CAPITAL INDIA HOME LOANS LIMITED
3rd ANNUAL REPORT

2019-20

CORPORATE INFORMATION

BOARD OF DIRECTORS

BOARD OF DIRECTORS		DIRECTOR IDENTIFICATION NO. (DIN)
Mr. Vinod Somani	:	00327231
Mr. Yogendra Pal Singh	:	08347484
Mr. Keshav Porwal	:	06706341
Mr. Amit Sahai Kulshreshtha	:	07869849
Mr. Vineet Kumar Saxena	:	07710277

KEY MANAGERIAL PERSONNEL (KMP)

Mr. Amit Sahai Kulshreshtha*	:	Managing Director
Mr. Vineet Kumar Saxena	:	Whole-time Director & Chief Executive Officer
Mr. Neeraj Toshniwal	:	Chief Financial Officer
Mr. Rachit Malhotra	:	Company Secretary

AUDIT COMMITTEE

Mr. Vinod Somani	:	Chairman
Mr. Yogendra Pal Singh	:	Member
Mr. Keshav Porwal	:	Member

NOMINATION & REMUNERATION COMMITTEE

Mr. Yogendra Pal Singh	:	Chairman
Mr. Vinod Somani	:	Member
Mr. Keshav Porwal	:	Member

RISK MANAGEMENT COMMITTEE

Mr. Prasad Perur Seshappa	:	Chairman
Mr. Vineet Kumar Saxena	:	Member
Mr. Chetan Bafna	:	Member

ASSET-LIABILITY COMMITTEE

Mr. Vineet Kumar Saxena	:	Chairman
Mr. Chetan Bafna	:	Member
Mr. Prince Gupta	:	Member

CREDIT COMMITTEE

Mr. Vineet Kumar Saxena	:	Chairman
Mr. Keshav Porwal	:	Member

Mr. Amit Sahai Kulshreshtha	:	Member
Mr. Chetan Bafna	:	Member

MANAGEMENT COMMITTEE

Mr. Keshav Porwal	:	Chairman
Mr. Vineet Kumar Saxena	:	Member
Mr. Amit Sahai Kulshreshtha	:	Member

STATUTORY AUDITORS

M/s Deloitte Haskins & Sells LLP,
Chartered Accountants,
Mumbai

INTERNAL AUDITORS

M/s Aneja Associates,
Chartered Accountants,
Mumbai

REGISTRAR & SHARE TRANSFER AGENT

KFin Technologies Private Limited,
(formerly known as Karvy Fintech Private Limited)
Hyderabad

REGISTERED OFFICE

2nd Floor, DLF Centre, Sansad, Marg,
New Delhi – 110 001

CORPORATE OFFICE

713 & 714, 'A' Wing, Kanakia Wall Street,
Andheri Kurla Road, Chakala,
Andheri (East), Mumbai – 400093

* The Designation of Mr. Amit Sahai Kulshreshtha is changed from Managing Director to Non-Executive Director with effect from April 21, 2020.

BOARD'S REPORT

To,
The Members,
Capital India Home Loans Limited ('the Company')

Your Directors are pleased to present before you the 3rd (Third) Annual Report on the business and operations of the Company together with the Audited Financial Statements for the financial year ended on March 31, 2020 ("**period under review**").

The Company was incorporated on August 11, 2017 as subsidiary of Capital India Finance Limited.

1. FINANCIAL RESULTS AND BUSINESS OPERATION

The Company's financial performances for the period under review are given hereunder:

(In Rupees)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019 (Restated as per Ind AS)
Total Income	8,01,07,956	3,15,96,225
Total Expenditure	15,78,80,658	7,83,28,210
Loss before tax	**(7,77,72,701)**	**(4,67,31,985)**
Provision for tax (including Deferred Tax)	(39,13,511)	(2,71,998)
Loss after tax	**(7,38,59,190)**	**(4,64,59,987)**
Other Comprehensive Income	3,44,648	
Total Comprehensive Income / (Loss)	**(7,35,14,543)**	**(4,64,59,987)**
Add: Profit and Loss account balance brought forward from previous year	(4,79,31,295)	(1,471,308)
Less: Transfer to reserves	-	-
Retained Earnings carried to Balance Sheet	(12,14,45,837)	(4,79,31,295)

2. AMOUNTS TRANSFERRED TO RESERVES

In terms of Section 29C of the National Housing Bank ("**NHB**") Act, 1987, the Company is required to transfer at least 20% of its Profit after tax to a Reserve Fund before any dividend is declared. Transfer to a Reserve Fund in terms of section 36(1)(viii) of the Income Tax Act, 1961 is also considered as an eligible transfer as transfer to Special Reserve under Section 29C of the NHB Act, 1987.

However, during the current and previous year, the Company has not made any profits and hence no amount was transferred to Special Reserve as per section 29C of the NHB Act, 1987.

The Company has also made a provision of Rs.42,50,000 /- (Rupees Forty-Two Lakhs Fifty Thousand only) for Expected Credit Loss during the period under review. Total provisions for Standard Assets of the Company as at the Financial Year ended March 31, 2020 is Rs.45,00,000 /- (Rupees Forty-five Lakhs only).

Except as mentioned above, an amount of Rs. 7,500/- (Rupees Seven Thousand Five Hundred only) was transferred to Securities Premium by the Company during the period under review.

3. SHARE CAPITAL

During the period under review, the Company has increased its paid-up share capital from Rs. 40,00,00,000 (Rupees Forty Crore only) to Rs. 90,02,50,000 (Rupees Ninety Crore Two Lakhs and Fifty Thousand only), pursuant to the following allotments made during the period under review:

Sl. No.	Date of Allotment	Type of Issue	Number of Shares	Value per Shares	Total Amount Paid up
1	26.06.2019	Right Issue	43,00,000	10	4,30,00,000
2	23.07.2019	Right Issue	57,00,000	10	5,70,00,000
3	28.08.2019	Right Issue	1,50,00,000	10	15,00,00,000
4	03.12.2019	Right Issue	2,00,00,000	10	20,00,00,000
5	22.01.2020	Allotment pursuant to exercise of Employee Stock Options of the Company	25,000	10	2,50,000
6	26.02.2020	Right Issue	50,00,000	10	5,00,00,000

The authorised share capital of the Company is Rs. 150,00,00,000 (Rupees One Hundred and Fifty Crore only) divided into 15,00,00,000 (Fifteen Crore) equity shares of Rs. 10/- (Rupees Ten only) each.

The paid-up share capital of the Company as on March 31, 2020 is Rs. 90,02,50,000 (Rupees Ninety Crores Two Lakhs and Fifty Thousand only) divided into 9,00,25,000 (Nine Crore Twenty-Five Thousand) equity shares of Rs. 10/- (Rupees Ten only) each.

4. STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK

The Company received a letter dated February 11, 2019, issued by NHB, for grant of Certificate of Registration ("**CoR**") to carry on the business of a Housing Finance Company. Pursuant to the grant of CoR, the Company had commenced its business operations and the intimation regarding the same have been submitted to the NHB vide letter dated March 16, 2019.

During the period under review, the Gross Income of the Company was Rs. 8,01,07,956/- (Rupees Eight Crore One Lakh Seven Thousand Nine Hundred Fifty Six only); Loss after Tax was Rs.7,38,59,190/- (Rupees Seven Crore Thirty Six Lakhs Fifty Nine Thousand One Hundred and Ninety only); and Total Comprehensive Loss was Rs.7,35,14,542/- (Rupees Seven Crore Thirty Five Lakhs Fourteen Thousand Seven Five Hundred Forty Two Only). The Company's Net-worth as on March 31, 2020 was Rs. 78,34,08,354/- (Rupees Seventy Eight Crore Thirty Four Lakhs Eight Thousand Three hundred and Fifty Four only).

The management has identified a potential roadmap for the future operations and is hopeful of a decent growth in the years ahead. Your Directors are hopeful to increase the commercial activities at a large scale in coming years and to achieve better financial results.

5. CHANGE IN NATURE OF BUSINESS

During the period under review, there has been no change in the nature of business activities of the Company except as stated below:

The shareholders *vide* their approval dated November 12, 2019, had approved the alteration in the object clause of Memorandum of Association of the Company ("**MOA**") by inserting the following clause after the Clause 3(A) 5 of the MOA:

"To carry on the business of advertisement, Advertising Agents in the advertising time or space print media , electronic media, internet , web media or any other media in India or which may be in vogue at any time like cinematograph and including newspapers, Souvenirs, hoardings, neon signs and other display devices of all kinds and descriptions to promote the sale or any other interest of trade and in industry, and to deal in all kinds of equipment, and material required for the for the purpose of carrying on the business of advertising agents and contractors."

6. DIVIDEND

Your Directors do not recommend any dividend for the period under review.

7. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

As on March 31, 2020, the Board of Directors of the Company comprise of the following directors:

a)	Mr. Vinod Somani	-	Additional Director (Independent)
b)	Mr. Yogendra Pal Singh	-	Additional Director (Independent)
c)	Mr. Amit Sahai Kulshreshtha*	-	Managing Director
d)	Mr. Keshav Porwal	-	Non-Executive Director
e)	Mr. Vineet Kumar Saxena	-	Whole-time Director & Chief Executive Officer

As on March 31, 2020, the following are the Key Managerial Personnel of the Company:

a)	Mr. Amit Sahai Kulshreshtha *	–	Managing Director
b)	Mr. Vineet Kumar Saxena	–	Whole-time Director & Chief Executive Officer
c)	Mr. Neeraj Toshniwal	–	Chief Financial Officer
d)	Mr. Rachit Malhotra	–	Company Secretary

Change in the Board of Directors & Key Managerial Personnel

During the period under review, the Board has, *vide* its approval dated August 14, 2019, approved the appointment of the following Directors, subject to the approval by the shareholders in the ensuing Annual General Meeting of the Company:

a)	Mr. Vinod Somani	-	Additional Director (Independent)
b)	Mr. Yogendra Pal Singh	-	Additional Director (Independent)

There was no change in the Board of Directors and Key Managerial Personnel of the Company otherwise than as stated above.

Director retiring by rotation

As per the provisions of Section 152 of the Companies Act, 2013, Mr. Vineet Kumar Saxena is liable to retire by rotation at the ensuing Annual General Meeting ("AGM") of the Company. He, being eligible for re-appointment, has offered himself for re-appointment at the AGM and the matter shall be placed before the members for their consideration at the ensuing AGM.

Particulars of employees receiving remuneration more than the limit prescribed

The provisions and disclosures required under section 197(12) of the Companies Act, 2013 read with Rule 5(2) & (3) of rules the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 are not applicable to the Company.

* The Designation of Mr. Amit Sahai Kulshreshtha is changed from Managing Director to Non-Executive Director with effect from April 21, 2020

8. POLICIES GOVERNING THE APPOINTMENT AND REMUNERATION OF THE DIRECTORS AND EMPLOYEES

In accordance with the provisions of Section 178 of the Companies Act, 2013, the Board has adopted a Policy on Remuneration of the Directors, Key Managerial Personnel and other Employees which aims: (a) that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors, Executives and Other Employees of the quality required to run the Company successfully; (b) that relationship of remuneration to performance is clear and meets appropriate performance benchmarks; (c) that remuneration to Directors, Executives and Other Employees involves a balance between fixed and variable pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals; and (d) to enable the Company to provide a well-balanced and performance-related compensation package, taking into account shareholder interests, industry standards and relevant Indian corporate regulations. The detailed policy on remuneration of the directors, key managerial personnel and other employees is available on the website at the URL www.capitalindiahomeloans.com

9. GENERAL DISCLOSURE

Your Directors states that no disclosure or reporting is required in respect of the following items as there was no transaction on these during the period under review:

a) The Company has not bought back any of its securities during the period under review;
b) The Company has not issued any bonus share during the period under review;
c) The Company has not issued any sweat equity shares during the period under review;
d) The Company has not issued equity shares with differential rights as to dividend, voting or otherwise;
e) The provisions of Section 125 of the Companies Act, 2013 are not applicable to the Company and therefore, the Company is not liable to transfer amount of dividend lying in the unpaid dividend account to Investor Education and Protection Fund (IEPF); and
f) There was no revision in the financial statements of the Company.

10. ISSUE OF EMPLOYEE STOCK OPTIONS

The Company has issued employee stock options to its employees under the CIHL Employee Stock Option Plan, 2018 as approved by the Shareholders in their meeting dated August 8, 2018. The detailed disclosure as required under Rule 12 of the Companies (Share Capital and Debenture) Rules, 2014 is annexed herewith as Annexure-I and forms part of this report.

11. PUBLIC DEPOSITS

The Company did not accept any public deposits during the year under review. Therefore, the disclosures as required under the Companies Act, 2013 and the rules framed thereunder are not applicable.

12. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

Since, the Company is engaged in the business of Housing Finance, the provisions of Section 186 (except to the extent applicable under sub-section 1 of Section 186) of the Companies Act, 2013 are not applicable.

13. STATUTORY AUDITORS

Pursuant to Section 139 of the Companies Act, 2013, M/s Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Regn. No.: 117366W/W100018), were appointed as the Statutory Auditors of the Company at the 1st (first) Annual General Meeting ("AGM") of the Company from the conclusion of the 1st AGM till the conclusion of 6th (sixth) AGM.

The Auditor's Report submitted by M/s Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of the Company, for the period under review, does not contain any qualification, reservation, adverse remark or disclaimer.

14. COST RECORDS

The provisions of the Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014, are not applicable on the Company, for the period under review.

15. SECRETARIAL AUDIT

The provision of Section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are not applicable on the Company, for the period under review.

16. INTERNAL CONTROLS SYSTEMS AND THEIR ADEQUACY

The Company has in place an adequate Internal Financial Control System with reference to the financial statements and Internal Control System, commensurate with the size, scale and complexity of its business. The primary objective of the internal control system is to ensure that all its assets are safeguarded and protected and to prevent any revenue leakage and losses to the Company. Such controls also enable reliable financial reporting.

The Directors have laid down Internal Financial Control procedures to be followed by the Company which ensures the compliance with various policies, practices and statutes, keeping in view the organization's pace of growth and increasing complexity of operations for orderly and efficient conduct of its business.

The Audit Committee of the Board, is vested with the powers to evaluate the adequacy and effectiveness of the Internal Financial Control system of the Company, thereby ensuring that:

1. Systems have been established to ensure that all the transactions are executed in accordance with the management's general and specific authorisation.

2. Systems and procedures exist to ensure that all the transactions are recorded so as to permit preparation of Financial Statements in conformity with the Generally Accepted Accounting Principles (GAAP) or any other criteria applicable to such Statements, and to maintain accountability for effective and the timely preparation of reliable financial information.

3. Access to assets is permitted only with the management's general and specific authorisation. No assets of the Company are allowed to be used for personal purposes, except in accordance with the terms of employment or except as specifically permitted.

4. The existing assets of the Company are verified /checked at reasonable intervals and appropriate action is taken with respect to differences, if any.

5. Appropriate systems are in place for prevention and detection of frauds and errors and for ensuring adherence to the Company's various policies as listed on the website and otherwise disseminated internally.

17. <u>MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY</u>

There were no material changes and commitments affecting the financial position of the Company which occurred between the end of financial year of the Company to which these financial statements related and the date of this report.

18. <u>DETAILS OF HOLDING, SUBSIDIARY, JOINT VENTURE OR ASSOCIATE COMPANY(IES)</u>

The holding company of the Company is Capital India Finance Limited.

Further, the Company does not have any Subsidiary/Joint Venture/Associate Company pursuant to Section 2(6) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014.

19. <u>COMMITTEES OF THE BOARD</u>

Your Company has the following Committees of the Board:

i) Audit Committee

Mr. Vinod Somani	:	Chairman
Mr. Yogendra Pal Singh	:	Member
Mr. Keshav Porwal	:	Member

ii) Nomination & Remuneration Committee

Mr. Yogendra Pal Singh	:	Chairman
Mr. Vinod Somani	:	Member
Mr. Keshav Porwal	:	Member

iii) Risk Management Committee

Mr. Prasad Perur Seshappa	:	Chairman
Mr. Vineet Kumar Saxena	:	Member
Mr. Chetan Bafna	:	Member

iv) Asset-Liability Committee

Mr. Vineet Kumar Saxena	:	Chairman
Mr. Chetan Bafna	:	Member

Mr. Prince Gupta : Member

v) Credit Committee

Mr. Vineet Kumar Saxena	:	Chairman
Mr. Keshav Porwal	:	Member
Mr. Amit Sahai Kulshreshtha	:	Member
Mr. Chetan Bafna	:	Member

vi) Management Committee

Mr. Keshav Porwal	:	Chairman
Mr. Vineet Kumar Saxena	:	Member
Mr. Amit Sahai Kulshreshtha	:	Member

20. MEETINGS

i) Board and Committee Meetings

During the period under review, 11 (eleven) Board meetings were held and the intervening gap between the meetings were within the period prescribed under the Companies Act, 2013.

The details of the meetings of the Board and Committees held during the Financial Year 2019-20 are as below:

S. No	Board of Directors / Committee	No. of meetings	Date of Meetings
1.	Board of Directors (Board)	11	April 26, 2019
			May 8, 2019
			May 30, 2019
			June 26, 2019
			June 27, 2019
			July 23, 2019
			August 7, 2019
			August 14, 2019
			November 11, 2019
			January 27, 2020
			March 20, 2020
2.	Audit Committee (ACM)	2	November 11, 2019
			January 27, 2020
3.	Nomination & Remuneration Committee (NRC)	Nil	Nil
4.	Risk Management Committee (RMC)	3	August 31, 2019
			November 7, 2019
			February 21, 2020
5.	Credit Committee (CC)	3	September 3, 2019
			January 9, 2020

			January 22, 2020
6.	Management Committee (MCB)	9	August 28, 2019
			September 3, 2019
			September 25, 2019
			November 11, 2019
			November 20, 2019
			December 3, 2019
			January 22, 2020
			February 14, 2020
			February 26, 2020
7.	Asset-Liability Committee (ALCO)	Nil	Nil

ii) Attendance of Directors/Members at the Board and Committee meetings

As per clause 9 of the Secretarial Standard-I on Meetings of the Board of Directors, issued by the Institute of Company Secretaries of India, the attendance of Directors/Members at the Board and Committee meetings held during the period under review is provided as under:

Name of Director	Board	ACM	NRC	RMC	CC	MCB	ALCO
Mr. Vinod Somani	3/3	2/2	-	-	-	-	-
Mr. Yogendra Pal Singh	3/3	2/2	-	-	-	-	-
Mr. Keshav Porwal	9/11	1/2	-	-	3/3	9/9	-
Mr. Amit Sahai Kulshreshtha	10/11	-	-	-	3/3	9/9	-
Mr. Vineet Kumar Saxena	10/11	-	-	3/3	3/3	9/9	-
Mr. Prasad Perur Seshappa	-	-	-	3/3	-	-	-
Mr. Chetan Bafna	-	-	-	3/3	3/3	-	-

iii) General Meetings

During the period under review, 2 (Two) extra-ordinary general meetings of the shareholders of the Company were held on September 10, 2019 and November 12, 2019 and the annual general meeting of the shareholders of the Company was held on May 28, 2019.

21. EXTRACT OF ANNUAL RETURN

The extract of Annual Return as provided under sub-section (3) of section 92 of the Companies Act, 2013 ('the Act') read with Rule 12 of the Companies (Management and Administration) Rules, 2014 in prescribed form MGT-9 for the Financial Year 2018-19 has been enclosed as Annexure "II" to this Report.

The extract of the annual return for the period under review, can be accessed on the website of the Company at www.capitalindiahomeloans.com

22. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the period under review, the transactions entered into with related parties were placed before the Audit Committee of the Board for its consideration and noting. The Audit Committee of the Board noted that such transactions were in the ordinary course of business and at arm's length. None of the transaction with related party(ies) comes within the ambit of Section 188 of the Companies Act, 2013. Accordingly, the particulars of the transactions as prescribed in Form AOC - 2 of the rules prescribed under Chapter IX relating to Accounts of Companies under the Companies Act, 2013 are not required to be disclosed as they are not applicable.

The Policy on Related Party Transactions of the Company is enclosed as "Annexure – III" to this report.

23. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

A.	CONSERVATION OF ENERGY	
1.	The steps taken or impact on conservation of energy	Nil
2.	During the year under review, measures initiated/ adopted for conservation of energy.	Nil
3.	The capital investment on energy conservation equipment	Nil
B.	TECHNOLOGY ABSORPTION	
1.	Efforts made towards technology absorption	Nil
2.	Benefits derived like product improvement, cost reduction, product development or import substitution	Nil
3.	In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- a. Details of technology imported; b. Year of import; c. Whether the technology been fully absorbed; d. If not fully absorbed, areas where absorption has not taken place and the reasons thereof.	Nil
4.	Expenditure incurred on Research and Development.	Nil
C.	FOREIGN EXCHANGE EARNINGS AND OUTGO	
	a. Foreign Exchange earnings	Nil
	b. Foreign Exchange outgo	Nil

24. RISK MANAGEMENT POLICY

The Company has to manage various risks such as credit risk, liquidity risk, interest rate risk and operational risk. The Company has a comprehensive policy for risk management in place and has laid down a well-defined credit policy framework to identify, assess and monitor various elements of risk involved in the business and strengthen controls to mitigate risks. As mandated under the Directions issued by the National Housing Bank vide Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017, the Company has constituted a Risk Management Committee which is responsible for putting in place a progressive risk management system, risk management policy and strategy to be followed by the Company.

The Risk Management Committee and the Asset-Liability Committee review and monitor these risks at regular intervals. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. The Risk Management Committee met multiple times during the year and kept an active watch on the emergent risks the Company was exposed to. The Company has a robust mechanism to ensure an ongoing review of systems, policies, processes and procedures to contain and mitigate risk that arise from time to time.

The credit policy facilitates the Company to take appropriate risks to achieve its business objectives within the acceptable level of risk tolerance. The policy sets out the principles, standards and approach for credit risk management at the Company level and details a comprehensive framework to identify, assess, measure, monitor, control and report credit risks in a timely and efficient manner.

The Assets Liability Management Policy provides for liquidity management, management of interest rate risk and other objectives such as a return on average assets, return on average equity, tier 1 leverage ratio, total risk-based capital ratio and NIM on average interest earning assets.

In the opinion of the Board, none of the risks faced by the Company threaten its existence.

25. DECLARATION BY INDEPENDENT DIRECTORS

All the Independent Directors of the Company have submitted the declaration of their independence in conformity of Section 149(7) of the Companies Act, 2013 and rules made thereunder, stating that they meet the criteria of independence as provided in Section 149(6) of the Act and are not disqualified from continuing as Independent Directors.

Pursuant to Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, the Independent Directors have registered with the Indian Institute of Corporate Affairs for inclusion of their name in the Data Bank of Independent Directors.

During the period under review, the Independent Directors of the Company had no pecuniary relationship or transactions with the Company, other than the sitting fees for the purpose of attending the meetings of the Company.

26. AUDIT COMMITTEE

The Audit Committee has been constituted in terms of the provisions of Section 177 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 and the applicable provisions of the Master Circular- Housing Finance Companies – Corporate Governance (NHB) Directions, 2016.

As on March 31, 2020, the Audit Committee comprises the following members:

Sl. No.	Committee meeting	Composition
1	Audit Committee	Mr. Vinod Somani (Chairman)
		Mr. Yogendra Pal Singh (Member)
		Mr. Keshav Porwal (Member)

Meetings

During the period under review, 2 (Two) meetings of the Audit Committee were held on November 11, 2019 and January 27, 2020.

The attendance of the members of the Audit Committee at their meetings held during the period under review, is as follows:

Sr. No.	Name of the member	Position in Committee	No. of Committee meetings held during the tenure of member/financial year 2019-20	No. of Committee meetings attended during the financial year 2019-20
1.	Mr. Vinod Somani	Chairman	2	2
2.	Mr. Yogendra Pal Singh	Member	2	2
3.	Mr. Keshav Porwal	Member	2	1

Terms of Reference

The terms of reference of the Audit Committee of the Board include the following:

a. recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
b. review and monitor the auditors' independence and performance, and the effectiveness of the audit process;
c. examination of the financial statements and the auditors' report thereon;
d. approval or any subsequent modification of transactions of the Company with the related parties;
e. scrutiny of inter-corporate loans and investments;
f. valuation of undertakings or assets of the Company, wherever it is necessary;
g. evaluation of internal financial controls and risk management systems;
h. monitoring the end use of funds raised through public offers and related matters;
i. review and ensure Information System Audit of the internal systems and processes;
j. oversee the vigil mechanism established by the Company for the Directors and employees to report genuine concerns;
k. any other responsibility as may be assigned by the Board, from time to time; and
l. any other matter in relation to above which the committee deems fit and which is not reserved to be approved by the Board under the Companies Act, 2013 or any other applicable law.

27. NOMINATION AND REMUNERATION COMMITTEE

The Nomination & Remuneration Committee has been constituted in terms of the provisions of Section 178 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 and the applicable provisions of the Master Circular- Housing Finance Companies – Corporate Governance (NHB) Directions, 2016.

As on March 31, 2020, the Nomination & Remuneration Committee comprises the following members:

Sl. No.	Committee meeting	Composition
1	Nomination & Remuneration Committee	Mr. Yogendra Pal Singh (Chairman)
		Mr. Vinod Somani (Member)
		Mr. Keshav Porwal (Member)

Meetings

During the period under review, no meeting of the Nomination & Remuneration Committee was held.

Terms of Reference

The terms of reference of the Nomination & Remuneration Committee of the Board include the following:

a. identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down;
b. recommend to the Board the appointment and removal of persons specified in clause a;
c. specify the manner for effective evaluation of performance of the Board, its committees and individual directors and review its implementation and compliance;
d. carry out the performance evaluation of the Board, its committees and individual directors;
e. formulate the criteria for determining qualifications, positive attributes and independence of a director;
f. ensure fit and proper status of the proposed/existing directors;
g. recommend to the Board, a policy relating to the remuneration for the directors, key managerial personnel and other employees;
h. to deal in all manner with respect to the issuance of employee stock options to the eligible employees of the Company and its holding company including but not limited to deciding the quantum, period of vesting, identification of eligible employees, forfeiture of the options granted and administration of the CIHL Employee Stock Option Plan 2018;
i. any other responsibility as may be assigned by the Board, from time to time; and
j. any other matter in relation to above which the committee deems fit and which is not reserved to be approved by the Board under the Companies Act, 2013 or any other applicable law.

28. POLICY ON PERFORMANCE EVALUATION OF THE DIRECTORS, BOARD AND ITS COMMITTEES AND THE ANNUAL PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and rules made thereunder, the Board has devised a policy for the performance evaluation of the Independent Directors, Board, its Committees and the individual Directors and has laid down the performance evaluation and assessment criteria/parameters.

The Nomination & Remuneration Committee carried out the evaluation of the performance of each of the Directors, without the presence of the Director being evaluated and the Board carried out a formal evaluation of its own performance and the Committees thereof.

The evaluation has been carried out through a questionnaire, as provided, covering various aspects of the functioning of the Board and performance of the Directors, such as, adequacy of the constitution and composition of the Board, discharge of roles and responsibilities by the Board and Directors, frequency of the meetings, attendance, regulatory compliances and corporate governance. The individual Directors and members of the Board and the Committees had submitted their response on a scale of 1 (strongly disagree) to 5 (strongly agree) for evaluating the Board as a whole and of their peer Board members.

29. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The provisions of Section 135 of Companies Act, 2013 and rules made thereunder do not apply to the Company for the period under review.

30. DETAILS OF SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNAL

There has been no order passed by any authority which impact the going concern status and Company's operations in future.

Further, no penalties have been levied by the National Housing Bank/any other regulator during the period under review.

31. SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

The Company has framed a Policy regarding Prevention, Prohibition and Redressal of Sexual Harassment at Workplace in accordance with the applicable laws for all employees of the Company to *inter alia* ensure that the employees are not subject to any form of sexual harassment and to constitute the Internal Complaints Committee. Your company is fully committed to protect the rights of any women, of any age, whether employed or not, who alleges to have been subjected to any act of sexual harassment within the Company's premises. Your Company provides a safe and healthy work environment.

The Company has constituted an Internal Complaints Committee to deal with the cases reported under the Policy regarding Prevention, Prohibition and Redressal of Sexual Harassment at Workplace.

However, there were no cases of sexual harassment reported, during the year ended on March 31, 2020.

32. CREDIT RATING

During the period under review, the Company has been rated [ICRA] BBB (pronounced as ICRA triple B) long term rating by ICRA Limited with the stable outlook for its prospective line of credits.

33. DIRECTIONS/GUIDELINES ISSUED BY NATIONAL HOUSING BANK

The Company complies with all the directions, guidelines and requirements issued by National Housing Bank, from time to time, as applicable to it.

34. FRAUD REPORTING

There was no fraud reported by the Auditors of the Company under Section 143(12) of the Companies Act, 2013, to the Board of Directors during the period under review.

35. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to the Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016, the Management Discussion and Analysis Report is enclosed as a part of this Annual Report.

36. DISCLOSURE ON CUSTOMER COMPLAINTS

Pursuant to the Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016, the disclosure on customer complaints is as follows:

Sr. No.	Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
1.	No. of complaints pending at the beginning of the year	-	-	-

2.	No. of complaints received during the year*	-	-	-
3.	No. of complaints redressed during the year*	-	-	-
4.	No. of complaints pending at the end of the year	-	-	-

*The Company has received two complaints during the year, however both the Complaints belongs to different Company and the same was communicated to the complainants. The same is not shown above as the complaint was not intended to the Company.

37. DIRECTORS RESPONSIBILITY STATEMENT

The Board of Directors acknowledges the responsibility for ensuring compliance with the provisions of Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013, in the preparation of the Financial Statements for the financial year ended on March 31, 2020 and state:

a. that in the preparation of annual accounts for the financial year ended March 31, 2020, the applicable accounting standards have been followed along with proper explanation relating to the material departures;

b. that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended March 31, 2020 and of the profit and loss of the Company for the financial year ended March 31, 2020;

c. that 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 or other irregularities;

d. that the Directors have prepared the annual accounts on a going concern basis;

e. that the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

f. there is a proper system to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Your Company has in place adequate internal financial controls with reference to the Financial Statements. During the year, such controls were tested and no reportable material weakness(es) in the designs or operations were observed.

38. STATEMENT ON COMPLIANCES OF APPLICABLE SECRETARIAL STANDARDS

Your Company have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively.

39. ACKNOWLEDGMENT

The Board places on record its appreciation for the valuable support and co-operation for the various Government agencies, banks, customers, suppliers, client, and shareholders.

Your Directors also wish to place on record their appreciation for the valuable services rendered and the commitment displayed by the employees of the Company and look forward to their continued support in the future as well.

For and on behalf of the Board
Capital India Home Loans Limited

	Sd/-	Sd/-
Name:	Keshav Porwal	Vineet Kumar Saxena
Designation:	Non-Executive Director	Whole-time Director & Chief Executive Officer
DIN:	06706341	07710277
Address:	Flat No. N-2, Prathamesh CHS Off. Veer Savarkar Marg, Prabhadevi Mumbai – 400025	K-904, Greenwoods, Chakala, Andheri Kurla Road, Andheri East Mumbai- 400093

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Your Company is a special type of Non-Banking Finance Company (NBFC) called a Housing Finance Company (HFC). Your Company is registered with the National Housing Bank (NHB) under section 29A of National Housing Bank Act, 1987. Capital India Home Loans Limited (CIHL) is a professionally managed housing finance company with registered office at Delhi and corporate office at Mumbai. Main objects of the Company are as under:

- To carry on the business of housing finance and as such to undertake financing either wholly or partly of flats, houses, buildings, structures, super structures, industrial structures, commercial structures, shops, warehouses, cold storages, hotels, hospitals, real estate and all kinds of town and colony development plans whether on cash down, deferred payments, equal installments, variable installments basis.
- To act as corporate agents for insurance companies and/or to carry out insurance intermediation.
- To carry on the business of advertisement, Advertising Agents in the advertising time or space print media, electronic media, internet , web media or any other media in India or which may be in vogue at any time like cinematograph and including newspapers, Souvenirs, hoardings, neon signs and other display devices of all kinds and descriptions to promote the sale or any other interest of trade and in industry, and to deal in all kinds of equipment, and material required for the for the purpose of carrying on the business of advertising agents and contractors.

Industry Overview (incl opportunities and threats)

According to KPMG Research report, Urban housing requirement is estimated at 45 million units by 2022. Demand continues to increase due to rapid urbanization, which is expected to rise to 40% by 2030, and growing trend of nuclear families. Single digit percentage of mortgage penetration in India (9%) vis a vis peak of 88% in UK depicts huge opportunity size. Housing for All an initiative by GOI and booster of PMAY is really paving the way to see this reality happening.

However last year, money markets were grappling with liquidity crises due to defaults by large NBFCs / HFCs. Availability of Credit for NBFC / HFC has really become a scarcity. Despite timely measures by RBI and GOI, borrowing cost is moving northwards and still getting a free-flowing funding source is a beyond imagination for few more quarters. Recent COVID-19 outbreak has also added to the adversities and will have a long-lasting impact on operational feasibility in near term.

Business Strategy

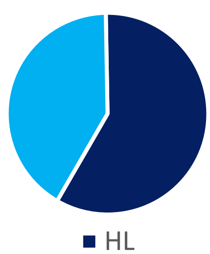
Your Company's main line of business is to cater the loan requirements of individuals from middle and lower income groups under affordable housing segment. We also offer small ticket collateral backed loans to SMEs / MSMEs and also consumption based unsecured loans to Individuals. Our endeavor is to provide the customers best in class service standards with faster turnaround times and hassle-free documentation. Our business processes are backed by robust risk policies, industry best credit underwriting practices and seamless customer acquisition approach enabled by top of the line technology platform with automated loan origination and management processes. There is constant endeavor to maximize use of technology across our business processes, and your company will continue to keep investing in new technology and upgrading same. We use multiple channels for acquiring our customers i.e. in house direct sales teams (DST), external intermediaries / channel partners (DSAs), referral partners across the locations we are present in. In our first full year of operations, we spread our distribution across geographies in the states of Maharashtra, Rajasthan and Delhi. We also understand the power of partnerships, hence have forged business alliances with multiple partners to acquire customers across our product lines namely home loans, loan against property and personal loans. These credible alliances are backed by partner's ability to acquire/service our customers and further back it with credit loss guarantees. We have actively looked at opportunities to acquire home loan pools from other mid-sized housing finance companies through the Direct Assignment route too.

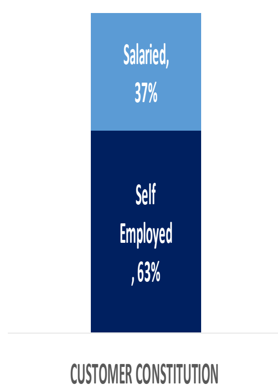
Presence

Your Company started operations initially from our registered and corporate office locations i.e. Delhi NCR & Mumbai MMR respectively. In our first year of operations for first 3 quarters we consolidated our presence in Mumbai MMR and Delhi NCR, and in the 4th quarter of the year we spread out to Rajasthan by opening a branch in Jaipur. We propose to concentrate in the geographies of Maharashtra, Rajasthan and Delhi in times to come before venturing out into other states. We feel that there is immense potential in these markets for our target customer segment of affordable housing.

Portfolio Highlights

- As on 31st March 2020 our AUM was INR 75.30 Cr & Loan Book at INR 70.49 Cr
- Portfolio yield was at 13.36%
- Live loan accounts were 925
- Average ticket size of the loan less than INR. 8 Lac
- Nil Delinquency (No accounts in 30+)
- Nil NPA
- 88%+ Portfolio is secured with overall asset cover more than 2 times
- Few relevant portfolio cuts basis Principal outstanding as on 31st March , 2020; are -





Financial Performance

(In Rupees)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019 (Restated as per Ind AS)
Total Income	8,01,07,956	3,15,96,225
Total Expenditure	15,78,80,658	7,83,28,210
Loss before tax	**(7,77,72,701)**	**(4,67,31,985)**
Provision for tax (including Deferred Tax)	(39,13,511)	(2,71,998)
Loss after tax	**(7,38,59,190)**	**(4,64,59,987)**

Other Comprehensive Income	3,44,648	
Total Comprehensive Income / (Loss)	**(7,35,14,543)**	**(4,64,59,987)**
Add: Profit and Loss account balance brought forward from previous year	(4,79,31,295)	(1,471,308)
Less: Transfer to reserves	-	-
Retained Earnings carried to Balance Sheet	(12,14,45,837)	(4,79,31,295)

Our Core Strengths

1. Experienced Management Team

We have an experienced, highly motivated and dedicated management team, with relevant experience in the banking, financial services, consultancy and infrastructure sectors. Keshav Porwal, Chairman of the Board, has more than two decades of experience in Real Estate, Corporate and Retail lending have served organizations of repute e.g. ICICI Bank, ABN Amro Bank, Kotak Mahindra Bank & India Infoline. Vineet Saxena, CEO, also has prior experience of more than 26 years, having built retail lending businesses across organizations' like ICICI Bank, Barclays Bank, G E Capital TFS, Religare Finvest & StarAgri Finance.

All the Senior Management / Functional Heads of Business, Risk, Operations, Finance and HR have combined experience of close to 100 Years having served in organizations' like ICICI Bank, Deloitte, KPMG, Citi Bank, Kotak Bank, Tata Group, ING Bank, Religare Finvest etc. in past.

2. Good Governance and Prudent Risk Management

We have acquired high-quality loan portfolio in sync with our Business Strategy and Risk Philosophy. We have institutionalized prudent risk management practices, policies, and procedures that are critical for the long-term sustainable development of our organization. Our Risk Management Committee which is constituted under the Board, oversees and monitors our credit risk management framework. Credit risk unit independently manages the risk, provides policy guidance, performs credit analysis, risk reporting and credit monitoring. The Internal Audit function independently assesses the design and operational effectiveness of the entire credit risk management and operations framework.

Risk management is an integral part of our company and very critical function. As a lending entity, your company is exposed to various market risks while providing loans to your customers. In today's dynamic environment, it's very important to evaluate and monitor various risks that could be associated to the performance and reputation of the company, hence effective risk management forms the core of our philosophy. Our credit risk management processes encompass astute underwriting, regulatory checks & monitoring of the portfolio at regular interval. Our team is efficiently using Credit Risk Monitoring Framework (CRMF) as an EWS tool. We have also established effective risk management systems, policies & internal controls to address various other types of risk viz operational risk, liquidity risk, market risk, compliance & regulatory risk.

3. IT Systems

We very well recognize that Information is a valuable asset and information pertaining to customers is also a great responsibility. Safeguarding business information and IT Infrastructure from any kind of cyber security threat is a top priority and this is done through effective monitoring and implementation of risk mitigation measures. We have robust IT infrastructure with up to date tools available and IT policy keeping check on all this and acting as a guiding tool. Our Business Continuity and Disaster Recovery Plan ensures that critical business functions are available to customers even if one hub is completely compromised.

Backup and restore policy have been implemented to safeguard critical data. We undertake vulnerability assessment and penetration testing regularly through internal resources as well as external experts to test and improve the implemented control measures.

Our loan management system, OmniFin, is one of the best in Industry and is used by many of the reputed financial services entities. It is an integrated technology platform that caters to Loan Origination, Loan Management, Mobility (Sales & Collections), Debt Management, Legal Management and also has integrated Accounting GL Module. Further we have integrated Credit Bureaus e.g. CIBIL etc. and other technology tools from vendors e.g. Perfios, Finfort, DMS etc. which enable our Credit, Operations and other business decision making processes.

4. Human Resource

At CIHL, we believe that our employees are our most valuable assets and our constant endeavour is to help them realise their full potential. The Human Resource function plays a critical role in supporting the organisation in meeting its constant need of hiring fresh talent, on-boarding fresh hires, training the work force , performance management , compensation & benefits, and over all organisational development. We use Balanced Scorecard approach for performance management, which is one of the most followed industry best practice. We have 38 employees as on 31st March 2020.

For and on behalf of the Board
Capital India Home Loans Limited

	Sd/-	Sd/-
Name:	Keshav Porwal	Vineet Kumar Saxena
Designation:	Non-Executive Director	Whole-time Director & Chief Executive Officer
DIN:	06706341	07710277
Address:	Flat No. N-2, Prathamesh CHS Off. Veer Savarkar Marg, Prabhadevi Mumbai – 400025	K-904, Greenwoods, Chakala, Andheri Kurla Road, Andheri East Mumbai- 400093

Annexure "I"

DISCLOSURE ON THE EMPLOYEE STOCK OPTIONS SCHEME

(Pursuant to Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014)

<table>
<tr><th>Sr. No.</th><th>Particulars</th><th>Details</th></tr>
<tr><td>1.</td><td>Options granted</td><td>83,05,000</td></tr>
<tr><td>2.</td><td>Options vested</td><td>33,02,000</td></tr>
<tr><td>3.</td><td>Options exercised</td><td>25,000</td></tr>
<tr><td>4.</td><td>The total number of shares arising as a result of exercise of option</td><td>25,000</td></tr>
<tr><td>5.</td><td>Options lapsed</td><td>Nil</td></tr>
<tr><td>6.</td><td>The exercise price</td><td>Rs. 10/- each</td></tr>
<tr><td>7.</td><td>Variation of terms of options</td><td>Nil</td></tr>
<tr><td>8.</td><td>Money realized by exercise of options</td><td>Rs. 2,50,000/-</td></tr>
<tr><td>9.</td><td>Total number of options in force</td><td>83,05,000</td></tr>
<tr><td>10.</td><td>Employee wise details of options granted to</td><td></td></tr>
<tr><td></td><td>a) Key managerial personnel;</td><td>
<table>
<tr><th>Sr. No.</th><th>Name</th><th>No. of Options granted</th></tr>
<tr><td>1.</td><td>Amit Sahai Kulshreshtha</td><td>30,00,000</td></tr>
<tr><td>2.</td><td>Vineet Kumar Saxena</td><td>35,00,000</td></tr>
<tr><td>3.</td><td>Neeraj Toshniwal</td><td>1,50,000</td></tr>
<tr><td>4.</td><td>Rachit Malhotra</td><td>1,00,000</td></tr>
</table>
</td></tr>
<tr><td></td><td>b) Any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year; and</td><td>
<table>
<tr><th>Sr. No.</th><th>Name</th><th>No. of Options granted</th></tr>
<tr><td>1.</td><td>Prince Gupta</td><td>25,000</td></tr>
<tr><td>2.</td><td>Anushree Singh</td><td>25,000</td></tr>
</table>
</td></tr>
<tr><td></td><td>c) Identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant</td><td>
<table>
<tr><th>Sr. No.</th><th>Name</th><th>No. of Options granted</th></tr>
<tr><td>1.</td><td>Amit Sahai Kulshreshtha</td><td>30,00,000</td></tr>
<tr><td>2.</td><td>Vineet Kumar Saxena</td><td>35,00,000</td></tr>
<tr><td>3.</td><td>Neeraj Toshniwal</td><td>1,50,000</td></tr>
<tr><td>4.</td><td>Radhakrishna Amin</td><td>4,00,000</td></tr>
<tr><td>5.</td><td>Chetan Bafna</td><td>4,00,000</td></tr>
<tr><td>6.</td><td>Deepak Vaswan</td><td>4,00,000</td></tr>
</table>
</td></tr>
</table>

For and on behalf of the Board

Capital India Home Loans Limited

	Sd/-	Sd/-
Name:	Keshav Porwal	Vineet Kumar Saxena
Designation:	Non-Executive Director	Whole-time Director & Chief Executive Officer
DIN:	06706341	07710277
Address:	Flat No. N-2, Prathamesh CHS Off. Veer Savarkar Marg, Prabhadevi Mumbai – 400025	K-904, Greenwoods, Chakala, Andheri Kurla Road, Andheri East Mumbai- 400093

Annexure "II"

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on Financial Year ended on 31.03.2020

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014

I. REGISTRATION & OTHER DETAILS:

1.	CIN	U65990DL2017PLC322041
2.	Registration Date	August 11, 2017
3.	Name of the Company	Capital India Home Loans Limited
4.	Category/Sub-category of the Company	Company limited by shares
5.	Address of the Registered office& contact details	2nd Floor, DLF Centre Sansad Marg New Delhi 110001 Phone: 011-46546000
6.	Whether listed company	No
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	KFin Technologies Private Limited *(formerly known as Karvy Fintech Private Limited)* Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Telangana - 500032 Contact No: +91 040 - 67162222 Fax No: +91 40 23001153 E-mail: venu.sp@karvy.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	%to total turnover of the company
1.	Carry on the business of a Housing Finance Institution without accepting public deposits	64920	84%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name of the Company	Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1	Capital India	2nd Floor, DLF Centre,	L74899DL1994PLC128577	Holding	99.97%	2(46)

	Finance Limited	Sansad Marg, New Delhi - 110001				

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding[1]

Category of Shareholders	No. of Shares held at the beginning of the year [As on April 01, 2019]				No. of Shares held at the end of the year [As on March 31, 2020]				% Change during 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 Corp.	4,00,00,000	-	4,00,00,000	100	9,00,00,000	-	9,00,00,000	99.97	125
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
SUB Total (A) (1): -	4,00,00,000	-	4,00,00,000	100	9,00,00,000*	-	9,00,00,000	99.97	125
(2) Foreign									
a) NRI's - Individual	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
SUB Total (A) (2):-	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	4,00,00,000	-	4,00,00,000	100	9,00,00,000	-	9,00,00,000	99.97	125

[1] Capital India Finance Limited is the beneficial owner for 6 (Six) individual members as listed in the Register of Members.

B. Public Shareholding									
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1): -	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals/HUF	-	-	-	-	-	-	-	-	-
i) Individual/HUF shareholders holding nominal share capital up to Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual/HUF shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	25,000	-	25,000	0.03	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non-Resident Indians	-	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-

Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2): -	-	-	-	-	25,000	-	25,000	0.03	-
Total Public Shareholding (B)=(B)(1) + (B)(2)	-	-	-	-	25,000	-	25,000	0.03	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	4,00,00,000	-	4,00,00,000	100	9,00,25,000	-	9,00,25,000	100	125.06

ii) Shareholding of Promoter-

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (April 01, 2019)			Shareholding at the end of the year (March 31, 2020)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Capital India Finance Limited*	4,00,00,000	100	Nil	9,00,00,000	99.97	Nil	125

*Capital India Finance Limited is the beneficial owner of one share each held by 6 (Six) individual members as listed in the Register of Members.

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

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total share of the Company	No. of shares	% of total share of the Company
1.	At the beginning of the year Capital India Finance Limited	4,00,00,000	100	4,00,00,000	

2.	Addition: Allotment under the right issue dated 1. 26.06.2019 2. 23.07.2019 3. 28.08.2019 4. 03.12.2019 5. 26.02.2019	 43,00,000 57,00,000 1,50,00,000 2,00,00,000 50,00,000		 4,43,00,000 5,00,00,000 6,50,00,000 8,50,00,000 9,00,00,000	 -
3.	At the End of the year (or on the date of separation, if separated during the year)	-		**9,00,00,000**	**99.97**

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

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For each of Ten Shareholders	No. of shares	% of total share of the Company	No. of shares	% of total share of the Company
1.	At the beginning of the year Deepak Vaswan	-	-		
2.	Addition: Allotment pursuant to exercise of employee stock option *vide* resolution dated January 22, 2020	25,000	0.03		
3.	At the End of the year (or on the date of separation, if separated during the year)			25,000	0.03

v) Shareholding of Directors and Key Managerial Personnel:

vi)	Shareholding of each Directors and each Key Managerial Personnel	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	No Director/KMP holds any shares of the Company except as stated aforesaid.			
2	Date wise Increase / Decrease in Shareholding during the year:				
3	At the end of the year				

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
* Addition	60,000,000	-	-	60,000,000
* Reduction	(58,79,877)	-	-	(58,79,877)
Net Change	5,41,20,123	-	-	5,41,20,123
Indebtedness at the end of the financial year				
i) Principal Amount	5,41,20,123	-	-	5,41,20,123
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	4,31,346	-	-	4,31,346
Total (i+ii+iii)	**5,45,51,469**	-	-	**5,45,51,469**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

S. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Amit Sahai Kulshreshtha	Vineet Kumar Saxena	
1	Gross salary	Nil		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		1,54,70,400	1,54,70,400
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		5,88,000	5,88,000
	c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961			
2	Stock Option			
3	Sweat Equity			
4	Commission -as % of profit -others, specify			
5	Others, (Company contribution towards PF)		7,05,600	7,05,600
	Total (A)		1,67,64,000	1,67,64,000
	Ceiling as per the Act		The remuneration paid to the Whole-time Director & Chief Executive Officer is as per the	

			provisions of the Companies Act, 2013.

B. Remuneration to other directors

S. No.	Particulars of Remuneration	Name of Directors		Total Amount
		Vinod Somani	Yogendra Pal Singh	
1	Independent Directors			
	Fee for attending board and committee meetings	2,50,000	2,50,000	5,00,000
	Commission			-
	Others, please specify			-
	Total (1)	2,50,000	2,50,000	-
2	Other Non-Executive Directors	Keshav Porwal		
	Fee for attending board and committee meetings	Nil		-
	Commission			-
	Total (2)	-	-	-
	Total (B)= (1+2)	-	-	-
	Total Managerial Remuneration	-	-	-
	Overall Ceiling as per the Act	-	-	-

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		CS	CFO	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2	Stock Option	Nil	Nil	Nil
3	Sweat Equity			
4	Commission			
	-as % of profit			
	others, specify…			
5	Others, please specify			
	Total			

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

For and on behalf of the Board
Capital India Home Loans Limited

	Sd/-	Sd/-
Name:	Keshav Porwal	Vineet Kumar Saxena
Designation:	Non-Executive Director	Whole-time Director & Chief Executive Officer
DIN:	06706341	07710277
Address:	Flat No. N-2, Prathamesh CHS Off. Veer Savarkar Marg, Prabhadevi Mumbai – 400025	K-904, Greenwoods, Chakala, Andheri Kurla Road, Andheri East Mumbai- 400093

CAPITAL INDIA
Home Loans

POLICY ON RELATED PARTY TRANSACTIONS

Version	1.0
Owned By	Chief Financial Officer
Approved By	Board of Directors
Effective date	August 14, 2019

1. PREAMBLE

Capital India Home Loans Limited (hereinafter referred as "Company") has always been committed to good corporate governance practices. As a matter of practice, the Company transacts business on arm's length basis with its related parties which are in the ordinary course of business.

The Board of Directors has adopted this Policy upon recommendation of the Audit Committee. The said Policy includes materiality thresholds and the manner of dealing with Related Party Transactions ("the Policy") in compliance with the requirements of Section 188 of the Companies Act, 2013 read with the Rules framed there under.

Amendments, from time to time, to the Policy, if any, shall be considered by the Board of Directors based on the recommendations of the Audit Committee.

This Policy applies to transactions between the Company and one or more of its Related Parties. Such transactions are appropriate only if they are in the best interest of the Company and its shareholders.

2. OBJECTIVE

In terms of para 4.3 of "Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016 (as amended) issued by National Housing Bank, a HFC having asset size of Rs.50 Crore shall disclose the policy on dealing with Related Party Transactions on its website and also in the Annual Report.

This Policy has been framed for complying with the above requirements and it covers the materiality of Related Party Transactions and its dealings.

3. DEFINITIONS

3.1 "Act' means Companies Act, 2013 and the Rules framed thereunder, including any modifications, amendments, clarifications, circulars or re -enactments thereof.

3.2 "Arm's Length basis" means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest. For determining Arm's Length basis, guidance may be taken from the transfer pricing provisions under the Income-tax Act. 1961.

3.3 "Audit Committee" means committee of Board of Directors of the Company.

3.4 "Board of Directors" or "Board" means the Board of Directors of the Company.

3.5 "Company" means Capital India Home Loans Limited.

3.6 "Key Managerial Personnel" means the Key ManagerialPersonnel of the Company in terms of the Act.

3.7 "Material Related Party Transaction" means a Related Party Transaction which individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual turnover of the Company as per the last audited financial statements.

3.8 “Ordinary course of business” means the usual transactions, customs and practices undertaken by the Company to conduct its business operations and activities and includes all such activities which the company can undertake as per Memorandum & Articles of Association. The Board and Audit Committee may lay down the principles for determining.

3.9 "Policy" means the current policy on Related Party Transactions, including amendments, if any, from time to time.

3.10 "Related Party" have the meaning as defined in Section 2(76) of Companies Act, 2013.

3.11 "Related Party Transaction" have the meaning as defined under Section 188(1) of Companies Act, 2013 as means transfer of resources, services or obligations between the Company and a related party, regardless of whether price is charged and a transaction with a related party shall be construed to include a single transaction or a group of transactions in a contract, including but not limited to the following –

a. sale, purchase or supply of any goods or materials;
b. selling or otherwise disposing of, or buying, property of any kind;
c. leasing of property of any kind;
d. availing or rendering of any services;
e. appointment of any agent for purchase or sale of goods, materials, services or property;
f. appointment to any office or place of profit in the company
g. underwriting the subscription of any securities or derivatives thereof, of the Company

3.12 "Relative" means a relative as defined under the Act.

3.13 "Transaction" with a Related Party shall be construed to include single transaction or a group of transactions in a contract.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013 or any other applicable law or regulation.

4. POLICY

All Related Party Transactions must be reported to the Audit Committee and approved or referred for approval by the Audit Committee based on this Policy.

4.1 Identification of potential Related Party Transactions: In order to identify the related party, the following must be noted:

4.1.1 An entity shall be considered as related to the Company if:

a) such entity is a related party under Section 2(76) of the Companies Act, 2013 read with the Rules framed there under; or
b) such entity is a related party under the applicable accounting standards.

4.1.2 Key Managerial Personnel and connected Related Parties: Each Director and Key Managerial Personnel shall at the beginning of financial year disclose to the Company Secretary of the Company their Related Parties and disclose any changes thereto during the financial year as immediately as practicable. The Company shall also identify Related Party Transactions, if any, with Directors or Key Managerial Personnel of the holding company/ies or their relatives.

4.1.3 The Company will identify the potential transactions with the Related Parties as defined under this Policy.

4.2 Review and approval of Related Party Transactions

4.2.1 Audit Committee:

Every Related Party Transaction shall be subject to the prior approval of the Audit Committee whether at ameeting or by resolutions by circulation. However, the Audit Committee may grant prior omnibus approval for Related Party Transactions which are repetitive in nature and are in the ordinary course of business and satisfy the Arm's Length basis, subject to the compliance of the following conditions:

A. The Audit Committee shall, after obtaining approval of the Board of Directors, specify the criteria for granting the omnibus approval in line with the Policy and such approval which shall include the following namely:
   i. Maximum value of the transaction, in aggregate, which can be allowed under the omnibus route in a year;
   ii. The maximum value per transaction which can be allowed;
   iii. extent and manner of disclosures to be made to the audit committee at the time of seeking omnibus approval
   iv. review, at such intervals as the Audit Committee may deem fit, related party transaction entered into by the Company pursuant to each omnibus approval made;
   v. transactions which cannot be subject to the omnibus approval by the Audit Committee.

B. The Audit Committee shall consider the following factors while specifying the criteria for making omnibus approval, namely:-
   i. repetitiveness of the transactions (in past or in future);
   ii. justification for the need of omnibus approval.

C. The Audit Committee shall satisfy itself regarding the need for such omnibus approval for transactions of repetitive nature and that such approval is in the interest of thecompany;

D. The Audit Committee shall review, at least on a quarterly basis, the aggregated value and other details of related party transactions transacted into by the Company pursuant to the omnibus approval given;

E. Such omnibus approval shall be valid for a period not exceeding one financial year and shall require fresh approval after expiry of such financial year.

Any member of the Audit Committee who has a potential conflict of interest in any Related Party Transaction will not remain present at the meeting or shall abstain from discussion and voting on the approval of such Related Party Transaction and shall not be counted in determining the presence of quorum when such Transaction isconsidered.

To review a Related Party Transaction, the Audit Committee shall be provided with necessary information, to the extent relevant, with respect to actual or potential Related Party Transactions and/or prescribed under the Act.

While considering any Related Party Transaction, the Audit Committee shall take into account all relevant facts and circumstances, including the terms and business purpose of such Transaction, the benefits to the Company and to the Related Party, whether such Transaction includes any potential reputational risks that may arise as a result of or in connection with the proposed Transactionand any other relevant matters.

4.2.2 Board of Directors:

The related party transactions provided under Section 188 of Companies Act, 2013 which are not in ordinary course of business or on arms-length basis needs to be placed before the Board of Directors for their approval.

Any member of the Board who has a potential conflict of interest in any Related Party Transaction will not remainpresent at the meeting or shall abstain from discussion and voting on the approval of such Related Party Transaction and shall not be counted in determining the presence of quorum when such Transaction is considered.

4.2.3 Shareholders:

All the Material Related Party Transactions shall require approval of the shareholders through special resolution and the Related Parties shall abstain from voting on such resolutions subject to guidelines / circulars issued or to be issued by the concerned authority.

5. RELATED PARTY TRANSACTIONS NOT PREVIOUSLY APPROVED

In the event the Company becomes aware of a Related Party Transaction that has not been approved or ratified under this Policy, the transaction shall be placed as promptly as practicable before the Audit Committee or Board of Directors or the Shareholders as may berequired in accordance with this Policy for review and ratification.

The Audit Committee or the Board of Directors or the Shareholders shall consider all relevant facts and circumstances of such transaction and shall evaluate alloptions available to the Company, including but not limited to ratification, revision or termination of such transaction and the Company shall take such actions as the Audit Committee deems appropriate under the circumstances.

6. DISCLOSURES

In terms of para 4.3 of "Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016 (as amended) issued by National Housing Bank, a HFC having asset size of Rs. 50 Crore shall disclose the policy on dealing with Related Party Transactions on its website and in the Annual Report. Accordingly, this related party transaction policy shall be disclosed on the Company's website and in the Annual Report.

All the material related party transactions shall be disclosed in the Statutory Financial Statements.

7. AMENDMENT IN LAW

Any subsequent amendment/ modification to the applicable laws shall automatically apply to this Policy.

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INDEPENDENT AUDITORS' REPORT

To the Members of Capital India Home Loans Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Capital India Home Loans Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS"), and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020 and its loss, total comprehensive loss , the changes in equity and its cash flows for the year ended on that date .

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 38 to the Financial Statements, which describes that the Company has recognised impairment on financial assets to reflect the adverse business impact and uncertainties arising from COVID-19 pandemic. Such estimates are based on current facts and circumstances and may not necessarily reflect the future uncertainties and events arising from the Covid-19 pandemic.

Our opinion is not modified in respect of this matter.

Information Other than the Financial Statements and Auditors' Report Thereon

- The Company's Board of Directors is responsible for preparation of the other information. The other information comprises the Directors' Report including annexures to Directors' Report, but does not include the financial statements and our auditors' report thereon.

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

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

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

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

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

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

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

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

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

   c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), 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 financial statements comply with the Ind AS specified under Section 133 of the Act, as applicable.

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

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   g) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

      i. The Company does not have any pending litigations which would impact its financial position;

      ii. The Company did 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.

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

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

Sd/-
Rukshad N. Daruvala
(Partner)
(Membership No. 111188)
UDIN: 20111188AAAACH3789

Place: Mumbai
Date: May 19, 2020

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

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

We have audited the internal financial controls over financial reporting of **Capital India Home Loans Limited** ("the Company") as of March 31, 2020 in conjunction with our audit of the 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that are operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditors' judgment, 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 controls 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 controls over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting are operating effectively as at March 31, 2020, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Sd/-
Rukshad N. Daruvala
(Partner)
(Membership No. 111188)

Place: Mumbai
Date: May 19, 2020

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

i) In respect of the Company's Property, Plant & Equipment:

a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property plant & equipment.

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

c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause 3(i)(c) of the Companies (Auditor's Report) Order, 2016 ("the CARO 2016") is not applicable.

ii) The Company does not have any inventory and hence reporting under clause 3(ii) of the CARO 2016 is not applicable.

iii) 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 Companies Act, 2013 ("the Act").

iv) To the best of our knowledge and according to the information and explanations given to us, the Company has not granted any loans, made investments or provide guarantees under the provisions of Sections 185 and 186 of the Act 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 any deposit during the year and hence directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder are not applicable.

vi) Having regard to the nature of the Company's business / activities, reporting under clause 3(vi) of the CARO 2016 with respect to maintenance of cost records under Section 148(1) of the Act is not applicable.

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

(a) The Company has been regular in depositing undisputed statutory dues including Provident Fund, Income-tax, Good and Service Tax, cess and other material statutory dues applicable to the appropriate authorities.

We are informed that the provisions of ESIC and Custom Duty are not applicable to the Company.

(b) There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Good and Service Tax, cess and other material statutory dues in arrears as on March 31, 2020 for a period of more than six months from the date they became payable.

(c) There are no dues of Income-tax, Good and Service Tax, cess and other material statutory dues as on March 31, 2020 on account of disputes.

viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions. The Company has not taken any loans or borrowings from banks and government. The Company has not issued any debentures.

ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). Money raised by way of term loans have been applied by the Company during the year for the purposes for which they were raised, other than temporary deployment pending application of proceeds.

x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the CARO 2016 is not applicable.

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

xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3 (xiv) of the CARO 2016 is not applicable.

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

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

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

Sd/-
Rukshad N. Daruvala
(Partner)
(Membership No. 111188)

Place: Mumbai
Date: May 19, 2020

Capital India Home Loans Limited
Balance Sheet
(All figures are in rupees, except otherwise stated)

	Particulars	Note No.	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
	ASSETS				
1	Financial Assets				
(a)	Cash & cash equivalents	2	17,59,000	4,48,50,201	5,09,59,275
(b)	Bank balances other than (a) above	3	1,11,00,000	4,57,25,894	10,00,00,000
(c)	Loans	4	70,03,86,072	4,41,69,826	-
(d)	Investments	5	8,63,41,078	18,50,52,870	-
(e)	Other financial assets	6	1,50,12,617	1,05,57,866	5,44,234
2	Non-financial Assets				
(a)	Current tax assets(net)	7	28,47,840	20,97,124	3,36,964
(b)	Deferred tax asset (net)	8	45,79,835	7,82,250	5,10,252
(c)	Property, plant and equipment	9	3,89,35,170	1,92,28,715	-
(d)	Capital work in progress		-	1,17,73,690	-
(e)	Other intangible assets	9A	29,14,951	13,843	-
(f)	Right of use assets	9B	8,11,45,976	3,49,33,794	-
(g)	Other non-financial assets	10	86,47,485	41,31,987	3,11,832
	Total Assets		95,36,70,024	40,33,18,060	15,26,62,557
	LIABILITIES AND EQUITY				
	LIABILITIES				
1	Financial Liabilities				
(a)	Payables				
	(i)Trade Payables	11			
	total outstanding dues of micro enterprises and small enterprises		-	28,180	-
	total outstanding dues of creditors other than micro enterprises and small enterprises		45,35,568	33,68,265	40,60,569
	(ii)Other Payables				
	total outstanding dues of micro enterprises and small enterprises		-	-	-
	total outstanding dues of creditors other than micro enterprises and small enterprises		-	-	-
(b)	Borrowings	12	5,41,20,123	-	-
(c)	Other financial liabilities	13	9,83,52,719	3,62,06,889	-
2	Non-Financial Liabilities				
(a)	Provisions	14	1,00,62,210	76,01,691	-
(b)	Other non-financial liabilities	15	31,91,050	19,44,417	73,296
3	Equity				
(a)	Equity share capital	16	90,02,50,000	40,00,00,000	15,00,00,000
(b)	Other equity	17	(11,68,41,646)	(4,58,31,382)	(14,71,308)
	Total Liabilities and Equity		95,36,70,024	40,33,18,060	15,26,62,557

Notes 1 to 43 forms part of the Financial Statements

In terms of our report attached.
For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Registration No. :117366W/W -100018

Rukshad N. Daruvala
Partner
Membership No. : 111188
Place: Mumbai
Date: May 19, 2020

For and on behalf of the board
CAPITAL INDIA HOME LOANS LIMITED

Sd/-
Keshav Porwal
Director
DIN : 06706341
Place: Mumbai
Date: May 19, 2020

Sd/-
Vineet Kumar Saxena
Whole-Time Director & CEO
DIN : 07710277
Place: Mumbai
Date: May 19, 2020

Sd/-
Neeraj Toshniwal
Chief Financial Officer
Place: Mumbai
Date: May 19, 2020

Sd/-
Rachit Malhotra
Company Secretary
Place: New Delhi
Date: May 19, 2020

Capital India Home Loans Limited
Statement of Profit and loss
(All figures are in rupees, except otherwise stated)

	Particulars	Note	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
	Revenue from operations :			
(i)	Interest income	18	4,64,03,909	76,88,321
(ii)	Fees and commission income		27,34,626	75,55,034
(iii)	Other operating income		1,95,00,000	1,30,00,000
(iii)	Net gain on fair value changes	19	84,34,473	33,52,870
(I)	**Total revenue from operations**		**7,70,73,008**	**3,15,96,225**
(II)	Other income	20	30,34,948	-
(III)	**Total income (I+II)**		**8,01,07,956**	**3,15,96,225**
	Expenses :			
(i)	Finance costs	21	1,26,84,196	13,07,535
(ii)	Impairment of financial assets	22A	42,50,000	2,50,000
(iii)	Loss on derecognition of financial assets	22B	1,30,00,000	-
(iii)	Employee benefits expenses	23	7,75,12,138	4,75,20,885
(iv)	Depreciation, amortization & impairment	9, 9A & 9B	2,82,06,986	40,94,788
(v)	Others expenses	24	2,22,27,337	2,51,55,002
(IV)	**Total expenses (IV)**		**15,78,80,657**	**7,83,28,210**
(V)	Loss before tax (III -IV)		(7,77,72,701)	(4,67,31,985)
(VI)	**Tax Expense:**	37		
	Current Tax		-	-
	Deferred Tax credit		(39,13,511)	(2,71,998)
(VII)	**Loss for the year**		**(7,38,59,190)**	**(4,64,59,987)**
(VIII)	**Other Comprehensive Income**			
	(i) Items that will not be reclassified to profit or loss		4,60,574	-
	(ii) Income Tax relating to items that will not be reclassified to profit or loss		(1,15,926)	-
	Other Comprehensive Income		3,44,648	-
(IX)	**Total Comprehensive Loss for the year**		**(7,35,14,542)**	**(4,64,59,987)**
(X)	**Earnings per equity share (Face Value - Rs.10 per share)**	25		
	Basic		(1.17)	(2.53)
	Diluted		(1.17)	(2.53)

Notes 1 to 43 forms part of the Financial Statements

In terms of our report attached.
For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Registration No. :117366W/W -100018

Rukshad N. Daruvala
Partner
Membership No. : 111188
Place: Mumbai
Date: May 19, 2020

For and on behalf of the board
CAPITAL INDIA HOME LOANS LIMITED

Sd/-
Keshav Porwal
Director
DIN : 06706341
Place: Mumbai
Date: May 19, 2020

Sd/-
Vineet Kumar Saxena
Whole-Time Director & CEO
DIN : 07710277
Place: Mumbai
Date: May 19, 2020

Sd/-
Neeraj Toshniwal
Chief Financial Officer
Place: Mumbai
Date: May 19, 2020

Sd/-
Rachit Malhotra
Company Secretary
Place: New Delhi
Date: May 19, 2020

Capital India Home Loans Limited
Statement of Changes in equity
(All figures are in rupees, except otherwise stated)

	Employee stock option outstanding	Reserves and Surplus			Total
		Other Comprehensive income	Securities Premium	Retained Earnings	
Balance as at April 1, 2018	-	-	-	(14,71,308)	(14,71,308)
Restated balance at the beginning of the reporting period	-	-	-	(14,71,308)	(14,71,308)
Other Additions/Deductions during the year	20,99,913	-	-		20,99,913
Loss for the year after income tax	-	-	-	(4,64,59,987)	(4,64,59,987)
Other Comprehensive Income for the year before income tax	-	-	-	-	-
Less: Income Tax on Other Comprehensive Income	-	-	-	-	-
Balance as at March 31, 2019	20,99,913	-	-	(4,79,31,295)	(4,58,31,382)
Changes in accounting policy/prior period errors					
Transfer to Securities Premium	(7,500)	-	7,500	-	-
Other Additions/Deductions during the year	25,04,278	-	-	-	25,04,278
Loss for the year after tax	-	-	-	(7,38,59,190)	(7,38,59,190)
Other Comprehensive Income for the year before income tax	-	4,60,574	-	-	4,60,574
Less: Deferred Tax on Other Comprehensive Income	-	(1,15,926)	-	-	(1,15,926)
Balance as at March 31, 2020	45,96,691	3,44,648	7,500	(12,17,90,485)	(11,68,41,646)

Notes 1 to 43 forms part of the Financial Statements

In terms of our report attached.
For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Registration No. :117366W/W -100018

Rukshad N. Daruvala
Partner
Membership No. : 111188
Place: Mumbai
Date: May 19, 2020

For and on behalf of the board
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Keshav Porwal
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DIN : 06706341
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Sd/-
Neeraj Toshniwal
Chief Financial Officer
Place: Mumbai
Date: May 19, 2020

Sd/-
Rachit Malhotra
Company Secretary
Place: New Delhi
Date: May 19, 2020

Capital India Home Loans Limited
Cash Flow Statement
(All figures are in rupees, except otherwise stated)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net loss before tax	(7,77,72,701)	(4,67,31,985)
Adjustment for:		
Depreciation, amortization and impairment	2,82,06,986	40,94,788
Interest income on lease deposits	(9,12,503)	(1,74,955)
Interest income on fixed deposits	(6,67,176)	(73,86,397)
Provision for employee benefits	17,21,093	16,01,691
Share based payments to employees	25,04,277	20,99,913
Unrealised gain on liquid funds units	(7,93,287)	(21,94,149)
Finance costs	1,26,84,196	13,07,535
Provision for expected credit loss	42,50,000	2,50,000
Operating profit before working capital changes	(3,07,79,115)	(4,71,33,559)
Adjustment for :		
Increase/(decrease) in trade payables	11,39,123	(6,64,124)
Increase / (decrease) in other financial liabilities	84,95,530	(10,31,501)
Increase in other non-financial liabilities	12,46,633	18,71,121
Increase in Provisions	12,00,000	60,00,000
(Increase)/Decrease in other financial assets	(41,47,772)	(99,55,326)
(Increase)/Decrease in Other non financial assets	(38,43,323)	(38,20,155)
Loans given during the year (net)	(66,04,66,246)	(4,44,19,826)
Cash used in operations	(68,71,55,170)	(9,91,53,370)
Income taxed paid (net of refund received)	(7,50,716)	(17,60,160)
Net cash used in operating activities (A)	(68,79,05,886)	(10,09,13,530)
B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipments	(1,93,31,865)	(3,15,86,045)
Proceeds from sale of property, plant and equipments	89,847	1,49,110
Proceeds from redemption of Liquid Mutual funds (net)	9,95,05,079	(18,28,58,721)
Proceeds from redemption of bank deposits (net)	3,55,33,400	6,17,77,151
Net Cash generated from / (used in) investing activities (B)	11,57,96,461	(15,25,18,505)
C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of equity shares	50,02,50,000	25,00,00,000
Finance costs paid	(23,03,975)	-
Payment of Lease rent	(2,30,47,924)	(26,77,039)
Borrowings taken	6,00,00,000	-
Borrowings re-paid	(58,79,877)	-
Net cash generated from financing activities (C)	52,90,18,224	24,73,22,961
D) Net decrease in cash and cash equivalents (A+B+C)	(4,30,91,201)	(61,09,074)
E) Cash and cash equivalents as at the beginning of the year	4,48,50,201	5,09,59,275
F) Cash and cash equivalents as at the end of the year	17,59,000	4,48,50,201

Cash and cash equivalents comprises:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Cash in hand	17,251	-
Balances with banks		
- in current accounts	17,41,749	2,48,50,201
- in deposit accounts	-	2,00,00,000
	17,59,000	4,48,50,201

Notes 1 to 43 forms part of the Financial Statements

In terms of our report attached.
For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Registration No. :117366W/W -100018

Rukshad N. Daruvala
Partner
Membership No. : 111188
Place: Mumbai
Date: May 19, 2020

For and on behalf of the board
CAPITAL INDIA HOME LOANS LIMITED

Sd/-

Keshav Porwal
Director
DIN : 06706341
Place: Mumbai
Date: May 19, 2020

Sd/-

Vineet Kumar Saxena
Whole-Time Director & CEO
DIN : 07710277
Place: Mumbai
Date: May 19, 2020

Sd/-

Neeraj Toshniwal
Chief Financial Officer
Place: Mumbai
Date: May 19, 2020

Sd/-

Rachit Malhotra
Company Secretary
Place: New Delhi
Date: May 19, 2020

1 Corporate Information & Significant accounting Policies

Corporate Information

Capital India Home Loans Limited ('the Company') [CIN No. U65990DL2017PLC322041] was incorporated on 11 August 2017 as an unlisted public limited company under the Companies Act, 2013 ('the Act'). The Company is a subsidiary of Capital India Finance Limited and formed with the main objective of carrying out business of housing finance.

The National Housing Bank ("NHB") has granted a Certificate of Registration ("COR") under section 29A of the National Housing Bank Act, 1987 to the Company vide their letter dated 11 February 2019 to commence / carry on business of a Housing Finance Company without accepting public deposits.

The Company is required to comply with provisions of the National Housing Bank Act, 1987, the Housing Finance Companies (NHB) Directions, 2010 and other guidelines/ instructions / circulars ('NHB directions") issued by the National Housing Bank from time to time.

The Company's registered office is situated at New Delhi, India, while its corporate office is located in Mumbai, India.

1.1 Basis of Preparation of financial statements

A) Statement of Compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 ('the Act') read with Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act and guidelines issued by the NHB or other regulators to the extent applicable.

The Company has adopted Ind AS from April 1, 2019 and the financial statements for the year ended March 31, 2020 are the Company's first Ind AS Financial Statements. However, the effective date of transition to Ind AS is April 1, 2018, being the beginning of the earliest period for which the Company needs to present comparative information.

The transition to Ind AS has been carried out from the erstwhile Accounting Standards notified under the Act, read with relevant rules issued thereunder, guidelines issued by the NHB and other generally accepted accounting principles in India (collectively referred to as 'the Previous GAAP'). The impact of transition has been recorded in the opening reserves as at April 1, 2018 and is provided in Note 1.22. The corresponding comparative previous period as presented in these financial statements have been restated / reclassified in order to conform to current year presentation.

The adoption of Ind AS has been carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note 1.22.

The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at April 1, 2018 being the 'date of transition to Ind AS'.

B) Functional and presentation currency

The Company's presentation and functional currency is Indian Rupees. All figures appearing in the financial statements are in Indian rupee, unless otherwise indicated.

C) Basis of preparation, presentation and disclosure of financial statements

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Further, Assets and liabilities are classified as per the normal operating cycle (determined at 12 months) and other criteria set out in Schedule III of the Act as applicable to NBFCs / HFCs.

D) Fair value measurement

Fair value is the price that would be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date.

The best estimate of the fair value of a financial instrument on initial recognition is normally the transaction price. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently that difference is recognised in Statement of Profit and Loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

• Level 1 - <u>Valuation using quoted market price in active markets</u>: The fair value for financial instruments traded in active markets at the reporting date is based on their quoted market price, without any deduction for transaction costs. A market is regarded as active, if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

• Level 2 - <u>Valuation using observable inputs</u>: If there is no quoted price in an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates most of the factors that market participants would take into account in pricing a transaction.

• Level 3 - <u>Valuation with significant unobservable inputs</u>: The valuation techniques are used only when fair value cannot be determined by using observable inputs. The Company regularly reviews significant unobservable inputs and valuation adjustments. Level 3 assets are typically very illiquid, and fair values can only be calculated using estimates.

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.

E) Use of judgment and Estimates

The preparation of the financial statements requires the management to make judgments, estimates and assumptions in the application of accounting policies that affects the reported amount of assets, liabilities and the accompanying disclosures along with contingent liabilities as at the date of financial statements and revenue & expenses for the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in outcomes different from the estimates. Difference between actual results and estimates are recognised in the year in which the results are known or materialise i.e. prospectively.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The key areas involving estimation uncertainty, higher degree of judgement or complexity, or areas where assumptions are significant to the financial statements include:
i) Impairment of financial assets
ii) Estimation of fair value measurement of financial assets and liabilities
iii) Effective interest rate
iv) Business model assessment
v) Provisions and Contingencies
vi) Useful life and expected residual value of assets
vii) Tax position for current tax and recognition of deferred tax assets/liabilities
viii) Measurement of Defined Benefit Obligations and actuarial assumptions.
ix) Classification of lease and related discount rate

F) First-time adoption of Ind AS – mandatory exceptions and optional exemptions

Overall Principle:

The Company has prepared the opening balance sheet as per Ind AS as of 1st April 2018 ("the transition date") by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from Previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities.

This principle was not subject to mandatory exceptions or optional exemptions considering the assets and liabilities of the Company.

1.2 Financial Instruments

a) Recognition and initial measurement –

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provision of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction cost directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in Statement of Profit and Loss.

b) Classification and Subsequent measurement of financial assets –

On initial recognition, a financial asset is classified as measured at

- Amortised cost
- FVOCI – debt instruments
- FVOCI – equity instruments
- FVTPL

Amortised cost - The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios being the level at which they are managed. The financial asset is held with the objective to hold financial asset in order to collect contractual cash flows as per the contractual terms that give rise on specified dates to cash flows that are solely payment of principal and interest (SPPI) on the principal amount outstanding. Accordingly, the Company measures Bank balances, Loans, Trade receivables and other financial instruments at amortised cost.

FVOCI - debt instruments - The Company measures its debt instruments at FVOCI when the instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets; and the contractual terms of the financial asset meet the SPPI test.

FVOCI - equity instruments - The Company subsequently measures all equity investments at fair value through profit or loss, unless the Company's management has elected to classify irrevocably some of its equity instruments at FVOCI, when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments and are not held for trading.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

All financial assets not classified as measured at amortised cost or FVOCI are measured at FVTPL. This includes all derivative financial assets.

Subsequent measurement of financial assets

Financial assets at amortised cost are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in Statement of Profit and Loss. Any gain and loss on derecognition is recognised in Statement of Profit and Loss.

Debt investment at FVOCI are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment are recognised in Statement of Profit and Loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to Statement of Profit and Loss.

For equity investments, the Company makes selection on an instrument-by-instrument basis to designate equity investments as measured at FVOCI. These selected investments are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the reserves. The cumulative gain or loss is not reclassified to Statement of Profit and Loss on disposal of the investments. These investments in equity are not held for trading. Instead, they are held for strategic purpose. Dividend income received on such equity investments are recognised in Statement of Profit and Loss.

Equity investments that are not designated as measured at FVOCI are designated as measured at FVTPL and subsequent changes in fair value are recognised in Statement of Profit and Loss.

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in Statement of Profit and Loss.

c) Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all of the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for the amount it may have to pay.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised and the proceeds received are recognised as a collateralised borrowing.

d) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

e) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

f) Impairment of financial instruments

The Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets measured at amortised cost or FVTOCI, except for investments in equity instruments. Company follows a 'three-stage' model for impairment based on changes in credit quality since initial recognition.

Stage 1 (Performing Assets) – includes financial assets that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date. For these assets, 12-month ECL is recognised and interest income is calculated on the gross carrying amount of the assets (that is, without deduction for credit allowance). 12-month ECL are the portion of ECL that results from default events on a financial instrument that are possible within 12 months after the reporting date, if the credit risk has not significantly increased since initial recognition.

Stage 2 (Underperforming Assets with significant increase in credit risk since initial recognition) – includes financial instruments that have had a significant increase in credit risk since initial recognition (unless they have low credit risk at the reporting date) but that do not have objective evidence of impairment. For these assets, lifetime ECL are recognised, but interest income is calculated on the gross carrying amount of the assets. Lifetime ECL are the expected credit losses that result from all possible default events over the expected life of the instrument.

Stage 3 (Non-performing or Credit-impaired assets) – includes financial assets that have objective evidence of impairment at the reporting date. For these assets, lifetime ECL is recognised and interest income is recognised on Net exposure (that is Gross carrying amount less Provision for Expected credit losses).

Measurement of Expected Credit Loss

Expected Credit Losses (ECL) on financial assets is an unbiased probability weighted amount based out of possible outcomes after considering risk of credit loss even if probability is low and incorporate all available information which is relevant to the assessment including information about past events, current conditions and reasonable and supportable forecasts of future events and economic conditions at the reporting date. Measurement of expected credit losses are based on 3 main parameters.

- Probability of default (PD): It is defined as the probability of whether borrowers will default on their obligations in future. Since the company don't have any history of past losses therefore it was not adequate enough to create our own internal model through which actual defaults for each grade could be estimated. Hence, the default study published by one of the recognised rating agency is used for estimating the PDs for each range grade.

- **Loss given default (LGD)**: It is the magnitude of the likely loss, if there is a default. The LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value.

  The default study published by one of the recognised rating agency is used for estimating the LGD for secured and unsecured loans.

- **Exposure at default (EAD):** EAD represents the expected balance at default, taking into account the repayment of principal and interest from the Balance Sheet date to the date of default together with any expected drawdowns of committed facilities.

g) Write offs – The gross carrying amount of a financial asset is written-off (either partially or in full) to the extent that there is no reasonable expectation of recovering the 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 subject to the write-off and when there is no reasonable expectation of recovery from the collaterals held. 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.

h) **Presentation of allowance for ECL in the balance sheet –** Loss allowances for ECL are deducted from the gross carrying amount of financial assets measured at amortised cost.

i) **Financial liabilities and equity instruments**:

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading or it is a derivative (that does not meet hedge accounting requirements) or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of Profit or Loss. Any gain or loss on derecognition is also recognised in Statement of Profit or Loss.

The Company de-recognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss

1.3 Cash and Cash equivalents

Cash and cash equivalents consist of cash in hand, bank balances, demand deposits with banks and other short term deposits which are readily convertible into known amounts of cash, are subject to an insignificant risk of change in value and have original maturities of less than or equal to three months. These balances with banks are unrestricted for withdrawal and usage.

Other bank balances includes balances and deposits with banks that are restricted for withdrawal and usage.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short term deposits.

1.4 Statement of Cash Flow

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:

i. changes during the period in inventories and operating receivables and payables transactions of a non-cash nature;
ii. non-cash items such as depreciation, provisions, deferred taxes, unrealised foreign currency gains and losses, and undistributed profits of associates and joint ventures; and
iii. all other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of Balance Sheet.

1.5 Property, plant and equipment

a) Recognition and Measurement

Tangible property plant and equipment are stated at cost less accumulated depreciation and impairment, if any. The cost of property, plant and equipment comprise purchase price and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-financial assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

An item of PPE is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the assets. Any gain or loss arising on the disposal or retirement of an item of PPE, is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of profit and loss.

The residual values and useful lives and method of depreciation of PPE are reviewed at each financial year end and adjusted prospectively.

b) Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company. Expenditure incurred after the PPE have been put into operations, such as repairs and maintenance expenses are charged to the Statement of Profit and Loss during the period in which they are incurred.

c) Depreciation, estimated useful lives and residual value

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 as prescribed in Part C of Schedule II to the Companies Act 2013. The estimated lives used and differences from the lives prescribed under Schedule II are noted in the table below:-

Type of Assets	Estimated useful life as assessed by the Company	Estimated useful life under Schedule II of the Act
Computers	3 years	3 years
Software and system development	3 years	3 years
Office equipment	5 years	5 years
Motor cars	5 years	8 years
Furniture and fixtures	10 years	10 years
Leasehold improvements	Tenure of lease agreements	Tenure of lease agreements

Depreciation is provided on a pro-rata basis i.e. from the month in which asset is ready for use. Individual assets costing less than or equals to Rs. 5,000 are depreciated in full, in the year of purchase. Depreciation on assets sold during the year is recognised on a pro-rata basis in the Statement of Profit and Loss up to the month prior to the month in which the assets have been disposed off.

Changes in the expected useful life are accounted for by changing the depreciation period or methodology, as appropriate, and treated as changes in accounting estimates.

1.6 Intangible assets

Intangible assets comprises of computer software are capitalised at cost of acquisition including cost attributable to readying the asset for use. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

The useful life of these intangible assets is estimated at 3 years with zero residual value.

Any expenses on such software for support and maintenance payable annually are charged to the statement of profit and loss.

1.7 Impairment of non-financial assets

The carrying values of assets at each balance sheet date are reviewed for impairment, if any indication of impairment exists. If the carrying amount of the assets exceeds the estimated recoverable amount, impairment is recognised for such excess amount in statement of profit and loss. Recoverable amount is the greater of the net selling price and value in use. If at the reporting date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the impairment losses previously recognized are reversed such that the asset is recognised at its recoverable amount but not exceeding written down value which would have been reported if the impairment losses had not been recognised initially.

1.8 Provisions, contingent liabilities and contingent assets

Provisions are recognised only when:

- an entity has a present obligation (legal or constructive) as a result of a past event; and
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation

These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Further, long term provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognised as finance cost. A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

Contingent liability is disclosed in case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and
- a present obligation arising from past events, when no reliable estimate is possible.

Contingent Assets:

Contingent assets are not recognised in the financial statements

1.9 Commitments

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

- estimated amount of contracts remaining to be executed on capital account and not provided for;
- uncalled liability on loans sanctioned, first loss default guarantee on loans, uncalled liability on investments partly paid; and
- other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

1.10 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured and there exists reasonable certainty of its recovery.

a) Recognition of Interest income

Interest income on financial asset at amortised cost is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate ('EIR').The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit- impaired financial assets the interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for ECLs.)

Interest income on penal interest and tax refunds is recognised on receipt basis.

Interest income on fixed deposit is recognised on time proportionate basis.

b) Fee and Commission income

Fee and commission income include fees other than those that are an integral part of EIR. The fees included in the Company's Statement of Profit and Loss include among other things fees charged for servicing a loan, loan advisory fees and documentation charges.

c) Other financial charges

Cheque bouncing charges, late payment charges and foreclosure charges are recognised on a point-in-time basis, and are recorded when realised since the probability of collecting such monies is established when the customer pays.

d) Income from securities

Gains or losses on the sale of securities are recognised in Statement of Profit and Loss on trade date basis as the difference between fair value of the consideration received and carrying amount of the investment securities.

e) Net gain/ Loss on fair value changes

Any differences between the fair values of the financial assets classified as fair value through the profit or loss, held by the Company on the balance sheet date is recognised as an unrealised gain/loss in the Statement of Profit and Loss. In cases there is a net gain in aggregate, the same is recognised in "Net gains on fair value changes" under income and if there is net loss in aggregate, the same is recognised in "Net loss on fair value changes" under expense in the Statement of Profit and Loss.

1.11 Employee benefits

Short term employee benefits

Employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits and are expensed in the period in which the employee renders the related service. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Long Term employee benefits

Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. Long-term employee benefit primarily consists of Leave encashment benefits wherein employees are entitled to accumulate leave subject to certain limits for future encashment/availment. Long-term compensated absences are provided for on the basis of an actuarial valuation at the end of each financial year using Projected Unit Credit (PUC) Method. Actuarial gains/losses, if any, are recognised immediately in the Statement of Profit and Loss

Post-employment benefits

a) Defined contribution Plans

Provident fund: Contributions as required under the statute, made to the Provident Fund (Defined Contribution Plan) are recognised immediately in the statement of profit and loss. There is no obligation other than the monthly contribution payable to the Regional Provident Fund Commissioner.

ESIC and Labour welfare fund: The Company's contribution paid/payable during the year to Employee state insurance scheme and Labour welfare fund are recognised in the Statement of Profit and Loss.

b) Defined benefit Plans

Gratuity liability is defined benefit obligation and is provided on the basis of an actuarial valuation performed by an independent actuary based on projected unit credit method, at the end of each financial year.

Defined benefit costs are categorised as follows:

i) Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements)
ii) Net interest expense or income
iii) Re-measurement

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI, net of taxes. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in statement of profit and loss.

The Company's net obligation in respect of gratuity (defined benefit plan), is calculated by estimating the amount of future benefit that the employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The retirement benefit obligation recognised in the Balance Sheet represents the actual deficit or surplus in the company's defined benefit plans. Any surplus resulting from this calculation is recognised as an asset to the extent of present value of any economic benefits available in the form of refunds from the plans or reductions in the future contribution to the plans.

Share based Payments

Equity-settled share-based payments to employees are recognised as an expense at the fair value of equity stock options at the grant date. The fair value of the options is treated as discount and accounted as employee compensation cost over the vesting period on a straight-line basis. The amount recognised as expense in each year is arrived at based on the number of grants expected to vest. If a grant lapses after the vesting period, the cumulative discount recognised as expense in respect of such grant is transferred to the general reserve within equity.

1.12 Finance cost

Finance costs include interest expense computed by applying the effective interest rate on respective financial instruments measured at amortised cost. Financial instruments include bank term loans. Finance costs are charged to the Statement of Profit and Loss. Ancillary and other borrowing costs are amortised on straight line basis over the tenure of the underlying loan.

1.13 Leases

The Company has adopted Ind AS 116 'Leases' with the date of initial application being April 1, 2019.The Company's lease asset classes primarily consist of leases for Premises. The Company, at the inception of a contract, assesses whether the contract is a lease or not lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. This policy has been applied to contracts existing and entered into on or after April 1, 2018.

The Company evaluates each contract or arrangement, whether it qualifies as lease as defined under Ind AS 116.

The Company as a lessee

The Company assesses, whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract involves–

a) the use of an identified asset,

b) the right to obtain substantially all the economic benefits from use of the identified asset, and

c) the right to direct the use of the identified asset.

The Company at the inception of the lease contract recognises a Right-of-Use (RoU) asset at cost and a corresponding lease liability, for all lease arrangements in which it is a lessee, except for leases with term of less than twelve months (short term) and low-value assets (assets of less than Rs.10 lakhs in value).

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

The cost of the ROU comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease plus any initial direct costs, less any lease incentives received. Subsequently, the ROU is measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The ROU is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of ROU.

ROU are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

For lease liabilities at inception, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate is readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate.

The Company recognises the amount of the re-measurement of lease liability as an adjustment to the ROU. Where the carrying amount of the ROU is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in the Statement of Profit and Loss.

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

Lease liability has been presented in Note 13 “Other Financial Liabilities” and ROU asset has been presented in Note 9B “Right of Use assets” and lease payments have been classified as cash flows from financing activities.

1.14 Share issue expenses

Expenses incurred in connection with fresh issue of Share capital are adjusted against Securities premium account in accordance with the provisions of Section 52 of the Companies Act, 2013 and Ind AS.

1.15 Collateral

To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible. The collateral comes in various forms, such as securities, letter of credit/guarantees, receivables, inventories, other non-financial assets and credit enhancements such as netting arrangements.

The Company provides fully secured, partially secured and unsecured loans to individuals and Corporates.

1.16 Income Tax

Income tax expense represents the sum of the tax currently payable and deferred tax. Current and deferred tax are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Current Tax

The Current tax is based on the taxable profit for the year of the Company. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current tax is calculated using applicable tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Company's financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Company is able to control the reversal of temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

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

Tax assets and tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off tax assets against tax liabilities.

Minimum Alternate Tax (MAT) credit entitlement (i.e. excess of amount of MAT paid for a year over normal tax liability for that year) eligible for set-off in subsequent years is recognised as an asset in accordance with Ind AS 12, Income Taxes, if there is convincing evidence of its realisation.

MAT credit is created by way of a credit to the Statement of Profit and Loss. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income-tax during the specified period.

1.17 Earnings per share

Basic earnings per share is computed by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) 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 period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

1.18 Segment reporting

The company is predominantly engaged in Lending business, whose revenue and operating income are reviewed regularly by Chief Operating Decision Maker. As such there are no separate reportable segments as per Ind-AS 108

1.19 Dividend distribution to equity holders of the Company

The Company recognises a liability to make distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the Act, final dividend is authorised when it is approved by the shareholders and interim dividend is authorised when it is approved by the Board of Directors of the Company.

1.20 Goods and Services Input Tax Credit

Goods and Services tax input credit is accounted for in the books in the period in which the supply of goods or service received is accounted and when there is no uncertainty in availing/utilising the credits.

1.21 Operating cycle for current and non-current classification

Based on the nature of activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

1.22. Ind AS 101 - First Time adoption of Indian Accounting Standards:

The Company has transitioned its basis of accounting to Ind AS from Previous GAAP (the erstwhile Accounting Standards notified under the Act, read with relevant rules issued thereunder). These are the Company's first financial statements prepared in accordance with Ind AS. The Company has adopted all the Ind AS and the adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards. Accordingly, the Significant Accounting Policies set out in Note No 1, have been applied consistently to all the periods presented in the financial statements, including comparative information presented in the financial statements for the year ended March 31, 2019 and the opening Ind AS Balance Sheet as at April 1, 2018.

In preparing these Ind AS Financial Statements the Company was not subject to availment of any exemptions or exceptions. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and Previous GAAP have been recognised directly in equity (retained earnings or another appropriate category of equity). This note explains the adjustments made by the Company in restating its Previous GAAP financial statements, including the Balance Sheet as at April 1, 2018 and the subsequent financial statements.

<u>Transition to Ind AS - Reconciliations</u>

Reconciliation of Equity:

	Particulars	As at March 31, 2019	As at April 1, 2018
	Total Equity as per IGAAP	**35,57,50,935**	**14,85,28,692**
	Adjustment made during the transition to IND AS		
a)	Ind as 116 Adjustment (Refer Note ii & iii)	(5,86,114)	-
b)	ECL Adjustment on Financial instruments measured at Amortized cost (Refer Note i)	(1,29,000)	-
	DTA on the above adjustment	(8,67,203)	-
	Total Impact due to Ind AS Transition	(15,82,317)	-
	Total Equity as per Ind AS	**35,41,68,618**	**14,85,28,692**

Reconciliation of Statement of Profit and loss for the year ended March 31, 2019

	Particulars	Amount
	Loss after Tax as per IGAAP	**(4,27,77,757)**
	Adjustment made during the transition to IND AS	
a)	ECL Adjustment on Financial instruments measured at Amortized cost (Refer Note i)	(1,29,000)
b)	ESOP Fair value adjustment (Refer Note iv)	(20,99,914)
c)	Ìnd as 116 Adjustment (Refer Note ii & iii)	(5,86,114)
d)	DTA on the above adjustment	(8,67,202)
	Loss after tax as per Ind AS (Before Other Comprehensive income)	**(4,64,59,987)**
	Other Comprehensive Income (Net of Tax)	-
	Total Comprehensive Loss as per Ind AS	**(4,64,59,987)**

Statement of reconciliation of cash flow statement under Ind AS and cash flow statement reported under Previous GAAP for the year ended March 31, 2019

Particulars	Previous GAAP	Adjustment	Ind AS
Net cash used in operating activities (A) (Refer Note:iii)	(10,35,90,569)	(26,77,039)	(10,09,13,530)
Net cash used in investing activities (B)	(15,25,18,505)	-	(15,25,18,505)
Net cash generated from financing activities (C) (Refer Note:iii)	25,00,00,000	26,77,039	24,73,22,961
Net increase in cash and cash equivalents (A+B+C)	(61,09,074)	-	(61,09,074)
Cash and cash equivalents at beginning of the year	5,09,59,275	-	5,09,59,275
Cash and cash equivalents at the end of the year	**4,48,50,201**	-	**4,48,50,201**

1.22. Ind AS 101 - First Time adoption of Indian Accounting Standards:

Notes:

i) Expected credit loss (ECL) :

Previous GAAP provisions for credit losses were primarily based on NHB guidelines. Under Ind AS, the ECL allowance is based on the credit losses expected to arise from all possible default events over the expected life of the financial assets ('life time ECL'), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12-month ECL.

ii) Security deposits :

Previous GAAP did not require recognition of the time value of money of financial instruments at initial recognition. Under Ind AS, the Company records security deposits provided to landlords at amortised costs, with corresponding adjustments to interest expense and depreciation.

iii) Lease Rent :

Previous GAAP as well as Ind AS 17 require to classify lease as finance lease and operating lease and for operating leases, lessee is required to recognise the lease payments as an expense (Lease rent) on a straight line basis.

Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use of the underlying leased asset and a lease liability representing its obligation to make lease

Under Ind AS 116, a lessee measures right-of-use assets similarly to other non-financial assets (such as property, plant and equipment) and lease liabilities similarly to other financial liabilities. As a consequence, a lessee recognises depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows applying Ind AS 7, Statement of Cash Flows.

iv) Share-based payment transactions :

Under Previous GAAP, the Company recorded its ESOP grants at intrinsic value while under Ind AS, the grants are recorded at fair value.

v) Ind AS 101 exemptions :

The Company was not subject to Ind 101 principle with respect to mandatory exceptions or optional exemptions considering the assets and liabilities.

vi) Cash flow statement :

There are no significant differences in the principles used for presenting cash flows between the previous GAAP and Ind AS.

Capital India Home Loans Limited
Notes to Ind AS Financial Statements for the year ended March 31, 2020
(All figures are in rupees, except otherwise stated)

Note 2. Cash and cash equivalents

	Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
a)	Cash on hand	17,251	-	-
b)	Balances with Bank			
	- in current accounts	17,41,749	2,48,50,201	29,59,275
	- in fixed deposits with original maturity less than 3 months	-	2,00,00,000	4,80,00,000
	Total (a+b)	17,59,000	4,48,50,201	5,09,59,275

Note 3. Bank Balances other than cash and cash equivalents

	Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
	Fixed deposits with bank with original maturity of more than 3 months	1,11,00,000	4,57,25,894	10,00,00,000
	Total	1,11,00,000	4,57,25,894	10,00,00,000

Capital India Home Loans Limited
Notes to Ind AS Financial Statements for the year ended March 31, 2020
(All figures are in rupees, except otherwise stated)

Note 4. Loans

	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Term Loans in India - at amortised cost			
Others			
(i) Secured by tangible assets	62,19,73,207	4,34,82,735	-
(ii) Unsecured	8,29,12,865	9,37,091	-
Gross	**70,48,86,072**	**4,44,19,826**	-
Less: Impairment loss allowance	45,00,000	2,50,000	-
Total	**70,03,86,072**	**4,41,69,826**	-
(I) Loans In India			
(i) Public Sectors			
(ii)Others	70,48,86,072	4,44,19,826	-
Gross	**70,48,86,072**	**4,44,19,826**	-
Less: Impairment loss allowance	45,00,000	2,50,000	-
Net	70,03,86,072	4,41,69,826	-
(II) Loans Outside India			
Loans Outside India	-	-	-
Less: Impairment loss allowance	-	-	-
Net	-	-	-
Total	**70,03,86,072**	**4,41,69,826**	-

Note:
All loans and impairment provision are for Stage 1. There were no transfers to stage 2 or 3 or vice-versa.

Capital India Home Loans Limited
Notes to Ind AS Financial Statements for the year ended March 31, 2020
(All figures are in rupees, except otherwise stated)

Note 5. Investments

	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Fair value through profit and loss account			
In India:			
Liquid mutual fund units	8,63,41,078	18,50,52,870	-
Total	8,63,41,078	18,50,52,870	-

Note 6. Other Financial assets

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Other financial assets			
Interest accrued but not due on loans	55,87,335	1,26,966	-
Interest accrued but not due on Fixed Deposits	1,87,258	4,27,586	5,44,234
Security deposits	90,98,024	98,97,494	-
Advance given to staff	1,40,000	1,05,820	-
	1,50,12,617	1,05,57,866	5,44,234

Note 7. Current tax assets (Net)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Current tax assets:			
Advance tax and tax deducted at source			
(Net of provision for tax CY - Nil (PY - Nil))	28,47,840	20,97,124	3,36,964
Total	28,47,840	20,97,124	3,36,964

Note 8. Deferred tax assets (Net)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Deferred Tax Asset/(Liabilities) Net			
Deferred Tax Asset			
Impairment of Financial Assets	11,32,650	65,000	-
Accumulated loss	-	-	2,04,860
Preliminary expenses	1,49,257	2,31,268	3,05,392
Provision for employee benefits	18,77,405	9,62,417	-
Amortization adjustments on Lease deposits	3,02,055	52,148	-
Ind AS 116 adjustment	11,57,453	1,45,730	-
Deferred Tax Liabilities			
Depreciation	4,34,398	(58,346)	-
Unrealised gain on MF	(1,99,670)	(5,70,479)	-
Interest adjustments on Lease deposits	(2,73,713)	(45,488)	-
Deferred Tax Asset/(Liabilities) Net	45,79,835	7,82,250	5,10,252
Movement in Net deferred tax Asset during the year	37,97,585	2,71,998	

Note:

Break up of movement in net deferred tax assets			
Routed through Profit & Loss	39,13,511	2,71,998	-
Routed through other comprehensive income	(1,15,926)	-	-
Total	37,97,585	2,71,998	-

Capital India Home Loans Limited
Notes to Ind AS Financial Statements for the year ended March 31, 2020
(All figures are in rupees, except otherwise stated)

Note 9. Property, Plant and Equipment

	As at March 31, 2020					
	Furniture & Fixtures	Vehicles	Office Equipments	Leasehold improvements	Computer & printers	Total
At cost at the beginning of the year	41,84,777	36,05,776	35,45,714	76,76,629	20,28,298	2,10,41,194
Additions	63,55,403	-	64,23,019	1,42,97,308	7,59,825	2,78,35,555
Disposals	-	-	43,611	-	74,603	1,18,214
At cost at the end of the year	1,05,40,180	36,05,776	99,25,122	2,19,73,937	27,13,520	4,87,58,535
Accumulated depreciation and impairment as at the beginning of the year	93,537	6,07,124	3,52,646	3,52,880	4,06,292	18,12,479
Depreciation for the year	9,87,617	7,21,155	19,10,357	36,23,758	7,96,366	80,39,253
Disposals	-	-	3,479	-	24,888	28,367
Accumulated depreciation and impairment as at the end of the year	10,81,154	13,28,279	22,59,524	39,76,638	11,77,770	98,23,365
Net carrying amount as at the end of the year	94,59,026	22,77,497	76,65,598	1,79,97,299	15,35,750	3,89,35,170

	As at March 31, 2019					
	Furniture & Fixtures	Vehicles	Office Equipments	Leasehold improvements	Computer & printers	Total
At cost at the beginning of the year	-	-	-	-	-	-
Additions	41,84,777	36,05,776	35,45,714	76,76,629	21,89,364	2,12,02,260
Disposals	-	-			1,61,066	1,61,066
At cost at the end of the year	41,84,777	36,05,776	35,45,714	76,76,629	20,28,298	2,10,41,194
Accumulated depreciation and impairment as at the beginning of the year	-	-	-	-	-	-
Depreciation for the year	93,537	6,07,124	3,52,646	3,52,880	4,18,248	18,24,435
Disposals	-	-			11,956	11,956
Accumulated depreciation and impairment as at the end of the year	93,537	6,07,124	3,52,646	3,52,880	4,06,292	18,12,479
Net carrying amount as at the end of the year	40,91,240	29,98,652	31,93,068	73,23,749	16,22,006	1,92,28,715

	As at April 1, 2018					
	Furniture & Fixtures	Vehicles	Office Equipments	Leasehold improvements	Computer & printers	Total
At cost at the beginning of the year	-	-	-	-	-	-
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
At cost at the end of the year	-	-	-	-	-	-
Accumulated depreciation and impairment as at the beginning of the year	-	-	-	-	-	-
Depreciation 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	-	-	-	-	-	-

Capital India Home Loans Limited
Notes to Ind AS Financial Statements for the year ended March 31, 2020
(All figures are in rupees, except otherwise stated)

Note 9A. Other intangible assets

	As at March 31, 2020		
	Computer softwares	Other Intangible assets	Total
At cost, beginning of the year	16,786	-	16,786
Additions	32,70,000		32,70,000
Total cost	**32,86,786**	**-**	**32,86,786**
Accumulated amortization and impairment:			
At beginning of the year	2,943	-	2,943
Amortization for the year	3,68,892		3,68,892
Total amortization and impairment	**3,71,835**	**-**	**3,71,835**
Net carrying amount	**29,14,951**	**-**	**29,14,951**

	As at March 31, 2019		
	Computer softwares	Other Intangible assets	Total
At cost, beginning of the year	-	-	-
Additions	16,786	-	16,786
Total cost	**16,786**	**-**	**16,786**
Accumulated amortization and impairment:			
At beginning of the year	-	-	-
Amortization for the year	2,943	-	2,943
Total amortization and impairment	**2,943**	**-**	**2,943**
Net carrying amount	**13,843**	**-**	**13,843**

	As at April 1, 2018		
	Computer softwares	Other Intangible assets	Total
At cost, beginning of the year	-	-	-
Additions	-	-	-
Total cost	**-**	**-**	**-**
Accumulated amortization and impairment:			
At beginning of the year	-	-	-
Amortization for the year	-	-	-
Total amortization and impairment	**-**	**-**	**-**
Net carrying amount	**-**	**-**	**-**

Capital India Home Loans Limited
Notes to Ind AS Financial Statements for the year ended March 31, 2020
(All figures are in rupees, except otherwise stated)

Note 9B. Right of Use assets

	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Particulars	Premises		
Gross Carrying value	3,72,01,204	3,72,01,204	-
Additions	6,60,11,023	-	-
Total Gross carrying value	10,32,12,227	3,72,01,204	-
Accumulated amortization and impairment:			
At beginning of the year	22,67,410	-	-
Amortization for the year	1,97,98,841	22,67,410	-
Total amortization and impairment	2,20,66,251	22,67,410	-
Net carrying amount	8,11,45,976	3,49,33,794	-

Note 10. Other non-financial assets

	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Other non-financial assets			
Prepaid Expenses	16,48,833	9,58,134	-
Advances given	2,78,475	7,31,373	-
GST Input Credit	64,13,199	24,42,480	3,11,832
Unamortised Borrowing costs	3,06,978	-	-
	86,47,485	41,31,987	3,11,832

Note 11. Payables

	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises	-	28,180	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	45,35,568	33,68,265	40,60,569
Other payables			
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-
	45,35,568	33,96,445	40,60,569

Note: Details of dues to Micro, Small and Medium Enterprises

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
The Principal amount remaining unpaid at the end of the year	-	28,180	-
The Interest amount remaining unpaid at the end of the year	-	-	-
Balance of MSME parties at the end of the year	-	28,180	-

No interest has been paid/is payable by the Company during/for the year to these ‘Suppliers’. The above information takes into account only those suppliers who have submitted their registration details or has responded to the inquiries made by the Company for this purpose. This has been relied upon by the Auditors.

Capital India Home Loans Limited
Notes to Ind AS Financial Statements for the year ended March 31, 2020
(All figures are in rupees, except otherwise stated)

Note 12. Borrowings

	As at March 31, 2020			
	At Amortised Cost	At Fair Value Through profit and loss	Designated at fair value through profit or loss	Total
	1	2	3	(4)=(1)+(2)+(3)
Term loans (Refer Note)				
(i)from banks	-	-	-	-
(ii)from other parties	5,41,20,123			5,41,20,123
Total	5,41,20,123	-	-	5,41,20,123
Borrowings in India	5,41,20,123			5,41,20,123
Borrowings outside India	-	-	-	-
Total	5,41,20,123	-	-	5,41,20,123

Note:
i) Security details:

Particulars	Outstanding Amount	Secured by	Interest Rate	Terms of repayment
UGRO Capital Limited	4,81,60,026	i) Hypothecation of Loan Book	12.75%	Equated Monthly Instalments (23 Instalments outstanding)
Ambit Finvest Private Limited	59,60,097	i) Hypothecation of Loan Book ii) Corporate Guarantee given by Parent Company	12.50%	Equated Monthly Instalments (7 Instalments outstanding)
	5,41,20,123			

ii) The Company has not defaulted in repayment of principal and interest during the year.

	As at March 31, 2019			
	At Amortised Cost	At Fair Value Through profit and loss	Designated at fair value through profit or loss	Total
	1	2	3	(4)=(1)+(2)+(3)
Term loans				
(i)from banks	-	-	-	-
(ii)from other parties	-	-	-	-
Total	-	-	-	-
Borrowings in India	-	-	-	-
Borrowings outside India	-	-	-	-
Total	-	-	-	-

	As at April 01, 2018			
	At Amortised Cost	At Fair Value Through profit and loss	Designated at fair value through profit or loss	Total
	1	2	3	(4)=(1)+(2)+(3)
Term loans				
(i)from banks	-	-	-	-
(ii)from other parties	-	-	-	-
Total	-	-	-	-
Borrowings in India	-	-	-	-
Borrowings outside India				
Total	-	-	-	-

Note 13. Other financial liabilities

	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Other financial liabilities			
Interest accrued but not due on borrowings	4,31,346	-	-
Advance received from customer	1,18,69,195	-	-
Lease liability	8,60,52,178	3,48,00,198	-
Creditors for capital goods	-	14,06,691	-
	9,83,52,719	3,62,06,889	-

Note 14. Provisions

	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Provision for employee benefits			
Provision for Gratuity	14,11,281	7,43,179	-
Provision for compensated absence	14,50,929	8,58,512	-
Provision for performance bonus	72,00,000	60,00,000	-
	1,00,62,210	76,01,691	-

Note 15. Other non financial liabilities

	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Unamortised processing fee income	17,07,396	49,966	-
Statutory dues payable	14,83,654	18,94,451	73,296
	31,91,050	19,44,417	73,296

Capital India Home Loans Limited
Notes to Ind AS Financial Statements for the year ended March 31, 2020
(All figures are in rupees, except otherwise stated)

Note 16. Equity share capital

	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
Authorised share capital	Number	Amount	Number	Amount	Number	Amount
Equity shares of Rs.10 each	15,00,00,000	1,50,00,00,000	15,00,00,000	1,50,00,00,000	1,50,00,000	1,50,00,00,000
	15,00,00,000	1,50,00,00,000	15,00,00,000	1,50,00,00,000	1,50,00,000	1,50,00,00,000

Issued, Subscribed and paid up Capital	Amount
Balance at April 1, 2018	15,00,00,000
Changes in equity share capital during the year	25,00,00,000
Balance at March 31, 2019	40,00,00,000
Changes in equity share capital during the year	50,02,50,000
Balance at March 31, 2020	90,02,50,000

a. Terms and rights attached to fully paid up equity shares:

The Company has only one type of equity shares having par value of Rs. 10 each. All shares rank pari passu with respect to dividend, voting rights and other terms. Each shareholder is entitled to one vote per share. The dividend proposed, if any, by the Board of Directors is subject to approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend. The repayment of equity share capital in the event of liquidation and buy back of shares are possible subject to prevalent regulations. In the event of liquidation, normally the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their holdings.

b. Shares in the Company held by each shareholder holding more than 5% shares

	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
	Number	%	Number	%	Number	%
Equity shares of Rs. 10 each						
Capital India Finance Limited (Holding Company) and its nominees	9,00,00,000	99.97%	4,00,00,000	100.00%	1,50,00,000	100.00%
Deepak Vaswan (pursuant to employee stock option)	25,000	0.03%	-	-	-	-
Total	9,00,25,000	100.00%	4,00,00,000	100.00%	1,50,00,000	100.00%

Note 17. Other equity

	Employee stock option outstanding	Reserves and Surplus			Total
		Other Comprehensive income	Securities Premium	Retained Earnings	
Balance as at April 1, 2018	-	-	-	(14,71,308)	(14,71,308)
Restated balance at the beginning of the reporting period	-	-	-	(14,71,308)	(14,71,308)
Other Additions/Deductions during the year	20,99,913	-	-		20,99,913
Loss for the year after income tax	-	-	-	(4,64,59,987)	(4,64,59,987)
Other Comprehensive Income for the year before income tax	-	-	-	-	-
Less: Income Tax on Other Comprehensive Income	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-
Balance as at March 31, 2019	20,99,913	-	-	(4,79,31,295)	(4,58,31,382)
Changes in accounting policy/prior period errors					
Transfer to Securities Premium	(7,500)	-	7,500	-	-
Other Additions/Deductions during the year	25,04,278	-	-	-	25,04,278
Loss for the year after tax	-	-	-	(7,38,59,190)	(7,38,59,190)
Other Comprehensive Income for the year before income tax	-	4,60,574	-	-	4,60,574
Less: Deferred Tax on Other Comprehensive Income	-	(1,15,926)	-	-	(1,15,926)
Balance as at March 31, 2020	45,96,691	3,44,648	7,500	(12,17,90,485)	(11,68,41,646)

Note:
i) Securities premium represents premium received on Esops issued, which can be utilised only in accordance with the provisions of the Companies Act, 2013 for specified purposes.
ii) Stock options outstanding account relates to the stock options granted by the Company to employees under the CIHL EMPLOYEE STOCK OPTION PLAN 2018
iii) Retained earnings represents profits/(loss) that the Company earned/incurred till date, less any transfers to Reserve, Dividends and other distributions paid to the shareholders.

Capital India Home Loans Limited
Notes to Ind AS Financial Statements for the year ended March 31, 2020
(All figures are in rupees, except otherwise stated)

Note 18. Interest income

Particulars	Year Ended March 31, 2020			Year Ended March 31, 2019		
	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	Interest Income on Securities classified at fair value through profit or loss	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	Interest Income on Securities classified at fair value through profit or loss
Interest on Loans	-	4,48,24,230	-	-	1,26,969	-
Interest on deposits with Banks	-	6,67,176	-	-	73,86,397	-
Other interest income	-	9,12,503	-	-	1,74,955	-
Total	-	4,64,03,909	-	-	76,88,321	-

Note 19. Net gain/ (loss) on fair value changes

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Net gain/ (loss) on financial instruments at fair value		
On trading portfolio		
- Investments	84,34,473	33,52,870
Total Net gain/(loss) on fair value changes	-	-
Fair Value changes:		
Realised	76,41,186	11,58,721
Unrealised	7,93,287	21,94,149

*Fair value changes in this schedule are other than those arising on account of interest income/expense

Note 20. Other income

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Sub-lease income	29,80,790	-
Misc income	54,158	-
Total	30,34,948	-

Note 21. Finance costs

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Interest on borrowings	22,42,643	-
Interest on Lease liability	1,02,55,853	13,07,535
Other borrowing costs	1,85,700	-
Total	1,26,84,196	13,07,535

Note 22A. Impairment of financial assets

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
	On Financial instruments measured at Amortised Cost	On Financial instruments measured at Amortised Cost
On Loans	42,50,000	2,50,000 -
Total	**42,50,000**	**2,50,000**

Note 22B. Loss on derecognition on financial assets

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
	On Financial instruments measured at Amortised Cost	On Financial instruments measured at Amortised Cost
On Receivables	1,30,00,000	-
Total	**1,30,00,000**	**-**

Note 23. Employee benefits expenses

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Salaries and wages including bonus	7,03,49,952	4,27,29,056
Contribution to provident and other funds	38,39,916	23,81,849
Share Based Payments to employees	25,04,277	20,99,913
Staff welfare expenses	8,17,993	3,10,067
Total	**7,75,12,138**	**4,75,20,885**

Note 24. Other expenses

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Rent	3,90,083	39,91,002
Rates & taxes	9,80,298	1,25,35,004
Repairs & maintenance - others	16,34,684	18,82,653
Office expenses	22,39,060	3,90,624
Electricity charges	11,71,121	3,02,945
Communication expenses	11,62,381	2,84,786
Printing & stationery	3,58,133	4,85,495
Travelling & conveyance	16,81,149	10,96,337
Business Promotion expenses	3,62,125	2,09,278
Auditors remuneration (Refer foot note below)	15,91,250	9,70,250
Legal & professional charges	52,99,020	15,91,975
Directors sitting fees	5,45,000	-
Commission & brokerage expenses	40,56,653	8,86,292
Facilitation Fees	4,44,340	-
Miscellaneous expenses	3,12,040	5,28,361
Total	**2,22,27,337**	**2,51,55,002**

Remuneration to Statutory Auditors

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Payment to auditors		
a) Statutory Audit Fees	10,00,000	5,00,000
b) Taxation matters (Tax Audit Fees)	1,00,000	1,00,000
c) Certification Fees & Other services	3,00,000	3,50,000
d) Taxes on above	1,91,250	20,250
Total	**15,91,250**	**9,70,250**

Note 25. Basic and Diluted Earnings per share [EPS] computed in accordance with Indian Accounting Standard (Ind AS) 33 "Earnings per Share'':

Particulars		For the year ended March 31, 2020	For the year ended March 31, 2019
Basic			
Loss after tax	A	(7,38,59,190)	(4,64,59,987)
Weighted average number of equity shares outstanding	B	6,32,26,986	1,83,56,164
Basic earning per share (Rs)	A/B	(1.17)	(2.53)
Diluted			
Loss after tax	A	(7,38,59,190)	(4,64,59,987)
Weighted average number of equity shares outstanding	B	6,32,26,986	1,83,56,164
Add: Weighted average number of potential equity shares on account of employee stock options	C	-	-
Weighted average number of shares outstanding for diluted EPS	D=B+C	6,32,26,986	1,83,56,164
Diluted earning per share (before and after extraordinary items) (Rs)	A/D	(1.17)	(2.53)
Face value of shares (Rs)		10.00	10.00

Note: Impact of potential equity share on account of employee stock options is anti-dilutive.

Capital India Home Loans Limited
Notes to Ind AS Financial Statements for the year ended March 31, 2020
(All figures are in rupees, except otherwise stated)

Note 26. Contingent Liabilities and Commitments

S.N.	Particulars	March 31, 2020	March 31, 2019	April 1, 2018
	Contingent liabilities			
1	Claims against the Company not acknowledged as debt	-	-	-
2	Guarantees			
	FLDG guarantee given (net of provision)	21,98,779	-	-
	Total (a)	21,98,779	-	-
	Commitments			
1	Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for	1,07,800	1,30,27,923	-
2	Undrawn committed sanctions to borrowers	6,81,45,493	2,11,00,342	-
	Total (b)	6,82,53,293	3,41,28,265	-
	Total (c=a+b)	7,04,52,072	3,41,28,265	-

Note 27. Related party disclosures

Name of the related party	Nature of relationship
Capital India Finance Limited	Holding Company
Rapipay Fintech Private Limited (w.e.f. September 20, 2019	Fellow Subsidiary *
Key Management Personnel:	
Mr. Keshav Porwal	Director
Mr. Vineet Kumar Saxena	Whole Time Director and Chief Executive Officer
Mr. Amit Sahai Kulshreshtha	Managing Director **
Mr. Yogendra Pal Singh	Independent director
Mr. Vinod Somani	Independent director

* Related party and their relationships are reported only where the Company has transaction with those parties during the year / previous year.
** The Designation of Mr. Amit Sahai Kulshreshtha is changed from Managing Director to Non- Executive Director with effect from April 21, 2020.

Details of transactions with related party:

Related party	Nature of transaction	March 31, 2020	March 31, 2019
Capital India Finance Limited	Sub-lease income	28,03,790	-
	Recovery of expenses	1,77,486	89,52,732
Rapipay Fintech Private Limited	Sub-lease income	1,77,000	-
	Recovery of expenses	16,225	
Mr. Vineet Kumar Saxena	Remuneration*	1,67,64,000	1,24,68,171
Mr. Yogendra Pal Singh	Director sitting fees paid	2,50,000	-
Mr. Vinod Somani	Director sitting fees paid	2,50,000	-

* excludes amounts pertaining to gratuity and compensated absences, which are actuarially valued at the Company level.

Balances:

Related party	Nature of transaction	March 31, 2020	March 31, 2019	April 1, 2018
Transactions:				
Capital India Finance Limited	Payable	-	14,98,961	40,24,569

Note 28. Disclosure Pursuant to Ind AS 116 "Leases":

The Company has adopted Ind AS 116 'Leases' with the date of initial application being April 1, 2019. Ind AS 116 replaces Ind AS 17 – Leases and related interpretation and guidance.

The Company has applied Ind AS 116 using the full retrospective approach, and accordingly the comparative information relating to prior years has been restated.

In adopting Ind AS 116, the Company has applied the below practical expedients:
i) The Company has applied a single discount rate to a portfolio of leases with reasonably similar characteristics.
ii) The Company has not applied the requirements of Ind AS 116 for leases of low value assets (assets of less than Rs.10 Lakhs in value).
iii) The Company has excluded the initial direct costs from measurement of the right-of-use asset at the date of transition.
iv) The Company has used hindsight, in determining the lease term if the contract contains options to extend or terminate the lease.

Impact of adoption of Ind AS 116 on Balance sheet

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Right of use assets	8,11,45,976	3,49,33,794	-
Lease liabilities	8,60,52,178	3,48,00,198	-
Derecognition of Lease equalisation reserve	21,11,326	1,42,183	-

Impact of adoption of Ind AS 116 on Statement of Profit and Loss

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Depreciation on Right of use assets	1,87,99,350	20,66,840
Interest cost on Lease liability	1,02,55,853	13,07,535
Interest Income on Lease Deposits	(9,12,503)	(1,74,955)
Derecognition of Rent	(2,50,17,066)	(28,19,223)
Impact on the Statement of Profit and Loss for the year	31,25,634	3,80,197

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Rent expenses on Short-term lease debited to Statement of Profit and Loss	3,90,083	39,91,002

Impact of adoption of Ind AS 116 on Statement of Cash flows

The adoption of Ind AS 116 resulted in Increase in operating cash flows and Decrease in financing cash flows by Rs.23,047,924/- (March 31, 2019 - Rs.2,677,040) as repayment of the lease liabilities and related interest will be classified as cash flow from financing activities.

Maturity analysis of Lease Liabilities:

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Not later than 1 year	1,53,90,644	44,21,615	-
Later than 1 year and not later than 5 years	7,06,61,534	2,63,58,946	-
Later than 5 years	-	40,19,637	-
Total	**8,60,52,178**	**3,48,00,198**	**-**

The Company does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Company's treasury function.

There are no future expected cash outflows to which the Company is potentially exposed.

Note 29. Employee Stock Option Plan

a) In the extraordinary general meeting held on 8 August 2018, the shareholders approved the issue of 12,500,000 options under the Scheme titled “CIHL EMPLOYEE STOCK OPTION PLAN 2018” (ESOP SCHEME).

The ESOP Scheme allows the issue of options to employees of the Company and its Holding Company (whether in India or abroad). Each option comprises one underlying equity share.

As per the ESOP Scheme, the Board / Nomination & Remuneration Committee ("NRC") grants the options to the employees deemed eligible. The Exercise Price for the Options shall be determined by the Board / NRC which shall not be less than the face value of the Shares of the Company as on date of Grant. The options granted vest not earlier than minimum period of 1 (One) year and not later than maximum period of 5 (Five) years from the date of Grant. The Board / NRC at its discretion may grant Options specifying Vesting Period ranging from minimum and maximum period as afore-stated. The Exercise Period in respect of Vested Options shall be period as specified in the Grant Letter, which period shall not be more than 5 (Five) years from the date of Vesting of Options.

Method used for accounting for shared based payment plan.

The Company uses fair value to account for the compensation cost of stock options to employees of the Company.

Movement in the options outstanding under the Employees Stock Option Plan for the year ended 31 March 2020

Particulars	Options (Numbers)	Weighted average exercise price per option (Rs.)
Option outstanding at the beginning of the year	82,55,000	10
Granted during the year	50,000	10
Vested during the year	33,02,000	10
Exercised during the year	25,000	10
Lapsed during the year	-	-
Options outstanding at the end of the year	82,80,000	10
Options available for grant	41,95,000	10

Weighted average remaining contractual life for options outstanding as at 31 March 2020 is 4 months.

Movement in the options outstanding under the Employees Stock Option Plan for the year ended 31 March 2019

Particulars	Options (Numbers)	Weighted average exercise price per option (Rs.)
Option outstanding at the beginning of the year	-	-
Granted during the year	82,55,000	10
Vested during the year	-	-
Exercised during the year	-	-
Lapsed during the year	-	-
Options outstanding at the end of the year	82,55,000	10
Options available for grant	42,45,000	10

Weighted average remaining contractual life for options outstanding as at 31 March 2019 is 1 year and 4 months.

The fair value of the options has been determined under the Black-Scholes model. The assumptions used in this model for calculating fair value are as below:

Assumptions	As at 31st March 2020	As at 31st March 2019
Risk-free interest rate	6.6% to 7.2%	6.6% to 7.2%
Expected life of the option	1 year to 4 years	1 year to 4 years
Expected annual volatility of shares	13% to 16.7%	13% to 16.7%
Fair value of the share at the time of option grant (Rs.)	8.96	8.96
Expected dividend yield	0.00%	0.00%

During the year ended March 31, 2020, the Company recorded an employee stock compensation expense of Rs.2,504,277/- (March 31, 2019 Rs.2,099,913/-) in the Statement of Profit and Loss.

Capital India Home Loans Limited
Notes to Ind AS Financial Statements for the year ended March 31, 2020
(All figures are in rupees, except otherwise stated)

Note 30. Financial Instruments

i) Accounting classification and fair values
The following table shows the carrying amounts and fair values of financial instruments including their levels in the fair value hierarchy. The company has disclosed financial instruments not measured at fair value at carrying values because their carrying amounts are a reasonable approximaon of the fair values.

As at March 31, 2020	Carrying Amount			Fair value hierarchy			
	FVTPL	Amorsed Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets							
Investment in Liquid Mutual fund Units	8,63,41,078	-	8,63,41,078	8,63,41,078	-	-	8,63,41,078
Cash and cash equivalents	-	17,59,000	17,59,000	-	-	-	-
Other Bank Balances	-	1,11,00,000	1,11,00,000	-	-	-	-
Trade receivables	-	-	-	-	-	-	-
Loans (Net of Provision)	-	70,03,86,072	70,03,86,072	-	-	-	-
Others financial assets	-	1,50,12,617	1,50,12,617	-	-	-	-
Total	8,63,41,078	72,82,57,689	81,45,98,767	8,63,41,078	-	-	8,63,41,078
Financial liabilities							
Trade and Other Payables	-	45,35,568	45,35,568	-	-	-	-
Borrowings	-	5,41,20,123	5,41,20,123	-	-	-	-
Other Financial liabilities	-	9,83,52,719	9,83,52,719	-	-	-	-
Total	-	15,70,08,410	15,70,08,410	-	-	-	-

As at March 31, 2019	Carrying Amount			Fair value hierarchy			
	FVTPL	Amorsed Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets							
Investment in Liquid Mutual fund Units	18,50,52,870	-	18,50,52,870	18,50,52,870	-	-	18,50,52,870
Cash and cash equivalents	-	4,48,50,201	4,48,50,201	-	-	-	-
Other Bank Balances	-	4,57,25,894	4,57,25,894	-	-	-	-
Trade receivables	-	-	-	-	-	-	-
Loans (Net of Provision)	-	4,41,69,826	4,41,69,826	-	-	-	-
Others financial assets	-	1,05,57,866	1,05,57,866	-	-	-	-
Total	18,50,52,870	14,53,03,787	33,03,56,657	18,50,52,870	-	-	18,50,52,870
Financial liabilities							
Trade and Other Payables	-	33,96,445	33,96,445	-	-	-	-
Borrowings	-	-	-	-	-	-	-
Other Financial liabilities	-	3,62,06,889	3,62,06,889	-	-	-	-
Total	-	3,96,03,334	3,96,03,334	-	-	-	-

As at April 1, 2018	Carrying Amount			Fair value hierarchy			
	FVTPL	Amorsed Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets							
Investment in Liquid Mutual fund Units	-	-	-	-	-	-	-
Cash and cash equivalents	-	5,09,59,275	5,09,59,275	-	-	-	-
Other Bank Balances	-	10,00,00,000	10,00,00,000	-	-	-	-
Trade receivables	-	-	-	-	-	-	-
Loans (Net of Provision)	-	-	-	-	-	-	-
Others financial assets	-	5,44,234	5,44,234	-	-	-	-
Total	-	15,15,03,509	15,15,03,509	-	-	-	-
Financial liabilities							
Trade and Other Payables	-	40,60,569	40,60,569	-	-	-	-
Borrowings	-	-	-	-	-	-	-
Deposits	-	-	-			-	-
Other Financial liabilities	-	-	-	-	-	-	-
Total	-	40,60,569	40,60,569	-	-	-	-

Capital India Home Loans Limited
Notes to Ind AS Financial Statements for the year ended March 31, 2020
(All figures are in rupees, except otherwise stated)

Note 31. Maturity Analysis of Assets & Liabilities

	As at March 31, 2020			As at March 31, 2019			As at April 1, 2018		
	Within 12 Months	After 12 months	Total	Within 12 Months	After 12 months	Total	Within 12 Months	After 12 months	Total
Assets									
Financial Assets									
Cash & cash equivalents	17,59,000		17,59,000	4,48,50,201	-	4,48,50,201	5,09,59,275	-	5,09,59,275
Bank balances other than Cash & cash equivalents	1,11,00,000	-	1,11,00,000	4,57,25,894	-	4,57,25,894	10,00,00,000	-	10,00,00,000
Receivables						-	-	-	-
- Trade Receivables	-	-	-	-	-	-	-	-	-
- Other Receivables	-	-	-	-	-	-	-	-	-
Loans	12,59,66,778	57,44,19,294	70,03,86,072	11,55,650	4,30,14,176	4,41,69,826	-	-	-
Investments	8,63,41,078	-	8,63,41,078	18,50,52,870	-	18,50,52,870	-	-	-
Other financial assets	59,14,593	90,98,024	1,50,12,617	6,60,372	98,97,494	1,05,57,866	5,44,234	-	5,44,234
Non-financial Assets									
Current tax assets(net)	28,47,840		28,47,840	20,97,124	-	20,97,124	3,36,964	-	3,36,964
Deferred tax asset (net)	-	45,79,835	45,79,835	-	7,82,250	7,82,250	-	5,10,252	5,10,252
Property, plant and equipment	-	3,89,35,170	3,89,35,170	-	1,92,28,715	1,92,28,715	-	-	-
Other intangible assets	-	29,14,951	29,14,951	-	13,843	13,843	-	-	-
Capital work in progress	-	-	-	1,17,73,690	-	1,17,73,690	-	-	-
Right of use assets	-	8,11,45,976	8,11,45,976	-	3,49,33,794	3,49,33,794	-	-	-
Other non-financial assets	86,47,485	-	86,47,485	41,31,987	-	41,31,987	3,11,832	-	3,11,832
Total Assets	**24,25,76,774**	**71,10,93,250**	**95,36,70,024**	**29,54,47,788**	**10,78,70,272**	**40,33,18,060**	**15,21,52,305**	**5,10,252**	**15,26,62,557**
LIABILITIES									
Financial Liabilities									
Payables			-						
(i)Trade Payables	45,35,568	-	45,35,568	33,96,445	-	33,96,445	40,60,569	-	40,60,569
(ii)Other Payables			-						
Borrowings	2,36,65,582	3,04,54,541	5,41,20,123	-	-	-	-	-	-
Other financial liabilities	1,23,00,541	8,60,52,178	9,83,52,719	14,06,691	3,48,00,198	3,62,06,889	-	-	-
Non-Financial Liabilities							-	-	-
Provisions	86,50,929	14,11,281	1,00,62,210	68,58,512	7,43,179	76,01,691	-	-	-
Other non-financial liabilities	31,91,050	-	31,91,050	19,44,417	-	19,44,417	73,296	-	73,296
Total Liabilities	**5,23,43,670**	**11,79,18,000**	**17,02,61,670**	**1,36,06,065**	**3,55,43,377**	**4,91,49,442**	**41,33,865**	**-**	**41,33,865**
Net	19,02,33,104	59,31,75,250	78,34,08,354	28,18,41,723	7,23,26,895	35,41,68,618	14,80,18,440	5,10,252	14,85,28,692
Other undrawn commitments									
Total commitments	6,81,45,493		6,81,45,493	2,11,00,342	-	2,11,00,342	-	-	-

Note 32. Financial Instruments
Financial Risk Management

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has constituted the risk management committee, which is responsible for developing and monitoring the Company's risk management policies. The Company's risk management committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

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

The Company has exposure to the following risks arising from its business operations

i) Credit risk

Credit risk is the risk of financial loss if a customer or counterparty fails to meet an obligation under a contract. Lending activities account for most of the Company's credit risk. Other sources of credit risk also exist in loans and transaction elements. Credit risk is measured as the amount that could be lost if a customer or counterparty fails to make repayments. The maximum exposure to credit risk in case of all the financial instruments is restricted to their respective carrying amount.

Credit Risk is monitored through stringent credit appraisal, counter party limits and internal risk ranges of the borrowers. Exposure to credit risk is managed through regular analysis of the ability of all the customers and counterparties to meet interest and capital repayment obligations and by changing lending limits where appropriate.

The Company primarily offers housing loans secured by housing property. In order to mitigate credit risk, company ensured loan to value ratio is maintained as specified by NHB. For non-housing loans, the Company takes residential / commercial property of the borrowers as a security. Other means of mitigating credit risk that the company uses are guarantees. The most common types of collateral the company receives, measured by collateral value, are mortgages on financial assets in the form of residential / non-residential property.

a) Maximum exposure to the Credit risk

This table belows shows the Company's maximum exposure to the credit risk.

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Financial Assets at amortised cost - Loans & Advances (Gross)	70,48,86,072	4,44,19,826	-
Less : Impairment loss allowances	45,00,000	2,50,000	-
Financial Assets at amortised cost - Loans & Advances (Net)	70,03,86,072	4,41,69,826	-
Financial Assets measured at FVTPL - Mutual funds	8,63,41,078	18,50,52,870	-
Trade receivables	-	-	-
Total	78,67,27,150	22,92,22,696	-

Credit risk on Cash and Cash equivalents is considered to be Nil as these are generally held with leading banks.

b) Credit quality analysis

An impairment analysis is performed at each reporting date based on the facts and circumstances existing on that date to identify expected losses on account of time value of money and credit risk. The credit quality of Loans and advances measured at amortised cost is primarily assessed by the Days Past Due (DPD) status and other qualitative internal or external factors leading to increase in credit risk.

Inputs, assumptions and techniques used for estimating impairment

In assessing the impairment of financial assets under the expected credit loss model, the Company defines default when a loan obligation is overdue for more than 90 days and credit impaired.

Assessment of significant increase in credit risk

When determining whether the risk of default has increased significantly since initial recognition, the Company considers the DPD status of the loans. Credit risk is deemed to have increased significantly when an asset is more than 30 days past due (DPD) and other qualitative internal or external factors demonstrating credit or liquidity risk

Calculation of expected credit losses

The key elements in calculation of expected credit losses ("ECL") are as follows:

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

EAD - The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, accrued interest from missed payments and loan commitments.

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

For PD the Company has relied upon the PD data from industry benchmarks and external rating agencies. For Loss Given Default (LGD) the Company has relied on internal and external information. Also refer Note 38 for management estimates relating to COVID.

Note 32. Financial Instruments

Financial Risk Management

The following table sets out information about the credit quality of financial assets measured at amortised cost:

	Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Stage 1	Performing asset and 12 month ECL: Gross Stage 1 (DPD< 30 days)	70,48,86,072	4,44,19,826	-
	Less : Impairment loss allowance	45,00,000	2,50,000	-
	Net Stage 1 Assets	70,03,86,072	4,41,69,826	-
	ECL Prov. Coverage	0.64%	0.56%	-
Stage 2	Under performing assets inccrease in credit risk and Lifetime ECL: Gross Stage 2 (30>DPD< 90 days)	-	-	-
	Less : Impairment loss allowance	-	-	-
	Net Stage 2 Assets	-	-	-
	ECL Prov. Coverage	-	-	-
Stage 3	Non-performing assets credit impaired and lfetime ECL: Stage 3 (DPD>90)	-	-	-
	Less : Impairment loss allowance	-	-	-
	Net Stage 3 Assets	-	-	-
	ECL Prov. Coverage	-	-	-
	Total Loans & Adv	70,48,86,072	4,44,19,826	-
	Less : Impairment loss allowance	45,00,000	2,50,000	-
	Net Loans & Advances	70,03,86,072	4,41,69,826	-
	ECL Prov. Coverage	0.64%	0.56%	-

Credit impairment charge to the income statement

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
New and increased provisions (incl. write off)	1,72,50,000	2,50,000
Write-backs of specific provisions	-	-
Recoveries of specific provisions	-	-
Total charge to the income statement	1,72,50,000	2,50,000.00

All loans and impairment provision are for Stage 1. There were no transfers to stage 2 or 3 or vice-versa.

Write-offs still under enforcement activity

The contractual amount outstanding on loans and advances that were written off during the year ended March 2020, and are still subject to enforcement activity was Nil.

c) Movement in Gross Exposures and credit impairment for loans and advances

The Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of Financial Assets measured at amortised cost or FVTOCI. Company follows a 'three-stage' model for impairment based on changes in credit quality since initial recognition. Please refer to the accounting policy for details.

d) Collateral and other credit enhancements

Company would generally have its credit exposures backed by securities, either primary or collateral. Lending Policy of the Company prescribes Asset cover norms and collateral guidelines for its various product offering. The amount and type of collateral required depends on an assessment of the credit risk of the counterparty and product offered.

Company primarily offers housing loans secured by housing property. In order to mitigate credit risk, company ensured loan to value ratio is maintained as specified by NHB. For non-housing loans Company takes residential / commercial property of the borrowers as a security. Other means of mitigating credit risk that the company uses are guarantees. The most common types of collateral the company receives, measured by collateral value, are mortgages on financial assets in the form of residential / non-residential property.

As collateral is a source of mitigating credit risk, assessment of the condition of the securities and their value is undertaken on regular basis. There were no significant changes in the collateral policy of the company during the Financial Year 2019-2020

There were no credit impaired assets as at March 31, 2020, March 31, 2019 and April 1, 2018.

e) Credit Concentration

The Company's loan portfolio is primarily concentrated, as detailed below:

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Housing Loans	57.30%	86.30%	-
Non-Housing Loans	42.70%	13.70%	-

Note 32. Financial Instruments
Financial Risk Management

ii) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting the obligations associated with its financial liabilities that are selected by delivering cash or other financial assets. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Company has in place an Asset-Liability Management Committee (ALCO) which functions as the operational unit for managing the Balance Sheet within the performance and risk parameters laid down by the Board and Risk Committee of the Board. ALCO reviews Asset Liability strategy and Balance Sheet management in relation to asset and liability profile. ALCO ensures that the objectives of liquidity management are met by monitoring the gaps in the various time buckets, deciding on the source and mix of liabilities, setting the maturity profile of the incremental assets and liabilities etc.

Key principles adopted in the Company's approach to managing liquidity risk include:
a) Monitoring the Company's liquidity position on a regular basis, using a combination of contractual and behavioural modelling of balance sheet and cash flow information
b) Maintaining a high quality liquid asset portfolio
c) Operating a prudent funding strategy which ensures appropriate diversification and limits maturity concentrations

The Company's principal sources of liquidity are cash and cash equivalents, undrawn sanctioned limit from Financial Institutions, undrawn overdraft facilities from Banks, liquid asset portfolio like Liquid Mutual funds and the cash flow that is generated from operation.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include interest accrued till the reporting date.

As at March 31, 2020	Contractual cash flows				
	Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Borrowings (Includes Interest accrued but not due)	5,45,51,469	2,40,96,928	3,04,54,541	-	-
Trade and Other Payables	45,35,568	45,35,568	-	-	-
Other Financial Liabilities	1,18,69,195	1,18,69,195	-	-	-
	7,09,56,232	4,05,01,691	3,04,54,541	-	-

Note: Lease Liability is not considered in the above disclosures since it is not an actual cash outflow. Further, the rent payment is regular operating expenses and hence it has excluded from the above table.

As at March 31, 2019	Contractual cash flows				
	Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Borrowings (Includes Interest accrued but not due)	-	-	-	-	-
Trade and Other Payables	33,96,445	33,96,445	-	-	
Other Financial Liabilities	14,06,691	14,06,691	-	-	-
	48,03,136	48,03,136	-	-	-

Note: Lease Liability is not considered in the above disclosures since it is not an actual cash outflow. Further, the rent payment is regular operating expenses and hence it has excluded from the above table.

As at April 1, 2018	Contractual cash flows				
	Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Borrowings (Includes Interest accrued but not due)	-	-	-	-	-
Trade and Other Payables	40,60,569	40,60,569	-	-	-
Other Financial Liabilities	-	-	-	-	-
	40,60,569	**40,60,569**	**-**	**-**	**-**

Note 32. Financial Instruments
Financial Risk Management

iii) Market Risk :
Market risk represents the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices.

i) Interest rate risk
Company has exposure to interest rate risk, primarily from its lending business and related borrowings. The sensitivity analysis below have been determined based on the exposure to the interest rates for financial instruments at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period.

	% Increase in rate		Increase/(decrease) in profit	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Borrowings that are re-priced	0.25%	NA	(1,35,300)	-
Loans that are re-priced	0.25%	NA	17,62,215	1,11,050

Interest rate risk is managed primarily by monitoring the sensitivity of expected net interest income ('NII') under varying interest rate scenarios. The NII sensitivities shown are indicative and based on simplified scenarios.

(All figures are in rupees, except otherwise stated)

Note 33. Capital Management

The Company manages its capital to ensure that the Company will be able to continue as going concern while maximising the return to stakeholders through optimisation of the debt and equity balance.

For the purpose of the Company's capital management capital includes issued capital and equity reserves. The Primary objective of the Company's Capital Management is to maximise shareholders value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The Company monitors capital using adjusted net debt (total borrowings net of cash and cash equivalents; and Investment in Liquid Mutual Funds) to equity ratio.

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Gross Debt	5,41,20,123	-	-
Less:			
Cash & cash equivalents	17,59,000	4,48,50,201	5,09,59,275
Other bank deposits	1,11,00,000	4,57,25,894	10,00,00,000
Investment in Liquid Mutual Funds	8,63,41,078	18,50,52,870	-
Adjusted Net debt	-	-	-
Total Equity	78,34,08,354	35,41,68,618	14,85,28,692
Adjusted Net debt to equity ratio	-	NA	NA

In order to achieve its overall objective, the Company's Capital Management, amongst other things, aims to ensure that it meets financial covenants attached to the interest bearing loans and borrowings that define capital structure requirements. Breaches in financial covenants would permit the bank to immediately call loans and borrowings.

The Company is subject to Capital adequacy ratio ("CAR") requirements which are prescribed by the NHB. Refer Note 35. A.1

Note 34. Employee benefits

Defined Contribution Plan - Provident Fund (PF) Contribution

The Company makes contributions towards PF, in respect of qualifying employees. The employees of the Company are members of a retirement contribution plan operated by the government. The Company is required to contribute a specified percentage of payroll cost to the retirement contribution scheme to fund the benefits. The only obligation of the Company with respect to the plan is to make the specified contributions. The amount recognised as an expense and included in Note-23 "Employee Benefits Expenses" under the head "Contribution to Provident and Other Funds" are as under.

Particulars	FY 2019-20	FY 2018-19
Employer's Contribution to Provident Fund	27,05,387	16,38,650

Defined Benefit Plan - Gratuity

The Company has a defined benefit gratuity plan, under which every employee who has completed atleast five years of service gets a gratuity on departure @15 days of last drawn basic salary for each completed year of service.

The plan is of a final salary defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. The actuarial risks associated are:

Interest Rate Risk:

The risk of government security yields falling due to which the corresponding discount rate used for valuing liabilities falls. Such a fall in discount rate will result in a larger value placed on the future benefit cash flows whilst computing the liability and thereby requiring higher accounting provisioning.

Longevity Risks:

Longevity risks arises when the quantum of benefits payable under the plan is based on how long the employee lives post cessation of service with the company. The gratuity plan provides the benefit in a lump sum form and since the benefit is not payable as an annuity for the rest of the lives of the employees, there is no longevity risks.

Salary Risks:

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

The estimates of the future salary increases, considered in acturial valuation, include inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The discount rate is based on the prevailing market yield on government securies as at the balance sheet date for the estimated average remaining service.

Capital India Home Loans Limited
Notes to Ind AS Financial Statements for the year ended March 31, 2020
(All figures are in rupees, except otherwise stated)

Note 34. Employee benefits

The disclosure as required by Indian Accounng Standard (Ind AS) -19 “Employee Benefits” is as under.

Particulars	As at March 31, 2020	As at March 31, 2019
I. Assumption		
Mortality rate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Interest / Discount Rate	6.87%	7.76%
Rate of increase in compensaon	0% 1st year & 10% p.a. thereafter	10% p.a.
Expected average remaining service	25	24
II. Reconciliaon of net defined benefit asset/(liability)		
(a) Reconciliaon of present value of defined benefit obligaon		
Opening Defined Benefit Obligaon	7,43,179	-
Interest Cost	57,671	-
Current Service Cost	10,71,005	6,07,245
Transfer in of liability	-	1,35,934
Past Service Cost (vested benefits)	-	-
Actuarial (Gains) / Losses	(4,60,574)	-
Benefits Paid	-	-
Closing Defined Benefit Obligaon	14,11,281	7,43,179
(b) Reconciliaon of present value of plan asset		
Fair value of plan assets at the beginning of year	-	-
Transfer in of Funds	-	-
Interest Income	-	-
Contribuons	-	-
Benefits paid	-	-
Return on Plan Assets excluding Interest Income	-	-
Fair value of plan assets at the end of year	-	-
(c) Reconciliaon of net defined benefit asset/(liability)		
Present value of obligaon as at the end of year	14,11,281	7,43,179
Fair value of plan assets as at the end of year	-	-
Funded status	14,11,281	7,43,179
Recognised in Balance Sheet - Asset / (Liability)	(14,11,281)	(7,43,179)
III. Actuarial (Gain)/Loss on Obligaon		
Due to Demographic Assumpon	(38,522)	-
Due to Financial Assumpon	9,515	-
Due to Experience	(4,31,567)	-
Net Actuarial (Gain)/ Loss on obligaon	(4,60,574)	-
IV. Actual Return on Plan Assets		
Actual Interest Income	-	-
Expected Interest Income	-	-
Return on Plan Assets excluding Interest Income	-	-
V. Net Interest		
Interest Expense	57,671	-
Interest Income	-	-
Net Interest Exp/(Income)	57,671	-
VI. Expenses Recognised in Profit and Loss account under Employee benefit expenses		
Current Service Cost	10,71,005	6,07,245
Net Interest Exp/(Income)	57,671	-
Past Service Cost (vested benefits)	-	1,35,934.00
Expenses recognised in Profit and Loss Account	11,28,676	7,43,179

Note 34. Employee benefits

VII. Remeasurements recognised in Other Comprehensive Income		
Net Actuarial (Gain)/ Loss on obligaon	(4,60,574)	-
Return on Plan Assets excluding Interest Income	-	-
Total Actuarial (Gain)/ Loss recognised in OCI	(4,60,574)	-
VIII. Others		
Weighted average duration of defined benefit obligaon	13	13

Sensivity analysis :

Sensivity analysis for significant actuarial assumpons, showing how the defined benefit obligaon would be affected, considering increase/decrease of 100 basis points as at 31.03.20 is as below :

Particulars	As at March 31, 2020	As at March 31, 2019
Change in rate of Discount Rate + 100 basis points	12,57,699	6,62,108
Change in rate of Discount Rate- 100 basis points	15,91,840	8,38,266
Change in rate of Salary Escalaon Rate + 100 basis points	15,78,839	8,31,494
Change in rate of Salary Escalaon Rate - 100 basis points	12,65,081	6,65,996

The Expected Payout as at 31st March 2020 are as under:

Particulars	As at March 31, 2020	As at March 31, 2019
Year 1	-	-
Year 2	-	-
Year 3	76,145	-
Year 4	94,158	19,465.00
Year 5	97,495	45,454
Year 6 to year ten	7,10,695	4,64,512

Notes:

Since the gratuity plan and Leave encashment plan of the Company is not funded, and hence the disclosure related to plan assets are not applicable.

The company has recognised Rs.592,417 (31st March 2019: Rs.858,512) for compensated absences in Statement of Profit and Loss for current year. Total provision for compensated absences is Rs.1,450,929 as at 31st March 2020 (31st March 2019: Rs.858,512).

Note 35. Disclosures pursuant to Master Circular- Housing Finance Companies – Corporate Governance (NHB) Directions, 201

A.1) Capital

	Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
i)	CRAR (%)	119.59%	127.73%	10833.38%
(ii)	CRAR – Tier I Capital (%)	77,51,20,281	35,11,78,375	14,80,18,440
(iii)	CRAR – Tier II Capital (%)	45,00,000	2,50,000	-
(iv)	Amount of subordinated debt raised as Tier- II Capital	-	-	-
(v)	Amount raised by issue of Perpetual Debt Instruments	-	-	-

A.2) Reserve Fund u/s 29C of NHB Act, 1987

In terms of Section 29C of the National Housing Bank ("NHB") Act, 1987, the Company is required to transfer at least 20% of its Profit after tax to a Reserve Fund before any dividend is declared. Transfer to a Reserve Fund in terms of section 36(1)(viii) of the Income Tax Act, 1961 is also considered as an eligible transfer as transfer to Special Reserve under Section 29C of the National Housing Bank ("NHB") Act, 1987. However, during the current and previous year, the Company has not made any profits and hence no amount was transferred to Special Reserve as per section 29C of the NHB Act, 1987.

A.3) Investments

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Value of Investments			
(i) Gross value of Investments			
(a) In India	8,63,41,078	18,50,52,870	-
(b) Outside India	-	-	-
(ii) Provisions for Depreciation			
(a) In India	-	-	-
(b) Outside India	-	-	-
(iii) Net value of Investments			
(a) In India	8,63,41,078	18,50,52,870	-
(b) Outside India	-	-	-

Note: It represents investment in liquid mutual funds

Movement of provisions held towards depreciation on investments			
Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
(i) Opening balance	-	-	-
(ii) Add: Provisions made during the year	-	-	-
(iii) Less: Write-off / Written-bank of excess provisions during the year	-	-	-
(iv) Closing balance	-	-	-

A.4) Derivatives

There are no derivatives transaction entered during the current year or in previous year by the Company.

Note 35. Disclosures pursuant to Master Circular- Housing Finance Companies – Corporate Governance (NHB) Directions, 2016

A.5) Securitisation

A.5.1) The Company has not sponsored any SPVs for securitisation transaction during the current year or previous year.

A.5.2) Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction

The Company has not sold any financial to Securitisation / Reconstruction Company for Asset Reconstruction assets during the current year or previous year.

A.5.3) Details of Assignment transactions undertaken by HFCs

The Company has not undertaken any assignment transaction during the current year or previous year.

A.5.4) Details of non-performing financial assets purchased / sold

The Company has not purchased or sold any non-performing financial assets during the current year or previous year.

Note 35. Disclosures pursuant to Master Circular- Housing Finance Companies – Corporate Governance (NHB) Directions, 2016

A.6 Assets Liability Management (Maturity pattern of certain items of Assets and Liabilities)

Particulars	Up to 30/31 days (one month)	Over 1 month & up to 2 months	Over 2 months & up to 3 months	Over 3 months & up to 6 months	Over 6 month & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years & up to 7 years	Over 7 years & up to 10 years	Over 10 Years	Total
Liabilities:											
Deposits	-	-	-	-	-	-	-	-	-	-	-
Borrowings from Bank	-	-	-	-	-	-	-	-	-	-	-
Market Borrowing	26,88,021	27,16,408	27,45,096	84,10,458	1,30,89,486	2,44,70,654	-	-	-	-	5,41,20,123
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-
Assets:											
Advances	1,46,67,014	1,49,06,353	1,39,84,214	3,61,98,080	4,70,20,457	7,83,74,840	7,80,70,055	5,06,83,586	9,13,28,042	27,96,44,227	70,48,76,868
Investments	8,63,41,078	-	-	-	-	-	-	-	-	-	8,63,41,078
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-

Note 35. Disclosures pursuant to Master Circular- Housing Finance Companies – Corporate Governance (NHB) Directions, 2016

A.7) Exposure

A.7.1) Exposure to Real Estate Sector

	Category	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
a)	Direct Exposure			
	(i) Residential Mortgages -			
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented;			
	Individual housing loans up to 15 lakhs	9,44,65,065	-	-
	Individual housing loans greater than 15 lakhs	30,94,57,133	3,83,32,735	-
	Other Loans mortgages on residential property	8,81,05,757	51,50,000	-
	(ii) Commercial Real Estate -			
	Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	9,47,98,449	-	-
	(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -			
	a) Residential	-	-	-
	b) Commercial Real Estate	-	-	-
b)	Indirect Exposure			
	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	78,52,428	-	-

A.7.2) Exposure to Capital Market

The Company do not have any exposure in Capital Market during the current year or previous year.

A.7.3) Details of financing of parent company products Nil

The Company has not financed any of the parent company products during the current year or previous year.

A.7.4) Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the HFC

There has been no breach of SGL / GBL during the current year or previous year

A.7.5)

Unsecured Advances	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Unsecured Advances	8,29,12,865	9,37,091	-

Note 35. Disclosures pursuant to Master Circular- Housing Finance Companies – Corporate Governance (NHB) Directions, 2016

B. Miscellaneous

B.1) Registration obtained from other financial sector regulators

The Company has not obtained any registration from other financial sector regulators

B.2) Disclosure of Penalties imposed by NHB and other regulators

No penalties have been imposed on the Company by NHB or any other regulators.

B.3) Related party Transactions

Please refer Note 27 Related party disclosures for details of related party transactions

B.4) Rating assigned by Credit Rating Agencies and migration of rating during the year

The Company has been assigned a Long-term rating of [ICRA] BBB (pronounced ICRA triple B) by ICRA Limited.

B.5) Remuneration of Directors

Please refer Note 27 Related party disclosures for details of Remuneration of Directors

Note 35. Disclosures pursuant to Master Circular- Housing Finance Companies – Corporate Governance (NHB) Directions, 2016

C. Additional Disclosures

C.1) Provisions and Contingencies

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
1. Provisions for depreciation on Investment	-	-	-
2. Provision made towards Income tax	-	-	-
3. Provision towards NPA	-	-	-
4. Provision for Standard Assets (Provision for expected credit losses):			
Housing Loans	16,44,671	1,42,238	-
Non - Housing Loans	22,38,606	29,581	-
FLDG guarantee exposure (net of provision)	2,10,522	-	-
Undrawn committed sanction to borrowers	3,75,420	77,713	-
Interest Accrued and not due	30,781	468	-
5. Other Provision and Contingencies :	-	-	-
Total	45,00,000	2,50,000	-

Note: Provision for Standard Assets as per NHB norms as at March 31, 2020 is Rs.2,300,000 (March 31, 2019 - Rs.121,000). All the Assets are Standard Assets and under Stage 1 Category.

	Housing			Non-Housing		
Break up of Loan & Advances and Provisions thereon	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Standard Assets						
a) Total Outstanding Amount	40,39,22,198	3,83,32,735	-	30,09,54,670	60,87,091	-
b) Provisions made	16,44,671	1,42,238		22,38,606	29,581	
Sub-Standard Assets						
a) Total Outstanding Amount	-	-	-	-	-	-
b) Provisions made	-	-	-	-	-	-
Doubtful Assets – Category-I						
a) Total Outstanding Amount	-	-	-	-	-	-
b) Provisions made	-	-	-	-	-	-
Doubtful Assets – Category-II						
a) Total Outstanding Amount	-	-	-	-	-	-
b) Provisions made	-	-	-	-	-	-
Doubtful Assets – Category-III						
a) Total Outstanding Amount	-	-	-	-	-	-
b) Provisions made	-	-	-	-	-	-
Loss Assets						
a) Total Outstanding Amount	-	-	-	-	-	-
b) Provisions made	-	-	-	-	-	-
TOTAL						
a) Total Outstanding Amount	40,39,22,198	3,83,32,735	-	30,09,54,670	60,87,091	-
b) Provisions made	16,44,671	1,42,238	-	22,38,606	29,581	-

C.2) Draw Down from Reserves

There have been no drawdown from Reserves during the current year or previous year.

Note 35. Disclosures pursuant to Master Circular- Housing Finance Companies – Corporate Governance (NHB) Directions, 2016

C.3) Concentration of Public Deposits, Advances, Exposures and NPAs

C.3.1) Concentration of Public Deposits (for Public Deposit taking/holding HFCs)
Nil

C.3.2) Concentration of Loans & Advances

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Total Loans & Advances to twenty largest borrowers	28,82,18,048	4,44,19,826	-
Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the HFC	41%	100%	-

C.3.3) Concentration of all Exposure (including off-balance sheet exposure)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Total Exposure to twenty largest borrowers / customers	29,04,16,827	4,44,19,826	-
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the HFC on borrowers / customers	41%	100%	-

C.3.4) Concentration of NPAs

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Total Exposure to top ten NPA accounts	-	-	-

C.3.5) Sector-wise NPAs
No NPA during the current year or previous year in the Company

C.4) Movement of NPAs
No NPA during the current year or previous year in the Company

C.5) Overseas Assets Nil

Note 35. Disclosures pursuant to Master Circular- Housing Finance Companies – Corporate Governance (NHB) Directions, 2016

C.6) Off-balance Sheet SPVs sponsored

Name of the SPV sponsored Domestic Overseas

Domestic	Nil
Overseas	Nil

D) Disclosure of Complaints

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
a) No. of complaints pending at the beginning of the year	-	-	-
b) No. of complaints received during the year *	-	-	-
c) No. of complaints redressed during the year *	-	-	-
d) No. of complaints pending at the end of the year	-	-	-

Note: The Company has received two complaints during the year, however both the Complaints belongs to different Company and the same was communicated to the complainants. The same is not shown above as the complaint was not intended to the Company.

Note 36. Disclosures as required by paragraph 29 of the Master Circular - The Housing Finance Companies (NHB) Directions, 2010

a) Disclosures pursuant to paragraphs 29(1) and 29(2) for provisions is given in Note 4 and Note 22 of the financial statements.

b) There are no disclosures required to be given as per paragraphs 29(3) to 29(6).

Note 37. Income Tax

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Current tax	-	-
Deferred tax relating to origination and reversal of temporary differences	(37,97,585)	(2,71,998)
Total tax credit	**(37,97,585)**	**(2,71,998)**

Reconciliation of tax expense and the accounting profit / (loss) multiplied by India's domestic tax rate:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Loss Before Tax	(7,77,72,701)	(4,67,31,985)
Income tax expense calculated at 25.17% (PY 25.75%)	(1,95,80,000)	(1,20,33,486)
Effect of expenses that are not deductible in determining taxable profit	-	31,28,625
Deferred tax on unabsorbed losses & depreciation not recognised	1,56,93,700	83,92,844
Others	88,715	2,40,019
Income tax expense recognised in statement of profit and loss	(37,97,585)	(2,71,998)

Tax at effective Income Tax rate of 25.17% (PY 25.75%)

The Company has recognised Deferred Tax Assets arising from deductible temporary differences to the extent there is an evidence of future taxable profit. The Company has not recognised Deferred Tax Assets on Unabsorbed Losses and Depreciation as at March 31, 2020 - Rs.24,204,464 (March 31, 2019 - Rs.9,188,417/-).

Note 38.
The outbreak of COVID-19 pandemic across the globe and in India has contributed to a significant decline and volatility in the global and Indian financial markets and slowdown in the economic activities.
The Reserve Bank of India (RBI) has issued guidelines relating to COVID-19 Regulatory Package dated March 27, 2020 and April 17, 2020 and in accordance therewith, the Company has advanced a moratorium of one month to three months on the payment of principal instalments and/ or interest, as applicable, falling due between March 1, 2020 and May 31, 2020 to the eligible borrowers classified as standard, even if overdue as on February 29, 2020. For all such accounts where the moratorium is granted, the asset classification will remain at a standstill during the moratorium period (i.e. the number of days past due shall exclude the moratorium period for the purposes of asset classification as per the Company's policy).

Further, the Company has, based on all information currently available and based on the policy approved by the Board of Directors, determined the provision for expected credit losses on financial assets as at March 31, 2020. Given the uncertainty over the potential macro-economic impact, the Company's management has considered internal and external information including credit reports and economic forecasts upto the date of approval of these financial statements. Accordingly, the Company has made a total provision of Rs.4,500,000 for expected credit losses on financial assets as at March 31, 2020 after considering the Management overlays. Based on the current indicators of future economic conditions, the Company considers this provision to be adequate and expects to recover the carrying amount of these financial assets.

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

Note 39. The Company did not have any earnings and expenditure in foreign currency during the current year or previous year. The Company do not have any exposures in foreign currency as at the Balance Sheet date.

Note 40. The main business of the Company is financing activity. Further, all activities are carried out within India. As such, there are no separate reportable segments as per the Indian Accounting Standard 108 (Ind AS) on Operating Segment.

Note 41. The Company is not required to spend any amount on Corporate Social Responsibility activities as per the provisions of Section 135 of the Companies Act, 2013.

Note 42. There are no 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.

Note 43. The Financial Statements have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on May 19, 2020.

For and on behalf of the board
CAPITAL INDIA HOME LOANS LIMITED

Sd/-	Sd/-
Keshav Porwal	**Vineet Kumar Saxena**
Director	Whole-Time Director & CEO
DIN : 06706341	DIN : 07710277
Place: Mumbai	Place: Mumbai
Date: May 19, 2020	Date: May 19, 2020

Sd/-	Sd/-
Neeraj Toshniwal	**Rachit Malhotra**
Chief Financial Officer	Company Secretary
Place: Mumbai	Place: New Delhi
Date: May 19, 2020	Date: May 19, 2020