CAPITAL INDIA HOME LOANS LIMITED

4th ANNUAL REPORT

2020-21

CORPORATE INFORMATION

BOARD OF DIRECTORS

BOARD OF DIRECTORS		DIRECTOR IDENTIFICATION NO. (DIN)
Mr. Vinod Somani	:	00327231
Mr. Yogendra Pal Singh	:	08347484
Mrs. Rashmi Fauzdar	:	07599221
Mr. Keshav Porwal	:	06706341
Mr. Vineet Kumar Saxena	:	07710277

KEY MANAGERIAL PERSONNEL (KMP)

Mr. Vineet Kumar Saxena	:	Managing 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

IT STRATEGY COMMITTEE

Mr. Yogendra Pal Singh	:	Chairman
Mr. Vineet Kumar Saxena	:	Member
Mr. Subhendu Bhanja	:	Member
Mr. Manish Gupta	:	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. Chetan Bafna	:	Member

MANAGEMENT COMMITTEE

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

STATUTORY AUDITORS

M/s Deloitte Haskins & Sells LLP,
Chartered Accountants,
Indiabulls Finance Centre Tower 3, 27th – 32nd Floor
Senapati Bapat Marg, Elphinstone Road (West), Mumbai-400013

SECRETARIAL AUDITORS

M/s Arun Gupta & Associates,
Company Secretaries,
59, Ground Floor, Madan Park,
East Punjabi Bagh, New Delhi – 110026

INTERNAL AUDITORS

M/s Aneja Associates,
Chartered Accountants,
301, Peninsula Towers, Peninsula Corporate Park,
Ganpatrao Kadam Marg, Lower Parel, Mumbai-400013

REGISTRAR & SHARE TRANSFER AGENT

KFin Technologies Private Limited,
Selenium Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda, Hyderabad – 500 032

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

BOARD'S REPORT

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

Your Directors are pleased to present before you the 4th (Fourth) Annual Report on the business and operations of the Company together with the Audited Financial Statements for the financial year ended on March 31, 2021 ("**period under review**").

The Company was incorporated on August 11, 2017 as a 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:

(Amount in INR)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Total Income	15,85,91,512	8,01,07,956
Total Expenditure	19,99,18,186	15,78,80,657
Loss before tax	**(4,13,26,674)**	**(7,77,72,701)**
Provision for tax (including Deferred Tax)	(44,96,428)	(39,17,287)
Loss after tax	**(3,68,30,246)**	**(7,38,59,190)**
Other Comprehensive Income	7,48,773	3,44,648
Total Comprehensive Income / (Loss)	**(3,60,81,473)**	**(7,35,14,542)**
Add: Profit and Loss account balance brought forward from previous year excluding OCI	(12,17,90,484)	(4,79,31,294)
Less: Transfer to reserves	-	-
Retained Earnings carried to Balance Sheet (excluding OCI)	(15,86,20,730)	(12,17,90,484)

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 INR 105,00,000 /- (Indian Rupees One crore Five Lakhs 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, 2021 is INR 150,00,000 /- (Indian Rupees One Crore Fifty Lakhs only).

Except as mentioned above, an amount of INR 7,500/- (Indian 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 INR 90,02,50,000 (Indian Rupees Ninety Crore Two Lakhs and Fifty Thousand only) to INR 130,05,00,000 (Indian Rupees One Hundred Thirty Crore and Five Lakh only), pursuant to the following allotments made during the period under review:

(Amount in INR)

Sl. No.	Date of Allotment	Type of Issue	Number of Shares	Value per Shares	Total Amount Paid-up
1	25-06-2020	Allotment of equity shares	50,00,000	10	5,00,00,000
2	19-08-2020		25,000	10	2,50,000
3	29-09-2020		1,00,00,000	10	10,00,00,000
4	04-03-2021		2,50,00,000	10	25,00,00,000

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

The paid-up share capital of the Company as on March 31, 2021 is INR 130,05,00,000 (Indian Rupees One Hundred Thirty Crore and Five Lakh only) divided into 13,00,50,000 (Thirteen Crore Fifty Thousand) equity shares of INR 10/- (Indian Rupees Ten only) each.

4. STATE OF COMPANY’S AFFAIRS AND FUTURE OUTLOOK

During the period under review, the Gross Income of the Company was INR 158,591,512/- (Indian Rupees Fifteen Crore Eighty Five Lakhs Ninety One Thousand Five Hundred Twelve only); Loss after Tax was INR 36,830,246/- (Indian Rupees Three Crore Thirty Six Eight Lakhs Thirty Thousand Two Hundred and Forty Six only); and Total Comprehensive Loss was INR 36,081,473 /- (Indian Rupees Three Crore Sixty Lakhs Eighty One Thousand Four Hundred Seventy Three Only). The Company’s Net-worth as on March 31, 2021 was INR 1,146,692,170/- (Indian Rupees One Hundred and Fourteen Crore Sixty-Six Lakhs Ninety-Two Thousand One Hundred and Seventy 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 of the Company.

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, 2021, the Board of Directors of the Company comprise of the following directors:

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

c)	Mrs. Rashmi Fauzdar	-	Additional Director (Independent)
d)	Mr. Keshav Porwal	-	Non-Executive Director
e)	Mr. Vineet Kumar Saxena	-	Managing Director & Chief Executive Officer

As on March 31, 2021, the following are the Key Managerial Personnel of the Company:

a)	Mr. Vineet Kumar Saxena	–	Managing Director & Chief Executive Officer
b)	Mr. Neeraj Toshniwal	–	Chief Financial Officer
c)	Mr. Rachit Malhotra	–	Company Secretary

Change in the Board of Directors & Key Managerial Personnel

During the period under review, Mrs. Rashmi Fauzdar (DIN: 07599221) has been appointed as an Additional Director (Independent) of the Company, subject to the approval of the shareholders in the ensuing Annual General Meeting, with effect from September 30, 2020 and Mr. Amit Sahai Kulshreshtha has resigned from the position of Non-Executive Director of the Company with effect from February 15, 2021.

There was no other 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. Keshav Porwal 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.

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 Board had appointed M/s Arun Gupta & Associates, Company Secretaries, as the Secretarial Auditors of the Company to undertake the Secretarial Audit for the financial year 2020-21 in terms of the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The Secretarial Auditors have submitted their report in the Form MR-3, which forms part of this Annual Report. There are no observations, reservations or adverse remarks in the Secretarial Audit Report.

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. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY

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. DETAILS OF HOLDING, SUBSIDIARY, JOINT VENTURE OR ASSOCIATE COMPANY(IES)

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. COMMITTEES OF THE BOARD

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) IT Strategy Committee

Mr. Yogendra Pal Singh	:	Chairman
Mr. Vineet Kumar Saxena	:	Member
Mr. Subhendu Bhanja	:	Member
Mr. Manish Gupta	:	Member

vii) Management Committee

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

* Ceased with effect from February 15, 2021.

20. MEETINGS

i) Board and Committee Meetings

During the period under review, the intervening gap between the meetings of the Board and other committees 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 2020-21 are as below:

S. No	Board of Directors / Committee	No. of meetings	Date of Meetings
1.	Board of Directors (Board)	5	May 19, 2020 July 20, 2020 August 31, 2020 November 9, 2020 February 10, 2021
2.	Audit Committee (ACM)	4	May 19, 2020 July 20, 2020 November 9, 2020 February 10, 2021
3.	Nomination & Remuneration Committee (NRC)	2	May 19, 2020 July 20, 2020
4.	Risk Management Committee (RMC)	4	May 29, 2020 July 17, 2020 October 30, 2020 January 20, 2021
5.	Credit Committee (CC)	2	October 27, 2020 December 21, 2020
6.	Management Committee (MCB)	15	May 20, 2020 June 4, 2020 July 23, 2020 August 12, 2020 August 19, 2020 September 21, 2020 September 28, 2020 September 29, 2020 October 27, 2020 December 4, 2020 December 21, 2020 January 15, 2020 January 29, 2021 March 4, 2021 March 25, 2021
7.	Asset-Liability Committee (ALCO)	3	June 8, 2020

			November 6, 2020
			February 10, 2021
8.	IT Strategy Committee (ITM)	1	November 6, 2020

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	ITM
Mr. Vinod Somani	5/5	4/4	2/2	-	-	-	-	-
Mr. Yogendra Pal Singh	5/5	4/4	2/2	-	-	-	-	1/1
Mrs. Rashmi Fauzdar*	2/2	-		-	-	-	-	-
Mr. Keshav Porwal	5/5	4/4	2/2	-	2/2	15/15	-	-
Mr. Vineet Kumar Saxena	5/5	-	-	4/4	2/2	15/15	3/3	1/1
Mr. Amit Sahai Kulshreshtha#	4/5	-	-	-	1/2	0/13	-	-
Mr. Prasad Perur Seshappa	-	-	-	4/4	-	-	-	-
Mr. Chetan Bafna	-	-	-	4/4	2/2	-	3/3	-
Mr. Prince Gupta	-	-	-	-	-	-	3/3	-
Mr. Manish Gupta	-	-	-	-	-	-	-	1/1
Mr. Subhendu Bhanja	-	-	-	-	-	-	-	1/1

** Appointed with effect from September 30, 2020*
 # Ceased with effect from February 15, 2021

iii) General Meetings

During the period under review, 1 (one) extra-ordinary general meeting of the shareholders of the Company was held on July 21, 2020 and the annual general meeting of the shareholders of the Company was held on May 20, 2020.

21. ANNUAL RETURN

The Company shall place a copy of annual return on the website of the Company, which can be accessed from the weblink 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 – II" 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 Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, 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.

The Board is of the opinion that the Independent Directors have the necessary experience, expertise, integrity and proficiency and are independent of the Management of the Company.

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 Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021.

As on March 31, 2021, 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, 4 (four) meetings of the Audit Committee were held on May 19, 2020, July 20, 2020, November 9, 2020 and February 10, 2021.

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 Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021.

As on March 31, 2021, 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, 2 (two) meetings of the Nomination & Remuneration Committee were held on May 19, 2020 and July 20, 2020.

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/Reserve Bank of India/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, 2021.

32. CREDIT RATING

The Company has been assigned a Long-term rating of [ICRA] BBB Outlook Stable (pronounced ICRA triple B) by ICRA Limited in the financial year 2019-20. During the current year the rating agency has re-affirmed the ratings as "[ICRA] BBB Outlook Stable (pronounced ICRA triple B)". There has been no migration of rating during the period under review or previous year.

33. DIRECTIONS/GUIDELINES ISSUED BY NATIONAL HOUSING BANK / RESERVE BANK OF INDIA

The Company complies with all the directions, guidelines and requirements issued by National Housing Bank/Reserve Bank of India, 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 Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, the Management Discussion and Analysis Report is enclosed as a part of this Annual Report.

36. DISCLOSURE ON CUSTOMER COMPLAINTS

Pursuant to the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, the disclosure on customer complaints is as follows:

Sr. No.	Particulars	During the year ended March 31, 2021	During the year ended March 31, 2020
1.	No. of complaints pending at the beginning of the year	Nil	-
2.	No. of complaints received during the year	1 (GRIDS Portal) 17 (Service Mail ID)	-
3.	No. of complaints redressed during the year	18	-
4.	No. of complaints pending at the end of the year	Nil	-

37. CORPORATE GOVERNANCE

Effective corporate governance practice constitutes the strong foundation, on which successful commercial enterprises are built to last. The Company's philosophy on corporate governance superintends business strategies and ensures accountability, ethical corporate behaviour and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large.

The Company believes that governance practices enable the Management to direct and control the affairs of the Company in an efficient manner and to achieve the Company's goal of maximising value for all its stakeholders. The Company will continue to focus its resources, strengths and strategies to achieve its vision of becoming a leading financial services company in India.

38. 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, 2021 and state:

a. that in the preparation of annual accounts for the financial year ended March 31, 2021, 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, 2021 and of the profit and loss of the Company for the financial year ended March 31, 2021;

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.

39. 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.

40. 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

Name:	Keshav Porwal	Vineet Kumar Saxena
Designation:	Non-Executive Director	Managing Director & Chief Executive Officer
DIN:	06706341	07710277

Form No. MR-3

SECRETARIAL AUDIT REPORT
For The Financial Year Ended on 31st March, 2021
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Capital India Home Loans Limited
(CIN: U65990DL2017PLC322041)
2nd Floor, DLF Centre, Sansad Marg,
New Delhi - 110001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Capital India Home Loans Limited (CIN: U65990DL2017PLC322041)(hereinafter called the "Company"). Secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on31st March, 2021 according to the provisions of:

i) The Companies Act, 2013 ("the Act") and the rules made thereunder;
ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;(Not applicableto the Company during the Audit Period)
iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, wherever applicable;
v) Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'); (Not applicable to the Company during the Audit Period);
vi) I have relied on the representation made by the Company and its officer for system and mechanism framed by the Company for compliances under the following Act, Laws & Regulations of the Company:

   a. Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021;
   b. Employees Provident Fund and Miscellaneous Provisions Act, 1952 and Provisions of Employee State Insurance Act, 1948
   c. Workmen's Compensation Act, 1923, Equal Remuneration Act, 1976, and all other allied labour laws;
   d. Income Tax Act, 1961;
   e. Finance Act, 1994;
   f. Prevention of Money Laundering Act, 2002;

g. Goods and Service Tax Act, 2017
h. Maharashtra Shops and Establishments Act, 1948;
i. Delhi Shops and Commercial Establishment Act, 1954;
j. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
k. Reserve Bank of India Act, 1934, National Housing Bank Act, 1987 and rules, regulations, circulars, notification issued by Reserve Bank of India and National Housing Bank respectively, from time to time for Housing Finance Company.

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.
(ii) As the Company is an Unlisted Public Company, the regulations of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments thereon are not applicable to the Company during the audit period.

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

We further report that:

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

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

Majority decisions are carried through with the unanimous consent, so therefore dissenting members' views are not required to be captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period:

(i) The Company has made the following allotment of equity shares:

(Amount in INR)

Sl. No.	Date of Allotment	Number of Shares	Value per Shares	Total Amount Paid-up
1	25-06-2020	50,00,000	10	5,00,00,000
2	19-08-2020	25,000	10	2,50,000
3	29-09-2020	1,00,00,000	10	10,00,00,000
4	04-03-2021	2,50,00,000	10	25,00,00,000

(ii) The Company has granted 14,25,000 (Fourteen Lakhs and Twenty Five Thousand) options exercisable into not more than 14,25,000 (Fourteen Lakhs and Twenty Five Thousand) equity shares of the Company of face value of Rs. 10/- (Rupees Ten only) each employee stock options pursuant to the CIHL Employee Stock Option Plan, 2018.

For Arun Gupta & Associates

Arun Kumar Gupta
Company Secretary
ACS No: 21227
CP No: 8003
UDIN: A021227C000340227

Place: New Delhi
Date: 18/05/2021

Note 1: We have conducted online verification & examination of records, as facilitated by the company, due to Covid-19 and subsequent lockdown situation (wherever Applicable) for the purpose of issuing this report / certification documents (as applicable).

Note 2: This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.

"ANNEXURE A"

To,
The Members,
Capital India Home Loans Limited
(CIN: U65990DL2017PLC322041)
2nd Floor, DLF Centre, Sansad Marg,
New Delhi - 110001

Our Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.

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

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

4. Wherever required, we have obtained the Management's Representation Letter about the compliance of laws, rules and regulations and happening of events etc.

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

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Arun Gupta & Associates

Arun Kumar Gupta
Company Secretary
ACS No: 21227
CP No: 8003
UDIN: A021227C000340227

Place: New Delhi
Date: 18/05/2021

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>97,30,000</td></tr>
<tr><td>2.</td><td>Options vested</td><td>33,70,000</td></tr>
<tr><td>3.</td><td>Options exercised</td><td>50,000</td></tr>
<tr><td>4.</td><td>The total number of shares arising as a result of exercise of option</td><td>50,000</td></tr>
<tr><td>5.</td><td>Options lapsed</td><td>35,80,000</td></tr>
<tr><td>6.</td><td>The exercise price</td><td>INR 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>Nil</td></tr>
<tr><td>9.</td><td>Total number of options in force</td><td>61,00,000</td></tr>
<tr><td>10.</td><td>Employee wise details of options granted to
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>Vineet Kumar Saxena</td><td>35,00,000</td></tr><tr><td>2.</td><td>Neeraj Toshniwal</td><td>2,50,000</td></tr><tr><td>3.</td><td>Rachit Malhotra</td><td>2,00,000</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>Ravi Virwani</td><td>2,50,000</td></tr><tr><td>2.</td><td>Subhendu Bhanja</td><td>1,00,000</td></tr><tr><td>3.</td><td>Prince Gupta</td><td>1,00,000</td></tr><tr><td>4.</td><td>Deepak Vaswan</td><td>1,00,000</td></tr><tr><td>5.</td><td>Chetan Bafna</td><td>1,00,000</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>Vineet Kumar Saxena</td><td>35,00,000</td></tr></table></td></tr>
</table>

For and on behalf of the Board

Capital India Home Loans Limited

Name:	Keshav Porwal	Vineet Kumar Saxena
Designation:	Non-Executive Director	Managing Director & Chief Executive Officer
DIN:	06706341	07710277

Annexure - II

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 Managerial Personnel 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 a meeting 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 the company;

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 is considered.

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 Transaction and 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 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 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 be required 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 all options 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.

*****

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

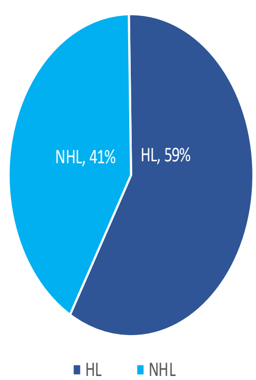
Your Company’s main line of business is to cater the loan requirements of individuals from middle and lower income groups under affordable housing segment. We also offer small ticket collateral backed loans to SMEs / MSMEs and also consumption based unsecured loans to Individuals. Our endeavor is to 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.

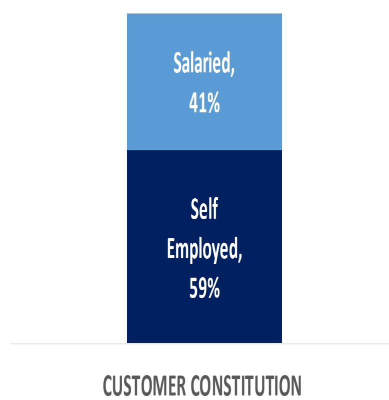
Presence

Your Company started operations initially from our registered and corporate office locations i.e. Delhi NCR & Mumbai MMR respectively. Currently, the Company has a presence in the state of Maharashtra, Delhi, Rajasthan and Uttar Pradesh. The Company is planning to open more branches in the interior of these states to reach the targeted customers. Further, the Company is evaluating to open branches in other states of India as well in the times to come. We feel that there is immense potential in these markets for our target customer segment of affordable housing.

Portfolio Highlights

- As on 31st March 2021 our AUM was INR 141.64 Cr & Loan Book at INR 137.02 Cr
- Portfolio yield was at 13.15%
- Live loan accounts were 4,635
- Average ticket size of the loan less than INR. 3 Lac
- GNPA of 0.25% only
- 94%+ Portfolio is secured
- Few relevant portfolio cuts basis Principal outstanding as on 31st March, 2021; are -





Financial Performance

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 97 employees as on 31st March 2021.

Deloitte
Haskins & Sells LLP

Chartered Accountants
One International Centre,
Tower 3, 27th -32nd Floor
Senapati Bapat Marg
Elphinstone Road (West)
Mumbai – 400 013
Maharashtra, India

Tele: + 91 22 6185 4000
Fax: +91 22 6185 4001

INDEPENDENT AUDITOR'S 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, 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

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, 2021, and its loss, total comprehensive loss, its cash flows and the changes in equity 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 Auditor's 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 Institut e 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 42 to the financial statements, which describes that the potential impact of the COVID-19 Pandemic on the Company's financial statements and particularly the impairment provision are dependent on future developments, which are highly uncertain.

Our opinion is not modified in respect of this matter.

Information Other than the Financial Statements and Auditor's 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 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, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India the guidelines issued by the Reserve Bank of India 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.

Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

d) In our opinion, the aforesaid financial statements comply with the IndAS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

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

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

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

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

   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)

Pallavi A. Gorakshakar
(Partner)
(Membership No. 105035)
(UDIN: 21105035AAAAEQ4513)

Place: Mumbai
Date: 18 May 2021

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S 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, 2021 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 were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's 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 control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the criteria for internal financial control over financial reporting established by the respective 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)

Pallavi A. Gorakshakar
(Partner)
(Membership No. 105035)
(UDIN: 21105035AAAAEQ4513)

Place: Mumbai
Date: 18 May 2021

ANNEXURE B TO THE INDEPENDENT AUDITOR'S 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 programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations 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 (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 provided 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.

vi. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Act.

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

a. The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax, Cess and other material statutory dues applicable to it to the appropriate authorities. We are informed that provisions of Sales Tax, Custom Duty, and Excise Duty are not applicable to the Company.

b. There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Goods and Service Tax, cess and other material statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.

c. There are no dues of Income-tax, Goods and Service Tax, Cess and other material statutory dues as on March 31, 2021 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, 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 or borrowings from financial institutions 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 Order is not applicable.

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

xiv. According to the information and explanations given to us, the Company has made private placement of shares during the year.

In respect of the above issue, we further report that:

a. The requirement of Section 42 of the Companies Act, 2013, as applicable, have been complied with; and

b. The amounts raised have been applied by the Company during the year for the purposes for which the funds were raised, other than temporary deployment pending application.

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 them and hence provisions of section 192 of the Companies Act, 2013 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)

Pallavi A. Gorakshakar
(Partner)
(Membership No. 105035)
(UDIN: 21105035AAAAEQ4513)

Place: Mumbai
Date: 18 May 2021

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.

To provide more reliable and relevant information about the effect of certain items in the Balance Sheet and Statement of Profit and Loss, the Company has changed the classification of certain items. Previous year figures have been re-grouped or reclassified, to confirm to such current year's grouping / classifications. There is no impact on Equity or Net Loss due to these regrouping / reclassifications.

The accounting policies are applied consistently to all the periods presented in the financial statements.

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

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 for corporate customers and average industry standards for individual customers.

- **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.

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

	Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
	ASSETS			
1	Financial Assets			
(a)	Cash & cash equivalents	2	25,91,82,335	17,59,000
(b)	Bank balances other than (a) above	3	21,13,12,767	1,11,00,000
(c)	Receivables			
	(i) Trade Receivables		3,28,110	-
(d)	Loans (Net)	4	1,36,36,69,017	70,48,51,953
(e)	Investments	5	-	8,63,41,078
(f)	Other financial assets	6	1,54,17,972	94,25,282
2	Non-financial Assets			
(a)	Current tax assets(net)	7	25,19,390	28,47,840
(b)	Deferred tax asset (net)	8	88,24,404	45,79,835
(c)	Property, plant and equipment	9	3,15,48,930	3,89,35,170
(d)	Other intangible assets	9A	45,46,013	29,14,951
(e)	Right of use assets	9B	6,13,47,135	8,11,45,976
(f)	Other non-financial assets	10	99,09,062	83,40,507
	Total Assets		1,96,86,05,135	95,22,41,592
	LIABILITIES AND EQUITY			
	LIABILITIES			
1	Financial Liabilities			
(a)	Payables			
	(i)Trade Payables	11		
	total outstanding dues of micro enterprises and small enterprises		4,21,174	-
	total outstanding dues of creditors other than micro enterprises and small enterprises		80,49,275	45,35,568
	(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	69,64,49,590	5,38,13,145
(c)	Other financial liabilities	13	7,20,30,833	8,64,83,524
2	Non-Financial Liabilities			
(a)	Provisions	14	1,79,69,720	1,06,48,152
(b)	Other non-financial liabilities	15	2,69,92,373	1,33,52,849
3	Equity			
(a)	Equity share capital	16	1,30,05,00,000	90,02,50,000
(b)	Other equity	17	(15,38,07,830)	(11,68,41,646)
	Total Liabilities and Equity		1,96,86,05,135	95,22,41,592

Notes 1 to 48 forms part of the Financial Statements

In terms of our report attached.
For Deloitte Haskins & Sells LLP
Chartered Accountants

Pallavi A. Gorakshakar
Partner
Place: Mumbai
Date: May 18, 2021

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

Keshav Porwal
Director
DIN : 06706341
Place: Mumbai
Date: May 18, 2021

Vineet Kumar Saxena
Managing Director & CEO
DIN : 07710277
Place: Mumbai
Date: May 18, 2021

Neeraj Toshniwal
Chief Financial Officer
Place: Mumbai
Date: May 18, 2021

Rachit Malhotra
Company Secretary
Place: New Delhi
Date: May 18, 2021

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, 2021	For the Year Ended March 31, 2020
	Revenue from operations :			
(i)	Interest income	18	14,12,36,518	4,64,03,909
(ii)	Fees and commission income		9,10,000	27,34,626
(iii)	Other operating income		50,63,703	1,95,00,000
(iv)	Net gain on fair value changes	19	44,33,116	84,34,473
(I)	**Total revenue from operations**		**15,16,43,337**	**7,70,73,008**
(II)	Other income	20	69,48,175	30,34,948
(III)	**Total income (I+II)**		**15,85,91,512**	**8,01,07,956**
	Expenses :			
(i)	Finance costs	21	3,48,82,670	1,26,84,196
(ii)	Impairment of financial assets	22A	1,05,00,000	42,50,000
(iii)	Loss on derecognition of financial assets	22B	-	1,30,00,000
(iii)	Employee benefits expenses	23	9,33,84,544	7,75,12,138
(iv)	Depreciation, amortization & impairment	9, 9A & 9B	3,02,31,667	2,82,06,986
(v)	Others expenses	24	3,09,19,305	2,22,27,337
(IV)	**Total expenses (IV)**		**19,99,18,186**	**15,78,80,657**
(V)	Loss before tax (III -IV)		(4,13,26,674)	(7,77,72,701)
(VI)	**Tax Expense:**			
	Current Tax		-	-
	Deferred Tax credit	8	(44,96,428)	(39,13,511)
(VII)	**Loss for the year from continuing operations(VII-VIII)**		**(3,68,30,246)**	**(7,38,59,190)**
(VIII)	**Other Comprehensive Income**			
	(i) Items that will not be reclassified to profit or loss		10,00,632	4,60,574
	(ii) Income Tax relating to items that will not be reclassified to profit or loss	8	(2,51,859)	(1,15,926)
	Other Comprehensive Income		7,48,773	3,44,648
(IX)	**Total Comprehensive Loss for the year**		**(3,60,81,473)**	**(7,35,14,542)**
(X)	**Earnings per equity share (Face Value - Rs.10 per share)**	25		
	Basic		(0.37)	(1.17)
	Diluted		(0.37)	(1.17)

Notes 1 to 48 forms part of the Financial Statements

In terms of our report attached.
For Deloitte Haskins & Sells LLP
Chartered Accountants

Pallavi A. Gorakshakar
Partner
Place: Mumbai
Date: May 18, 2021

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

Keshav Porwal
Director
DIN : 06706341
Place: Mumbai
Date: May 18, 2021

Vineet Kumar Saxena
Managing Director & CEO
DIN : 07710277
Place: Mumbai
Date: May 18, 2021

Neeraj Toshniwal
Chief Financial Officer
Place: Mumbai
Date: May 18, 2021

Rachit Malhotra
Company Secretary
Place: New Delhi
Date: May 18, 2021

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

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net loss before tax	(4,13,26,675)	(7,77,72,701)
Adjustment for:		
Depreciation, amortization and impairment	3,02,31,667	2,82,06,986
Interest income on lease deposits	(10,18,097)	(9,12,503)
Interest income on fixed deposits	(80,40,624)	(6,67,176)
Provision for employee benefits	19,08,142	17,21,093
Share based payments to employees	(8,84,712)	25,04,277
Net gain on fair value changes	(44,33,116)	(84,34,473)
Provision for expected credit loss	1,05,00,000	42,50,000
Operating profit before working capital changes	**(1,30,63,415)**	**(5,11,04,497)**
Adjustment for :		
Increase in trade payables	39,34,881	11,39,123
Increase / (decrease) in other financial liabilities	70,02,711	70,06,556
Increase in other non-financial liabilities	1,54,07,492	1,31,15,828
Increase in Provisions	64,00,000	12,00,000
(Increase)/Decrease in other financial assets	(27,78,179)	7,65,291
(Increase) in Other non financial assets	(5,50,453)	(29,89,039)
(Increase) in Receivables	(3,28,110)	-
Loans given during the year (net)	(67,10,70,974)	(66,59,26,615)
Cash used in operations	**(65,50,46,047)**	**(69,67,93,353)**
Income taxed paid (net of refund received)	3,28,450	(7,50,716)
Net cash used in operating activities (A)	**(65,47,17,597)**	**(69,75,44,069)**
B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipments	(52,99,209)	(1,93,31,865)
Proceeds from sale of property, plant and equipments	6,21,558	89,847
Proceeds from redemption of Liquid Mutual funds (net)	9,07,74,194	10,71,46,265
Interest received on Fixed Deposits	48,26,113	9,07,504
Fixed Deposits placed	(22,75,63,715)	(1,11,00,000)
Proceeds from redemption of bank deposits (net)	2,73,50,948	4,57,25,896
Net Cash generated from / (used in) investing activities (B)	**(10,92,90,111)**	**12,34,37,647**
C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of equity shares	40,02,50,000	50,02,50,000
Payment of Lease rent	(2,40,96,535)	(2,30,47,924)
Bank Overdraft utilised (net)	3,80,57,797	-
Borrowings taken	69,89,00,000	6,00,00,000
Borrowings re-paid	(9,16,80,219)	(61,86,855)
Net cash generated from financing activities (C)	**1,02,14,31,043**	**53,10,15,221**
D) Net increase / (decrease) in cash and cash equivalents (A+B+C)	25,74,23,335	(4,30,91,201)
E) Cash and cash equivalents as at the beginning of the year	17,59,000	4,48,50,201
F) Cash and cash equivalents as at the end of the year	**25,91,82,335**	**17,59,000**

Cash and cash equivalents comprises:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Cash in hand	3,512	17,251
Balances with banks		
- in current accounts	62,27,875	17,41,749
- in deposit accounts	25,29,50,948	-
	25,91,82,335	17,59,000

Notes 1 to 48 forms part of the Financial Statements

In terms of our report attached.
For Deloitte Haskins & Sells LLP
Chartered Accountants

Pallavi A. Gorakshakar
Partner
Place: Mumbai
Date: May 18, 2021

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

Keshav Porwal
Director
DIN : 06706341
Place: Mumbai
Date: May 18, 2021

Vineet Kumar Saxena
Managing Director & CEO
DIN : 07710277
Place: Mumbai
Date: May 18, 2021

Neeraj Toshniwal
Chief Financial Officer
Place: Mumbai
Date: May 18, 2021

Rachit Malhotra
Company Secretary
Place: New Delhi
Date: May 18, 2021

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

A. Equity share capital

Issued, Subscribed and paid up Capital	Amount
Balance at April 1, 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
Changes in equity share capital during the year	40,02,50,000
Balance at March 31, 2021	1,30,05,00,000

B. Other Equity

	Employee stock option outstanding	Other Comprehensive income	Reserves and Surplus		Total
			Securities Premium	Retained Earnings	
Balance as at April 1, 2019	20,99,913	-	-	(4,79,31,295)	(4,58,31,381)
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)
Adjustment on account of Acturial valuation	-	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	(12,17,90,484)	(11,68,41,646)
Transfer to Securities Premium	(7,500)	-	7,500	-	-
Other Additions/Deductions during the year	(8,84,712)	-	-	-	(8,84,712)
Loss for the year after tax	-	-	-	(3,68,30,246)	(3,68,30,246)
Adjustment on account of Acturial valuation	-	10,00,632	-	-	10,00,632
Less: Deferred Tax on Other Comprehensive Income	-	(2,51,859)	-	-	(2,51,859)
Balance as at March 31, 2021	37,04,479	10,93,421	15,000	(15,86,20,730)	(15,38,07,830)

Notes 1 to 48 forms part of the Financial Statements

In terms of our report attached.
For Deloitte Haskins & Sells LLP
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Pallavi A. Gorakshakar
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Place: Mumbai
Date: May 18, 2021

For and on behalf of the board
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Keshav Porwal
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DIN : 07710277
Place: Mumbai
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Neeraj Toshniwal
Chief Financial Officer
Place: Mumbai
Date: May 18, 2021

Rachit Malhotra
Company Secretary
Place: New Delhi
Date: May 18, 2021

Capital India Home Loans Limited
Notes to Ind AS Financial Statements for the year ended March 31, 2021
(All figures are in rupees, except otherwise stated)

Note 2. Cash and cash equivalents

	Particulars	As at March 31, 2021	As at March 31, 2020
a)	Cash on hand	3,512	17,251
b)	Balances with Bank		
	- in current accounts	62,27,875	17,41,749
	- in fixed deposits with original maturity less than 3 months	25,29,50,948	-
	Total (a+b)	25,91,82,335	17,59,000

Note 3. Bank Balances other than cash and cash equivalents

	Particulars	As at March 31, 2021	As at March 31, 2020
	Fixed deposits with bank with original maturity of more than 3 months	21,13,12,767	1,11,00,000
	Total	21,13,12,767	1,11,00,000

Note: Fixed deposits with bank with original maturity of more than 3 months includes Rs.40,000,000 lien marked to Bank for providing Bank Guarantee (March 31, 2020 - Nil)

Capital India Home Loans Limited

Notes to Ind AS Financial Statements for the year ended March 31, 2021

(All figures are in rupees, except otherwise stated)

Note 4. Loans

	As at March 31, 2021	As at March 31, 2020
Term Loans in India - at amortised cost		
Others		
(i) Secured by tangible assets	1,29,57,09,840	62,58,53,146
(ii) Unsecured	8,23,59,177	8,29,12,865
Gross	**1,37,80,69,017**	**70,87,66,011**
Less: Impairment loss allowance	1,44,00,000	39,14,058
Total	**1,36,36,69,017**	**70,48,51,953**
(I) Loans In India		
(i) Public Sectors	-	-
(ii)Others	1,37,80,69,017	70,87,66,011
Gross	**1,37,80,69,017**	**70,87,66,011**
Less: Impairment loss allowance	1,44,00,000	39,14,058
Net	1,36,36,69,017	70,48,51,953
(II) Loans Outside India		
Loans Outside India	-	-
Less: Impairment loss allowance	-	-
Net	-	-
Total	**1,36,36,69,017**	**70,48,51,953**

Note: These secured loans are secured by way of equityable mortgage of property.

Capital India Home Loans Limited
Notes to Ind AS Financial Statements for the year ended March 31, 2021
(All figures are in rupees, except otherwise stated)

Note 5. Investments

	As at March 31, 2021	As at March 31, 2020
Fair value through profit and loss account		
In India:		
Liquid mutual fund units	-	8,63,41,078
Total	-	8,63,41,078

Capital India Home Loans Limited
Notes to Ind AS Financial Statements for the year ended March 31, 2021
(All figures are in rupees, except otherwise stated)

Note 6. Other Financial assets

Particulars	As at March 31, 2021	As at March 31, 2020
Other financial assets		
(Unsecured, considered good)		
Interest accrued but not due on Fixed Deposits	34,01,769	1,87,258
Security deposits	1,06,11,621	90,98,024
Advance given to staff	48,000	1,40,000
Other advance	3,63,681	-
Ex. Gratia receivable	8,80,000	-
Mediclaim Amount Recoverable From Employee	1,12,901	-
	1,54,17,972	94,25,282

Note 7. Current tax assets (Net)

Particulars	As at March 31, 2021	As at March 31, 2020
Current tax assets:		
Advance tax and tax deducted at source		
(Net of provision for tax CY - Nil (PY - Nil))	25,19,390	28,47,840
Total	25,19,390	28,47,840

Note 8. Deferred tax assets (Net)

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred Tax Asset/(Liabilities) Net		
Deferred Tax Asset		
Impairment of Financial Assets	37,75,500	11,32,650
Preliminary expenses	2,23,885	1,49,257
Provision for employee benefits	18,85,031	18,77,405
Amortization adjustments on Lease deposits	5,53,627	3,02,055
Ind AS 116 adjustment	17,03,142	11,57,453
Depreciation	12,13,187	4,34,398
Deferred Tax Liabilities		
Unrealised gain on liquid mutual funds	-	(1,99,670)
Interest adjustments on Lease deposits	(5,29,968)	(2,73,713)
Deferred Tax Asset/(Liabilities) Net	88,24,404	45,79,835
Movement in Net deferred tax Asset during the year	42,44,569	37,97,585

Note:

Break up of movement in net deferred tax assets		
Routed through Statement of Profit & Loss	44,96,428	39,13,511
Routed through other comprehensive income	(2,51,859)	(1,15,926)
Total	42,44,569	37,97,585

Note 9. Property, Plant and Equipment

	As at March 31, 2021					
	Furniture & Fixtures	Vehicles	Office Equipments	Leasehold improvements	Computer & printers	Total
At cost at the beginning of the year	1,05,40,180	36,05,776	99,25,122	2,19,73,937	27,13,520	4,87,58,535
Additions	37,800	-	19,948	1,12,575	18,58,885	20,29,209
Disposals	-	9,50,000	-	-	59,841	10,09,841
At cost at the end of the year	1,05,77,980	26,55,776	99,45,070	2,20,86,512	45,12,564	4,97,77,902
Accumulated depreciation and impairment as at the beginning of the year	10,81,154	13,28,279	22,59,524	39,76,638	11,77,770	98,23,365
Depreciation for the year	10,86,220	5,31,155	19,22,277	41,33,742	11,20,496	87,93,890
Disposals	-	3,80,000	-	-	8,283	3,88,283
Accumulated depreciation and impairment as at the end of the year	21,67,374	14,79,434	41,81,801	81,10,380	22,89,983	1,82,28,972
Net carrying amount as at the end of the year	84,10,606	11,76,342	57,63,269	1,39,76,132	22,22,581	3,15,48,930

	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

Capital India Home Loans Limited
Notes to Ind AS Financial Statements for the year ended March 31, 2021
(All figures are in rupees, except otherwise stated)

Note 9A. Other intangible assets (Other than Internally Generated)

	As at March 31, 2021		
	Computer softwares	Other Intangible assets	Total
At cost, beginning of the year	32,86,786	-	32,86,786
Additions	32,70,000	-	32,70,000
Total cost	65,56,786	-	65,56,786
Accumulated amortization and impairment:			
At beginning of the year	3,71,835	-	3,71,835
Amortization for the year	16,38,938		16,38,938
Total amortization and impairment	20,10,773	-	20,10,773
Net carrying amount	45,46,013	-	45,46,013
Capital Work in Progress including advances for capital 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
Capital Work in Progress including advances for capital assets	-	-	-

Capital India Home Loans Limited
Notes to Ind AS Financial Statements for the year ended March 31, 2021
(All figures are in rupees, except otherwise stated)

Note 9B. Right of Use assets

	As at March 31, 2021	As at March 31, 2020
Particulars	Premises	
Gross Carrying value at the beginning of the year	10,32,12,228	3,72,01,204
Additions	-	6,60,11,023
Total Gross carrying value	10,32,12,228	10,32,12,227
Accumulated amortization and impairment:		
At beginning of the year	2,20,66,251	22,67,410
Amortization for the year	1,97,98,842	1,97,98,841
Total amortization and impairment	4,18,65,093	2,20,66,251
Net carrying amount	6,13,47,135	8,11,45,976

Note 10. Other non-financial assets

	As at March 31, 2021	As at March 31, 2020
Other non-financial assets		
(Unsecured, considered good)		
Prepaid Expenses	24,57,337	16,48,833
Advances given	6,67,697	2,78,475
GST Input Credit	67,84,028	64,13,199
	99,09,062	**83,40,507**

Note 11. Payables

	As at March 31, 2021	As at March 31, 2020
Trade payables		
(i) total outstanding dues of micro enterprises and small enterprises	4,21,174	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	80,49,275	45,35,568
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	-	-
	84,70,449	**45,35,568**

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

Particulars	As at March 31, 2021	As at March 31, 2020
The Principal amount remaining unpaid at the end of the year	4,21,174	-
The Interest amount remaining unpaid at the end of the year	-	-
Balance of MSME parties at the end of the year	4,21,174	-

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.

Note 12. Borrowings

	As at March 31, 2021			
	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 (Secured) (Refer Note)				
(i) from banks	23,06,70,042	-	-	23,06,70,042
(ii) from other parties	23,26,46,751			23,26,46,751
(iii) from National Housing Bank	19,50,75,000			19,50,75,000
(iv) Other loans - Bank Overdraft utilised	3,80,57,797			3,80,57,797
Total	**69,64,49,590**	**-**	**-**	**69,64,49,590**
Borrowings in India	69,64,49,590			69,64,49,590
Borrowings outside India	-	-	-	-
Total	**69,64,49,590**	**-**	**-**	**69,64,49,590**

	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	5,38,13,145			5,38,13,145
(g) Other loans - Bank Overdraft	-			-
Total	**5,38,13,145**	**-**	**-**	**5,38,13,145**
Borrowings in India	5,38,13,145			5,38,13,145
Borrowings outside India	-	-	-	-
Total	**5,38,13,145**	**-**	**-**	**5,38,13,145**

Note:

i) Security details:

As at March 31, 2021

Particulars	Outstanding Amount	Secured by	Interest Rate (p.a.)	Terms of repayment
National Housing Bank - Refinance Facility	16,61,75,000	i) Hypothecation of Loan Book ii) Corporate guarantee from Parent Company	5.4% to 5.80 %	Quarterly repayment
National Housing Bank - Additional Special Refinance Facility	2,89,00,000	Hypothecation of Loan Book		Bullet repayment
AU Small Finance Bank Liimted	8,12,50,003	i) Hypothecation of Loan Book ii) Corporate guarantee from Parent Company	11.60 % to 12.75%	Equated Monthly Instalments
Jana Small Finance Bank Limited	10,00,00,000			
Utkarsh Small Finance Bank Limited	5,00,00,000			
Sundaram Home Finance Limited	5,00,00,000			Quarterly repayment
Hinduja Housing Finance Limited	6,22,22,222			Equated Monthly Instalments
Northern Arc Capital	9,82,98,233			
UGRO Capital Limited	2,44,94,446	Hypothecation of Loan Book		
Bank Overdraft	3,80,57,797	Secured against Fixed Deposits	Margin over FD rates	Not Applicable
	69,93,97,701			

As at March 31, 2020

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

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

Note 13. Other financial liabilities

	As at March 31, 2021	As at March 31, 2020
Other financial liabilities		
Interest accrued but not due on borrowings	13,69,299	4,31,346
Lease liability	7,06,61,534	8,60,52,178
	7,20,30,833	8,64,83,524

Note 14. Provisions

	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits		
Provision for Gratuity	18,86,805	14,11,281
Provision for compensated absence	18,82,915	14,50,929
Provision for performance bonus	1,36,00,000	72,00,000
Impairment loss allowance on Sanctioned but undisbursed & Guarantee	6,00,000	5,85,942
	1,79,69,720	1,06,48,152

Note 15. Other non financial liabilities

	As at March 31, 2021	As at March 31, 2020
Advance received from customer	2,48,74,075	1,18,69,195
Statutory dues payable	21,18,298	14,83,654
	2,69,92,373	1,33,52,849

Capital India Home Loans Limited
Notes to Ind AS Financial Statements for the year ended March 31, 2021
(All figures are in rupees, except otherwise stated)

Note 16. Equity share capital

	As at March 31, 2021		As at March 31, 2020	
Authorised share capital	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
	15,00,00,000	**1,50,00,00,000**	**15,00,00,000**	**1,50,00,00,000**

Issued, Subscribed and paid up Capital	No. of Shares	Amount
Balance at April 1, 2019	**4,00,00,000**	**40,00,00,000**
Changes in equity share capital during the year	5,00,25,000	50,02,50,000
Balance at March 31, 2020	**9,00,25,000**	**90,02,50,000**
Changes in equity share capital during the year	4,00,25,000	40,02,50,000
Balance at March 31, 2021	**13,00,50,000**	**1,30,05,00,000**

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, 2021		As at March 31, 2020	
	Number	%	Number	%
Equity shares of Rs. 10 each				
Capital India Finance Limited (Holding Company) and its nominees	13,00,00,000	99.96%	9,00,00,000	99.97%

Note 17. Other equity

	Employee stock option outstanding	Other Comprehensive income	Reserves and Surplus		Total
			Securities Premium	Retained Earnings	
Balance as at April 1, 2019	20,99,913	-	-	(4,79,31,295)	(4,58,31,381)
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)
Adjustment on account of Acturial valuation	-	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	(12,17,90,484)	(11,68,41,646)
Transfer to Securities Premium	(7,500)	-	7,500	-	-
Other Additions/Deductions during the year	(8,84,712)	-	-	-	(8,84,712)
Loss for the year after tax	-	-	-	(3,68,30,246)	(3,68,30,246)
Adjustment on account of Acturial valuation	-	10,00,632	-	-	10,00,632
Less: Deferred Tax on Other Comprehensive Income	-	(2,51,859)	-	-	(2,51,859)
Balance as at March 31, 2021	37,04,479	10,93,421	15,000	(15,86,20,730)	(15,38,07,830)

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
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Note 18. Interest income

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
	On Financial Assets measured at Amortised Cost	
Interest on loans	13,21,77,797	4,48,24,230
Interest on deposits with Banks	80,40,624	6,67,176
Other interest income	10,18,097	9,12,503
Total	**14,12,36,518**	**4,64,03,909**

Note 19. Net gain on fair value changes

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Net gain on financial instruments at fair value through profit		
On trading portfolio		
- Investments	44,33,116	84,34,473
Total Net gain on fair value changes	-	-
Fair Value changes:		
Realised	**44,33,116**	**76,41,186**
Unrealised	-	**7,93,287**

Note 20. Other income

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Sub-lease income	68,97,972	29,80,790
Interest on income tax refund	50,203	26,956
Other income	-	27,202
Total	69,48,175	30,34,948

Note 21. Finance costs

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Interest on borrowings	2,61,11,133	22,42,643
Interest on Lease liability	80,36,631	1,02,55,853
Other borrowing costs	7,34,906	1,85,700
Total	3,48,82,670	1,26,84,196

Note 22A. Impairment of financial assets

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
	On Financial instruments measured at Amortised Cost	
On Loans	1,05,00,000	42,50,000
Total	1,05,00,000	42,50,000

Note 22B. Loss on derecognition on financial assets

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
	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, 2021	Year Ended March 31, 2020
Salaries and wages including bonus	8,76,24,186	7,28,54,229
Contribution to provident and other funds	50,22,124	38,39,916
Staff welfare expenses	7,38,234	8,17,993
Total	9,33,84,544	7,75,12,138

Note 24. Other expenses

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Rent	9,06,644	3,90,083
Rates & taxes	3,16,312	9,80,298
Repairs & maintenance - others	21,68,918	16,34,684
Office expenses	17,75,213	22,39,060
Electricity charges	10,09,392	11,71,121
Communication expenses	12,44,970	11,62,381
Printing & stationery	7,54,873	3,58,133
Travelling & conveyance	8,70,787	16,81,149
Business Promotion expenses	1,70,660	3,62,125
Auditors remuneration (Refer foot note below)	11,40,950	15,91,250
Legal & professional charges	89,76,145	52,99,020
Directors sitting fees	8,72,000	5,45,000
Commission & brokerage expenses	27,01,416	40,56,653
Facilitation Fees	70,45,591	4,44,340
Miscellaneous expenses	9,65,434	3,12,040
Total	3,09,19,305	2,22,27,337

Remuneration to Statutory Auditors

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Payment to auditors		
a) Statutory Audit Fees	7,50,000	10,00,000
b) Taxation matters (Tax Audit Fees)	1,00,000	1,00,000
c) Certification Fees & Other services	2,05,000	3,00,000
d) Taxes on above	85,950	1,91,250
Total	11,40,950	15,91,250

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, 2021	For the year ended March 31, 2020
Basic			
Loss after tax	A	(3,68,30,246)	(7,38,59,190)
Weighted average number of equity shares outstanding	B	10,08,34,795	6,32,26,986
Basic earning per share (Rs)	A/B	(0.37)	(1.17)
Diluted			
Loss after tax	A	(3,68,30,246)	(7,38,59,190)
Weighted average number of equity shares outstanding	B	10,08,34,795	6,32,26,986
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	10,08,34,795	6,32,26,986
Diluted earning per share (before and after extraordinary items) (Rs)	A/D	(0.37)	(1.17)
Face value of shares (Rs)		10.00	10.00

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

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Note 26. Contingent Liabilities and Commitments

S.N.	Particulars	As at March 31, 2020	As at March 31, 2020
	Contingent liabilities		
1	Claims against the Company not acknowledged as debt	-	-
2	Guarantees		
	FLDG guarantee given (net of provision)	20,27,589	21,98,779
	Total (a)	20,27,589	21,98,779
	Commitments		
1	Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for	52,98,500	1,07,800
2	Undrawn committed sanctions to borrowers	5,10,89,974	6,81,45,493
	Total (b)	5,63,88,474	6,82,53,293
	Total (c=a+b)	5,84,16,063	7,04,52,072

Note 27. Related party disclosures

Particulars	As at March 31, 2021	As at March 31, 2020
Name of the related party	Nature of relationship	Nature of relationship
Capital India Corp LLP	Ultimate Holding Entity	Ultimate Holding Entity
Capital India Finance Limited	Holding Company	Holding Company
Rapipay Fintech Private Limited (w.e.f. September 20, 2019	Fellow Subsidiary *	Fellow Subsidiary *
Key Management Personnel:		
Mr. Keshav Porwal	Director	Director
Mr. Vineet Kumar Saxena	Managing Director and Chief Executive Officer	Whole Time Director and Chief Executive Officer
Mr. Amit Sahai Kulshreshtha (resigned with effect from February 15, 2021)	XXX	Managing Director
Mr. Yogendra Pal Singh	Independent director	Independent director
Mr. Vinod Somani	Independent director	Independent director
Mrs. Rashmi Fauzdar (Appointed with effect from September 30, 2020)	Independent director	XXX

* Related party and their relationships are reported only where the Company has transaction with those parties during the year / previous year.

Details of transactions with related party:

Related party	Nature of transaction	March 31, 2021	March 31, 2020
Capital India Corp LLP	Royalty charges for use of Trademark	2,75,000	-
Capital India Finance Limited	Sub-lease income	68,97,972	28,03,790
	Recovery of expenses	21,34,960	1,77,486
Rapipay Fintech Private Limited	Sub-lease income	-	1,77,000
	Recovery of expenses	-	16,225
Mr. Vineet Kumar Saxena	Remuneration*	1,34,06,760	1,67,64,000
Mr. Yogendra Pal Singh	Director sitting fees paid	3,95,125	2,50,000
Mr. Vinod Somani	Director sitting fees paid	3,67,875	2,50,000
MS. Rashmi Fauzdar	Director sitting fees paid	1,09,000	-

* excludes amounts pertaining to gratuity and compensated absences, which are actuarially valued at the Company level.
Note: There are no write offs with respect to any of the related parties during the year or in the previous year.

Balances:
There are no outstanding balances as at balance sheet date with respect to any of the related party.

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

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) and for short term leases.
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.

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Rent expenses on Short-term lease debited to Statement of Profit and Loss	9,06,644	3,90,083

The following is the movement in lease liabilities during the year ended March 31, 2021 and March 31, 2020

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Opening balance	8,60,52,178	3,48,00,198
Additions during the year	-	6,40,44,050
Deletions during the year	-	-
Finance cost accrued during the year	80,36,631	1,02,55,853
Payment of lease liabilities	(2,34,27,275)	(2,30,47,924)
Closing balance	7,06,61,534	8,60,52,178

Maturity analysis of Lease Liabilities:

Particulars	As at 31 March 2021	As at 31 March 2020
Not later than 1 year	2,54,43,591	2,40,96,535
Later than 1 year and not later than 5 years	5,88,82,898	8,43,26,489
Later than 5 years	-	-
Total	**8,43,26,489**	**10,84,23,024**

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

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 2021

Particulars	Options (Numbers)	Weighted average exercise price per option (Rs.)
Option outstanding at the beginning of the year	82,80,000	10
Granted during the year	14,25,000	10
Vested during the year (including option lapsed)	24,80,000	10
Exercised during the year	25,000	10
Lapsed during the year	35,80,000	10
Options outstanding at the end of the year	61,00,000	10
Options available for grant	63,50,000	10

Weighted average remaining contractual life for options outstanding as at 31 March 2021 is 13 months.

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 8 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 2021	As at 31st March 2020
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	Nil	Nil

During the year ended March 31, 2021, the Company recorded an employee stock compensation net reversal of Rs.884,712/- (March 31, 2020 Rs.2,504,277/-) in the Statement of Profit and Loss.

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 approximation of the fair values.

As at March 31, 2021	Carrying Amount			Fair value hierarchy			
	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets							
Cash and cash equivalents	-	25,91,82,335	25,91,82,335	-	-	-	-
Other Bank Balances	-	21,13,12,767	21,13,12,767	-	-	-	-
Trade receivables	-	3,28,110	3,28,110	-	-	-	-
Loans (Net of Provision)	-	1,36,36,69,017	1,36,36,69,017	-	-	-	-
Others financial assets	-	1,54,17,972	1,54,17,972	-	-	-	-
Total	-	1,84,99,10,201	1,84,99,10,201	-	-	-	-
Financial liabilities							
Trade and Other Payables	-	80,49,275	80,49,275	-	-	-	-
Borrowings	-	69,64,49,590	69,64,49,590	-	-	-	-
Other Financial liabilities	-	7,20,30,833	7,20,30,833	-	-	-	-
Total	-	77,65,29,698	77,65,29,698	-	-	-	-

As at March 31, 2020	Carrying Amount			Fair value hierarchy			
	FVTPL	Amortised 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)	-	70,48,51,953	70,48,51,953	-	-	-	-
Others financial assets	-	94,25,282	94,25,282	-	-	-	-
Total	8,63,41,078	72,71,36,235	81,34,77,313	8,63,41,078	-	-	8,63,41,078
Financial liabilities							
Trade and Other Payables	-	45,35,568	45,35,568	-	-	-	-
Borrowings	-	5,38,13,145	5,38,13,145	-	-	-	-
Other Financial liabilities	-	8,64,83,524	8,64,83,524	-	-	-	-
Total	-	14,48,32,237	14,48,32,237	-	-	-	-

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Note 31. Maturity Analysis of Assets & Liabilities

	As at March 31, 2021			As at March 31, 2020		
	Within 12 Months	After 12 months	Total	Within 12 Months	After 12 months	Total
Assets						
Financial Assets						
Cash & cash equivalents	25,91,82,335		25,91,82,335	17,59,000		17,59,000
Bank balances other than Cash & cash equivalents	15,88,12,767	5,25,00,000	21,13,12,767	1,11,00,000	-	1,11,00,000
Receivables						
- Trade Receivables	3,28,110	-	3,28,110	-	-	-
Loans	15,61,66,192	1,20,75,02,825	1,36,36,69,017	13,16,43,405	57,49,15,944	70,65,59,349
Investments	-	-	-	8,63,41,078	-	8,63,41,078
Other financial assets	48,06,351	1,06,11,621	1,54,17,972	3,27,258	90,98,024	94,25,282
Non-financial Assets			-			
Current tax assets(net)	25,19,390	-	25,19,390	28,47,840		28,47,840
Deferred tax asset (net)	-	88,24,404	88,24,404	-	45,79,835	45,79,835
Property, plant and equipment	-	3,15,48,930	3,15,48,930	-	3,89,35,170	3,89,35,170
Other intangible assets	-	45,46,013	45,46,013	-	29,14,951	29,14,951
Right of use assets	-	6,13,47,135	6,13,47,135	-	8,11,45,976	8,11,45,976
Other non-financial assets	99,09,062	-	99,09,062	83,40,507	-	83,40,507
Total Assets	59,17,24,208	1,37,68,80,928	1,96,86,05,135	24,23,59,088	71,15,89,900	95,39,48,988
LIABILITIES						
Financial Liabilities						
Payables		-	-	-	-	-
(i)Trade Payables	84,70,449	-	84,70,449	45,35,568	-	45,35,568
(ii)Other Payables			-			-
Borrowings	24,10,51,695	45,53,97,895	69,64,49,590	2,96,49,468	2,41,63,677	5,38,13,145
Other financial liabilities	13,69,299	7,06,61,534	7,20,30,833	4,31,346	8,60,52,178	8,64,83,524
Non-Financial Liabilities						
Provisions	1,54,82,915	24,86,805	1,79,69,720	86,50,929	19,97,223	1,06,48,152
Other non-financial liabilities	2,69,92,373	-	2,69,92,373	1,33,52,849	-	1,33,52,849
Total Liabilities	29,33,66,731	52,85,46,234	82,19,12,966	5,66,20,160	11,22,13,077	16,88,33,238
Net	29,83,57,476	84,83,34,694	1,14,66,92,170	18,57,38,928	59,93,76,822	78,51,15,750
Other undrawn commitments						
Total commitments	5,10,89,974	-	5,10,89,974	6,81,45,493	-	6,81,45,493

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, 2021	As at March 31, 2020
Financial Assets at amortised cost - Loans & Advances (Gross)	1,38,15,44,381	71,04,73,407
Less : Impairment loss allowances	1,44,00,000	39,14,058
Financial Assets at amortised cost - Loans & Advances (Net)	1,36,71,44,381	70,65,59,349
Financial Assets measured at FVTPL - Mutual funds	-	8,63,41,078
Trade receivables	3,28,110	-
Total	1,36,74,72,491	79,29,00,427

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 42 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, 2021	As at March 31, 2020
Stage 1	Performing asset and 12 month ECL: Gross Stage 1 (DPD< 30 days)	1,31,20,01,883	71,04,73,407
	Less : Impairment loss allowance	73,50,000	39,14,058
	Net Stage 1 Assets	1,30,46,51,883	70,65,59,349
	ECL Prov. Coverage	0.56%	0.55%
Stage 2	Under performing assets increase in credit risk and Lifetime ECL: Gross Stage 2 (30>DPD< 90 days)	6,61,14,096	-
	Less : Impairment loss allowance	53,00,000	-
	Net Stage 2 Assets	6,08,14,096	-
	ECL Prov. Coverage	8.02%	-
Stage 3	Non-performing assets credit impaired and lfetime ECL: Stage 3 (DPD>90)	34,28,402	-
	Less : Impairment loss allowance	17,50,000	-
	Net Stage 3 Assets	16,78,402	-
	ECL Prov. Coverage	51.04%	-
	Total Loans & Advances	**1,38,15,44,381**	**71,04,73,407**
	Less : Impairment loss allowance	1,44,00,000	39,14,058
	Net Loans & Advances	**1,36,71,44,381**	**70,65,59,349**
	ECL Prov. Coverage	1.04%	0.55%

Credit impairment charge to the income statement

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
New and increased provisions (incl. write off)	1,05,00,000	1,72,50,000
Write-backs of specific provisions	-	-
Recoveries of specific provisions	-	-
Total charge to the income statement	1,05,00,000	1,72,50,000

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 March 2021, and are still subject to enforcement activity was Nil.

Note 32. Financial Instruments

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.

	Movement in Gross Exposure to Loans & Advances				Movement in ECL			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Balance as at April 1, 2019	4,45,46,792	-	-	4,45,46,792	2,50,000	-	-	2,50,000
Changes due to financial assets recognised in opening balance that have:								
- Transferred to 12 month ECL	-	-	-	-	-	-		-
- Transferred to lifetime ECL -significant increase in credit risk	-	-	-	-	-	-	-	-
- Transferred to lifetime ECL credit – impaired	-	-	-	-	-	-	-	-
Increase due to financial assets originated (net)	66,59,26,615	-	-	66,59,26,615	36,64,058	-	-	36,64,058
Decrease due to loans derecognised on full payment	-	-	-	-	-	-	-	-
Net remeasurement (Due to recovery on regular basis changes in rating, changes in security value etc.)	-	-	-	-	-	-	-	-
Amounts written off during the year	-	-	-	-	-	-	-	-
Balance as at March 31, 2020	**71,04,73,407**	**-**	**-**	**71,04,73,407**	**39,14,058**	**-**	**-**	**39,14,058**
Changes due to financial assets recognised in opening balance that have:								
- Transferred to 12 month ECL	-	-	-	**-**	-	-	-	-
- Transferred to lifetime ECL -significant increase in credit risk	(2,68,57,341)	2,68,57,341	-	**-**	(13,00,000)	13,00,000	-	-
- Transferred to lifetime ECL credit – impaired	(34,28,402)		34,28,402	**-**	(17,50,000)	-	17,50,000	-
Increase due to financial assets originated (net)	90,11,56,903	3,92,56,755	-	**94,04,13,658**	73,50,000	40,00,000	-	1,13,50,000
Decrease due to loans derecognised on full payment	(26,93,42,684)		-	**(26,93,42,684)**	(8,64,058)	-		(8,64,058)
Net remeasurement (Due to recovery on regular basis changes in rating, changes in security value etc.)		-	-	**-**	-	-	-	-
Amounts written off during the year	-	-	-	-	-	-	-	-
Balance as at March 31, 2021	**1,31,20,01,883**	**6,61,14,096**	**34,28,402**	**1,38,15,44,381**	**73,50,000**	**53,00,000**	**17,50,000**	**1,44,00,000**

Note 32. Financial Instruments

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 2020-2021

e) Credit Concentration

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

Particulars	As at March 31, 2021	As at March 31, 2020
Housing Loans	58%	57%
Non-Housing Loans	42%	43%

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, 2021	Contractual cash flows				
	Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Borrowings (Includes Interest accrued but not due)	69,93,97,700	24,10,51,695	31,29,59,913	12,17,11,092	2,36,75,000
Trade and Other Payables	84,70,449	84,70,449	-	-	-
Other Financial Liabilities	13,69,299	13,69,299	-	-	-
	70,92,37,448	25,08,91,443	31,29,59,913	12,17,11,092	2,36,75,000

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, 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)	5,41,20,122	2,96,49,468	2,44,70,654	-	-
Trade and Other Payables	45,35,568	45,35,568	-	-	-
Other Financial Liabilities	4,31,346	4,31,346	-	-	-
	5,90,87,036	3,46,16,382	2,44,70,654	-	-

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.

Note 32. Financial Instruments

iii) Market Risk :

Market Risk is the risk of financial loss arising on account of changes/fluctuations in market variables such as interest rates, equity prices etc. Market risk stems from the Company's 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, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Borrowings that are re-priced	0.25%	0.25%	(17,48,494)	(1,35,300)
Loans that are re-priced	0.25%	0.25%	34,53,861	17,76,184

	% Decrease in rate		Increase/(decrease) in profit	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Borrowings that are re-priced	0.25%	0.25%	17,48,494	1,35,300
Loans that are re-priced	0.25%	0.25%	(34,53,861)	(17,76,184)

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.

iv) Modification gain / (loss)

There are no material modification gain or loss during the current year. Previous year - Nil.

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, 2021	As at March 31, 2020
Gross Debt	69,93,97,701	5,41,20,123
Less:		
Cash & cash equivalents	25,91,82,335	17,59,000
Other bank deposits	21,13,12,767	1,11,00,000
Investment in Liquid Mutual Funds	-	8,63,41,078
Adjusted Net debt	**22,89,02,599**	**-**
Total Equity	1,14,66,92,170	78,34,08,354
Adjusted Net debt to equity ratio	**0.20**	**-**

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 2020-21	FY 2019-20
Employer's Contribution to Provident Fund	35,01,801	27,05,387

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, 2021
(All figures are in rupees, except otherwise stated)

Note 34. Employee benefits

The disclosure as required by Indian Accounnng Standard (Ind AS) -19 "Employee Benefits" is as under.

Particulars	As at March 31, 2021	As at March 31, 2020
I. Assumption		
Mortality rate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Interest / Discount Rate	6.06%	6.87%
Rate of increase in compensaon	7%	0% 1st year & 10% p.a. thereafter
Expected average remaining service	27	25
II. Reconciliaon of net defined benefit asset/(liability)		
(a) Reconciliaon of present value of defined benefit obligaon		
Opening Defined Benefit Obligation	14,11,281	7,43,179
Interest Cost	96,955	57,671
Current Service Cost	13,79,201	10,71,005
Transfer in of liability	-	-
Past Service Cost (vested benefits)	-	-
Actuarial (Gains) / Losses	(10,00,632)	(4,60,574)
Benefits Paid	-	-
Closing Defined Benefit Obligation	18,86,805	14,11,281
(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 obligation as at the end of year	18,86,805	14,11,281
Fair value of plan assets as at the end of year	-	-
Funded status	18,86,805	14,11,281
Recognised in Balance Sheet - Asset / (Liability)	(18,86,805)	(14,11,281)
III. Actuarial (Gain)/Loss on Obligation		
Due to Demographic Assumption	(1,63,381)	(38,522)
Due to Financial Assumption	(72,808)	9,515
Due to Experience	(7,64,443)	(4,31,567)
Net Actuarial (Gain)/ Loss on obligation	(10,00,632)	(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	96,955	57,671
Interest Income	-	-
Net Interest Exp/(Income)	96,955	57,671
VI. Expenses Recognised in Profit and Loss account under Employee benefit expenses		
Current Service Cost	13,79,201	10,71,005
Net Interest Exp/(Income)	96,955	57,671
Past Service Cost (vested benefits)		-
Expenses recognised in Profit and Loss Account	14,76,156	11,28,676

Capital India Home Loans Limited
Notes to Ind AS Financial Statements for the year ended March 31, 2021
(All figures are in rupees, except otherwise stated)

Note 34. Employee benefits

VII. Remeasurements recognised in Other Comprehensive Income		
Net Actuarial (Gain)/ Loss on obligation	(10,00,632)	(4,60,574)
Return on Plan Assets excluding Interest Income	-	-
Total Actuarial (Gain)/ Loss recognised in OCI	(10,00,632)	(4,60,574)
VIII. Others		
Weighted average duration of defined benefit obligation	5	13

Sensivity analysis :

Sensivity analysis for significant actuarial assumptions, showing how the defined benefit obligation would be affected, considering increase/decrease of 100 basis points as at March 31, 2021 and March 31, 2020 is as below :

Particulars	As at March 31, 2021	As at March 31, 2020
Change in rate of Discount Rate + 100 basis points	17,49,662	12,57,699
Change in rate of Discount Rate- 100 basis points	20,41,461	15,91,840
Change in rate of Salary Escalaon Rate + 100 basis points	20,29,051	15,78,839
Change in rate of Salary Escalaon Rate - 100 basis points	17,57,822	12,65,081

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

Particulars	As at March 31, 2021	As at March 31, 2020
Year 1	91,268	-
Year 2	1,76,320	-
Year 3	2,09,388	76,145
Year 4	2,32,446	94,158
Year 5	2,17,754	97,495
Year 6 to year ten	7,91,261	7,10,695

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.471,634 (31st March 2020: Rs.592,417) for compensated absences in Statement of Profit and Loss for current year. Total provision for compensated absences is Rs.1,882,915 as at 31st March 2021 (31st March 2020: Rs.1,450,929).

Note 35. Disclosures pursuant to Master Circular- Housing Finance Companies – Corporate Governance (NHB) Directions, 2016 & Disclosures pursuant to Annex IV Schedule to the Balance Sheet of an HFC of Master Direction Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021

A.1) Capital

	Particulars	As at March 31, 2021	As at March 31, 2020
i)	CRAR (%)	108.28%	119.50%
(ii)	CRAR – Tier I Capital (%)	107.03%	118.90%
(iii)	CRAR – Tier II Capital (%)	1.25%	0.60%
(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, 2021	As at March 31, 2020
Value of Investments		
(i) Gross value of Investments		
(a) In India	-	8,63,41,078
(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
(b) Outside India	-	-

Note: It represents investment in liquid mutual funds

Movement of provisions held towards depreciation on investments		
Particulars	As at March 31, 2021	As at March 31, 2020
(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 & Disclosures pursuant to Annex IV Schedule to the Balance Sheet of an HFC of Master Direction Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021

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 assets to Securitisation / Reconstruction Company for Asset Reconstruction 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 & Disclosures pursuant to Annex IV Schedule to the Balance Sheet of an HFC of Master Direction Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021

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 NHB	-	-	-	3,64,00,000	1,50,00,000	6,00,00,000	6,00,00,000	2,36,75,000			19,50,75,000
Borrowings from Banks (including OD facility used)	4,18,07,796	66,38,518	66,35,080	2,01,14,480	4,11,20,045	14,67,41,866	62,50,015	-	-	-	26,93,07,800
Market Borrowing	49,91,644	51,29,866	82,29,726	1,86,53,095	3,63,31,445	10,62,18,047	5,54,61,077	-	-	-	23,50,14,901
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-
Assets:											
Advances	3,28,43,383	1,48,02,094	1,28,73,651	3,40,18,075	6,32,73,872	20,75,03,963	12,91,59,753	8,34,21,565	14,94,43,515	65,42,04,509	1,38,15,44,381
Investments	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-

As at March 31, 2020

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 Banks	-	-	-	-	-	-	-	-	-	-	-
Market Borrowing	26,88,021	27,16,408	27,45,096	84,10,458	1,30,89,486	2,44,70,654	-	-	-	-	**5,41,20,122**
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-
Assets:											
Advances	2,02,63,553	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	**71,04,73,407**
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 & Disclosures pursuant to Annex IV Schedule to the Balance Sheet of an HFC of Master Direction Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021

A.7) Exposure

A.7.1) Exposure to Real Estate Sector

	Category	As at March 31, 2021	As at March 31, 2020
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	30,67,32,189	9,44,65,065
	Individual housing loans greater than 15 lakhs	50,05,01,543	30,94,57,133
	Other Loans mortgages on residential property	30,06,96,438	8,81,05,757
	(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;	17,86,06,102	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)	46,44,771	78,52,428

A.7.2) Exposure to Capital Market

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

A.7.3) Details of financing of parent company products

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, 2021	As at March 31, 2020
Unsecured Advances	8,23,59,177	8,29,12,865

A.7.6) Exposure to group companies engaged in real estate business

As at March 31, 2021

S. No.	Description	Amount (₹ in crore)	% of owned fund
(i)	Exposure to any single entity in a group engaged in real estate business	-	-
(ii)	Exposure to all entities in a group engaged in real estate business	-	-

As at March 31, 2020

S. No.	Description	Amount (₹ in crore)	% of owned fund
(i)	Exposure to any single entity in a group engaged in real estate business	-	-
(ii)	Exposure to all entities in a group engaged in real estate business	-	-

Note 35. Disclosures pursuant to Master Circular- Housing Finance Companies – Corporate Governance (NHB) Directions, 2016 & Disclosures pursuant to Annex IV Schedule to the Balance Sheet of an HFC of Master Direction Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021

B. Miscellaneous

B.1) Registration obtained from other financial sector regulators

The Company has not obtained any registration from other financial sector regulators. However, the Company is registered with Insurance Regulatory and Development Authority of India vide registeration no. CA0688 to act as a Corporate Agent (Composite) category.

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) Group Structure

The Company is a subsidiary of Capital India Finance Limited which is an NBFC registered with RBI and a listed Company with Bombay Stock Exchange. Further, the Company does not have any subsidiaries or asscociates.

B.5) 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 Outlook Stable (pronounced ICRA triple B) by ICRA Limited in the financial year 2019-20. During the current year the rating agency has re-affirmed the ratings as "[ICRA] BBB Outlook Stable (pronounced ICRA triple B)". There have been no migration of rating during the current year or previous year

B.6) Remuneration of Directors

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

B.7) Net Profit or Loss for the period, prior period items and changes in accounting policies

There have been no prior period items debited or credited to profit and loss for the period. Further there have been no change in the accounting policies as compared to previous period

B.8) Revenue Recognition

No revenue recognition has been postponed pending the resolution of significant uncertainties during the current year or the previous year.

Note 35. Disclosures pursuant to Master Circular- Housing Finance Companies – Corporate Governance (NHB) Directions, 2016 & Disclosures pursuant to Annex IV Schedule to the Balance Sheet of an HFC of Master Direction Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021

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, 2021	As at March 31, 2020
1. Provisions for depreciation on Investment	-	-
2. Provision made towards Income tax	-	-
3. Provision towards NPA	17,50,000	-
4. Provision for Standard Assets (Provision for expected credit losses):		
Housing Loans	59,50,000	16,62,216
Non - Housing Loans	67,00,000	22,51,842
FLDG guarantee exposure	3,00,000	2,10,522
Undrawn committed sanction to borrowers	3,00,000	3,75,420
5. Other Provision and Contingencies :	-	-
Total	1,50,00,000	45,00,000

	Housing		Non-Housing	
Break up of Loan & Advances and Provisions thereon	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Standard Assets				
a) Total Outstanding Amount	80,56,42,994	40,70,39,942	57,24,72,985	30,34,33,465
b) Provisions made	59,50,000	16,62,216	67,00,000	22,51,842
Sub-Standard Assets				
a) Total Outstanding Amount	15,92,054	-	18,36,348	-
b) Provisions made	8,20,000	-	9,30,000	-
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	80,72,35,048	40,70,39,942	57,43,09,333	30,34,33,465
b) Provisions made	67,70,000	16,62,216	76,30,000	22,51,842

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 & Disclosures pursuant to Annex IV Schedule to the Balance Sheet of an HFC of Master Direction Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021

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

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

Particulars	As at March 31, 2021	As at March 31, 2020
Total deposits of twenty largest depositors	-	-
Percentage of deposits of twenty largest depositors to total deposits of the deposit taking HFC	-	-

C.3.2) Concentration of Loans & Advances

Particulars	As at March 31, 2021	As at March 31, 2020
Total Loans & Advances to twenty largest borrowers	22,68,52,139	28,82,18,048
Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the HFC	16%	41%

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

Particulars	As at March 31, 2021	As at March 31, 2020
Total Exposure to twenty largest borrowers / customers	22,88,79,728	29,04,16,827
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the HFC on borrowers / customers	17%	41%

C.3.4) Concentration of NPAs - Top ten NPA accounts

Particulars	As at March 31, 2021	As at March 31, 2020
Tot ten NPA Accounts	34,28,402	-
		-
Total Exposure	**34,28,402**	-

Note: There are only two customers which are NPA as at March 31, 2021

C.3.5) Sector-wise NPAs

Particulars	As at March 31, 2021	As at March 31, 2020
Housing Loan - Individuals	15,92,054	-
Non- Housing Loan - Individuals	18,36,348	-
Total Exposure	**34,28,402**	-

Capital India Home Loans Limited
Notes to Ind AS Financial Statements for the year ended March 31, 2021
(All figures are in rupees, except otherwise stated)

C.4) Movement of NPAs

	Particulars	FY 2020-21	FY 2019-20
(i)	Net NPAs to Net Advances (%)	0.12%	-
(ii)	Movement of NPAs (Gross)		
(a)	Opening balance	-	-
(b)	Additions during the year	34,28,402	-
(c)	Reductions during the year	-	-
(d)	Closing balance	34,28,402	-
(iii)	Movement of Net NPAs		
(a)	Opening balance	-	-
(b)	Additions during the year	16,78,402	-
(c)	Reductions during the year	-	-
(d)	Closing balance	16,78,402	-
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
(a)	Opening balance	-	-
(b)	Provisions made during the year	17,50,000	-
(c)	Write-off / write-back of excess provisions	-	-
(d)	Closing balance	17,50,000	-

C.5) Overseas Assets

Particulars	As at March 31, 2021	As at March 31, 2020
Overseas Assets	-	-

C.6) Off-balance Sheet SPVs sponsored

Name of the SPV sponsored Domestic Overseas	As at March 31, 2021	As at March 31, 2020
Domestic	-	-
Overseas	-	-

D) Disclosure of Complaints

Particulars	As at March 31, 2021	As at March 31, 2020
a) No. of complaints pending at the beginning of the year	-	-
b) No. of complaints received during the year *	18	-
c) No. of complaints redressed during the year *	18	-
d) No. of complaints pending at the end of the year	-	-

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 37A. Disclosures pursuant to RBI/2019-20/220 DOR.No.BP.BC.63/21.04.048/2019-20 Dated April 17, 2020.

S.No.	Particulars	As at March 31, 2021	As at March 31, 2020
(i)	Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended.	11,62,93,635	33,43,05,099
(ii)	Respective amount where asset classification benefits is extended.	-	-
(iii)	Provisions made during the Q4FY2020 and Q1FY2021 in terms of paragraph 5;	-	-
(iv)	Provisions adjusted during the respective accounting periods against slippages and the residual provisions in terms of paragraph 6.	-	-

Note: Amount as at March 31, 2021 represents the total exposure as at Balance Sheet date of all the borrowers who have availed moratorium any time as per the RBI guidelines.

Note 37B
Disclosure on Restructured Assets

S No	Type of Restructuring		Others				
	Asset Classification →		Standard	Sub-standard	Doubtful	Loss	Total
1	Restructured Accounts as on April 1, 2020	No. of borrowers	-	-	-	-	-
		Amount outstanding	-	-	-	-	-
		Provision thereon	-	-	-	-	-
2	Fresh restructuring during the year	No. of borrowers	5	-	-	-	5
		Amount outstanding	3,28,76,716	-	-	-	3,28,76,716
		Provision thereon	34,50,000	-	-	-	34,50,000
3	Upgradations to restructured standard category during the FY	No. of borrowers	-	-	-	-	-
		Amount outstanding	-	-	-	-	-
		Provision thereon	-	-	-	-	-
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers	-	-	-	-	-
		Amount outstanding	-	-	-	-	-
		Provision thereon	-	-	-	-	-
5	Downgradations of restructured accounts during the FY	No. of borrowers	-	-	-	-	-
		Amount outstanding	-	-	-	-	-
		Provision thereon	-	-	-	-	-
6	Write-offs of restructured accounts during the FY	No. of borrowers	-	-	-	-	-
		Amount outstanding	-	-	-	-	-
7	Restructured Accounts as on March 31, 2021	No. of borrowers	4	-	-	-	4
		Amount outstanding	3,13,12,266	-	-	-	3,13,12,266
		Provision thereon	32,50,000	-	-	-	32,50,000

Note:

1 There were no restructing during the Financial Year 2019-20.

2 The details mentioned in above table is pursuant to the RBI Circular no. RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated August 6, 2020. There are not other restructuring undetaken by the Company during the year.

Note 38. Disclosures pursuant to Annex III Schedule to the Balance Sheet of an HFC of Master Direction Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021

		Particulars	As at March 31, 2021		As at March 31, 2020	
		Liabilities side	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
(1)		Loans and advances availed by the HFC				
	(a)	Debent Secured	-	-	-	-
		Unsecured		-	-	-
		(other than falling within the meaning of public deposits*)	-	-	-	-
	(b)	Deferred Credits	-	-	-	-
	(c)	Term Loans	46,62,64,904	-	5,41,20,123	-
	(d)	Inter-corporate loans and borrowing	-	-	-	-
	(e)	Commercial Paper	-	-	-	-
	(f)	Public Deposits*	-	-	-	-
	(g)	Refinance from NHB	19,50,75,000	-	-	-
	(h)	Bank Overdraft against Fixed Deposits	3,80,57,797	-	-	-
(2)		Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued				
	(a)	In the form of Unsecured debentures	-	-	-	-
	(b)	In the form of partly secured debentures	-	-	-	-
	(c)	Other public deposits	-	-	-	-

			Particulars	As at March 31, 2021	As at March 31, 2020
			Assets side	Amount outstanding	Amount outstanding
(3)			Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:		
	(a)		Secured	1,29,91,85,204	62,75,60,542
	(b)		Unsecured	8,23,59,177	8,29,12,865
(4)			Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities		
	(i)		Lease assets including lease rentals		
		(a)	Financial lease	-	-
		(b)	Operating lease	-	-
	(ii)		Stock on hire including hire charges under sundry debtors		
		(a)	Assets on hire	-	-
		(b)	Repossessed Assets	-	-
	(iii)		Other loans counting towards asset financing activities		
		(a)	Loans where assets have been repossessed	-	-
		(b)	Loans other than (a) above	-	-

Note 38. Disclosures pursuant to Annex III Schedule to the Balance Sheet of an HFC of Master Direction Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021

(5)	Break-up of Investments				
	Current Investments				
	1	Quoted			
		(i)	Shares		
			(a) Equity	-	-
			(b) Preference	-	-
		(ii)	Debentures and Bonds	-	-
		(iii)	Units of mutual funds	-	8,63,41,078
		(iv)	Government Securities	-	-
		(v)	Others (please specify)	-	-
	2	Unquoted			
		(i)	Shares		
			(a) Equity	-	-
			(b) Preference	-	-
		(ii)	Debentures and Bonds	-	-
		(iii)	Units of mutual funds	-	-
		(iv)	Government Securities	-	-
		(v)	Others (please specify)	-	-
	Long Term investments				
	1	Quoted			
		(i)	Share		
			(a) Equity	-	-
			(b) Preference	-	-
		(ii)	Debentures and Bonds	-	-
		(iii)	Units of mutual funds	-	-
		(iv)	Government Securities	-	-
		(v)	Others (please specify)	-	-
	2	Unquoted			
		(i)	Shares	-	-
			(a) Equity	-	-
			(b) Preference	-	-
		(ii)	Debentures and Bonds	-	-
		(iii)	Units of mutual funds	-	-
		(iv)	Government Securities	-	-
		(v)	Others (please specify)	-	-

(6)	Borrower group-wise classification of assets financed as in (3) and (4) above:								
	Category			Amount net of provisions					
				Secured	Unsecured	Total	Secured	Unsecured	Total
	1	Related Parties							
		(a)	Subsidiaries	-	-	-	-	-	-
		(b)	Companies in the same group	-	-	-	-	-	-
		(c)	Other related parties	-	-	-	-	-	-
	2	Other than related parties		1,28,65,35,204	8,06,09,177	1,36,71,44,381	62,47,35,085	8,18,24,264	70,65,59,349
	Total			**1,28,65,35,204**	**8,06,09,177**	**1,36,71,44,381**	**62,47,35,085**	**8,18,24,264**	**70,65,59,349**

(7)	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :						
				As at March 31, 2021		As at March 31, 2020	
				Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
	Category						
	1	Related Parties					
		(a)	Subsidiaries	-	-	-	-
		(b)	Companies in the same group	-	-	-	-
		(c)	Other related parties	-	-	-	-
	2	Other than related parties		-	-	8,63,41,078	8,63,41,078
	Total			-	-	**8,63,41,078**	**8,63,41,078**

(8)	Other information				
	Particulars			As at March 31, 2021	As at March 31, 2020
	(i)	Gross Non-Performing Assets			
		(a)	Related parties	-	-
		(b)	Other than related parties	34,28,402	-
	(ii)	Net Non-Performing Assets			
		(a)	Related parties	-	-
		(b)	Other than related parties	16,78,402	-
	(iii)	Assets acquired in satisfaction of debt		-	-

Note 39. Disclosures pursuant to RBI Circular no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020

As at March 31, 2021

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	1,31,20,00,567	73,50,000	1,30,46,50,567	42,00,000	31,50,000
	Stage 2	6,61,14,096	53,00,000	6,08,14,096	35,00,000	18,00,000
Subtotal		**1,37,81,14,663**	**1,26,50,000**	**1,36,54,64,663**	**77,00,000**	**49,50,000**
Non-Performing Assets (NPA)						
Substandard	Stage 3	34,28,402	17,50,000	16,78,402	6,00,000	11,50,000
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		**34,28,402**	**17,50,000**	**16,78,402**	**6,00,000**	**11,50,000**
Loss	Stage 3	-				
Subtotal for NPA		**34,28,402**	**17,50,000**	**16,78,402**	**6,00,000**	**11,50,000**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	9,76,41,751	6,00,000	9,70,41,751	-	6,00,000
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		**9,76,41,751**	**6,00,000**	**9,70,41,751**	**-**	**6,00,000**
	Stage 1	**1,40,96,42,318**	**79,50,000**	**1,40,16,92,318**	**42,00,000**	**37,50,000**
	Stage 2	**6,61,14,096**	**53,00,000**	**6,08,14,096**	**35,00,000**	**18,00,000**
Total	**Stage 3**	**34,28,402**	**17,50,000**	**16,78,402**	**6,00,000**	**11,50,000**
	Total	**1,47,91,84,816**	**1,50,00,000**	**1,46,41,84,816**	**83,00,000**	**67,00,000**

As at March 31, 2020

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	71,04,71,441	39,14,058	70,65,57,383	23,00,000	16,14,058
	Stage 2	-	-	-	-	-
Subtotal		**71,04,71,441**	**39,14,058**	**70,65,57,383**	**23,00,000**	**16,14,058**
Non-Performing Assets (NPA)						
Substandard	Stage 3	-	-	-	-	-
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		**-**	**-**	**-**	**-**	**-**
Loss	Stage 3	-				
Subtotal for NPA		**-**	**-**	**-**	**-**	**-**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	11,62,90,408	5,85,942	11,57,04,466	-	5,85,942
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		**11,62,90,408**	**5,85,942**	**11,57,04,466**	**-**	**5,85,942**
	Stage 1	**82,67,61,849**	**45,00,000**	**82,22,61,849**	**23,00,000**	**22,00,000**
	Stage 2	**-**	**-**	**-**	**-**	**-**
Total	**Stage 3**	**-**	**-**	**-**	**-**	**-**
	Total	**82,67,61,849**	**45,00,000**	**82,22,61,849**	**23,00,000**	**22,00,000**

Capital India Home Loans Limited
Notes to Ind AS Financial Statements for the year ended March 31, 2021
(All figures are in rupees, except otherwise stated)

Note 40.
Public disclosure on liquidity risk of Capital India Home Loans Limited ('CIHL') as on March 31, 2021 in accordance with RBI circular No. RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies (NBFCs) including Core Investment Companies.

i. Funding Concentration based on significant counterparty (both deposits and borrowings)

Number of Significant Counterparties	Amount	% of Total Deposits	% of Total Liabilities
8	69,93,97,701	Not Applicable	85.09%

ii. Top 20 Large Deposits
Not applicable. The Company is registered with National Housing Bank to carry on the business of finance without accepting public deposits. Thus, there are no public deposits in the Company.

iii. Top 20 Borrowings

Amount	% of Total Borrowings
69,93,97,701	100.00%

iv. Funding Concentration based on significant Instrument/ Product

Name of instrument/ product	Amount	% of Total Liabilities
Refinance from NHB	19,50,75,000	23.73%
Term Loans from Banks	23,12,50,003	28.14%
Bank Overdraft against FD's	3,80,57,797	4.63%
Term Loans from other NBFC's	23,50,14,901	28.59%
Total Borrowings	**69,93,97,701**	**85.09%**
Total Liabilities	**82,19,12,965**	

v. Stock Ratios

Particulars	As a % of total public funds	As a % of total liabilities	As a % of total assets
Commercial papers	-	-	-
Non-convertible debentures (original maturity of less than one year)	-	-	-
Other short-term liabilities	7.93%	6.73%	2.82%

Note 40.

Public disclosure on liquidity risk of Capital India Home Loans Limited ('CIHL') as on March 31, 2021 in accordance with RBI circular No. RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies (NBFCs) including Core Investment Companies.

vi. Institutional set-up for liquidity risk management

The Board of Directors of the Company has instituted the Asset Liability Management Committee to monitor and manage liquidity risk *inter-alia* by way of monitoring the asset liability composition, reviewing the liquidity and borrowing program of the Company, setting-up and monitoring prudential limits on negative mismatches w.r.t. liquidity and interest rate.

The Company's liquidity and funding approach documented through its various plans and policies including the Asset Liability Management Policy, Resources Planning Policy, Investment and Deployment Policy, is to ensure that funding is available to meet all market related stress situations. We endeavour to maintain a conservative Asset Liability Management approach which is focused on maintaining long term funding stability.

The Company also has a Risk Management Committee which reports to the Board and is responsible for evaluating the overall risks faced by the Company including liquidity risks.

The Company's liquidity management set-up is assessed periodically to align the same with any regulatory changes in the economic landscape or business needs. The ALCO meetings are held once in a quarter and committee submit its report to board on quarterly basis.

Notes:

1. Significant counterparty is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies Significant instrument/product is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.

2. Total Liabilities has been computed as sum of all liabilities (Balance Sheet figure) less Equity Share Capital and Other Equity.

3. Public funds is as defined in Master Direction - Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

4. The amount stated in this disclosure is based on the audited standalone financial statements for the year ended March 31, 2021.

Capital India Home Loans Limited
Notes to Ind AS Financial Statements for the year ended March 31, 2021
(All figures are in rupees, except otherwise stated)

Note 41. Income Tax

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Current tax	-	-
Deferred tax relating to origination and reversal of temporary differences	(42,44,569)	(37,97,585)
Total tax credit	(42,44,569)	(37,97,585)

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

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Loss Before Tax	(4,13,26,674)	(7,77,72,701)
Income tax expense calculated at 25.17% (PY 25.17%)	(1,04,00,000)	(1,95,80,000)
Effect of expenses that are not deductible in determining taxable profit	-	-
Deferred tax on unabsorbed losses & depreciation not recognised	61,78,489	1,56,93,700
Others	(23,058)	88,715
Income tax expense recognised in statement of profit and loss	(42,44,569)	(37,97,585)

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

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, 2021 - Rs.29,143,747 (March 31, 2020 - Rs.24,204,464/-).

Note 42.
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. Consequent to the outbreak of the COVID-19 pandemic, the Indian government announced a lockdown in March 2020. Subsequently, the national lockdown was lifted by the government, but regional lockdowns continue to be implemented in areas with a significant number of COVID-19 cases.

Given the uncertainty over the potential macro-economic impact and external regulatory developments, the Management has considered internal and external information up to the date of approval of these financial statements, and has estimated overlays and made certain judgements in accordance with the policy of the Company for the purpose of determination of the provision for impairment of financial assets carried at amortised cost and in relation to revenue recognition.

The impairment provision as on March 31, 2021 aggregates Rs.15,000,000 (as on March 31, 2020 - Rs.4.500,000), which includes potential impact on account of the pandemic of Rs.6,000,000 (as on March 31, 2020 - Rs.1,200,000). Based on the current indicators of future economic conditions, the Company considers these provisions to be adequate.

The extent to which the pandemic including the current “second wave” that has significantly increased the number of cases in India , will continue to impact the results of the Company 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 COVID-19 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 future period.

Note 43. 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 hedged or unhedged exposures in foreign currency as at the Balance Sheet dates.

Note 44. 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 45. 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 46. There are no amount to be refunded / adjusted towards 'interest on interest" in accordance with the RBI circular no. RBI/2021-22/17 DOR.STR.REC.4/21.04.048/2021-22 dated April 7, 2021.

Note 47. 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 48. The Financial Statements have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on May 18, 2021.

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

Keshav Porwal
Director
DIN : 06706341
Place: Mumbai
Date: May 18, 2021

Vineet Kumar Saxena
Managing Director & CEO
DIN : 07710277
Place: Mumbai
Date: May 18, 2021

Neeraj Toshniwal
Chief Financial Officer
Place: Mumbai
Date: May 18, 2021

Rachit Malhotra
Company Secretary
Place: New Delhi
Date: May 18, 2021