revenue and are recognised in profit and loss. Upon disposal, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the statement of profit and loss. The measurement of credit impairment is based on the three-stage expected credit loss model as applied to financial assets at amortised cost.

The expected credit loss model is described below in Note 3.14 Impairment of financial assets.

Equity instruments

Investment in equity instruments that are neither held for trading nor contingent consideration recognised by the Company in a business combination to which IndAS 103 'Business Combination' applies, are measured at fair value through other comprehensive income, where an irrevocable election can be made by management and when such instruments meet the definition of Equity under Ind AS 32 *Financial Instruments*: *Presentation.* Such classification is determined on an instrument-by-instrument basis. As at reporting date, there are no equity instruments measured at FVOCI.

Amounts presented in other comprehensive income are not subsequently transferred to profit or loss. Dividends on such investments are recognised in profit or loss.

Financial assets measured at fair value through profit or loss

- Items at fair value through profit or loss comprise:
- Investments (including equity shares) held for trading;
- Items specifically designated as fair value through profit or loss on initial recognition; and
- Debt instruments with contractual terms that do not represent solely payments of principal and interest.

Financial instruments held at fair value through profit or loss are initially recognised at fair value, with transaction costs recognised in the statement of profit and loss as incurred. Subsequently, they are measured at fair value and any gains or losses are recognised in the statement of profit and loss as they arise.

Financial instruments held for trading

A financial instrument is classified as held for trading if it is acquired or incurred principally for selling or repurchasing in the near term, or forms part of a portfolio of financial instruments that are managed together and for which there is evidence of short-term profit taking, or it is a derivative not in a qualifying hedge relationship. Trading derivatives and trading securities are classified as held for trading and recognised at fair value.

Financial instruments designated as measured at fair value through profit or loss

Upon initial recognition, financial instruments may be designated as measured at fair value through profit or loss. A financial asset may only be designated at fair value through profit or loss if doing so eliminates or significantly reduces measurement or recognition inconsistencies (i.e. eliminates an accounting mismatch) that would otherwise arise from measuring financial assets or liabilities on a different basis.

A financial liability may be designated at fair value through profit or loss if it eliminates or significantly reduces an accounting mismatch or:

- If a host contract contains one or more embedded derivatives; or
- If financial assets and liabilities are both managed and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Where a financial liability is designated at fair value through profit or loss, the movement in fair value attributable to changes in the Company's own credit quality is calculated by determining the changes in credit spreads above observable market interest rates and is presented separately in other comprehensive income.As at the reporting date, the Company has not designated any financial instruments as measured at fair value through profit or loss.

3.11.2 Financial Liabilities

Initial Measurement

Financial liabilities are classified and measured at amortized cost. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The company's financial liabilities include loans and borrowings and other payables.

Subsequent Measurement

Financial liabilities are subsequently carried at amortized cost using the effective interest method.

3.11.3 Embedded Derivatives

An embedded derivative is a component of a hybrid instrument that also includes a non-derivative host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract.

3.12 Reclassification of financial assets and liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition. Financial liabilities are never reclassified. The Company did not reclassify any of its financial assets or liabilities in financial year 2017-18 and until the year ended March 31, 2019.

3.13 Determination of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

i) In the principal market for the asset or liability, or

ii) In the absence of a principal market, in the most advantageous market for the asset or liability

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

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

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

Level 2 financial instruments - Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Company will classify the instruments as Level 3.

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

3.14 Impairment of financial assets

Overview of the ECL principles

The Company records allowance for expected credit losses for debt financial assets not held at FVTPL, in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment under Ind AS 109.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is the portion of Lifetime ECL that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both Lifetime ECLs and 12-month ECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

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. The Company does the assessment of significant increase in credit risk at a borrower level. If a borrower has various facilities having different past due status, then the highest days past due (DPD) is considered to be applicable for all the facilities of that borrower.

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

Stage 1:12-months ECL

All exposures where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date and that are not credit impaired upon origination are classified under this stage. The company classifies all loan advances upto 30 days default under this category. Stage 1 loan advances also include facilities where the credit risk has improved, and the loan has been reclassified from Stage 2.For these assets, 12-month ECL are recognized and interest revenue is calculated on the gross carrying amount of the asset.

For Investments measured at FVOCI – "The investment is classified as a Stage 1 in case there is no change in the credit rating or a change of one notch downward in the credit rating.

Stage 2: Lifetime ECL – not credit impaired

All exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired are classified under this stage. More than 30 Days Past Due is considered as significant increase in credit risk. For these assets, lifetime ECL are recognized, but interest revenue is still calculated on the gross carrying amount of the asset.

For Investments measured at FVOCI – In case there is a downgrade in credit rating by two or more notches, the investment is taken as at Stage 2 and life time PD is applied.

Stage 3: Lifetime ECL – credit impaired

All exposures assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred are classified in this stage. For exposures that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount. 90 Days Past Due is considered as default for classifying a financial instrument as credit impaired.

For Investments measured at FVOCI –Any investment which is non performing or in default or restructured is taken to be as at Stage 3.

Credit-impaired financial assets:

At each reporting date, the company assesses whether financial assets carried at amortised cost and debt financial assets carried at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

a) Significant financial difficulty of the borrower or issuer;

b) A breach of contract such as a default or past due event;

c) The restructuring of a loan or advance by the company on terms that the company would not consider otherwise;

d) It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;

e) The disappearance of an active market for a security because of financial difficulties.

ECLs are recognised as impairment on financial instruments in profit and loss. In the case of debt instruments measured at fair value through other comprehensive income, the measurement of ECLs is based on the three-stage approach as applied to financial assets at amortised cost.

Financial guarantee contracts

The Company's liability under financial guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the statement of profit and loss, and the ECL provision. For this purpose, the Company estimates ECLs by applying a credit conversion factor.

As at the reporting date, the Company does not have any such instruments.

3.15 Write-offs

The Company reduces the gross carrying amount of a financial asset when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. This is generally 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 subjected to write-offs. Any subsequent recoveries against such loans are credited to the statement of profit and loss. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the company's procedures for recovery of amounts due.

3.16 Recognition and derecognition of financial assets and liabilities

Recognition:

a) Loans and Advances are initially recognised when the funds are transferred to the customers' account.

b) Investments are initially recognised on the settlement date.

c) Debt securities and borrowings are initially recognised when funds reach the Company.

d) Other financial assets and liabilities are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

Derecognition

a) Financial asset

The Company derecognizes a financial asset when the contractual cash flows from the asset expire or it transfers its rights to receive contractual cash flows from the financial asset in a transaction in which substantially all the risks and rewards of ownership are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

b) Financial liabilities

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

3.17 Offsetting

Financial assets and financial liabilities are generally reported on a gross basis except when, there is an unconditional legally enforceable right to offset the recognised amounts and intends to settle on a net basis or to realise the asset and settle the liability simultaneously in all of the following circumstances:

i) The normal course of business

ii) The event of default

iii) The event of insolvency or bankruptcy of the Company and/or its counter parties.

3.18 Provisions

Provisions are recognised when the enterprise has a present obligation as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

When the effect of the time value of money is material, the company determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. As at reporting date, the Company does not have any such provision where effect of time value of money is material. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

3.19 Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

3.20 Earning Per Share

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

3.21 Employee Stock Option Plan

Employees of the Company receive remuneration in the form of equity settled share-based payments in consideration of the services rendered.

The Company recognizes compensation expense relating to share-based payments as employee benefit expenses' with a corresponding increase in equity, over the vesting period, using the grant date fair-value of the option in accordance with Ind AS 102, Share-based Payments. The grant date fair value of the options is calculated using the Black Scholesmodel.

The estimated fair value of the awards is charged to income on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in substance, multiple awards with a corresponding increase to share options outstanding account.At the end of each reporting period, the expense is reviewed and adjusted toreflect changes to the level of options expected to vest. When theoptions are exercised, the Company issues fresh equity shares.

Note 4: First time adoption

This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April, 2017 and the financial statements as at and for the year ended 31 March, 2018.

Optional exemptions

Ind AS 101 permits first-time adopters' certain exemptions from retrospective application of certain requirements under Ind AS. The Company has elected to apply the following optional exemptions from retrospective application:

4.1 Lease arrangements

Appendix C to Ind AS 17 requires entity to assess whether contract or arrangement contains a lease. In accordance with the same, this assessment should be carried out at the inception of arrangement. However, the company has used exemption under Ind AS 101 and assessed all arrangements based on conditions in place as on date of transition.

4.2 Deemed cost for Property, plant, equipment & intangible assets

On 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 as at 31 March 2017, measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment and intangible assets as on 1st April 2017.

4.3 Deemed cost for Investment properties

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its Investment properties recognised as at April 1, 2017, measured asper the previous GAAP, and use that carrying value as the deemed cost of such Investment properties.

4.4 Designation of previously recognised financial instruments

Under Ind AS 109, at initial recognition of a financial asset, as entity may make an irrevocable election to present subsequent changes in the fair value of an investment in an equity instrument in other comprehensive income. Ind AS 101 allows such designation of previously recognised financial assets, as 'fair value through other comprehensive income' on the basis of the facts and circumstances that existed at the date of transition to Ind AS. The Company has opted not to re-evaluate financial assets derecognized in the past including those sold to asset restructuring companies.

4.5 Fair value measurement of financial assets or financial liabilities at initial recognition

Under Ind AS 109, if an entity measures a financial instrument on initial recognition based on valuation techniques that only use observable market data or current market transactions in the same instrument, and the fair value at initial recognition is different from the transaction price, then it is required to recognise the 'day one' gain or loss at initial recognition of this financial instrument. Ind AS 101 allows an entity to apply the 'day one' gain or loss recognition requirement of Ind AS 109 prospectively to transactions entered into on or after the date of transition to Ind AS. The Company has opted for this exemption to recognise the 'day one' gain or loss on initial recognition arising due to difference in transaction cost and fair value prospectively for transactions entered into on or after the date of transition to Ind AS.

4.6 Share based payments

The Company has elected not to apply Ind AS 102 Share-Based Payment, to equity instruments that vested prior to the date of transition to Ind AS.

Mandatory exemptions

The Company has applied the following exceptions to the retrospective application of Ind AS as mandatorily required under Ind AS 101:

4.7 Estimates

On assessment of the estimates made under the Previous GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under Previous GAAP are made by the Company for the relevant reporting dates reflecting conditions existing as at that date.

4.8 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 existed at the date of transition to Ind AS.

Note 5: Transition to Ind AS - Reconciliations

The following reconciliations provide the explanations and quantification ofthe differences arising from the transition from Previous GAAP to Ind AS inaccordance with Ind AS 101:

1. Reconciliation of Equity as at April 1, 2017
2. A) Reconciliation of Equity as at March 31, 2018

   B) Reconciliation of Statement of Profit and Loss for the year ended March 31, 2018
3. Adjustments to Statement of Cash Flows for the year ended March 31, 2018

Previous GAAP figures have been reclassified/regrouped wherever necessary to conform with financial statements prepared under Ind AS.

Note 6: Cash and cash equivalents

(₹in Lacs)

Particulars	As at 31 March, 2019	As at 31 March, 2018	As at 01 April, 2017 - Opening
Cash on hand	2.76	3.56	190.37
Balances with Banks			-
- in current accounts	1,444.36	533.38	300.75
Total	**1,447.12**	**536.94**	**491.12**

Note 7: Other Bank Balances

(₹in Lacs)

Particulars	As at 31 March, 2019	As at 31 March, 2018	As at 01 April, 2017 - Opening
Fixed deposit with original maturity for more than 3 months but less than 12 months*	27.63	25.95	-
Fixed deposit with original maturity of more than 12 months**	110.00	110.00	-
Total	**137.63**	**135.95**	**-**

*Fixed Deposit is under lien for Bank Guarantee purpose to the extend of ₹25 Lacs.
**Fixed Deposit is under lien with Bank pending completion of formalities relating to a borrower to the extend of ₹110 Lacs.

Note 8: Receivables

(₹in Lacs)

Particulars	As at 31 March, 2019	As at 31 March, 2018	As at 01 April, 2017 - Opening
Secured, considered good	-	-	
Unsecured, considered good	4.07	13.44	2.99
Unsecured, considered Doubtful	-	-	
Total	**4.07**	**13.44**	**2.99**

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. No ECL is taken on receivable as amount is immaterial and management considers all receivables as good.

Note 9: Loans (₹in Lacs)

Particulars	As at 31 March, 2019						As at 31 March, 2018						As at 01 April, 2017 - Opening					
	Amortised Cost	At Fair value				Total	Amortised Cost	At Fair value				Total	Amortised Cost	At Fair value				Total
		Through Other Compre-hensive Income	Through profit or loss	Desig-nated at through profit or loss	Sub-total			Through Other Compre-hensive Income	Through profit or loss	Desig-nated at through profit or loss	Sub-total			Through Other Compre-hensive Income	Through profit or loss	Desig-nated at through profit or loss	Sub-total	
(A)																		
i) Bills purchased and bills discounted	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ii) Loans repayable on demand	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
iii) Term loans	1,84,766.19	-	-	-	-	1,84,766.19	1,79,007.16	-	-	-	-	1,79,007.16	1,77,124.34	-	-	-	-	1,77,124.34
iv) Leasing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
v) Factoring	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
vi) Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total (A)-Gross	**1,84,766.19**	**-**	**-**	**-**	**-**	**1,84,766.19**	**1,79,007.16**	**-**	**-**	**-**	**-**	**1,79,007.16**	**1,77,124.34**	**-**	**-**	**-**	**-**	**1,77,124.34**
Less : Impairment loss allowance	(2,602.06)	-	-	-	-	(2,602.06)	(4,368.39)	-	-	-	-	(4,368.39)	(4,084.43)	-	-	-	-	(4,084.43)
Total (A) - Net	**1,82,164.13**	**-**	**-**	**-**	**-**	**1,82,164.13**	**1,74,638.77**	**-**	**-**	**-**	**-**	**1,74,638.77**	**1,73,039.91**	**-**	**-**	**-**	**-**	**1,73,039.91**
(B)																		
i) Secured by tangible assets and intangible assets	1,84,766.19	-	-	-	-	1,84,766.19	1,79,007.16	-	-	-	-	1,79,007.16	1,77,124.34	-	-	-	-	1,77,124.34
ii) Covered by Bank / Government Guarantees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
iii) Unsecured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total (B)-Gross	**1,84,766.19**	**-**	**-**	**-**	**-**	**1,84,766.19**	**1,79,007.16**	**-**	**-**	**-**	**-**	**1,79,007.16**	**1,77,124.34**	**-**	**-**	**-**		**- 1,77,124.34**
Less : Impairment loss allowance	(2,602.06)	-	-	-	-	(2,602.06)	(4,368.39)	-	-	-	-	(4,368.39)	(4,084.43)	-	-	-	-	(4,084.43)
Total (B) - Net	**1,82,164.13**	**-**	**-**	**-**	**-**	**1,82,164.13**	**1,74,638.77**	**-**	**-**	**-**	**-**	**1,74,638.77**	**1,73,039.91**	**-**	**-**	**-**	**-**	**1,73,039.91**
(C)																		
i) Public Sector	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ii) Others : Individuals & Corporates	1,84,766.19	-	-	-	-	1,84,766.19	1,79,007.16	-	-	-	-	1,79,007.16	1,77,124.34	-	-	-	-	1,77,124.34
Total (C)-Gross	**1,84,766.19**	**-**	**-**	**-**	**-**	**1,84,766.19**	**1,79,007.16**	**-**	**-**	**-**	**-**	**1,79,007.16**	**1,77,124.34**	**-**	**-**	**-**	**-**	**1,77,124.34**
Less: Impairment Loss Allowance	(2,602.06)	-	-	-	-	(2,602.06)	(4,368.39)	-	-	-	-	(4,368.39)	(4,084.43)	-	-	-	-	(4,084.43)
Total (C) - Net	**1,82,164.13**	**-**	**-**	**-**	**-**	**1,82,164.13**	**1,74,638.77**	**-**	**-**	**-**	**-**	**1,74,638.77**	**1,73,039.91**	**-**	**-**	**-**	**-**	**1,73,039.91**
Total	**1,82,164.13**	**-**	**-**	**-**	**-**	**1,82,164.13**	**1,74,638.77**	**-**	**-**	**-**	**-**	**1,74,638.77**	**1,73,039.91**	**-**	**-**	**-**	**-**	**1,73,039.91**

Credit Quality of Assets

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification.

The amounts presented are gross of impairment allowances. Details of the Company's internal grading system and policies on ECL allowances are set out in Note 44.

(₹in Lacs)

	As at 31 March, 2019				As at 31 March, 2018				As at 01 April, 2017 - Opening			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade **Performing**	1,59,267.37	20,333.97		1,79,601.34	1,47,299.73	21,658.01		1,68,957.74	1,45,972.66	26,163.79		1,72,136.45
Non-performing : Individually impaired			5,164.85	- 5,164.85			10,049.42	- 10,049.42			4,987.89	- 4,987.89
Total	**1,59,267.37**	**20,333.97**	**5,164.85**	**1,84,766.19**	**1,47,299.73**	**21,658.01**	**10,049.42**	**1,79,007.16**	**1,45,972.66**	**26,163.79**	**4,987.89**	**1,77,124.34**

Reconciliation of Gross Carrying amount is given below:

(₹in Lacs)

	Period ended March 31, 2019				Period ended March 31, 2018			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	1,47,299.73	21,658.01	10,049.42	1,79,007.16	1,45,972.66	26,163.79	4,987.89	1,77,124.34
New assets originated or purchased	61,391.83	787.69	69.52	62,249.04	67,860.45	549.95	89.35	68,499.75
Assets derecognised or repaid (excluding write offs)	(42,803.10)	(6,446.36)	(7,351.70)	(56,601.16)	(57,849.40)	(6,170.20)	(2,245.05)	(66,264.65)
Transfers to Stage 1	(6,621.09)			(6,621.09)	(8,683.98)			(8,683.98)
Transfers to Stage 2		4,334.63		4,334.63		1,114.47		1,114.47
Transfers to Stage 3			2,427.90	2,427.90			7,297.05	7,297.05
Changes to contractual cash flows due to modifications not resulting in derecognition				-				-
Amounts written off			(30.29)	(30.29)			(79.82)	(79.82)
Gross carrying amount closing balance	**1,59,267.37**	**20,333.97**	**5,164.85**	**1,84,766.19**	**1,47,299.73**	**21,658.01**	**10,049.42**	**1,79,007.16**

Reconciliation of ECL balance is given below:

(₹in Lacs)

	Period ended March 31, 2019				Period ended March 31, 2018			
	Stage 1	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
ECL allowance - opening balance	956.07	906.09	2,506.23	4,368.39	1,085.11	1,267.38	1,731.94	4,084.43
New assets originated or purchased	384.05	32.29	15.16	431.50	445.88	29.62	25.72	501.22
Assets derecognised or repaid (excluding write offs)	(390.84)	(416.56)	(1,891.05)	(2,698.45)	(499.32)	(375.52)	(941.87)	(1,816.71)
Transfers to Stage 1	(49.93)			(49.93)	(75.60)			(75.60)
Transfers to Stage 2		65.31		65.31		(15.39)		(15.39)
Transfers to Stage 3			491.68	491.68			1,713.44	1,713.44
Amounts written off			(6.44)	(6.44)			(23.00)	(23.00)
ECL allowance - closing balance	**899.35**	**587.13**	**1,115.58**	**2,602.06**	**956.07**	**906.09**	**2,506.23**	**4,368.39**

Note 10: Investments

(₹in Lacs)

Particulars	As at 31 March, 2019				As at 31 March, 2018				As at 01 April, 2017 - Opening			
	Amortised Cost	At Fair value		Total	Amortised Cost	At Fair value		Total	Amortised Cost	At Fair value		Total
		Through Other Comprehensive Income	Through profit or loss			Through Other Comprehensive Income	Through profit or loss			Through Other Comprehensive Income	Through profit or loss	
i) Mutual funds	-	-	16,023.03	16,023.03	-	-	-	-	-	-	1,800.48	1,800.48
ii) Pass through certificates (PTC), (unquoted)	-	3,978.28	-	3,978.28	-	7,637.60	-	7,637.60	-	7,137.68	-	7,137.68
iii) Security Receipts	-	-	1,858.44	1,858.44	-	-	2,303.10	2,303.10	-	-	-	-
Total Gross (A)	**-**	**3,978.28**	**17,881.47**	**21,859.75**	**-**	**7,637.60**	**2,303.10**	**9,940.70**	**-**	**7,137.68**	**1,800.48**	**8,938.16**
i) Overseas investments	-	-	-	-	-	-	-	-	-	-	-	-
ii) Investments in India	-	3,978.28	17,881.47	21,859.75	-	7,637.60	2,303.10	9,940.70	-	7,137.68	1,800.48	8,938.16
Total Gross (B)	**-**	**3,978.28**	**17,881.47**	**21,859.75**	**-**	**7,637.60**	**2,303.10**	**9,940.70**	**-**	**7,137.68**	**1,800.48**	**8,938.16**
Less : Allowance for impairment loss (C)	-	(4.74)	-	(4.74)	-	(19.88)	-	(19.88)	-	(18.24)	-	(18.24)
Total - Net D = (A)+(C)	**-**	**3,973.54**	**17,881.47**	**21,855.01**	**-**	**7,617.72**	**2,303.10**	**9,920.82**	**-**	**7,119.44**	**1,800.48**	**8,919.92**

Out of the Company's FVOCI debt portfolio (PTC), instruments with a principal of ₹3,656.88 Lacs (2018: ₹2,746.46 Lacs; 2017: ₹1,611.50 Lacs) paid during the year.

Debt instruments measured at FVOCI

Credit quality of assets

The table below shows the fair value of the Company's debt instruments measured at FVOCI by credit risk, based on the Company's internal credit rating system and year-end stage classification. The amount presented are gross of impairment allowances. Details of the Company's internal grading system and policies on ECL allowances set out in Note 44.

(₹in Lacs)

Internal Grade Rating	As at 31 March, 2019				As at 31 March, 2018				As at 01 April, 2017 - Opening			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Performing	3,978.28	-		3,978.28	7,637.60	-	-	7,637.60	7,137.68	-		7,137.68
Non Performing			-	-			-	-		-	-	-
Total	**3,978.28**	**-**	**-**	**3,978.28**	**7,637.60**	**-**	**-**	**7,637.60**	**7,137.68**	**-**	**-**	**7,137.68**

An analysis of changes in gross carrying amount and the corresponding ECLs is as follows:

(₹in Lacs)

Particulars	2018-19	2017-18
Fair value – Opening balance	7,637.60	7,137.68
New assets originated or purchased	-	3,250.49
Assets derecognised or matured	(3,659.32)	(2,750.57)
Fair value - Closing balance	**3,978.28**	**7,637.60**

(₹in Lacs)

Particulars	2018-19	2017-18
Opening balance in ECL	19.88	18.24
New assets originated or purchased	-	8.30
Assets derecognised or matured (excluding write offs)	(9.46)	(6.66)
ECL assumption changes	(5.68)	-
Closing balance in ECL	**4.74**	**19.88**

Note 11: Other financial assets

(₹in Lacs)

Particulars	As at 31 March, 2019	As at 31 March, 2018	As at 01 April, 2017 - Opening
Security deposits	331.27	327.12	313.51
Application money for security receipts	-	-	3,008.15
Interest receivable on Pass through certificates (PTC)	21.68	28.56	43.01
Less : Allowance for impairment against interest receivable on PTC	(0.03)	(0.07)	(0.11)
Total	**352.92**	**355.61**	**3,364.56**

Note 12: Current tax assets (net)

(₹in Lacs)

Particulars	As at 31 March, 2019	As at 31 March, 2018	As at 01 April, 2017 - Opening
Advance income tax (net of provision for tax)	1,404.77	456.11	440.92
Total	**1,404.77**	**456.11**	**440.92**

Note 13: Investment Property

(₹in Lacs)

Particulars	As at 31 March, 2019	As at 31 March, 2018	As at 01 April, 2017 - Opening
	Land-Freehold	**Land-Freehold**	**Land-Freehold**
At cost or fair value at the beginning of the year	0.28	0.28	0.28
Additions	-	-	-
Disposals	-	-	-
At cost or fair value at the end of the year	**0.28**	**0.28**	**0.28**
Depreciation and Impairment			
Accumulated Depreciation and impairment as at the beginning of the year	-	-	-
Depreciation charge for the year	-	-	-
Disposals	-	-	-
Accumulated Depreciation and impairment as at the end of the year	-	-	-
Net Carrying amount as at the end of the year	**0.28**	**0.28**	**0.28**

Note 14 : Property, Plant and Equipment

(₹in Lacs)

Particulars	As at 31 March, 2019						As at 31 March, 2018						As at 01 April, 2017 - Opening					
	Computers	Electrical Installation and Equipment	Furniture & Fixtures	Office Equipment	Lease hold Improvement	Total	Computers	Electrical Installation and Equipment	Furniture & Fixtures	Office Equipment	Lease hold Improvement	Total	Computers	Electrical Installation and Equipment	Furniture & Fixtures	Office Equipment	Lease hold Improvement	Total
At cost or fair value at the beginning of the year	363.00	200.54	84.19	4.29	564.25	**1,216.27**	274.25	145.74	59.64	3.82	304.01	**787.46**	177.08	60.54	23.50	0.96	149.88	411.96
Additions	42.04	25.02	9.01	0.43	88.88	**165.38**	88.75	54.94	25.36	0.47	260.24	**429.76**	99.06	87.75	36.14	2.86	154.13	379.94
Acquisitions through business combination						-	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation adjustment, if any						-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	(2.63)	(9.96)	(5.53)	-	(24.63)	**(42.75)**	-	(0.14)	(0.81)	-	-	**(0.95)**	(1.89)	(2.55)	-	-	-	(4.44)
Reclassification from/ to held for sale						-	-	-	-	-	-	-	-	-	-	-	-	-
Other Adjustments (please specify)						-	-	-	-	-	-	-	-	-	-	-	-	-
At cost or fair value at the end of the year	**402.41**	**215.60**	**87.67**	**4.72**	**628.50**	**1,338.90**	**363.00**	**200.54**	**84.19**	**4.29**	**564.25**	**1,216.27**	**274.25**	**145.74**	**59.64**	**3.82**	**304.01**	**787.46**
Accumulated Depreciation and impairment as at the beginning of the year	217.14	33.91	14.30	0.68	199.29	**465.32**	150.98	15.30	7.14	0.31	103.93	**277.66**	100.33	6.22	3.35	0.09	63.33	173.32
Depreciation for the year	38.80	21.67	8.47	0.43	119.62	**188.99**	66.16	18.68	7.27	0.37	95.36	**187.84**	52.14	10.01	3.79	0.22	40.60	106.76
Disposals	(1.79)	(1.51)	(1.03)	-	(9.33)	**(13.66)**	-	(0.07)	(0.11)	-	-	**(0.18)**	(1.49)	(0.93)	-	-	-	(2.42)
Accumulated Depreciation and impairment as at the end of the year	**254.15**	**54.07**	**21.74**	**1.11**	**309.58**	**640.65**	**217.14**	**33.91**	**14.30**	**0.68**	**199.29**	**465.32**	**150.98**	**15.30**	**7.14**	**0.31**	**103.93**	**277.66**
Net Carrying amount as at the end of the year	**148.26**	**161.53**	**65.93**	**3.61**	**318.92**	**698.25**	**145.86**	**166.63**	**69.89**	**3.61**	**364.96**	**750.95**	**123.27**	**130.44**	**52.50**	**3.51**	**200.08**	**509.80**
Capital work in progress including advances for capital assets	-	-	-	-	-	-					11.05	**11.05**					**98.64**	**98.64**

Due to change in life of computers from 3 years to 5 years there has been reduction of depreciation of ₹34.50 lacs

Note 15: Other Intangible Assets

(₹in Lacs)

Particulars	As at 31 March, 2019	As at 31 March, 2018	As at 01 April, 2017 - Opening
	Software	**Software**	**Software**
At cost, beginning of the year	251.43	119.84	115.50
Additions	244.34	131.59	4.34
Acquisitions		-	-
Fair value adjustment, if any		-	-
Disposals	-	-	-
Other Adjustments (please specify)		-	-
Total Cost	**495.77**	**251.43**	**119.84**
Accumulated amortisation and impairment:			
At the beginning of the year	121.76	116.50	114.22
Amortisation	43.51	5.26	2.28
Disposals	-	-	-
Impairment/ (reversal) of Impairment		-	-
Other Adjustments (please specify)		-	-
Total Amortisation and impairment	**165.27**	**121.76**	**116.50**
Net Carrying amount as at the end of the year	**330.50**	**129.67**	**3.34**

Due to change in life of a asset from 3 years to 5 years there has been reduction of depreciation of ₹20.21 Lacs

Note 16: Other non financial assets

(₹in Lacs)

Particulars	As at 31 March, 2019	As at 31 March, 2018	As at 01 April, 2017 - Opening
Unamortized Expenses	664.31	772.92	79.07
Service tax credit (input) receivable	-	-	5.64
Prepaid expenses	184.79	207.35	198.28
Fair Value of Assets in Excess of Gratuity Provision	14.10	-	-
GST Receivable	230.28	174.67	-
Other sundry advances	46.16	48.96	38.22
Deferred Lease rental	84.51	112.32	30.19
Assets held for Sale*	7,927.96	5,557.96	888.79
Total	**9,152.11**	**6,874.18**	**1,240.19**

*** - Note on Asset held for sale**

(₹in Lacs)

Particulars	As at 31 March, 2019	As at 31 March, 2018	As at 01 April, 2017 - Opening
House Property	7,927.96	5,557.96	888.79
Total	**7,927.96**	**5,557.96**	**888.79**

During the year, Company has taken physical and legal possession of house/ Apartments/vacant land (Collateral securities) with (fair value) of ₹4,047.95 Lacs. These properties are readily available for sale and management regularly conducts auctions to sell these assets.

Impairment loss:

In respect of properties classified as "assets held for sale" during the year an impairment loss of ₹191.52 Lacs for write-down of these properties to lower of its carrying amount and its fair value less costs to sell have been included in "Impairment of Financial instruments".

Measurement:

The non-recurring fair value measurement for the assets held for sale has been categorized as a Level 2 fair value based on the inputs to the valuation techniques used. For the assets classified as "assets held for sale" during the year valuation has been determined by Independent valuer by using the sales comparison approach for which the price (such as recent sales, municipal valuation, etc.) of the assets in the similar location are considered. This is a level 2 measurement as per the fair value hierarchy.

In respect of the assets held for sale for more than 1-year management continues its efforts to sell these assets. These assets are continued at fair value determined on initial recognition as management believe these fair values to be recoverable due to no major changes in the market condition. Some of the indicators which the management uses to assess change in real estate market condition are changes in local municipal values, prices of similar properties available online, demand for houses, etc.

Note 17: Trade Payables

(₹in Lacs)

Particulars	As at 31 March, 2019	As at 31 March, 2018	As at 01 April, 2017 - Opening
i) Total outstanding dues of micro enterprises and small enterprises	-	-	-
ii) Total outstanding dues of creditors other than micro enterprises and small enterprises			
Sundry Creditors	324.25	345.08	493.76
Outstanding expenses	798.78	531.11	318.65
Total	**1,123.03**	**876.19**	**812.41**

Note 18: Debt securities

(₹in Lacs)

Particulars	As at 31 March, 2019				As at 31 March, 2018				As at 01 April, 2017 - Opening			
	At Amortised Cost	At Fair value		Total	At Amortised Cost	At Fair value		Total	At Amortised Cost	At Fair value		Total
		Through profit or loss	Through Other Com-prehensive Income			Through profit or loss	Through Other Com-prehensive Income			Through profit or loss	Through Other Com-prehensive Income	
Privately placed redeemable non-convertible debentures	58,014.79	-	-	58,014.79	66,957.85	-	-	66,957.85	76,617.60	-	-	76,617.60
Total (A)	58,014.79	-	-	58,014.79	66,957.85	-	-	66,957.85	76,617.60	-	-	76,617.60
Debt securities in India	58,014.79	-	-	58,014.79	66,957.85	-	-	66,957.85	76,617.60	-	-	76,617.60
Debt securities outside India	-	-	-	-	-	-	-	-	-	-	-	-

Detail of Redeemable Non-Convertible Debentures

(₹in Lacs)

Sr. No.	ISIN No.	Date of allotment	Date of redemption	Nominal value per debenture (₹ In Lacs)	Total number of debentures	Rate of interest p.a.	Face value (₹ In Lacs)	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017 - Opening	Secured/ Unsecured	Terms of redemption
								Amount	Amount	Amount		
1	INE432R07042	02-Dec-14	01-Dec-17	10.00	500	9.30%	5,000	-	-	5,000.00	Secured	Bullet Payment, at Par
2	INE432R07067	26-Dec-14	26-Dec-17	10.00	450	9.30%	4,500	-	-	4,500.00	Secured	Bullet Payment, at Par
3	INE432R07158	12-Aug-16	12-Feb-18	10.00	1000	8.76%	10,000	-	-	10,000.00	Secured	Bullet Payment, at Par
4	INE432R07166	12-Aug-16	25-Apr-18	10.00	100	-	1,000	-	1,000.00	1,000.00	Secured	Bullet Payment, at Par
5	INE432R07133	28-Jun-16	28-Jun-18	10.00	500	9.50%	5,000	-	5,000.00	5,000.00	Secured	Bullet Payment, at Par
6	INE432R07091	06-Oct-15	08-Oct-18	10.00	200	-	2,000	-	2,000.00	2,000.00	Secured	Bullet Payment, at Par
7	INE432R07174	12-Sep-16	12-Sep-19	10.00	900	8.97%	9,000	9,000.00	9,000.00	9,000.00	Secured	Bullet Payment, at Par
8	INE432R07182	21-Sep-16	19-Sep-19	10.00	1000	8.97%	10,000	10,000.00	10,000.00	10,000.00	Secured	Bullet Payment, at Par
9	INE432R07190	25-Nov-16	25-Nov-19	10.00	140	8.45%	1,400	1,400.00	1,400.00	1,400.00	Secured	Bullet Payment, at Par
10	INE432R07075	26-Dec-14	26-Dec-19	10.00	400	9.25%	4,000	4,000.00	4,000.00	4,000.00	Secured	Bullet Payment, at Par
11	INE432R07109	27-Oct-15	27-Oct-20	10.00	400	9.00%	4,000	4,000.00	4,000.00	4,000.00	Secured	Bullet Payment, at Par
12	INE432R07216	14-Feb-18	12-Feb-21	10.00	500	9.00%	5,000	5,000.00	5,000.00	-	Secured	Bullet Payment, at Par
13	INE432R07141	01-Jul-16	01-Jul-21	10.00	200	9.50%	2,000	2,000.00	2,000.00	2,000.00	Secured	Bullet Payment, at Par
14	INE432R07208	14-Feb-18	12-Aug-21	10.00	500	8.97%	5,000	5,000.00	5,000.00	-	Secured	Bullet Payment, at Par
15	INE432R07026	10-Oct-14	10-Oct-21	10.00	450	10.25%	4,500	4,500.00	4,500.00	4,500.00	Secured	Bullet Payment, at Par
16	INE432R07034	13-Oct-14	13-Oct-21	10.00	150	10.25%	1,500	1,500.00	1,500.00	1,500.00	Secured	Bullet Payment, at Par
17	INE432R07083	26-Dec-14	26-Dec-21	10.00	150	9.35%	1,500	1,500.00	1,500.00	1,500.00	Secured	Bullet Payment, at Par
18	INE432R07117	29-Apr-16	29-Apr-23	10.00	250	9.00%	2,500	2,500.00	2,500.00	2,500.00	Secured	Bullet Payment, at Par
19	INE432R07125	02-May-16	02-May-23	10.00	150	9.00%	1,500	1,500.00	1,500.00	1,500.00	Secured	Bullet Payment, at Par
20	INE432R07018	10-Oct-14	10-Oct-24	10.00	400	10.30%	4,000	4,000.00	4,000.00	4,000.00	Secured	Bullet Payment, at Par
	Total amount							**55,900.00**	**63,900.00**	**73,400.00**		
	Add : Interest accrued but not due on borrowings on NCD							2,314.76	3,341.05	3,606.78		
	Less : Unamortized Borrowing cost on NCD adjusted as per EIR Calculation							199.97	283.20	385.72		
	Less : Private placement issue expenses for NCD to the extent not written off							-	-	3.46		
	Net Amount							**58,014.79**	**66,957.85**	**76,617.60**		

Nature of Security:

The redemption of principal amount of secured redeemable non-convertible debentures with all interest thereon are secured by a legal mortgage on the specified immovable property and by way of charge on the Company's specifically identified movable assets such as books debts / loan receivables in favour of the Trustees appointed.

Note 19: Borrowings (other than debt security)

(₹in Lacs)

Particulars	As at 31 March, 2019				As at 31 March, 2018				As at 01 April, 2017 - Opening			
	At Amortised Cost	At Fair value		Total	At Amortised Cost	At Fair value		Total	At Amortised Cost	At Fair value		Total
		Through profit or loss	Through Other Comprehensive Income			Through profit or loss	Through Other Comprehensive Income			Through profit or loss	Through Other Comprehensive Income	
Term Loan												
From Banks	90,472.34	-	-	90,472.34	53,512.61	-	-	53,512.61	63,307.20	-	-	63,307.20
From Financial Institutions	819.85	-	-	819.85	1,281.95	-	-	1,281.95	1,798.25	-	-	1,798.25
From Banks (Subordinate debts)	-	-	-	-	-	-	-	-	-	-	-	-
From others	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Payment Liabilites	-	-	-	-	-	-	-	-	-	-	-	-
Loans from related party	-	-	-	-	-	-	-	-	-	-	-	-
Finance Lease obligations	-	-	-	-	-	-	-	-	-	-	-	-
Commercial Papers	4,958.47	-	-	4,958.47	9,860.43	-	-	9,860.43	-	-	-	-
Loans repayable on demand												
From Banks (OD & CC)	14,617.74	-	-	14,617.74	16,042.76	-	-	16,042.76	4,257.51	-	-	4,257.51
From Financial Institutions	-	-	-	-	-	-	-	-	-	-	-	-
Total (A)	1,10,868.40	-	-	1,10,868.40	80,697.75	-	-	80,697.75	69,362.96	-	-	69,362.96
Borrowings in India	1,10,868.40	-	-	1,10,868.40	80,697.75	-	-	80,697.75	69,362.96	-	-	69,362.96
Borrowings outside India	-	-	-	-	-	-	-	-	-	-	-	-

B. Term loan from banks

Terms of repayment as at 31 March, 2019

(₹in Lacs)

Tenure	Rate of Interest	Repayment Details	Amount
Above 60 months	9.05% to 9.80%	1 to 14 instalments of half yearly frequency	7,488.40
48-60 months	8.35% to 10.00%	1 to 60 instalments of bullet, monthly, quarterly & half yearly frequency	61,583.33
36-48 months	10.00%	1 to 12 instalments of Quarterly frequency	10,000.00
12-36 months	8.00% to 9.00%	1 to 12 instalments of Quarterly frequency	1,503.33
0-12 months	9.01%	Bullet Payment	10,000.00
Total			**90,575.06**
Less: Bank loan processing fees to the extent not written off			**102.72**
Net Amount			**90,472.34**

Terms of repayment as at 31 March, 2018

(₹in Lacs)

Tenure	Rate of Interest	Repayment Details	Amount
Above 60 months	8.05% to 8.80%	1 to 14 instalments of half yearly frequency	3,205.60
48-60 months	7.65% to 8.75%	1 to 60 instalments of bullet, monthly, quarterly & half yearly frequency	49,250.12
24-48 months	8.00%	1 to 12 instalments of Quarterly frequency	1,100.00
Total			**53,555.72**
Less: Bank loan processing fees to the extent not written off			**43.35**
Add: Interest accrued but not due on borrowings			**0.24**
Net Amount			**53,512.61**

Terms of repayment as at 01 April, 2017-Opening

(₹in Lacs)

Tenure	Rate of Interest	Repayment Details	Amount
Above 60 months	9.05% to 9.65%	1 to 14 instalments of half yearly frequency	14,791.21
48-60 months	8.15% to 9.90%	1 to 60 instalments of bullet, monthly, quarterly & half yearly frequency	48,624.67
Total			**63,415.88**
Less: Bank loan processing fees to the extent not written off			**129.95**
Add: Interest accrued but not due on borrowings			**21.27**
Net Amount			**63,307.20**

The above classification is based on original tenor of borrowings. Maturity profile of above is covered in Note No. 39.

Nature of Security:

Term Loans from banks are secured by way of exclusive charge on specified loan receivables.

C. Refinance from National Housing Bank (Financial Institutions)
Terms of repayment as at 31 March, 2019

(₹in Lacs)

Tenure	Rate of Interest	Repayment Details	Amount
Above 60 months	8.50% to 9.00%	47 instalments of quarterly frequency	819.85

Terms of repayment as at 31 March, 2018

(₹in Lacs)

Tenure	Rate of Interest	Repayment Details	Amount
Above 60 months	8.50% to 9.00%	47 instalments of quarterly frequency	1,281.95

Terms of repayment as at 01 April, 2017-Opening

(₹in Lacs)

Tenure	Rate of Interest	Repayment Details	Amount
Above 60 months	8.50% to 9.00%	47 instalments of quarterly frequency	1,798.25

Nature of Security:

Refinance from NHB is secured by way of exclusive charge on specified book debts and corporate guarantee from holding Company Shriram City Union Finance Limited.

Cash Credits and Working Capital Demand Loans (Loan Repayble on Demand)

Nature of Security:

Cash credit and working capital demand loan from banks are secured by way of exclusive charge on specified home loan receivables.

Note 20: Other financial liabilities

(₹in Lacs)

Particulars	As at 31 March, 2019	As at 31 March, 2018	As at 01 April, 2017 - Opening
Retention money and other sundry liabilities	5.02	7.00	519.51
Rent deposit	275.33	275.33	117.39
Other liabilities	21.53	-	-
Total	**301.88**	**282.33**	**636.90**

Note 21: Provisions

(₹in Lacs)

Particulars	As at 31 March, 2019	As at 31 March, 2018	As at 01 April, 2017 - Opening
For non funded exposure	39.43	56.59	159.43
Provision for employee benefits			
- Gratuity	-	11.03	-
- Provision for compensated absences	97.93	48.41	27.16
Provision for Lease Rent	115.75	90.00	62.68
Provision for Bonus & Ex Gratia	173.80	159.20	159.46
Total	**426.91**	**365.23**	**408.73**

Loan commitment

The table below shows the credit quality and the maximum exposure for credit risk based on the Company's internal credit rating system and year-end stage classification. Details of the Company's internal grading system and policies on ECLs are set out in Note 44.

(₹in Lacs)

Internal Rating Grade	As at 31 March, 2019				As at 31 March, 2018				As at 01 April, 2017			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Performing	6,626.42	120.41		6,746.83	8,457.19	78.72		8,535.91	13,798.57	476.10		14,274.67
Non- performing - Individually impaired							47.13	47.13			234.58	234.58
Total	**6,626.42**	**120.41**	**-**	**6,746.83**	**8,457.19**	**78.72**	**47.13**	**8,583.04**	**13,798.57**	**476.10**	**234.58**	**14,509.25**

An analysis of changes in the gross carrying amount and the corresponding ECLs in relation to other undrawn commitment is as follows :

Gross Exposure Reconciliation

(₹in Lacs)

Particulars	2018-19				2017-18			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance of outstanding exposure	8,457.19	78.72	47.13	8,583.04	13,798.57	476.10	234.58	14,509.25
New exposures	4,275.09	54.90		4,329.99	6,636.80	28.02	17.98	6,682.80
Exposures derecognised or matured/lapsed (excluding write-offs)	(6,036.20)	(73.88)	(47.13)	(6,157.21)	(11,914.00)	(444.32)	(233.58)	(12,591.90)
Transfers to Stage 1	(69.66)			(69.66)	(64.18)			(64.18)
Transfers to Stage 2		60.67		60.67		18.92		18.92
Transfers to Stage 3				-			28.15	28.15
Closing balance of outstanding exposure	6,626.42	120.41	-	6,746.83	8,457.19	78.72	47.13	8,583.04

Reconciliation of ECL balance is given below:

(₹in Lacs)

Particulars	2018-19				2017-18			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	40.01	4.27	12.31	56.59	45.21	26.78	87.44	159.43
New exposures	24.29	2.44	-	26.73	31.97	1.53	5.42	38.92
Exposures derecognised or matured (excluding write-offs)	(29.27)	(4.08)	(12.31)	(45.66)	(36.49)	(25.20)	(87.14)	(148.83)
Transfers to Stage 1	(0.53)	-	-	(0.53)	(0.68)	-	-	(0.68)
Transfers to Stage 2	-	2.30	-	2.30	-	1.16	-	1.16
Transfers to Stage 3				-	-	-	6.59	6.59
ECL allowance - closing balance	34.50	4.93	(0.00)	39.43	40.01	4.27	12.31	56.59

Note 22: Other non financial liabilities

(₹in Lacs)

Particulars	As at 31 March, 2019	As at 31 March, 2018	As at 01 April, 2019 - Opening
Statutory dues payable	114.08	126.05	58.92
Total	**114.08**	**126.05**	**58.92**

Note 23: Equity Share Capital

(₹in Lacs)

Particulars	As at 31 March, 2019	As at 31 March, 2018	As at 01 April, 2017 - Opening
EQUITY SHARE CAPITAL			
Authorised: 22,00,00,000(Previous Year : 22,00,00,000) equity shares of Rs. 10/- each	**22,000.00**	22,000.00	22,000.00
Ordinary Shares			
Issued and fully paid			
Issued, subscribed and fully paid up: 21,41,60,000 (Previous Year : 21,41,60,000) equity shares of Rs. 10/- each	21,416.00	21,416.00	21,416.00
Total Equity	**21,416.00**	**21,416.00**	**21,416.00**

Issued Capital and Reserves:

The reconciliation of equity shares outstanding at the beginning and at the end of the year

(No. in Lacs)

Particulars	As at 31 March, 2019	As at 31 March, 2018	As at 01 April, 2017 - Opening
Authorised 22,00,00,000 equity shares of Rs. 10/- each	2,200.00	2,200.00	2,200.00
	2,200.00	**2,200.00**	**2,200.00**
Issued and fully paid up			
21,41,60,000 equity shares of Rs. 10/- each	2,141.60	2,141.60	2,141.60
	2,141.60	**2,141.60**	**2,141.60**

Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year

Particluars	No. of Shares	₹ (in Lacs)
As at 1 April, 2017	21,41,60,000	21,416.00
Issued during the year - ESOP	-	-
As at 1 April, 2018	**21,41,60,000**	**21,416.00**
Issued during the year	-	-
As at 31 March, 2019	**21,41,60,000**	**21,416.00**

Terms/ rights attached to equity shares

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

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

Out of equity shares issued by the Company, shares held by its holding company, ultimate holding company and their subsidiaries/ associates are as below:

(No. in Lacs)

Particulars	As at 31 March, 2019	As at 31 March, 2018	As at 01 April, 2017 - Opening
Shriram City Union Finance Limited	1,654.40	1,654.40	1,654.40
	1,654.40	**1,654.40**	**1,654.40**

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

Particulars	As at 31 March, 2019		As at 31 March, 2018		As at 01 April, 2017 - Opening	
	No. in Lacs	% holding in the class	No. in Lacs	% holding in the class	No. in Lacs	% holding in the class
Shriram City Union Finance Limited	1,654.40	77.25%	1,654.40	77.25%	1,654.40	77.25%
Valiant Mauritius Partners FDI Ltd.	487.20	22.75%	487.20	22.75%	487.20	22.75%

For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company, refer Note 37.

Note 24: Other Equity

(₹in Lacs)

Particulars	As at 31 March, 2019	As at 31 March, 2018	As at 01 April, 2017 - Opening
Statutory reserve (Pursuant to section 29C of the NHB Act, 1987 & Section 36(1)(viii) of Income Tax Act, 1961)	2,798.69	2,460.70	1,882.70
Security Premium	12,180.00	12,180.00	12,180.00
Retained earnings (Surplus/deficit in profit & loss account)	9,920.75	8,584.09	5,325.73
Deemed Investment	183.91	183.91	183.91
Share Option Outstanding	16.17	15.86	11.51
Other Comprehensive Income	64.85	5.44	-
Total	**25,164.37**	**23,430.00**	**19,583.85**

Note 24 (a) : Other Equity

(₹in Lacs)

Securities Premium Account	
At 1 April, 2017	12,180.00
Add: Additions on ESOPs exercised	-
At 31 March, 2018	**12,180.00**
Add: Premium on shares issued during the year	-
At 31 March, 2019	**12,180.00**
Share Option Outstanding	
At 1 April, 2017	11.51
Add: Other Additions/ Deductions during the year	4.35
At 31 March, 2018	**15.86**
Add: Other Additions/ Deductions during the year	9.87
Less: Transferred to retained earning	(9.56)
At 31 March, 2019	**16.17**
Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934	
Statutory reserve (Pursuant to section 29C of the NHB Act, 1987 & Section 36(1)(viii) of Income Tax Act, 1961)	
At 1 April, 2017	1,882.70
Add: Transfer from surplus balance in the Statement of Profit and Loss	578.00
At 31 March, 2018	**2,460.70**
Add: Transfer from surplus balance in the Statement of Profit and Loss	337.99
At 31 March, 2019	**2,798.69**
Surplus in Statement of Profit and Loss	
At 1 April, 2017	5,325.73
Add: Profit for the year	3,841.79
Add/Less: Appropriations	-
Transfer to/(from) debenture redemption reserve	-
Dividend on equity shares	-
Tax on dividend on equity shares	-
Transfer to Statutory Reserve	(578.00)
OCI for the year	(5.43)
Total appropriations	
At 31 March, 2018	**8,584.09**
Add: Profit for the year	1,724.55
Add/Less: Appropriations	9.56
Transfer to/(from) debenture redemption reserve	-
Interim dividend on equity shares	-
Tax on interim dividend on equity shares	-
Transfer to Statutory Reserve	(337.99)
OCI for the year	(59.46)
Total appropriations	
At 31 March, 2019	**9,920.75**

Note 24 (b) : Other Equity

Nature and purpose of Reserves

Securities Premium Reserve:

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

ESOP Reserve:

The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration. Refer to Note 37 for further details of these plans.

Statutory Reserve:

The Company creates Special Reserve every year out of its profits in terms of Sec 36(1) (viii) of the Income Tax Act, 1961 read with Sec 29C of the National Housing Bank Act, 1987.The Company transfers amount at least 20% of the profits after tax to Statutory reserve.

Deemed Investment :

The Company has acquired a refinance from National Housing Bank for which the parent "Shriram City Union Finance Ltd" acted as a Corporate Gurantor. The Fair value of Financial Guarantee so received has been classified as "Deemed Investments".

Note 25: Interest income

(₹in Lacs)

Particulars	For the Year Ended 31 March, 2019				For the Year Ended 31 March, 2018			
	On Financial Assets measured at Amortised Cost	On Financial Assets measured at fair value through OCI	Interest Income on Securities classified at fair value through profit or loss	Total	On Financial Assets measured at Amortised Cost	On Financial Assets measured at fair value through OCI	Interest Income on Securities classified at fair value through profit or loss	Total
Interest on loans	26,481.19	-		26,481.19	25,494.74	-	-	25,494.74
Interest income from investments	-	626.89	-	626.89	-	679.71	-	679.71
Interest on deposits with bank	11.73	-	-	11.73	5.66	-	-	5.66
Processing Fee	922.45			922.45	1,095.58			1,095.58
Total	**27,415.37**	**626.89**	**-**	**28,042.26**	**26,595.98**	**679.71**	**-**	**27,275.69**

Note 26: Net gain/ (loss) on fair value changes

(₹in Lacs)

Particulars	For the Year Ended 31 March, 2019	For the Year Ended 31 March, 2018
A) Net gain/ (loss) on financial instruments at fair value through profit or loss		
(i) On trading portfolio - Investments	288.34	102.61
Total Net gain/(loss) on fair value changes (C)	**288.34**	**102.61**
Fair Value changes: - Realised	265.32	103.09
- Unrealised	23.02	(0.48)
Total Net gain/(loss) on fair value changes(D) to tally with (C)	**288.34**	**102.61**
Total	**288.34**	**102.61**

Note 27: Others Operating Income

(₹in Lacs)

Particluars	For the Year Ended 31 March, 2019	For the Year Ended 31 March, 2018
Processing Fee	373.42	322.49
Bad debts recovered	177.83	223.06
Other charges	206.77	91.23
Total	**758.02**	**636.78**

Note 28: Other Income

(₹ in Lacs)

Particluars	For the Year Ended 31 March, 2019	For the Year Ended 31 March, 2018
Net gain/(loss) on derecognition of property, plant and equipment	0.01	-
Interest income on security deposits	31.20	25.07
Miscellaneous income	7.53	25.49
Total	**38.74**	**50.56**

Note 29: Finance Cost

(₹in Lacs)

Particulars	For the Year Ended 31 March, 2019			For the Year Ended 31 March, 2018		
	On Financial Liabilities measured at Amortised cost	On Financial Liabilities measured at through profit or loss	Total	On Financial Liabilities measured at Amortised cost	On Financial Liabilities measured at through profit or loss	Total
Interest on Bank Borrowings	6,209.87	-	6,209.87	4,720.07	-	4,720.07
Interest on Debts	5,488.44	-	5,488.44	6,680.97	-	6,680.97
Others	1,165.30	-	1,165.30	163.13	-	163.13
Total	**12,863.61**	**-**	**12,863.61**	**11,564.17**	**-**	**11,564.17**

Note 30: Net loss on derecognition of financial instruments under amortised cost category

(₹in Lacs)

Particulars	For the Year Ended 31 March, 2019			For the Year Ended 31 March, 2018		
	On Financial Instrument measured at Amortised cost	On Financial Instrument measured at fair value through OCI	Total	On Financial Instrument measured at Amortised cost	On Financial Instrument measured at fair value through OCI	Total
Loss on Sale of Loan Assets	3,916.17	-	3,916.17	-	-	-
Total	**3,916.17**	**-**	**3,916.17**	**-**	**-**	**-**

Note 31: Impairment of financial assets

(₹in Lacs)

Particulars	For the Year Ended 31 March, 2019			For the Year Ended 31 March, 2018		
	On Financial Instrument measured at Amortised cost	On Financial Instrument measured at fair value through OCI	Total	On Financial Instrument measured at Amortised cost	On Financial Instrument measured at fair value through OCI	Total
Loans	(1,783.44)	-	(1,783.44)	181.07	-	181.07
Investment	(15.19)	-	(15.19)	1.60	-	1.60
Bad debts written off	460.25	-	460.25	979.07		979.07
Total	**(1,338.38)**	**-**	**(1,338.38)**	**1,161.74**	**-**	**1,161.74**

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

(₹in Lacs)

Particulars	2018-19				2017-18			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Loans and advances to customers	(62.19)	(318.30)	(1,402.95)	(1,783.44)	(134.29)	(383.81)	699.17	181.07
Debt instruments measured at amortised cost				-				-
Debt instruments measured at FVOCI	(15.19)			(15.19)	1.60			1.60
Loan commitments				-				-
Trade receivables				-				-
Total impairment loss	(77.38)	(318.30)	(1,402.95)	(1,798.63)	(132.69)	(383.81)	699.17	182.67

Note 32: Employee Benefit expenses

(₹in Lacs)

Particulars	For the Year Ended 31 March, 2019	For the Year Ended 31 March, 2018
Salaries and Wages	5,480.73	3,852.43
Contribution to provident and other fund	187.57	172.19
Gratuity expenses	45.30	54.38
Share based payments to employees	9.87	4.35
Staff welfare expenses	172.19	172.98
Total	**5,895.66**	**4,256.33**

Note 33: Depreciation, Amortization & Impairment

(₹in Lacs)

Particulars	For the Year Ended 31 March, 2019	For the Year Ended 31 March, 2018
Depreciation of Tangible Assets	188.99	187.84
Amortization of Intangible Assets	43.51	5.26
Total	**232.50**	**193.10**

Note 34: Other expenses

(₹in Lacs)

Particulars	For the Year Ended 31 March, 2019	For the Year Ended 31 March, 2018
Rent (net)	629.58	511.90
Printing & stationery	88.38	89.27
Travelling and conveyance	496.99	382.41
Books & periodicals	0.70	1.97
Meeting expenses	2.34	2.98
Business promotion	32.77	30.82
Business commission	317.15	355.86
Communication	131.76	116.54
Director's sitting fees	5.65	5.94
Electricity	89.41	95.50
Insurance	16.20	14.55
Bank charges	20.06	20.12
Payment to auditors		
- Audit fees	18.13	16.49
- Out of pocket expenses	1.81	2.93
Professional and consultancy	1,245.81	1,763.53
Registration & filing fees	3.53	5.82
Office maintenance	282.33	245.71
Postage & courier	52.24	59.45
Rates, duties & taxes	13.72	9.63
Membership fees	6.86	6.19
Premium on PTC written off	-	1.18
Mortgage Guarantee Fees	292.48	2.19
Royalty	135.85	177.50
Corporate social responsibility	1.15	3.60
Loss on sale of fixed assets	22.53	0.54
Advertisement	6.48	26.85
Collection & recovery	533.71	664.64
Loan processing expenses	577.73	419.38
Miscellaneous expenditure	25.18	55.25
Total	**5,050.53**	**5,088.74**

*Payment to auditor (net of service tax)

(₹in Lacs)

Particulars	For the Year Ended 31 March, 2019	For the Year Ended 31 March, 2018
As auditor:		
Audit fee	18.13	16.49
Other services (certification fees)	-	-
Reimbursement of expenses	-	-

**** Corporate Social Responsibility expenditure :**

Gross amount to be spent by the Company under section 135 of the Companies Act, 2013, as on 31 March, 2019 ₹ 84.57 Lacs.

Amount spent during the year on :

(₹in Lacs)

Particulars	In cash	Yet to be paid in cash	Total
(i) Construction/acquisition of any asset	-	-	-
(ii) On purpose other than (i) above	1.15	-	1.15

Gross amount to be spent by the Company under section 135 of the Companies Act, 2013 as on 31 March, 2018 ₹ 76.36 Lacs.

Amount spent during the year on :

(₹in Lacs)

Particulars	In cash	Yet to be paid in cash	Total
(i) Construction/acquisition of any asset	-	-	-
(ii) On purpose other than (i) above	3.60	-	3.60

Note 35: Income Tax

The components of income tax expense for the periods ended 31 March 2019 and 31 March 2018 are:

(₹in Lacs)

Particulars	For the Year Ended 31 March, 2019	For the Year Ended 31 March, 2018
Current tax	519.89	1,337.56
Tax relating to earlier years	(92.94)	172.44
Deferred tax	415.19	455.21
Total tax charge	**842.14**	**1,965.21**

Reconciliation of the total tax charge:

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the periods ended 31 March 2019 and 31 March 2018 is, as follows:

(₹in Lacs)

Particulars	For the Year Ended 31 March, 2019	For the Year Ended 31 March, 2018
Profit before tax	2,507.27	5,801.56
Statutory income tax rate	33.384%	34.608%
Expected income tax expense	837.03	2,007.80
Tax effect of adjustment to reconcile expected income tax expense to reported income tax expense		
Effect of change in tax rate	11.55	-
Earlier year tax effect	-	(50.62)
Corporate Social Responsibility	0.38	0.62
Others	(6.82)	7.41
Income tax expense reported in the statement of profit & Loss	**842.14**	**1,965.21**

Deferred Tax

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

(₹in Lacs)

Particulars	Deferred Tax As at 31 March 2018	Income Statement 2018-19	OCI 2018-19	Deferred Tax As at 31 March 2019
Deferred Tax Asset/ (Liabilities) in relation to :				
Property Plant Equipments & Intangible Assets	9.04	(4.32)	-	13.36
ECL provision against Loans & Advances & Investments	1,493.62	1,478.87	-	14.75
Unamortized Income	230.43	93.98	-	136.45
Interest Income on NPA	(395.60)	(395.60)	-	-
Provision for Employee benefits	43.45	(33.74)	(29.77)	47.41
Unamortized Expenses	(285.69)	(113.11)	-	(172.58)
Unrealised gains/ loss on securities	-	7.70	-	(7.70)
Provision for lease Rental	32.90	(7.83)	-	40.72
EIR impact on borrowings	(98.01)	(31.37)	-	(66.64)
MAT Entitlement Credit	-	(519.89)	-	519.89
Special Reserve u/s 36 1(viii)	(708.01)	(36.27)	-	(671.73)
Effect of Unabsorbed business loss	-	(16.76)	-	16.76
Others	5.50	(6.48)	-	11.98
Total	**327.63**	**415.19**	**(29.77)**	**(117.33)**

(₹in Lacs)

Particulars	Deferred Tax As at 01 April 2017 - Opening	Income Statement 2017-18	OCI 2017-18	Deferred Tax As at 31 March 2018
Deferred Tax Asset/ (Liabilities) in relation to :				
Property Plant Equipments & Intangible Assets	(2.38)	(11.42)	-	9.04
ECL provision against Loans & Advances & Investments	1,404.11	(89.51)	-	1,493.62
Unamortized Income	267.92	37.49	-	230.43
Interest Income on NPA	(139.29)	256.31	-	(395.60)
Provision for Employee benefits	29.90	(16.43)	(2.88)	43.45
Unamortized Expenses	(78.10)	207.59	-	(285.69)
Unrealised gains / loss on securities	(0.17)	(0.17)	-	-
Provision for lease Rental	22.48	(10.41)	-	32.90
EIR impact on borrowings	(133.49)	(35.48)	-	(98.01)
MAT Entitlement Credit	-	-	-	-
Special Reserve u/s 36 1(viii)	(589.26)	118.76	-	(708.01)
Effect of Unabsorbed business loss	-	-	-	-
Others	3.98	(1.52)	-	5.50
Total	**785.70**	**455.21**	**(2.88)**	**327.63**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2019

Note 36: Earnings per share

Particulars	Year Ended 31 March, 2019	Year Ended 31 March, 2018
Net profit attributable to ordinary equity holders of the parent (₹in Lacs)	1,665.13	3,836.35
Weighted average number of ordinary shares for basic earnings per share	2,141.60	2,141.60
Effect of dilution:	-	-
Stock options granted under ESOP (Nos.)	10.05	1.31
Weighted average number of ordinary shares adjusted for effect of dilution	2,151.65	2,142.91
Earnings per share		
Basic earnings per share (₹)	0.78	1.79
Diluted earnings per share (₹)	0.77	1.79

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2019

Note 37: Employee Stock Option Scheme (ESOS)

The company provides share-based payment schemes to its employees. For the year ended March 31, 2019 following Employee Stock Option Plans (ESOPs) were in existence. The relevant details of the schemes and the grants are as below :

Details of Employee Stock Option Schemes	ESOP Scheme 2016	ESOP Scheme 2013	ESOP Scheme 2013
Date of Shareholder's approval of plan	December 13, 2016	March 28, 2013	March 28, 2013
Date of grant	December 22, 2016	August 28, 2013 & April 20, 2015	December 19, 2018
Number of options granted	3,35,000	3,50,000	25,00,000
Method of settlement	Equity	Equity	Equity
Vesting Period	1 - 3 years	3 - 5 years	3 - 10 years
Exercise Price	35.00	10.00	10.00
Exercise Period	Not later than 5 years from the date of vesting of options		
Vesting Conditions	Employee remaining in the employment of the enterprise during the vesting period		

Details of Vesting

Vesting period from the grant date	ESOP Scheme 2016	ESOP Scheme 2013	ESOP Scheme 2013
Completion of 1 year	33.33%	-	-
Completion of 2 year	33.33%	-	-
Completion of 3 year	33.33%	-	12.50%
Completion of 4 year	-	50%	12.50%
Completion of 5 year	-	50%	12.50%
Completion of 6 year	-	-	12.50%
Completion of 7 year	-	-	12.50%
Completion of 8 year	-	-	12.50%
Completion of 9 year	-	-	12.50%
Completion of 10 year	-	-	12.50%

Details of activity under each plan

Particulars	ESOP Scheme 2016		ESOP Scheme 2013		ESOP Scheme 2013	
	No. of Options	Weighted Avg. Exercise Price	No. of Options	Weighted Avg. Exercise Price	No. of Options	Weighted Avg. Exercise Price
Outstanding as at 1 April, 2017	3,35,000	35.00	4,00,000	10.00	-	-
Granted during the year	-	-	-	-	-	-
Forfeited during the year	-	-	(50,000)	-	-	-
Exercised during the year	-	-	-	-	-	-
Outstanding as at 31 March, 2018	**3,35,000**	**35.00**	**3,50,000**	**10.00**	**-**	**-**
Vested and exercisable as at 31 March, 2018	**1,11,667**	**35.00**	**1,25,000**	**10.00**	**-**	**-**
Weighted average remaining contractual life (in years)	-	5.73 Years	-	5.38 Years	-	-
Outstanding as at 1 April, 2018	3,35,000	35.00	3,50,000	10.00	-	-
Granted during the year	-	-	-	-	25,00,000	10.00
Forfeited during the year	(3,35,000)	35.00	(1,70,000)	10.00	-	-
Exercised during the year	-	-	-	-	-	-
Outstanding as at 31 March, 2019	**-**	**-**	**1,80,000**	**10.00**	**25,00,000**	**10.00**
Vested and exercisable as at 31 March, 2019	**-**	**-**	**1,50,000**	**10.00**	**-**	**-**
Weighted average remaining contractual life (in years)	-	-	-	4.19 Years	-	11.22 Years

The value of the underlying shares has been determined by an independent valuer. The following assumptions were used for calculation of fair value of grants in accordance with Black Scholes model, for options granted during the financial year:

Particulars	Year ended 31 March, 2019
Risk-free interest rate	7.08% - 7.68%
Expected life of options (years) [(year to vesting) + (contractual option term)/2]	5.5 - 12.5 Years
Expected volatility (%)	36.58% - 42.21%
Dividend yield	0%

The risk free interest rates are determined based on the Government bond yields with maturity equal to the expected term of the option. Volatility calculation is based on historical stock prices of comparable listed companies using standard deviation of daily change in stock price. The historical period is taken into account to match the expected life of the option. Dividend yield has been considered taking into account the historical and expected rate of dividend on equity share price as on grant date.

The expense recognised for employee services received during the year is shown in the following table:

Particulars	Year Ended 31 March, 2019	Year Ended 31 March, 2018
Expense arising from equity-settled share based payment transactions	9.87	4.35
Expense arising from cash-settled share based payment transactions	-	-
Total expense arising from share based payment transactions	**9.87**	**4.35**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2019

Note 38: Retirement benefit plan

Defined Contribution Plan

The Company makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognized ₹170.98 Lacs for year ended March 31, 2019 (Y.E. 31 March 2018 ₹150.94 Lacs) for Provident Fund contributions and ₹16.58 Lacs for the year ended March 31, 2019 (Y.E. 31 March 2018 ₹21.25 Lacs) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the Schemes.

Defined Benefit Plan

The Company has a defined benefit gratuity plan. Every employee who has completed five years of service is eligible for a gratuity on separation at 15 days basic salary (last drawn salary) for each completed year of service. The scheme is funded with the insurance companies in the form of qualifying insurance policy. During the year 2015-16 the Company created "Shriram Housing Finance Company Employees' Group Gratuity Fund". The Trust is recognised by income tax authorities and administered through Trustees. Contributions to the Trust are invested in a scheme with a insurance Company as permitted by law in India. The Company has contributed ₹Nil to the Trust during the financial year 2018-19. (F.Y 2017 -18 ₹35.02 Lacs)

The following tables summaries the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the gratuity plan.

Statement of Profit and Loss

Net employee benefit expense recognised in the employee cost.

(₹in Lacs)

Particulars	Year Ended 31 March, 2019	Year Ended 31 March, 2018
Current service cost	43.85	36.13
Interest cost on benefit obligation	13.87	13.15
Expected return on plan assets	(12.42)	-
Net (benefit) / expense	**45.30**	**49.28**

* Gratuity expenses as per note 32 of the statement of Profit and Loss for the year ended March 31, 2019 is after providing for shortfall in Gratuity Fund account.

Balance Sheet

Reconciliation of present value of the obligation and the fair value of plan assets:

(₹in Lacs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Defined benefit obligation	(144.44)	(191.06)
Fair value of plan assets	158.54	180.03
Asset/(liability) recognized in the balance sheet	**14.10**	**(11.03)**

*Fair Value of Assets in excess of Gratuity Provision as on 31 March, 2019 disclosed under "Note 16 - Other Non Financial Assets" is after netting off amount paid to trust.

Changes in the present value of the defined benefit obligation are as follows:

(₹in Lacs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Opening defined benefit obligation	**191.06**	**150.42**
Transfer in/Out	20.10	-
Interest cost	13.87	13.15
Current service cost	43.85	36.13
Liability transferred in/on account of transfer of employees Benefits paid	(35.25)	(0.32)
Actuarial loss / (gain) on obligation	(89.19)	(8.32)
Closing defined benefit obligation	**144.44**	**191.06**

Changes in the fair value of plan assets are as follows:

(₹in Lacs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Opening fair value of plan assets	**180.03**	**150.42**
Interest Income	12.42	-
Expected return	1.34	10.19
Contributions by employer	-	35.02
Benefits paid	(35.25)	(15.60)
Closing fair value of plan assets	**158.54**	**180.03**

The Company intends to contribute to the trust the amount as per the actuarial valuation in the next year.

The major categories of plan assets as a percentage of fair value of total plan assets are as follows:

Particulars	As at 31 March, 2019	As at 31 March, 2018
Investments with insurer	100%	100%

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

Particulars	As at 31 March, 2019	As at 31 March, 2018
Discount rate	7.65%	8.00%
Increase in compensation cost	5.00%	5.00%
Attrition rate	5.00%	5.00%

The estimates of future salary increases, considered in acturial valuation are on account of inflation, seniority, promotion and other relevent factor, such as supply and demand in the employment market. The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

Amounts for the current period and previous four years are as follows:

(₹in Lacs)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015
Define benefit obligation	144.44	191.06	150.42	103.09	37.79
Plan assets	158.54	180.03	150.42	-	-
Surplus/(deficit)	14.10	(11.03)	-	(103.09)	(37.79)

(₹in Lacs)

Assumptions	As at March, 2019 Discount rate		As at March, 2019 Future salary increases		As at March, 2018 Discount rate		As at March, 2018 Future salary increases	
	1% Increase	1% Decrease	1% Increase	1% Decrease	1% Increase	1% Decrease	1% Increase	1% Decrease
Sensitivity Level Impact on defined benefit obligation	(13.35)	15.50	15.69	(13.64)	(16.43)	19.21	20.69	(17.94)

(₹in Lacs)

Expected payment for future years	As at 31 March, 2019	As at 31 March, 2018
Within the next 12 months (next annual reporting period)	5.75	29.40
Between 2 and 5 years	36.94	42.56
Between 5 and 10 years	72.82	74.32
Total expected payments	**115.51**	**146.28**

The weighted average duration of the defined benefit obligation as at 31 March, 2019 is 14.74 Years (31 March, 2018: 14.44 Years).

The fund is administered by "Shriram Housing Finance Company Employees Group Gratuity Trust". The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The principal assumptions used in determining leave encashment obligations for the Company's plans are shown below:

Particulars	As at 31 March, 2019	As at 31 March, 2018
Discount rate	7.65%	8.00%
Attrition rate	5.00%	5.00%
Salary escalation	5.00%	5.00%

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

Note 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.

(₹in Lacs)

Particulars	As at 31 March, 2019			As at 31 March, 2018			As at 01 April, 2017-Opening		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS									
Financial Assets									
Cash and cash equivalents	1,447.12	-	1,447.12	536.94	-	536.94	491.12	-	491.12
Bank Balance other than above	27.63	110.00	137.63	25.95	110.00	135.95	-	-	-
Loans	14,858.08	1,67,306.05	1,82,164.13	12,614.22	1,62,024.55	1,74,638.77	10,877.22	1,62,162.69	1,73,039.91
Investments	17,741.29	4,113.72	21,855.01	2,597.26	7,323.56	9,920.82	3,123.07	5,796.85	8,919.92
Receivables	4.07	-	4.07	13.44	-	13.44	2.99	-	2.99
Other financial assets	54.56	298.36	352.92	40.30	315.31	355.61	3,287.83	76.73	3,364.56
Non-financial Assets									
Deferred tax assets (net)	-	-	-	-	327.63	327.63	-	785.70	785.70
Current tax asset	-	1,404.77	1,404.77	-	456.11	456.11	-	440.92	440.92
Investment Property	-	0.28	0.28	-	0.28	0.28	-	0.28	0.28
Property, plant and equipment	-	698.25	698.25	-	750.95	750.95	-	509.80	509.80
Capital work-in-progress	-	-	-	-	11.05	11.05	-	98.64	98.64
Other intangible assets	-	330.50	330.50	-	129.67	129.67	-	3.34	3.34
Other non financial assets	8,529.39	622.72	9,152.11	6,049.51	824.67	6,874.18	1,056.54	183.65	1,240.19
Total Assets	**42,662.14**	**1,74,884.65**	**2,17,546.79**	**21,877.62**	**1,72,273.78**	**1,94,151.40**	**18,838.77**	**1,70,058.60**	**1,88,897.37**
LIABILITIES									
Financial Liabilities									
Trade payables	1,123.03	-	1,123.03	876.19	-	876.19	812.41	-	812.41
Debt Securities	26,641.09	31,373.70	58,014.79	11,255.41	55,702.44	66,957.85	22,629.71	53,987.89	76,617.60
Borrowings (other than debt security)	44,100.36	66,768.04	1,10,868.40	32,121.55	48,576.20	80,697.75	11,054.63	58,308.33	69,362.96
Other Financial liabilities	5.02	296.86	301.88	7.00	275.33	282.33	636.90	-	636.90
Non-financial Liabilities									
Provisions	243.66	183.25	426.91	242.31	122.92	365.23	200.10	208.63	408.73
Deferred tax liabilities (net)	-	117.33	117.33	-	-	-	-	-	-
Other non-financial liabilities	114.08	-	114.08	126.05	-	126.05	58.92	-	58.92
Total Liabilities	**72,227.24**	**98,739.18**	**1,70,966.42**	**44,628.51**	**1,04,676.89**	**1,49,305.40**	**35,392.67**	**1,12,504.85**	**1,47,897.52**
Net	**(29,565.10)**	**76,145.47**	**46,580.37**	**(22,750.89)**	**67,596.89**	**44,846.00**	**(16,553.90)**	**57,553.75**	**40,999.85**

Note 40: Contingent liabilities, commitments and leasing arrangements

(A) Contingent Liabilities

Changes in the present value of the defined benefit obligation are as follows:

(₹in Lacs)

Particulars	As at 31 March, 2019	As at 31 March, 2018	As at 01 April, 2017-Opening
Income Tax	49.20	0.00	0.00

Disputed income tax demand is on account of disallowance of royalty as an expense and by treating it as intangible asset. The above demands are determinable only on receipt of judgements/decisions pending with various forums/authorties. The company is of the opinion that the above demands are not sustainable and expects to succeed in its appeals.

(B) Commitments

(₹in Lacs)

Particulars	As at 31 March, 2019	As at 31 March, 2018	As at 01 April, 2017-Opening
Estimated amount of contract remaining to be executed on capital account	-	4.78	46.79
Undrawn Commitments	6,707.40	8526.45	14349.82

(C) Lease Disclosures

Operating Lease : Office premises are obtained on operating lease which are cancellable in nature. Operating lease payments are recognized as an expense in the statement of profit and loss. Future minimum lease payments under non-cancellable operating leases as at March 31, 2019 are as follows:

(₹in Lacs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Within one year	542.68	501.38
After one year but not more than five years	407.06	922.15
More than five years	7.84	35.43
Total	**957.58**	**1458.96**

NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH, 2019

Note 41: Related party disclosures

Relationship	Name of the party
Subsidiary Company	
Holding Company	Shriram City Union Finance Limited (SCUF)
Enterprises having significant influence over the Company	Shriram Capital Limited (SCL), Shriram Ownership Trust (SOT), Valiant Mauritius Partners FDI Ltd. (VMPL), Shriram Value Services Ltd (SVS), Shriram Fortune Solutions Limited(SFSL), Shriram Financial Products Solutions (Chennai) Private Limited (SFPS), Shriram General Insurance Company Limited(SGIL), Shriram Insight Share Brokers Limited(SISBL), Shriram Life Insurance Company Limited(SLIC).
Associates / Enterprises owned or significantly influenced by key management personnel or their relatives Key Management Personnel of Company	Mr. Subramanian Jambunathan (MD and CEO)##, Mr. Sujan Sinha (MD and CEO)#, Mr Kankshit Munshi (CFO)*, Mr. Kunal Shah (CFO)^, Mr Kunal Karnani (CFO)^^, Ms. Nikita Hule (Company Secretary), Ms Magesweri Pasupathy (Company Secretary)$, Ms.Quadsia Gandhi $$, Mr. V Murali, Ms Lakshminaryanan Priyadarshini**
Key Management Personnel of Holding Company	Mr. Duruvasan Ramachandra (MD & CEO), Mr. Ramasubramanian Chandrasekar (CFO), Mr. Chitta Ranjan Dash(CS)
Relatives of Key Management Personnel (need to check def of relatives & to be reported)	Ms. Dharini Mani Subramanian (Spouse of Managing Director), Late Mr. Krishnawamy Jambunathan (Father of Managing Director) Ms. Padmavathi Jambunathan (Mother of Managing Director), Ms. Anusha Subramanian (Daughter of Managing Director), Mr. Jambunathan Krishnan (Brother of Managing Director)

Related Party transactions during the year:

(₹in Lacs)

Particulars	Holding Company			Associates / Enterprises owned or significantly influence over the company			Key Management Personnel Personnel			Relatives of Key Management		
	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Debentures and Subordinate Bond redeemed during the year												
Equity contribution												
Shriram City Union Finance Limited (SCUF)	16,544.00	16,544.00	16,544.00									
Percentage Holding	77.25%	77.25%	77.25%									
Valiant Mauritius Partners FDI Ltd. (VMPL)				4,872.00	4,872.00	4,872.00						
Percentage Holding				22.75%	22.75%	22.75%						
Interest expense												
SCUF - Intercorporate Loan	255.92	-	-									
Commission to Directors	-	-	-	-	-	-	-	-	-	-	-	-
Remuneration to Directors (Sitting Fees)												
Ms. Quadsia Gandhi $$							**0.80**	**3.19**	**1.29**			
Mr. V Murali							2.60	2.75	1.94			
Ms Lakshminaryanan Priyadarshini **							1.80	-	-			
Remuneration to other KMPs												
Employee Benefits - Mr Sujan Sinha - short term benefit							41.89	100.62	134.63			
Employee Benefits - Mr Sujan Sinha - share based payment							(1.51)	1.74	0.53			
Employee Benefits - Mr Kankshit Munshi ^							39.50	26.91	-			
Employee Benefits - Mr Kunal Shah							-	5.01	74.15			
Employee Benefits - Ms Nikita Hule							12.03	9.14	6.56			
Employee Benefits - Ms Magesweri Pasupathy							-	-	0.51			
Emoloyee Benefits - Mr. Subramanian Jambunathan - Short Term Benefit							61.24	-	-			
Emoloyee Benefits - Mr. Subramanian Jambunathan - Share Based Payment							14.12	-	-			
Emoloyee Benefits - Mr. Kunal Karnani							18.55	-	-			

Reimbursement of Rent & Expenses												
Rent - SCUF	**84.53**	60.09	17.96									
Rent - SCL				-	43.45	190.51						
Rent - SFSL				0.75	0.60	-						
Rent - SFPS				1.06	-	-						
Rent - SISBL				-	-	2.43						
Expenses reimbursements - SCUF	**63.17**	31.88	12.14	-	-	-						
Expenses reimbursements - SCL		-	-		30.98	58.13						
Expenses reimbursements - SFPS				0.19								
Expenses reimbursements - SGIL				17.19	15.46	13.66						
Expenses reimbursements - SISBL				1.03	1.27	1.18						
Expenses reimbursements - SLIC				15.41	11.30	10.46						
Expenses reimbursements - SVS				1,210.13	940.69	494.56						
Commission - SCUF		0.11	1.02	-	-	-						
Commission - SISBL				-	0.18	1.76						
Royalty Fees - SOT		-	-	148.52	257.18	256.94						
Other Payments												
Security Deposit of Branches-SCL					9.53	-						
Transfer of liability for Gratuity/ Leave - SCUF	6.98											
Other Receipts												
Security Deposit -SCUF	-	157.94	-	-	-	-						
Transfer of liability for Gratuity/ Leave - SCUF	32.64	-	23.69									
Rent Received												
Rent - SCUF	302.22	299.79	210.25									
Rent - SFSL				3.47	2.21							
Rent - SISBL				0.57	1.15							
Purchase of assets												
Purchase of Assets- SCL	-					53.75	-					
Rent, Electricity, telephone and printing charges Received												
Expenses reimbursement - SCUF	15.26	16.22	35.94									
Expenses reimbursement - SFSL					-	2.00						
Expenses reimbursement - SISBL					0.09	0.24						
Corporate loan received from												
Intercorporate Loan - SCUF	16,500.00											
Repayment of Corporate loan received from												
Intercorporate Loan - SCUF	16,500.00											

Balance outstanding as at the year end:															
Share Capital - SCUF		16,544.00	16,544.00												
Share Capital - VMPL		-	-		4,872.00	4,872.00									
Outstanding Expenses - SCUF		11.40			-	-									
Expenses Receivable - SCUF		-			-	-									
Security Deposit - SCUF		275.33			-	-									
Outstanding Expenses - SCL		-	-		-	65.91									
Outstanding Expenses - SOT		-	-		89.71	18.80									
Expenses Receivable - SFSL					1.53										
Expenses Payable - SFSL															
Expenses Payable - SFPS															
Expenses Receivable - SISBL					1.29	-									
Expenses Payable - SISBL					0.24	-									
Expenses Payable - SVS					141.86	1.00									
Corporate loan Outstanding		-													

Ceased to be MD & CEO w.e.f. 31.08.2018
Appointed as MD & CEO w.e.f. 20.11.2018
* Ceased to be Chief Financial Officer w.e.f. 19.11.2018
^ Ceased to be Chief Financial Officer w.e.f. 23.04.2017
^^ Appointed as Chief Financial Officer w.e.f. 21.01.2019
$ Ceased to be Company Secretary w.e.f 12.07.2016
$$ Ceased to be a Director w.e.f. 23.05.2018
** Appointed as a Director w.e.f. 16.10.2018

Note:

a) Related parties have been identified on the basis of the declaration received by the management and other records available.

b) The loans have been utilised by the Shriram for lending Home Loan and meeting the working capital requirements.

c) The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the company as a whole.

d) 3,35.000 Stock options granted on 22nd December 2016 of "ESOP 2016 Scheme" have lapsed

e) 25,00,000 Stock options have been granted on 19th December 2018 of "ESOP 2013 Scheme" and same can be excercised not later than 5 years from date of vesting of options.

Note 42: Capital

Capital Management

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

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

(₹in Lacs)

Regulatory Capital	As at 31 March, 2019	As at 31 March, 2018	As at 01 April, 2017-Opening
Common Equity Tier1 (CET1) capital	45,400.79	43,408.45	39,933.45
Other Tier 2 capital instruments	1,486.47	1,862.11	2,352.49
Total Capital	46,887.26	45,270.56	42,285.94
CET1 capital ratio	28.99	31.66	27.34
Total capital ratio	29.94	33.02	28.95

Regulatory capital consists of CET 1 capital, which comprises share capital, share premium, retained earnings including current year profit. Certain adjustments are made to Ind AS–based results and reserves, as prescribed by the National Housing Bank. The other component of regulatory capital is other Tier 2 Capital, which includes provision for standard assets.

Note 43 : Fair Value Measurement - Financial Assets and Liabilities

This section gives an overview of the significance of financial instruments for the Company and provides additional information on the balance sheet.

Financial Assets and Liabilities

The carrying value of financial instruments by categories and valuation hierarchy as at March 31, 2019 is as follows:

(₹in Lacs)

Particulars	Carrying Amount	Fair Value		
	As at 31 March 2019	Level 1	Level 2	Level 3
Financial assets at amortised costs:				
Cash and cash equivalents	1,447.12			
Bank Balance other than above	137.63			
Receivables	4.07			
Loans*	1,82,164.13	2,188.66		
Other Financial assets	352.92			
Financial assets at fair value through profit or loss:				
Investments in Mutual Funds	16,023.03	16,023.03		
Investments in Security Receipts	1,858.44		1,858.44	
Financial assets at fair value through OCI:				
Investments in Pass through Certificate	3,978.28		3,978.28	
Total	**2,05,965.62**	**18,211.69**	**5,836.72**	**-**
Financial Liabilities at amortised costs:				
Trade Payables	1,123.03			
Debt Securities	58,014.79			
Borrowings	1,10,868.40			
Other Financial liabilities	301.88			
Total	**1,70,308.10**	**-**	**-**	**-**
Off balance sheet items				
Other commitments	**6,707.40**			
Total off-balance sheet items	**6,707.40**	**-**	**-**	**-**

*Fixed Rate Loans & Advances having carrying value of ₹2,210.54 Lacs (Fair Value ₹2,188.66 Lacs) on 31 March, 2019 have been included above.

The carrying value of financial instruments by categories and valuation hierarchy as at March 31, 2018 is as follows:

(₹in Lacs)

Particulars	Carrying Amount	Fair Value		
	As at 31 March 2018	Level 1	Level 2	Level 3
Financial assets at amortised costs:				
Cash and cash equivalents	536.94			
Bank Balance other than above	135.95			
Receivables	13.44			
Loans**	1,74,638.77	2,604.09		
Other Financial assets	355.61			
Financial assets at fair value through profit or loss:				
Investments in Mutual Funds	-	-		
Investments in Security Receipts	2,303.10		2,303.10	
Financial assets at fair value through OCI:				
Investments in Pass through Certificate	7,637.60		7,637.60	
Total	**1,85,621.41**	**2,604.09**	**9,940.70**	**-**
Financial Liabilities at amortised costs:				
Trade Payables	876.19			
Debt Securities	66,957.85			
Borrowings	80,697.75			
Other Financial liabilities	282.33			
Total	**1,48,814.12**	**-**	**-**	**-**
Off balance sheet items				
Other commitments	**8,531.23**			
Total off-balance sheet items	**8,531.23**	**-**	**-**	**-**

**Fixed Rate Loans & Advances having carrying value of ₹2,933.10 Lacs (Fair Value ₹2,604.09 Lacs) on 31 March, 2018 have been included above.

The carrying value of financial instruments by categories and valuation hierarchy as at April 1, 2017 is as follows:

(₹in Lacs)

Particulars	Carrying Amount	Fair Value		
	As at 01 April 2017-Opening	Level 1	Level 2	Level 3
Financial assets at amortised costs:				
Cash and cash equivalents	491.12			
Bank Balance other than above	-			
Receivables	2.99			
Loans	1,73,039.91			
Other Financial assets	3,364.56			
Financial assets at fair value through profit or loss:				
Investments in Mutual Funds	1,800.48	1,800.48		
Investments in Security Receipts	-		-	
Financial assets at fair value through OCI:				
Investments in Pass through Certificate	7,137.68		7,137.68	
Total	**1,85,836.74**	**1,800.48**	**7,137.68**	**-**
Financial Liabilities at amortised costs:				
Trade Payables	812.41			
Debt Securities	76,617.60			
Borrowings	69,362.96			
Other Financial liabilities	636.90			
Total	**1,47,429.87**	**-**	**-**	**-**
Off balance sheet items				
Other commitments	**14,396.61**			
Total off-balance sheet items	**14,396.61**	**-**	**-**	**-**

During the reporting period ending 31 March, 2019 and 31 March, 2018 there was no transfer between level 2 and level 3 fair value measurements.

The instruments included in level 2 of fair value hierarchy have been measured based on their net asset value (NAV) as published in their period end statement.

Fair Value Measurement - Non-Financial assets

Assets held for sale are non-financial assets which are measured at fair value through profit and loss. At the time of initial classification as assets held for sale, these assets are measured at the lower of carrying amount and fair value less cost to sell. The fair value of the assets is determined by an independent valuer. These assets are carried at the fair value determined on initial recognition, unless there are indicators of significant changes in real estate market condition requiring a re-valuation.

The non-recurring fair value measurement for the assets held for sale has been categorized as a Level 2 fair value based on the inputs to the valuation techniques used. Refer note on Assets held on sale for details, Note No. 16.

(₹in Lacs)

Particulars	Fair Value Hierarcy - Level 2		
	As at 31 March, 2019	As at 31 March, 2018	As at 01 April 2017-Opening
Non-Financial assets at fair value through profit or loss:			
Other non financial assets			
Assets held for Sale	7,927.96	5,557.96	888.79
Total	**7,927.96**	**5,557.96**	**888.79**

Note 44 - Risk Management Note

The Company is registered with the National Housing Bank (NHB), and is in the business of lending to individuals and non individual clients whether on secured or unsecured basis. The Company faces various risks in its gamut of operations. The Company has put in place a Risk Management Policy to ensure that the risks that the Company faces are identified and dealt / controlled in a manner that the Company can continue its operations in a profitable and sustainable manner.

Risk-taking is an inherent element of business and, indeed, profits are in part the reward for successful risk taking in business. On the other hand, excessive and poorly managed risk can lead to losses and thus endanger the safety of the Company. Accordingly, the Company places significant emphasis on the adequacy of management of risk. This document is set to outline the approach towards risk and the process of oversight and management of the risks.

The Risk Management policy has laid down the various guidelines for risk identification, measurement, monitoring and control at each risk level.

The Board would have the ultimate responsibility in relation to the oversight of the risk management process. The Board of the Company also draws support from the Audit & Risk management committee (ARMC) of the Board which provides oversight over the risk management process. The ARMC has put in place a risk management policy which is implemented in the Company.

Senior management would be responsible for implementing strategies in a manner that limits risks associated with each strategy and that ensures compliance with laws and regulations, risk policies and control limits, on both a long-term and day-to-day basis. Accordingly, management would be fully involved in the activities and possess sufficient knowledge of all major products to ensure that appropriate policies, controls, and risk monitoring systems are in place and that accountability and lines of authority are clearly delineated. Senior management would also be responsible for establishing effective internal controls and high ethical standards.

The Company has ensured that adequate policies and procedures are in place for each of the key risks, further a detailed MIS and monitoring mechanism is in place. Further the Company has also put in place internal control mechanisms to review monitor and control risks.

Some of the key risks faced by the Company include –

CREDIT RISK :

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for geographical and industry concentrations, and by monitoring exposures in relation to such limits.

Credit risk is monitored by the credit risk department of the Company's independent Risk Controlling Unit. It is their responsibility to review and manage credit risk, including environmental and social risk for all types of counterparties. Credit risk consists of line credit risk managers who are responsible for their business lines and manage specific portfolios and experts who support both the line credit risk manager, as well as the business with tools like credit risk systems, policies, models and reporting. The Company has established a credit quality review process to provide early identification of possible changes in the creditworthiness of the Customer.

A detailed credit policy has been designed by the Company for each product type and customer segment.

CREDIT RISK ON LOANS AND ADVANCES:

Credit risk is controlled by analysing the credit limits and creditworthiness of the customer on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. An impairment analysis is performed at each reporting date on a portfolio basis. The Company holds collateral as security against all the loans advanced. The Company obtains the possession of these collaterals in case of default by customer to meet its obligation. These assets are then sold in to recover the loan value.

The impairment of the credit risk on the loans is carried out through a detailed ECL model. The ECL model provides for the ECL on a 12 month ECL basis for standard to stage 1 assets whereas the same is calculated based on a lifetime ECL for stage 2 & 3 level assets. The ECL is calculated based on a Probability of default (PD) X Exposure at Default (EAD) X (Loss given default X discount rate – (LGD)).

Company calculates the PD by taking into account the past historical trends of the portfolio and its credit performance based on a homogenous characteristic of the underlying portfolio. This is calculated based on a 12 month PD perspective. In case of impaired assets where lifetime PD is to be applied, the PD is extrapolated to take into account the probability of default over the lifetime of the asset.

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

The Loss Given Default (LGD) is reviewed by the credit and collections teams every 3 months if not earlier. The credit risk assessment is based on a standardised LGD assessment framework that results in a certain LGD rate. These LGD rates take into account the expected EAD in comparison to the amount expected to be recovered or realised from any collateral held.

The Company segments its retail lending products into smaller homogeneous portfolios, based on key characteristics that are relevant to the estimation of future cash flows. The applied data is based on historically collected loss data and involves a wider set of transaction characteristics (e.g., product type, wider range of collateral types) as well as borrower characteristics.

The Company continuously monitors all assets subject to ECLs in order to determine whether an instrument or a portfolio of instruments is subject to 12mECL or LTECL, the Company assesses whether there has been an event which could cause a significantly impair to the underlying asset or the customers ability to pay and accordingly increase the 12 months ECL to a LTECL.

CREDIT RISK ON PASS THROUGH CERTIFICATES :

The Company carries out investments in Pass Through Certificates (PTC). The Company recognises the credit risk in the PTC by estimating the probability of default (PD). The investment is classified as a Stage 1 in case there is no change in the credit rating or a change of one notch in the credit rating. 12 month PD rates are applied for Stage 1 Investments. Further in case there is a higher notch down in credit rating, the investment is taken as at Stage 2 and life time PD is applied. Any investment which is non performing or in default or restructured is taken to be as at Stage 3.

PD is estimated based on various external information including information available through the CRISIL Default Study Reports among others. The Exposure at Default (EAD) is the carrying value of the investment as at the reporting date. The Loss Given Default (LGD) is calculated as per the RBI FIRB report which stipulates the LGD rates for secured or unsecured investments.

The Company continues to evaluate other external information and data on the Company and the underlying assets to evaluate any changes to the ECL methodology applied.

CREDIT RISK ON OTHER FINANCIAL ASSETS :

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investment of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty.

LIQUIDITY RISK :

The Company monitors its risk of a shortage of funds by estimating the future cash flows. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, cash credit facilities and bank loans. The treasury department reporting into the CFO monitors the cash flows on a regular basis. Treasury department is divided into the resource mobilisation and the ALM team. The resource mobilisation team reviews the cash flows, business growth expected and accordingly works with the ALMT to ensure that adequate liquidity is available. A detailed note on the maturity profile of the assets and liabilities of the Company is provided as per Note 40 to the financial statements.

INTEREST RATE RISK :

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

We are subject to interest rate risk, principally because we lend to clients at fixed interest rates and for periods that may differ from our funding sources, while our borrowings are at both fixed and variable interest rates for different periods. We assess and manage our interest rate risk by managing our assets and liabilities. Our Asset Liability Management Committee evaluates asset liability management, and ensures that all significant mismatches, if any, are being managed appropriately.

Note 45: First-time adoption of Ind AS

These financial statements, for the year ended 31 March, 2019 that has been prepared in accordance with Ind AS. For periods up to and including the year ended 31 March, 2018 the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP).

Accordingly, the company has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March, 2019 together with the comparative period data as at and for the year ended 31 March, 2018 as described in the summary of significant accounting policies. In preparing these financial statements, the company's opening balance sheet was prepared as at 1 April, 2017, the company's date of transition to Ind AS. This note explains the principal adjustments made by the company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April, 2017 and the financial statements as at and for the year ended 31 March, 2018.

Exemptions Applied:

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

- Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. However, the Company has used Ind AS 101 exemption and assessed all arrangements based on conditions in place as at the date of transition.
- A first-time adopter may opt to continue with the carrying value for all of its PPE as recognised in its previous GAAP financial as deemed cost at the transition date. However, it makes necessary adjustments for decommissioning liabilities to be included in the carrying value of PPE. The Company has used Ind AS 101 exemption and continued with the carrying value as recognised in previous GAAP as deemed cost on the transition date.
- Under Ind AS 109, if an entity measures a financial instrument on initial recognition based on valuation techniques that only use observable market data or current market transactions in the same instrument and the fair value at initial recognition is different from the transaction price, then it is required to recognise the 'day one' gain or loss at initial recognition of this financial instrument. Ind AS 101 allows an entity to apply the 'day one' gain or loss recognition requirement of Ind AS 109 prospectively to transactions entered into on or after the date of transition to Ind AS.

  The Company has opted for this exemption to recognise the 'day one' gain or loss on initial recognition arising due to difference in transaction cost and fair value prospectively for transactions entered into on or after the date of transition to Ind AS.
- Ind AS 109 requires a financial asset to be measured at amortised cost if it meets two tests that deal with the nature of the business that holds the assets and the nature of the cash flows arising on those assets. A first-time adopter must assess whether a financial asset meets the conditions on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

  Ind AS 101 also contains mandatory exception related to classification of financial asset which states that conditions for classifying financial assets to be tested on the basis of facts and circumstances existing at the date of transition to Ind AS instead of the date on which it becomes party to the contract.

  The Company has opted to classify all financial assets and liabilities based on facts and circumstances existing on transition date.
- As per Ind AS 101 – An entity shall apply the exception to the retrospective application in case of "Derecognition of financial assets and financial liabilities" wherein a first-time adopter shall apply the Derecognition requirements in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind Ass. The Company has opted not to re-evaluate financial assets derecognized in the past including those sold to asset restructuring companies.

Estimates:

The estimates at 1 April, 2017 and at 31 March, 2018 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:

> FVTPL / FVOCI – equity and debt instrument

> Impairment of financial assets based on expected credit loss model

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at 1 April, 2017, the date of transition to Ind AS and as of 31 March, 2018.

Equity reconciliation for 1 April, 2017 (₹in Lacs)

Particulars	Notes	Previous GAAP	Reclassification	Adjustments	Ind AS
ASSETS					
Financial Assets					
Cash and cash equivalents	6	491.12	-	-	491.12
Bank Balance other than above	7	-	-	-	-
Trade receivables	8	2.99	-	-	2.99
Loans	9	1,77,496.04	-	(4,456.13)	1,73,039.91
Investments	10	8,929.49	-	(9.57)	8,919.92
Other financial assets	11	3,397.12	-	(32.56)	3,364.56
Total (A)		**1,90,316.76**	**-**	**(4,498.26)**	**1,85,818.50**
Non-financial Assets					
Current tax assets (net)	12	440.92	-	-	440.92
Deferred tax assets (net)	35	-	-	785.70	785.70
Investment Property	13	-	0.28	-	0.28
Property, plant and equipment	14	510.08	(0.28)	-	509.80
Other Intangible assets	15	3.34	-	-	3.34
Capital work-in-progress	14	-	98.64	-	98.64
Other non-financial assets	16	1,673.54	(232.05)	(201.30)	1,240.19
Total (B)		**2,627.88**	**(133.41)**	**584.40**	**3,078.87**
Total Assets (A+B)		**1,92,944.64**	**(133.41)**	**(3,913.86)**	**1,88,897.37**
LIABILITIES AND EQUITY					
LIABILITIES					
Financial Liabilities					
Payables	17	812.41	-	-	812.41
Debt securities	18	73,400.00	3,603.32	(385.72)	76,617.60
Borrowings (other than debt securities)	19	69,476.61	(108.67)	(4.98)	69,362.96
Other financial liabilities	20	4,264.96	(3,628.06)	-	636.90
Total (C)		**1,47,953.98**	**(133.41)**	**(390.70)**	**1,47,429.87**
Non-financial Liabilities					
Provisions	21	2,535.32	-	(2,126.59)	408.73
Current tax liabilities (net)					
Contract liability					
Deferred tax liabilities (net)	35	30.26	-	(30.26)	-
Other non-financial liabilities	22	58.92	-	-	58.92
Total (D)		**2,624.50**	**-**	**(2,156.85)**	**467.65**
Total Liabilities (C+D)		**1,50,578.48**	**(133.41)**	**(2,547.55)**	**1,47,897.52**
Equity share capital	23	21,416.00	-	-	21,416.00
Other equity	24	20,950.16	-	(1,366.31)	19,583.85
Total Equity		**42,366.16**	**-**	**(1,366.31)**	**40,999.85**
Equity attributable to shareholders of parent (77.25%)		**32,727.86**	**-**	**(1,055.47)**	**31,672.39**
Non-controlling interest (22.75%)		**9,638.30**	**-**	**(310.84)**	**9,327.47**
Total Liabilities and Equity		**1,92,944.64**	**(133.41)**	**(3,913.86)**	**1,88,897.37**

* The Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Equity reconciliation for 31 March, 2018

(₹in Lacs)

Particulars	Notes	Previous GAAP	Reclassification	Adjustments	Ind AS
ASSETS					
Financial Assets					
Cash and cash equivalents	6	536.94	-	-	536.94
Bank Balance other than above	7	135.00	0.95	-	135.95
Trade receivables	8	13.44	-	-	13.44
Loans	9	1,78,529.92	-	(3,891.15)	1,74,638.77
Investments	10	9,934.45	-	(13.63)	9,920.82
Other financial assets	11	474.00	(0.95)	(117.44)	355.61
Total (A)		**1,89,623.75**	**-**	**(4,022.22)**	**1,85,601.53**
Non-financial Assets					
Current tax assets (net)	12	456.11	-	-	456.11
Contract asset					-
Deferred tax assets (net)	35	28.80	-	298.83	327.63
Investment Property		-	0.28	-	0.28
Property, plant and equipment	14	751.23	(0.28)	-	750.95
Other Intangible assets	15	129.67	-	-	129.67
Capital work-in-progress		-	11.05	-	11.05
Other non-financial assets	16	6,961.31	(54.39)	(32.74)	6,874.18
Total (B)		**8,327.12**	**(43.34)**	**266.09**	**8,549.87**
Total Assets (A+B)		**1,97,950.87**	**(43.34)**	**(3,756.13)**	**1,94,151.40**
LIABILITIES AND EQUITY **LIABILITIES**					
Financial liabilities					
Payables	17	876.19	-	-	876.19
Debt securities	18	63,900.00	3,341.04	(283.19)	66,957.85
Borrowings (other than debt securities)	19	80,743.87	(43.10)	(3.02)	80,697.75
Other financial liability	20	3,623.61	(3,341.28)	-	282.33
Total (C)		**1,49,143.67**	**(43.34)**	**(286.21)**	**1,48,814.12**
Non-financial Liabilities					
Provisions	21	3,426.47	-	(3,061.24)	365.23
Current tax liabilities (net)		-	-	-	-
Deferred tax liabilities (net)	35	-	-	-	-
Other non-financial liabilities	22	126.05	-	-	126.05
Total (D)		**3,552.52**	**-**	**(3,061.24)**	**491.28**
Total Liabilities (C+D)		**1,52,696.19**	**(43.34)**	**(3,347.45)**	**1,49,305.40**
Equity share capital	23	21,416.00	-	-	21,416.00
Other equity	24	23,838.68	-	(408.68)	23,430.00
Total Equity		**45,254.68**	**-**	**(408.68)**	**44,846.00**
Equity attributable to shareholders of parent (77.25%)		**34,959.24**	**-**	**(315.71)**	34,643.53
Non-controlling interest (22.75%)		**10,295.44**	**-**	**(92.97)**	**10,202.47**
Total Liabilities and Equity		**1,97,950.87**	**(43.34)**	**(3,756.13)**	**1,94,151.40**

* The Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Profit reconciliation for the year ended 31 March, 2018 (₹in Lacs)

Particulars	Notes	Previous GAAP	Reclassification	Adjustments	Ind AS
REVENUE FROM OPERATIONS					
Interest income	25	26,431.79	-	843.90	27,275.69
Dividend income		-	-	-	-
Rental income		-	-	-	-
Fee and commission income		-	-	-	-
Net gain on fair value changes	26	103.09	-	(0.48)	102.61
Net gain on derecognition of financial instruments under amortised category		-	-	-	-
Other operating income	27	636.78	-	-	636.78
Total revenue from operations		27,171.66	-	843.42	28,015.08
Other income	28	25.49	-	25.07	50.56
Total Income		**27,197.15**	**-**	**868.49**	**28,065.64**
Expenses					
Finance costs	29	11,546.61	-	17.56	11,564.17
Fees and commission expense			-		-
Net loss on fair value changes		-	-	-	-
Net loss on derecognition of financial instruments under amortised category	30	-	-	-	-
Impairment on financial instruments	31	1,810.87	-	(649.13)	1,161.74
Employee benefits expenses	32	4,243.66	-	12.67	4,256.33
Depreciation, amortisation and impairment	33	193.10	-	-	193.10
Other expenses	34	5,063.46	-	25.28	5,088.74
Total Expenses		**22,857.70**	**-**	**(593.62)**	**22,264.08**
Profit /(loss) before exceptional items and tax		4,339.45	-	1,462.11	5,801.56
Exceptional items		-	-	-	-
Profit/(loss) before tax		4,339.45	-	1,462.11	5,801.56
Tax Expense:					
(1) Current tax	35	1,337.56	-	-	1,337.56
(2) Deferred tax (credit)	35	(59.07)	-	514.28	455.21
(3) Earlier years adjustments	35	172.44	-	-	172.44
Profit/(loss) for the period from continuing operations		2,888.52	-	947.83	3,836.35
Profit/(loss) from discontinued operations		-	-	-	-
Gain on disposal of discontinued operation		-	-	-	-
Tax expense of discontinued operations		-	-	-	-
Profit/(loss) for the year		2,888.52	-	947.83	3,836.35
Other comprehensive income					
(i) Items that will not be classified to profit or loss		-	-	-	
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-	-	-
Subtotal (A)		-	-	-	-
(i) Items that will be reclassified to profit or loss		-	-	8.32	8.32
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-	(2.88)	(2.88)
Subtotal (B)		-	-	5.44	5.44
Other Comprehensive Income		-	-	5.44	5.44
Total comprehensive income		**2,888.52**	**-**	**953.27**	**3,841.79**

* The Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

FOOTNOTES TO THE RECONCILIATION OF EQUITY AS AT 1 APRIL, 2017 AND 31 MARCH, 2018 AND PROFIT OR LOSS FOR THE YEAR ENDED 31 MARCH, 2018

1. EIR

a. Under Indian GAAP, transaction costs charged to customers was recognised upfront while under Ind AS, such costs are included in the initial recognition amount of financial asset and recognised as interest income using the effective interest method. Consequently loan to customers on date of transition date have decreased by ₹774.17 Lacs (all adavances floating on transition date). The impact of ₹105.26 Lacs for the year ended 31 March, 2018 has been taken to Profit and loss. Loans which were disbursed at fixed rate have impacted Profit and loss for the year ended 31 March, 2018 of ₹0.02 Lacs

b. Under Indian GAAP, transaction costs incurred on Debt securities was charged to statement of profit and loss proportionately on the basis of tenure while under Ind AS, such costs are included in the initial recognition amount of financial asset and recognised as interest expense using the effective interest method. Consequently borrowings on date of transition date have decreased by ₹385.72 Lacs and impact for the year ended 31 March, 2018 amounting to ₹102.52 Lacs has been taken to Profit and loss.

c. Unamortised expense on debt securities was recorded as an asset in the balance sheet under Indian GAAP. The same is reversed under Ind AS. As a result, the retained earnings as on the transition date has decreased by ₹395.50 Lacs. Impact for the year ended 31 March 2018 was ₹102.58 Lacs has been taken to the Profit and loss account.

d. Under Indian GAAP, expenses incurred on investment in PTCs were charged to profit and loss upfront while under IND AS, expenses incurred for floating rate PTCs are amortised on the basis tenure. Consequently Investment in PTCs is increased by ₹8.19 lacs on the date of transition which has impcted retained earning. The impact of ₹1.94 lacs for the year ended 31 March, 2018 has been taken to profit and loss.

2. Recording of impairment as per ECL

a. Under IGAAP, NPA provisioning was computed based on the NHB guidelines. Under Ind AS, the impairment is computed based on Expected Credit Loss model. Under ECL, the company impaired its loans to customers by ₹4,243.87 Lacs which has been eliminated against retained earnings. This has resulted in an additional impairment provision of ₹1,957.85 Lacs on the date of transition to Ind AS the impact of which was taken to retained earnings. Impact for the year ended 31 March, 2018 was ₹650.73 Lacs has been taken to the Profit and loss account.

b. Under IGAAP, impairment was not provided for investment in PTC. As per IND AS, ECL is provided due to which ratained earnings has reduced by ₹18.35 lacs as on transition date. Impact for the year ended 31 March, 2018 was ₹1.60 Lacs has been taken to the Profit and Loss account.

3. Interest income on NPA

Under IGAAP, interest income on NPA was recognised on cash basis. However, under Ind AS the interest income on NPA is recorded net of ECL provision as and when accrued. As a result of recording interest income on NPAon accrual basis, the retained earnings as on transition date has increased by ₹402.47 Lacs . The impact for the year was ₹740.61Lacs has been taken to Profit and loss.

4. Fair valuation of security deposit

The Company has given interest free security deposit in the form of rental advance for branches taken on lease. Such deposits have been fair valued under Ind AS. As a result of the fair valuation, there has been a addition in the balance of security deposits to the extent of ₹99.46 Lacs impact of which was taken to retained earnings as on 1 April, 2017. The impact of ₹25.07 Lacs for the year ended 31 March, 2018 has been taken in Profit and loss. Also the Company has amortised deferred lease rental as on 1 April, 2017 to the extent of ₹101.71 Lacs , the impact of which was taken to retained earnings as on 1 April, 2017. The impact of ₹27.86 Lacs for the year ended 31 March, 2018 has been taken in Profit and loss.

5. **Fair valuation of ESOP**

Under IGAAP, ESOP was recorded using the Intrinsic Value method. However, under Ind AS, ESOP is recorded using Fair value method. As a result of this there was an increase in the valuation of ESOP as on the transition date by ₹11.51 Lacs which has led to reduction in the retained earnings. The impact for the year ended 31 March, 2018 is ₹4.35 Lacs which has been taken to the profit and loss.

6. **Deferred Tax**

The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity. As a result of Ind AS adjustments, the deferred tax (Asset) as on 1 April, 2017 has increased by ₹785.70 Lacs leading to an increase in retained earnings. The impact for the year ended 31 March, 2018 is ₹517.15 Lacs which has been taken to the Profit and loss.

7. **Other comprehensive income**

Under Indian GAAP, the company has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP profit or loss to profit or loss as per Ind AS. Further, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

8. **Statement of cash flows**

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

9. **FVOCI financial assets**

Under Indian GAAP, the company accounted for long term investments in PTC at cost. Under Ind AS, the company has designated such investments as FVOCI investments. Ind AS requires FVOCI investments to be measured at fair value. At the date of transition to Ind AS, carrying value of Investment in PTC is considered as fair value .

10. **Defined benefit liabilities**

Both under Indian GAAP and Ind AS, the company recognised costs related to its post-employment defined benefit plan on an actuarial basis.

Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements [comprising of actuarial gains and losses] are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI. Thus the employee benefit cost is increased by ₹8.32 Lacs and Remeasurement gains/ losses on 31 March, 2018.

11. **Fair Valuation of Investment in Mutual Funds**

Under IGAAP, Investment in Mutual Funds is shown at cost. As per IND AS,it is shown at fair value. As on transition date, Investment in Mutual fund is increased by ₹0.48 Lacs which has impacted retained earnings. The impact for the year ended 31 March, 2018 is ₹0.48 Lacs which has been taken to profit and loss.

12. **Amortisation of Cash Credit Renewal Expenses**

Under IGAAP, Cash credit renewal expenses were charged to profit and loss upfront. Under IND AS, it is ammortised over the period due to which ₹5.01 lacs has impacted retained earnings. The impact for the year ended 31 March, 2018 is ₹2.02 lacs which has been taken to profit and loss.

13. **Commission on corporate guarantee**

As per IGAAP, booking of commission on corporate guarantee provided by Shriram City Union Finance to us was not required. As per IND AS, it needs to be booked due to which retained earnings has impacted by ₹19.92 lacs. The impact for the year ended 31 March, 2018 is ₹15.60 lacs which has been taken to profit and loss.

14. Reclassification of provision of standard/non-performing assets (NPA)

Under Indian GAAP provision for NPA and standard asset were presented under provisions. However, under Ind AS financial assets measured at amortised cost (majorly loans) are presented net of provision for expected credit losses. Consequently, the company has reclassified the Indian GAAP provisions for standard assets/ NPA's amounting to ₹2,286.02 Lacs and ₹3,117.82 Lacs as on 1 April, 2017 and 31 March, 2018 respectively.

15. Reclassification of expenses incurred for borrowings/debt securities

Under IGAAP, expenses incurred for borrowings/debt securities which were on floating rate basis were shown under asset while as per IND AS it is clubbed with borrowings/debt securities. Consequently, the company has reclasssified the same with borrowings/debt securities amounting to ₹133.41 lacs and ₹43.34 lacs as on 1 April, 2017 and 31 March, 2018 respectively.

16. Reclassification of interest accrued on borrowings/debt securities

Under IGAAP, interest accrued on borrowings/debt securities were shown under other financial liabilities is clubbed with respective debt secuties/borrowings as per IND AS. Consequently, the company has reclassified the same amounting to ₹3,628.05 lacs and ₹3,341.28 lacs as on 1 April, 2017 and 31 March, 2018.

17. Reclassification of Land

Under IGAAP, Land was shown under fixed asset where as under IND AS it is shown under Investmnet property amounting to ₹0.28 lacs.

18. Reclassification of advances given against capital assets

Under IGAAP, advances given for capital assets were shown as advance under separate head whereas as per IND AS, it is shown under property, plant and equipment as capital work in progress including advance for capital assets.

Note 46. As certified by the Management, loans given by the company are secured by Equitable Mortgage/Registered Mortgage of the property & Assets Financed &/or assignment of Life Insurance policies &/or Personal Guarantees &/or undertaking to create a security and are considered secured & good.

Note 47. Company has obtained guarantee on pool of Home Loan contracts with a Mortgage Guarantee extended by India Mortgage Guarantee Corporation Pvt. Ltd (IMGC). The guarantee from IMGC helps in mitigating credit losses.

Note 48. No Funds raised through Preferential allotment of shares.

Note 49. Value of Imports on CIF basis- NIL (Previous Year-NIL).

Note 50. Foreign exchange earnings - NIL (Previous Year - NIL) and out go - NIL (Previous Year - NIL).

Note 51. Based on the information received by the company, none of the suppliers have confirmed to be registered under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006.

Note 52. The Company does not have licensed capacity as it is a Housing Finance Company.

Note 53. The figures of previous year have been rearranged/ regrouped to conform to the current year.

Note 54. Transfer to Reserve Fund:

As per Section 29C of the National Housing Bank Act, 1987, the Company is required to transfer at least 20% of net profits every year to Reserve Fund. The Company has transferred an amount of ₹337.99 Lacs (Previous Year ₹578.00 Lacs).

(₹in Lacs)

Particulars as at	As at 31 March, 2019	As at 31 March, 2018
Balance at the beginning of 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.	2,460.70	1,882.70
c) Total	2,460.70	1,882.70
Addition / Appropriation / Withdrawal during the year		
Add:		
a) Amount transferred uls 29C of the NHB 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.	337.99	578.00
Less:		
a) Amount appropriated from the Statutory Reserve - u/s 29C of the NHB Act, 1987	-	
b) Amount withdrawn from the Special Reserve ul s 36(1)(viii) of Income Tax Act, 1961 which has been taken into account for the purpose of provision u/s 29C of the NHB Act, 1987	-	-
Balance at the end of the year		
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	2,798.69	2,460.70
c) Total	**2,798.69**	**2,460.70**

Capital to Risk Ratio (CRAR)

Items	As at 31 March, 2019	As at 31 March, 2018
1. CRAR(%)	29.94%	33.02%
2. CRAR(%)Tier I capital	28.99%	31.66%
3. CRAR(%)Tier II capital	0.95%	1.36%
4. Amount of subordinated debt raised as Tier- II Capital	-	-
5. Amount raised by issue of Perpetual Debt Instruments	-	-

Exposure to Real Estate Sector

a) Direct Exposure

i) Residential mortgagesLending fully secured by mortgage on Residential property that is or will be occupied by the borrower or that is rented

(₹in Lacs)

Category	As at 31 March, 2019	As at 31 March, 2018
(i) Housing Loan to individuals upto ₹15 lacs	33,910.86	39,271.82
(ii) Housing Loan to individuals more than ₹15 lacs	54,552.18	50,595.50
(iii) Non Housing Loan against residential property	72,722.42	59,352.22

(ii) Commercial Real Estate

(₹in Lacs)

Category	As at 31 March, 2019	As at 31 March, 2018
Lending secured by mortgages on commercial real - estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc) exposure includes non-fund based (NFB) limits	20,978.67	25,419.23

iii) Investment in mortgage backed securities (MBS) and other securitized exposures

(₹in Lacs)

Category	As at 31 March, 2019	As at 31 March, 2018
a) Residential	144.28	253.07
b) Commercial Real Estate	-	-

b) Indirect exposure

Fund based and non-fund based exposure on National Housing Bank (NHB) and Housing Finance Companies (HFCs) – NIL (previous year- NIL)

Note 55: Investments

(₹in Lacs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Value of Investments		
(i) Gross value of Investments (a) In India	21,859.75	9940.70
(b) Outside India	-	-
(ii) Provisions for Depreciation * (a) In India	(4.74)	(19.88)
(b) Outside India	-	-
(iii) Net value of Investments (a) In India	21,855.01	9,920.82
(b) Outside India	-	-
Movement of provisions held towards depreciation on investments*		
(i) Opening balance	19.88	18.24
(ii) Add: Provisions made during the year*	-	1.64
(iii) Less: Write-off/Written-back of excess provisions during the year*	(15.14)	-
(iv) Closing balance	**4.74**	**19.88**

*Amount shown is as per expected credit loss(ECL) on investment in PTC as per Ind AS.

Asset Liability Management:

Maturity pattern of certain items of Assets and Liabilities.

(₹in Lacs)

Period	Liabilities		Assets	
	Borrowings from Banks*	Market Borrowings**	Advances	Investment
1 day to 30-31 days(one month)	2,227.42	2,480.74	4,099.80	16,216.92
Over one month to 2 months	505.70	2,793.46	959.66	197.80
Over 2 months upto 3 months	393.52	(7.35)	1,045.07	198.97
Over 3 months to 6 months	6,272.16	20,038.91	2,826.09	405.26
Over 6 months to 1 year	29,749.89	6,293.81	5,886.71	722.38
Over 1 year to 3 years	40,508.71	23,410.79	27,464.35	1,083.54
Over 3 to 5 years	25,757.63	3,969.51	25,833.42	1,013.50
Over 5 to 7 years	494.90	3,993.39	25,235.72	1,106.24
Over 7 to 10 years	-	-	40,543.17	548.35
Over 10 Years	-	-	48,270.14	362.05
Total	**1,05,909.93**	**62,973.26**	**1,82,164.13**	**21,855.01**

*Includes Borrowings from National Housing Bank.
**Includes Commercial papers

Details of non- performing financial assets sold :

(₹in Lacs)

SI. No.	Particulars	As at 31 March, 2019	As at 31 March, 2018
1.	No. of accounts sold	355.00	-
2.	Aggregate outstanding	7,692.17	-
3.	Aggregate consideration received	3,776.00	-

Details of non-performing financial assets purchased:

(₹in Lacs)

SI. No.	Particulars	As at 31 March, 2019	As at 31 March, 2018
1.	No. of accounts purchased during the year	NA	NA
2.	Aggregate outstanding		
3.	Of these, number of accounts restructured during the year		
4.	Aggregate outstanding		

Note 56: Provisions & Contingencies

(₹in Lacs)

SI. No.	Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	As at 31 March, 2019	As at 31 March, 2018
1.	Provisions for depreciation on Investment**	(15.19)	1.60
2.	Provision made towards Income tax	(92.94)	1,510.00
3.	Provision towards NPA*	(1,390.64)	774.29
4.	Provision for Standard Assets*	(375.68)	(490.38)
5.	Other Provision and Contingencies Provision for Gratuity	(43.88)	46.05
	Provision for Leave benefits	89.87	49.12
	Provision for Non funded exposures*	(17.16)	(102.85)

* Amount shown is as per expected credit loss(ECL) of loans & non funded exposure as per Ind AS
** Amount shown is as per expected credit loss(ECL) of investment as per Ind AS

(₹in Lacs)

Break up of Loan & Advances and Provisions thereon	Housing		Non-Housing	
	As at 31 March, 2019	As at 31 March, 2018	As at 31 March, 2019	As at 31 March, 2018
Standard Assets a) Total Outstanding Amount	1,06,718.64	1,04,192.09	72,882.70	64,765.65
b) Provisions made*	828.21	1,031.50	658.26	830.66
Sub-Standard Assets a) Total Outstanding Amount	1,231.94	3,331.96	1,889.89	4,541.83
b) Provisions made*	296.39	902.73	409.03	1,079.46
Doubtful Assets – Category-I a) Total Outstanding Amount	429.16	1,180.40	1,079.70	525.90
b) Provisions made*	98.91	302.99	204.54	117.66
Doubtful Assets – Category-II a) Total Outstanding Amount	383.92	374.16	133.42	95.17
b) Provisions made*	80.55	84.36	23.06	19.03
Doubtful Assets – Category-III a) Total Outstanding Amount	16.82	-	-	-
b) Provisions made*	3.11	-	-	-
Loss Assets a) Total Outstanding Amount	-	-	-	-
b) Provisions made*	-	-	-	-
TOTAL				
a) Total Outstanding Amount	**1,08,780.48**	**1,09,078.61**	**75,985.71**	**69,928.55**
b) Provisions made*	**1,307.17**	**2,321.58**	**1,294.89**	**2,046.81**

*Amount shown under "provisions made" is expected credit loss(ECL) on loans as per IND AS

Note 57: Concentration of Public Deposits, Advances, Exposures and NPAs

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

(₹in Lacs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Total Deposits of twenty largest depositors	N.A.	N.A.
Percentage of Deposits of twenty largest depositors to Total Deposits of the HFC		

(ii) Concentration of Loans & Advances

(₹in Lacs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Total Loans & Advances to twenty largest borrowers	22,451.60	21,966.58
Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the HFC	12.32%	12.58%

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

(₹in Lacs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Total Exposure to twenty largest borrowers /customers	23,801.26	25,215.27
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the HFC on borrowers / customers	12.60%	13.68%

(iv) Concentration of NPAs

(₹in Lacs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Total Exposure to top ten NPA accounts	1,345.24	1,867.32

(v) Sector-wise NPAs

Sl. No.	Sector	Percentage of NPAs to Total Advances in that sector
A.	**Housing Loans:**	
1	Individuals	1.47%
2	Builders/Project Loan	0.01%
3	Corporates	-
4	Others (specify)	-
B.	**Non-Housing Loans:**	
1	Individuals	2.53%
2	Builders/Project Loan	0.02%
3	Corporates	0.75%
4	Others (specify)	-

(vi) Movement of NPAs

(₹in Lacs)

SI. No.	Particulars	As at 31 March, 2019	As at 31 March, 2018
(I)	Net NPAs to Net Advances (%)	2.20%	4.27%
(II)	Movement of NPAs (Gross)		
	a) Opening balance	10,049.42	4,987.89
	b) Additions during the year	3,476.79	8,004.95
	c) Reductions during the year	8,361.37	2,943.42
	d) Closing balance	**5,164.84**	**10,049.42**
(III)	Movement of Net NPAs		
	a) Opening balance	7,543.18	3,255.95
	b) Additions during the year	2,773.12	6,203.27
	c) Reductions during the year	6,267.06	1,916.04
	d) Closing balance	**4,049.24**	**7,543.18**
(IV)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	a) Opening balance	2,506.24	1,731.94
	b) Provisions made during the year	750.57	1,961.98
	c) Write-off/write-back of excess provisions	2,141.21	1,187.68
	d) Closing balance	**1,115.60**	**2,506.24**

Note 58 : Rating Assigned by Credit rating agencies and migration of ratings during the year

Rating Agency	Rating Instrument	Rating Assigned as on 31st March 2019
India Rating & Research Pvt. Ltd.	Long-Term (NCDs)	IND AA / Stable
	Bank Loan Ratings	IND AA / Stable
Credit Analysis & Research Limited	Long-Term (NCDs)	CARE AA+
	Short-Term (CP)	CARE A1+

Note: No migration during the year

Note 59: Disclosure of Complaints and Customers Complaints

Sl. No.	Particulars	As at 31 March, 2019	As at 31 March, 2018
a)	No. of complaints pending at the beginning of the year	-	-
b)	No. of complaints received during the year	890	525
c)	No. of complaints redressed during the year	890	525
d)	No. of complaints pending at the end of the year	-	-

Note 60 :

(a) **Forward Rate Agreement (FRA) / Interest Rate Swap (IRS)**

SI. No.	Particulars	As at 31 March, 2019	As at 31 March, 2018
(i)	The notional principal of swap agreements		
(ii)	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements		
(iii)	Collateral required by the SHFL upon entering into swaps	NA	NA
(iv)	Concentration of credit risk arising from the swaps		
(v)	The fair value of the swap book		

(b) **Exchange Traded Interest Rate (IR) Derivative**

SI. No.	Particulars	As at 31 March, 2019	As at 31 March, 2018
(i)	Notional principal amount of exchange traded IR derivatives undertaken during the year (instrumentwise)		
(ii)	Notional principal amount of exchange traded IR derivatives outstanding as on 31 March, 2019 (instrument-wise)		
(iii)	Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	NA	NA
(iv)	Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)		

(c) **Disclosures on Risk Exposure in Derivatives**

A. Qualitative Disclosure - NA

B. Quantitative Disclosure

SI. No.	Particulars	Currency Derivatives	Interest Rate Derivatives
(i)	Derivatives (Notional Principal Amount)	NA	NA
(ii)	Marked to Market Positions [1] (a) Assets (+) (b) Liability (-)		
(iii)	Credit Exposure [2]		
(iv)	Unhedged Exposures		

(d) **Securitisation**

The Company has not done any securitisation and there no transaction outstanding as on March 31, 2019

(e) **Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction**

(₹in Lacs)

SI. No.	Particulars	As at 31 March, 2019	As at 31 March, 2018
(i)	No. of accounts	355	-
(ii)	Aggregate value (net of provisions) of accounts sold to SC / RC	5,500	-
(iii)	Aggregate consideration	3,776	-
(iv)	Additional consideration realized in respect of accounts transferred in earlier years	0	-
(v)	Aggregate gain / loss over net book value	(1,050)	-

(f) **Exposure to Capital Market**

SI. No.	Particulars	As at 31 March, 2019	As at 31 March, 2018
(i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt;		
(ii)	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs /ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;		
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;		
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds' does not fully cover the advances;	NA	NA
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;		
(vi)	Loans sanctioned to corporates against the security of shares/ bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;		
(vii)	Bridge loans to companies against expected equity flows / issues;		
(viii)	All exposures to Venture Capital Funds (both registered and unregistered)		
	Total Exposure to Capital Market		

(g) **Details of financing parent company products**
The Company has not financed any parent company products

(h) **Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by SHFL**
The company has not exceeded any Single Borrower or Group Borrower Limits

(i) The Company has not obtained registration from any other financial sector regulators.

(j) No Penalties have been imposed by the National Housing Bank or any other regulators.

(k) There has been no case of draw down of any specific reserves.

(l) There have no loans granted against collateral gold jewellery.

(m) The Company has not made any unsecured advances.

(n) **Overseas Assets**

SI. No.	Particulars	As at 31 March, 2019	As at 31 March, 2018
	NA		

(o) **Off-balance Sheet SPVs sponsored**

Name of SPV sponsored	
Domestic	**Overseas**
NA	NA

As per our report of even date

For Pijush Gupta & Co. Chartered Accountants Firm Registration No.: 309015E	**For and on behalf of the Board of Directors** **Shriram Housing Finance Limited**	
Sangeeta Gupta Partner Membership No.: 064225	**Subramanian Jambunathan** Managing Director and CEO DIN: 00969478	**Y. S. Chakravarti** Director DIN: 00052308
	Kunal Karnani Chief Financial Officer	**Nikita Hule** Company Secretary
Place: Mumbai Date: April 22, 2019	Place: Mumbai Date: April 22, 2019	

NOTE 61: THE COMPANY HAS 72 BRANCHES AS AT MARCH 31, 2019.
THE LIST OF BRANCHES IS ATTACHED.

SHRIRAM HOUSING FINANCE LIMITED

LIST OF BRANCHES

SI.No.	STATES/U.T.	BRANCHES
1	**Andhra Pradesh**	Guntur
2	**Andhra Pradesh**	Karimnagar
3	**Andhra Pradesh**	Kurnool
4	**Andhra Pradesh**	Nellore
5	**Andhra Pradesh**	Rajahmundry
6	**Andhra Pradesh**	Thirupathi
7	**Andhra Pradesh**	Vijayawada
8	**Andhra Pradesh**	Visakhapatnam
9	**Andhra Pradesh**	Warangal
10	**Chattisgarh**	Raipur
11	**Delhi**	Delhi
12	**Gujarat**	Ahmedabad
13	**Gujarat**	Ahmedabad East
14	**Gujarat**	Bharuch
15	**Gujarat**	Bhavnagar
16	**Gujarat**	Himmatnagar
17	**Gujarat**	Mehsana
18	**Gujarat**	Palanpur
19	**Gujarat**	Rajkot
20	**Gujarat**	Surat
21	**Gujarat**	Vadodara
22	**Karnataka**	Banashankari
23	**Karnataka**	Bengaluru
24	**Karnataka**	Davangere
25	**Karnataka**	Hubli
26	**Karnataka**	Mysore
27	**Kerala**	Ernakulam
28	**Kerala**	Thrissur

29	**Madhya Pradesh**	Bhopal
30	**Madhya Pradesh**	Indore
31	**Madhya Pradesh**	Ujjain
32	**Maharashtra**	Ahmednagar
33	**Maharashtra**	Amaravati
34	**Maharashtra**	Aurangabad
35	**Maharashtra**	Kolhapur
36	**Maharashtra**	Nagpur
37	**Maharashtra**	Nasik
38	**Maharashtra**	Navi Mumbai
39	**Maharashtra**	Pune
40	**Maharashtra**	Pune Viman Nagar
41	**Maharashtra**	Solapur
42	**Maharashtra**	Wardha
43	**Orissa**	Bhubaneshwar
44	**Pondicherry/ Puducherry**	Pondicehrry/ Puducherry
45	**Punjab**	Ludhiana
46	**Punjab**	Mohali (Chandigarh)
47	**Rajasthan**	Alwar
48	**Rajasthan**	Ajmer
49	**Rajasthan**	Bikaner
50	**Rajasthan**	Jodhpur
51	**Rajasthan**	Jaipur
52	**Rajasthan**	Kota
53	**Rajasthan**	Udaipur
54	**Tamil Nadu**	Chennai
55	**Tamil Nadu**	Coimbatore
56	**Tamil Nadu**	Hossur
57	**Tamil Nadu**	Kanchipuram
58	**Tamil Nadu**	Madurai
59	**Tamil Nadu**	Salem
60	**Tamil Nadu**	Thiruchirapalli
61	**Tamil Nadu**	Thiruvallur
62	**Tamil Nadu**	Tirunelveli
63	**Tamil Nadu**	Vellore

64	**Telengana**	Hyderabad
65	**Telengana**	Kukatpally
66	**Telengana**	Secunderabad
67	**Uttarakhand**	Dehradun
68	**Uttar Pradesh**	Agra
69	**Uttar Pradesh**	Lucknow
70	**Uttar Pradesh**	Meerut
71	**West Bengal**	Kolkata
72	**West Bengal**	Siliguri

- REGISTERED OFFICE -
No. 123, Angappa Naicken Street, Chennai - 600001

- HEAD OFFICE -
SHRIRAM HOUSING FINANCE LIMITED
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