APTUS™

HERE TO MAKE
A DIFFERENCE

Annual Report 2018 - 19

APTUS VALUE HOUSING FINANCE INDIA LIMITED

CONTENTS

Here to Make a Difference

Home. A word that ignites many dreams in our heart. A basic necessity of life, which many Indians aspire to have.

The aspiration of owning a home is a cherished dream for most Indians. At Aptus Housing Finance, our aim is to help fulfil and nurture this dream. Reaching a decade of experience, our understanding of customers' needs is shaping our emergence as a comprehensive housing finance provider.

With a steady growth in India's working-class population that aspires to own their own homes, the opportunity for growth in the housing finance market continues unabated. We recognise this under-served need and have set our core focus on making the dreams of lower and middle income (LMI) groups, in semi-urban and rural India, come true.

To make a real impact on this demand, and to reward our shareholders with exceptional returns, we aim to increase our presence to expand our reach and grow our business prudently and resiliently.

Led by an in-depth understanding of our customers' affordable housing finance needs, combined with our time-tested expertise in this space, we are here to make a difference.

At a Glance

At Aptus Value Housing Finance India Ltd., we make an effort to understand that every customer is unique. As a housing finance company we meet the needs of self employed, Low and Middle Income families from semi urban and rural markets. As India continues to grow, we are helping to bridge the gap between demand and supply of affordable housing.

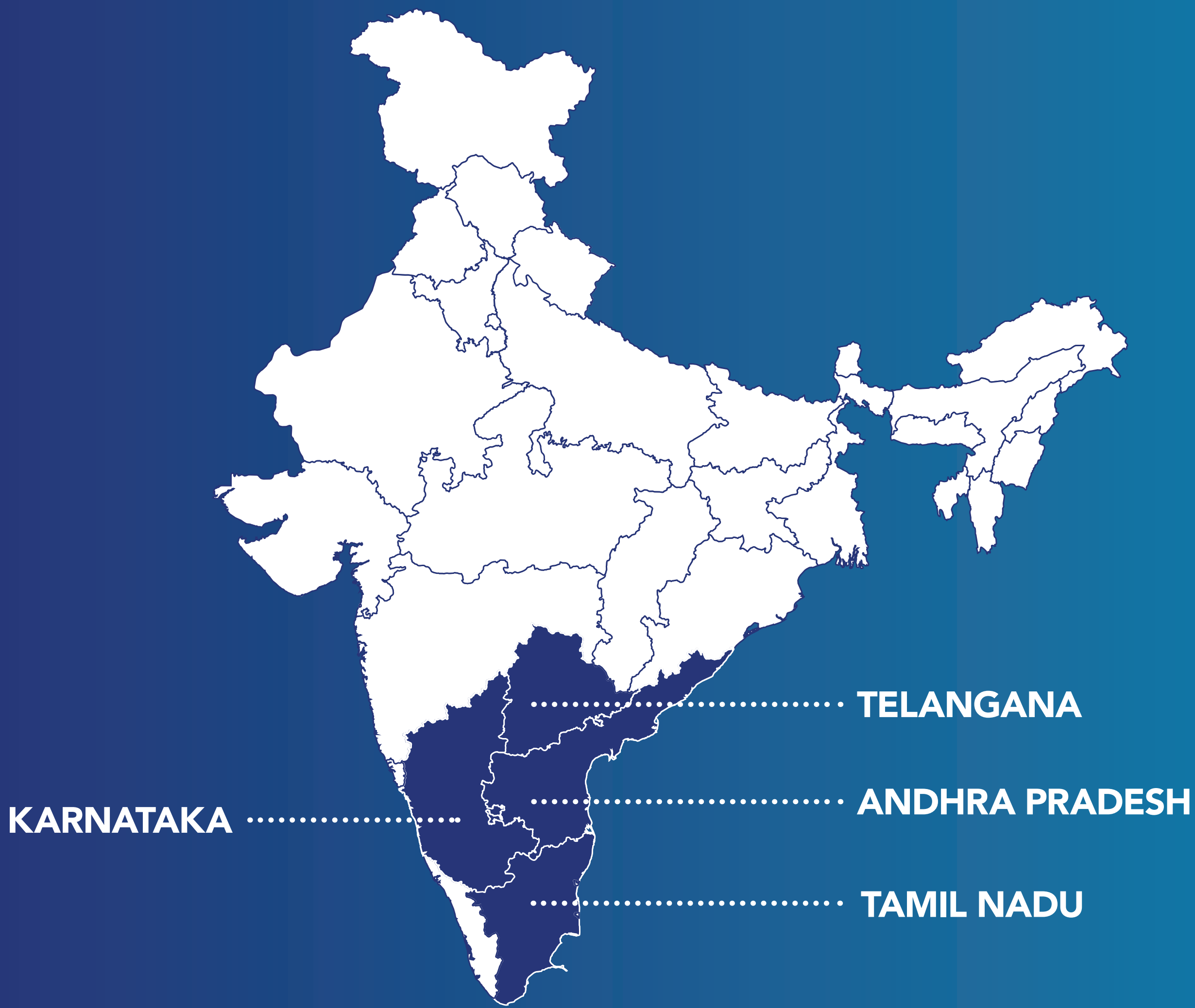
143
BRANCHES

> ₹ 3,000 Crores
CUMULATIVE DISBURSEMENT

+1,300
EMPLOYEES

₹ 2,244 Crores
LOAN BOOK

Our Growing Presence



With 143 branches across 4 southern states and 1 union territory, our market presence is focused on Tier 2 and Tier 3 cities, and semi urban towns.

Financial Highlights

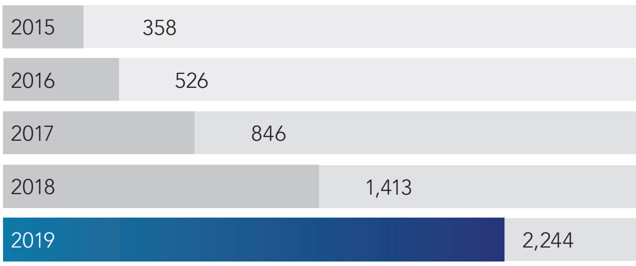
We aim to be an efficient, innovative and admired housing finance company, focused on making a positive impact on the standard of living of our customers.

6.11%
RETURN ON AVERAGE ASSETS

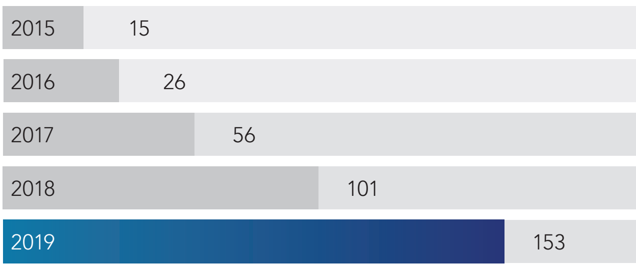
0.40%
GROSS NPA TO LOAN ASSETS

17.40%
RETURN ON AVERAGE NET WORTH

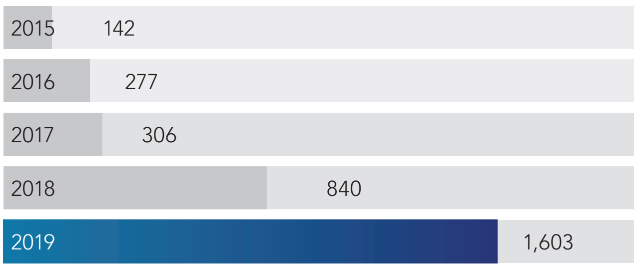
LOAN BOOK (₹ CRORES)



PROFIT BEFORE TAX (₹ CRORES)



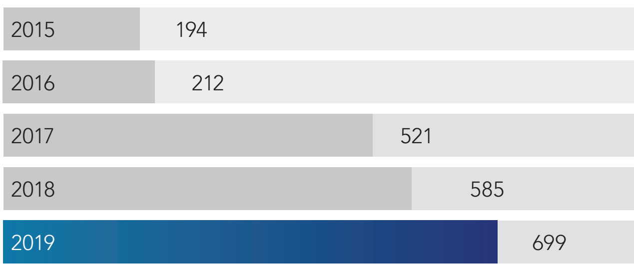
BORROWED FUNDS (₹ CRORES)



43.64%
CAPITAL ADEQUACY RATIO

2.29
DEBT EQUITY RATIO

NET WORTH (₹ CRORES)



Corporate Information

CHAIRMAN & MANAGING DIRECTOR

Mr. M. Anandan

BOARD OF DIRECTORS

Mr. K. M. Mohandass

Mr. S. Krishnamurthy

Mr. Krishnamurthy Vijayan

Mr. K. P. Balaraj

Mr. Pankaj Vaish

Mr. Shailesh J Mehta

Mr. Suman Bollina

REGISTERED OFFICE

8B, Doshi Towers,
205, Poonamallee High Road
Kilpauk, Chennai 600 010
Ph: 044-45650000

MANAGEMENT TEAM

P. Balaji
EVP & Chief Financial Officer

G. Subramaniam
EVP – Risk & Operations

C. T. Manoharan
Sr. Vice President – Sales & Marketing

Sarath Chandran
Vice President – Technical & Infra

AUDITORS

Deloitte Haskins & Sells
8th Floor, ASV'N Ramana Towers
52, Venkatnarayna Road,
T Nagar, Chennai 600017
Tel: +91 44 6688 5000

COMPANY SECRETARY

Ms. Jyoti Munot

BANKERS / FINANCIAL INSTITUTION

National Housing Bank

International Finance Corporation

Templeton Mutual Fund

HDFC Bank

Axis Bank

Yes Bank

DCB Bank

Federal Bank

Kotak Mahindra Bank

IndusInd Bank

South Indian Bank

Catholic Syrian Bank

ICICI Bank

DEBENTURE TRUSTEES

Axis Trustee Services Ltd
Axis House, Wadia International Centre
Pandurang Budhkar Marg
Worli, Mumbai – 400 025.

CIN: U65922TN2009PLC073881

Email: corporateaffairs@aptusindia.com

Website: www.aptusindia.com

Message From The Chairman

M Anandan
Chairman and Managing Director

Having completed nine years of operations, our journey has helped us create a solid platform in the competitive housing finance market.

Dear Shareholders,

I am pleased to share with you our Company's performance for FY 2018-19, a year marked with substantial growth, high productivity and low credit loss, leading to commendable ROA and ROE ratios.

Over the years, we have focused on affordable housing finance with an aim to fulfil the aspirations of self-employed, lower and middle income (LMI) families, largely in Tier II and Tier III towns, by financing the purchase or construction of their own homes. As of 31st March 2019, around 80% of our Customers belong to this LMI or self-employed category.

Going forward, we foresee that the demand for home ownership from lower and middle-income segments across Tier II to Tier IV towns, along with new suburbs of metros, is on a strong path of growth. Recognising the untapped potential in the affordable housing finance market, this opportunity is ready to be seized by HFCs like ours, who have developed innovative business models to extend credit to different segments within the LMI segment, addressing their varied needs and capabilities. Having completed nine years of operations, our journey has helped us create a solid platform in the competitive housing finance market.

Here are some key business highlights and achievements for fiscal 2019:

- Our cumulative loan disbursements reached over ₹ 3,000 crores as of March 2019; and disbursement during FY 2019 reached ₹ 1,100 crores from ₹ 750 crores in FY 2018, registering a YoY growth of 47%.
- The size of our loan book increased to ₹ 2,244 Crores from ₹ 1,411 crores, a growth of 59%.
- We are a well capitalised company with a net worth around ₹ 700 crores.
- We also raised long term debt from diversified lenders, Mutual Funds, International Finance Corporation (IFC), NHB, Banks and Financial Institutions.

- This year, the Company crossed landmark PBT of ₹ 153 crores in FY 2019, resulting in 51% growth over the previous year.
- The quality of loan book remains one of the best in the industry for 9th consecutive year, and the GNPA as of March 2019 is only 0.40% of the loan book.
- We built a strategically strong presence in South India, and expanded our franchise and distribution network to 143 branches — from 115 branches in fiscal 2018 — in four states.
- We also added 300 new, well trained professionals, experienced in home finance, increasing our team strength to 1,300 employees.
- With robust software and hardware installed, we have the ability to make faster decisions, enhance our customer service and better carry out risk management.
- In addition to affordable housing finance, the Company is also addressing the high potential to service financial requirements of Micro, Small and Medium Enterprises (MSME), for which the existing customer base, branch network and systems & processes are leveraged efficiently.

Having said this, the year 2018-19 was also a year full of challenges as the NBFCs and HFCs witnessed swift changes in the liquidity scenario, impacting the ability to access debt. Although we experienced a minor impact, with a high quality loan book, proper risk mitigation, and diversification strategies, we were able to stay strong. All the banks and financial institutions that sanctioned loans to Aptus honoured their commitments, and we were able to secure borrowings as planned. With the troubles of this sector likely to persist in the year 2019-20 as well, our team is fully geared to meet this challenge and ensure availability of funds to support our growth plans.

We firmly believe in creating a long lasting and significant value for all our key stakeholders and enhance customer experience through people, processes and increasing technology. We firmly believe in maintaining the loan book quality at all times through our strong underwriting and collection competencies. Moving ahead, we will cement our position in our chosen business segments with more robust growth and excellent brand value, customer loyalty and vendor relationships. To fulfil our ambition, we will further scale up our operations, expand product range, harness people strength and increase our geographical presence in the existing and new markets.

I would like to take this opportunity to thank each and every employee for their commitment and service to Aptus and most importantly, I would like to thank you, our shareholders, for your overwhelming trust, support and confidence in Aptus Housing Finance.

M Anandan

Chairman and Managing Director

Affordable Housing Finance – An opportunity in a storm

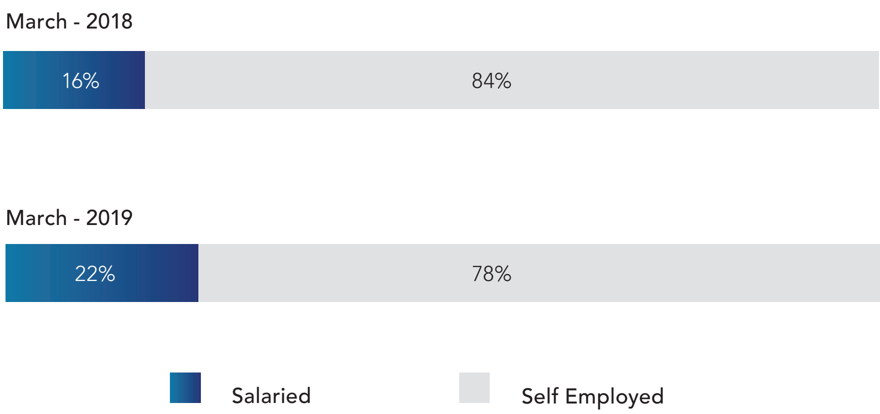
India is a rapidly urbanising country facing development challenges associated with fast paced growth. One of the key challenges for a developing country like India is urban migration, which is further exacerbated by limited resources to meet increasing housing demands. This ever-increasing gap between demand and supply in the affordable housing segment is forcing people to live in slums and informal settlements.

Over the last few years, affordable housing has been one of the focus areas of the government. A combination of factors such as the government's financial and policy thrust; increased regulatory support; rising urbanisation; an increase in number of nuclear families; and increasing affordability, is converting latent demand into a commercially lucrative business opportunity.

> "At Aptus, around 80% of the customers belong to LMI / self-employed category"

Even though the recent NBFC crisis in India has brought funding constraints and low equity capitalisation issues to the fore, Housing Finance Companies

AUM BREAK-UP – CUSTOMER WISE



Aptus Housing Finance is focused on increasing its market share in the growing under-serviced, self-employed category of customers. It is also centred on seizing the opportunity in Tier II & III cities. With the help of increase in our operational scale, we have uniquely positioned ourselves as a housing finance provider to those who are currently not under the scope of the formal credit system.

continue to be an attractive business opportunity in India due to the fragmented nature of the market, and the sizeable future market.

Aptus Housing Finance is focused on increasing its market share in the growing under-serviced, self-employed category of customers. It is also centred on seizing the opportunity in Tier II & III cities. With the help of increase in our operational scale, we have uniquely positioned ourselves as a housing finance provider to those who are currently not under the scope of the formal credit system.

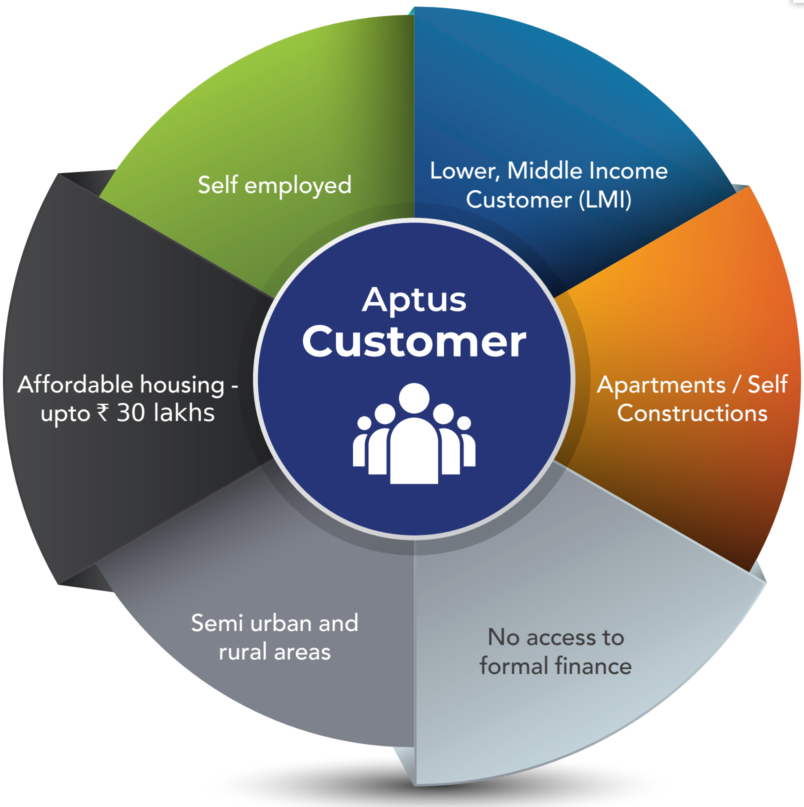
We recognise the large market opportunity for affordable housing companies who develop innovative business models to extend credit to different fragments within the Low-Medium Income (LMI) segment, catering to their specialised needs and servicing capabilities. To this end, we are pursuing a socially relevant business model that helps us make an impact in the lives of these customers, which in turn contributes towards India's financial inclusion journey.

Serving the Under-served

As one of the essential needs of mankind, the demand for housing grows in line with the increase in population and the standard of living. Over the years, many factors have contributed to have led to a vibrant housing finance market. These include a growing Indian economy; rising incomes; an urbanising population; and government tax incentives.

Most Housing Finance Companies cater to the needs of upper-middle- and high-income customers belonging to the formal segment, as credit assessment is relatively easy with availability of IT returns, salary certificates, and other forms of proof of income. However, this has led to a situation where finance and housing stock is being made available mainly to the formal and high-income segment, while the housing demand remains with the informal, low income and middle-income segment. Thus, the aspirational first home till date remains a dream for most Indians from lower- or middle-income backgrounds.

We understand that the financial strength and income generation capability of each customer is different. It would be difficult to club these customers, who are prone to the vagaries of the economy, under any homogenous group. Understanding their financial needs call for a high



We aim to be an efficient, innovative and admired housing finance company, focused on making a positive impact on the standard of living of our customers.

level of empathy and awareness of the impact of the economic changes in their lifestyle.

While their housing finance needs may be common in a broad sense, these customers often run or work for businesses that have informal streams of income. Due to lack of adequate documents, assessing the proof of their income proves to be a challenging task, and calls for an individualistic approach. The credit assessment needs to be unique, appropriate and suitable to each of these businesses.

We make an effort to understand the fact that every customer and working environment is unique. Aptus in Latin means 'appropriate' or 'suitable' , and in line with this philosophy, we understand the pitfalls of treating our customers as a homogenous group of borrowers. Instead, we have built our strengths around appreciating individual customers and offering customised housing finance solutions that are suitable in scale and match their ambitions.

Director's Report

Your directors have pleasure in presenting the Tenth Annual report together with the audited accounts of the company for the financial year ended March 31, 2019.

1. Financial Highlights

A. Consolidated

(₹ Crores)

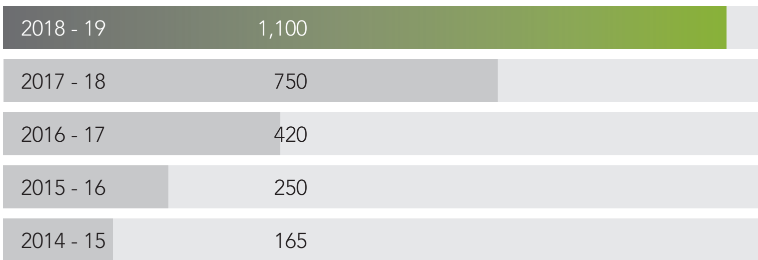
Particulars	For the Financial Year ended March 31 2019	For the Financial Year ended March 31 2018
Operating income	319.57	198.34
Other Income	18.85	5.32
Less: Expenditure including depreciation	185.42	102.44
Profit before taxation	153.00	101.22
Profit after taxation	111.70	66.68
Assets under Management	2,243.95	1,412.64

2. Sanctions and Disbursements:

Sanctions during the year were ₹1,216 crores as compared with the sanctions of ₹ 835 crores during the previous year. Loan disbursements during the year were ₹ 1,100 crores as compared with the disbursements of ₹ 750 crores during the previous year representing a growth of 47%. Aptus continued its focus on Low and Middle Income families in Tier II and III cities and the disbursement of ₹ 1,100 crores benefited more than 15,000 families.

CAGR -46%

DISBURSEMENTS (₹ CRORES)

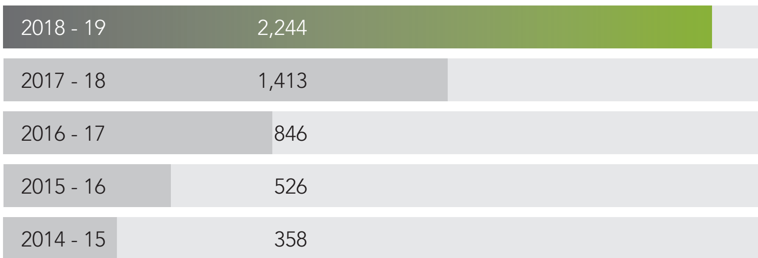


3. Loan Assets:

As at March 31, 2019, the total assets under management increased to ₹ 2,244 crores as against ₹ 1,413 crores previous year thereby registering a growth of 59%.

CAGR -44%

LOAN ASSETS (₹ CRORES)

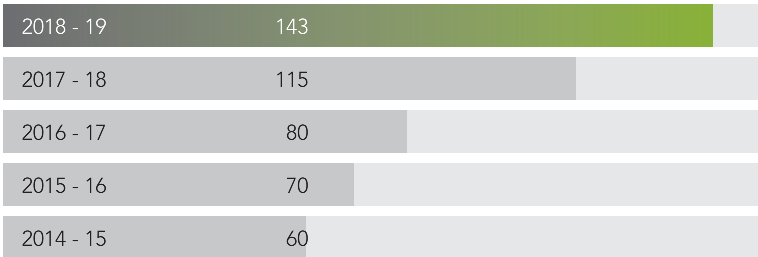


Director's Report

4. **Distribution:**

During the year the distribution network, in addition to Tamilnadu, got expanded in the states of Andhra Pradesh, Telangana and Karnataka. As of March 31, 2019, Aptus had presence in 143 locations as against 115 in the previous year.

NO. OF BRANCHES

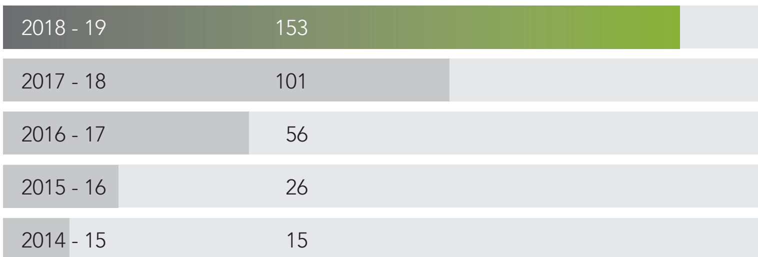


5. **Income, Profits and Networth:**

Gross Income of the Company during the year ended March 31, 2019 amounted to ₹ 338 crores, higher by 66% over ₹ 204 crores in the previous year. Profit before tax was at ₹ 153 crores up by 52% over the previous year's ₹ 101 crores. At ₹ 112 crores, Profit After Tax was higher by 67% over previous year's ₹ 67 crores. The Company's net worth stood at ₹ 699 crores as on March 31, 2019. (₹ 585 crores previous year).

CAGR -59%

PROFIT BEFORE TAX (₹ CRORES)



6. **Asset Quality**

Your Company, closed the financial year 2018 - 19 with a Gross NPA of 0.40%. These levels, one of the best in the industry, have been maintained by Aptus since inception. This would not have been possible but for the excellent systems and processes in originating loan proposals from customers and strong adherence to laid down policies in terms of credit, underwriting, legal, technical and collections. The above organisation strengths coupled with very good quality of portfolio gives us confidence to aspire for more growth in the years to come.

7. **Resource Mobilisation**

During the year 2018 - 19, Aptus focused on building a strong and diversified borrowing profile coupled with focus on reducing the cost of funds. While the bigger HFCs have always had options of more diversified funding profiles, including deposits and NCDs etc., the new HFCs like Aptus had to depend on banks and NHB for its funding needs.

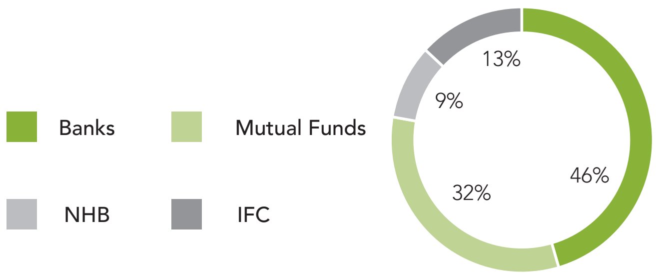
In this context, Aptus was able to secure support from diversified sources including Mutual Funds, IFC and banks. Currently funding mix of Aptus comprises of borrowings from Banks, NHB, Multilateral funding agencies like IFC and Mutual Funds. As on March 31, 2019, 46% of borrowings were from leading private sector banks, 32% of borrowings were from Mutual Funds, 9.% of borrowings were from NHB and 13% of borrowings were from IFC (World Bank Group).

Director's Report

Aptus understands that it is in the business of long term funding which are in the range of 10-15 years. With this in the back ground, Aptus' borrowing policy has always been prudent to secure long term funding ranging between 6-7 years. The funds raised during the year by way of issuance of debentures to both Mutual Funds and IFC was of 7 year tenor and borrowings from banks were in the range of 6-7 years. There were no short tenor borrowings including commercial papers.

With the stress on the liquidity situation and with current market environment of banks slowing down on funding to NBFCs and HFCs, Aptus too experienced a minor impact in the funding like all other NBFCs / HFCs. However, maintenance of exceptional quality of book consistently right from the inception coupled with no unrelated diversifications into other businesses, made the lenders look at funding for Aptus favourably. All the banks which had sanctioned loans to Aptus honoured it and Aptus was able to secure its borrowings as planned to support the substantial growth in the current year as well.

BORROWING PROFILE



8. Credit Rating

During the year 2018 - 19, rating of your company for bank borrowings and debentures were at A by both ICRA and CARE.

9. Dividend

Your directors do not recommend any dividend for the financial year in order to conserve its resources for future growth.

10. Transfer to Reserves

As per Section 29C (i) of National Housing Bank Act, 1987, the Company is required to transfer atleast 20% of its net profit every year to a reserve before any dividend is declared. Accordingly, your Company has transferred ₹ 27.90 crores to special reserve in accordance with Section 29C(i) of National Housing Bank Act, 1987 read along with Section 36(1)(viii) of the Income Tax Act, 1961.

11. Regulatory Guidelines

Aptus continues to comply with the guidelines issued by NHB regarding accounting guidelines, prudential norms for asset classification, income recognition, provisioning, capital adequacy, concentration of credit, credit rating, KYC guidelines and AML standards and fair practices code.

Capital Adequacy ratio of Aptus stood at 43.64% as against the minimum statutory requirement of 12%. Tier 2 Capital includes ₹ 6.76 crores of provision made towards standard assets.

12. Employee Stock Options Scheme

During 2015 - 16, your Company has introduced a new ESOP scheme titled Aptus Employees Stock Option Scheme 2015 (ESOP 2015). The details of this ESOP scheme are given in the Annexure A to this report.

13. Web-link Annual Return

As per Section 134 (3) (a) of the Companies Act, 2013, annual return referred to in Section 92(3) of the act has been placed at the web address as given below: www.aptusindia.com

14. Internal Financial Controls

Your Company has an internal control system, commensurate with the size, scale and complexity of its operations. The Internal Auditors review internal control and risk-management measures, accounting procedures, highlight areas requiring attention, and report their main findings and recommendations to the Audit Committee. The Audit Committee regularly reviews the audit findings and action taken thereon, as well as the adequacy and effectiveness of the internal financial systems and controls. Statutory Auditors, Deloitte Haskins & Sells have also reviewed the internal controls systems as existing in the Company and have given an unmodified opinion on the same.

15. Auditor's Report

The Report of the Statutory Auditors to the members is annexed to and forms part of the financial statements and the same does not contain any qualification, reservation or adverse remark on the financial statements prepared as per Section 133 of Companies Act, 2013 and notes on accounts annexed thereto.

16. Risk Management Policy

As per the directions issued by National Housing Bank, the Company has constituted a Risk Management Committee which is responsible for putting in place a risk management system, risk management policy and strategy to be followed by the Company.

Director's Report

As per this, various risks identified are as follows:

- Credit risk
- Liquidity risk
- Interest rate risk
- Operational risk

The Risk Management Committee along with the Asset Liability Management Committee review and monitor these risks at regular intervals.

Credit risk of the Company is managed through credit norms in line with the business requirements and also following a practice of personally assessing every borrower through discussions to assess their credit worthiness.

The running of efficient and successful Housing Finance Company depends on careful assessment and effective management of Operational, Market and Reputation risks in addition to Credit risk. The company has put in place efficient risk management policies, systems and processes that seek to strike an appropriate balance between risk and returns. These include efficient risk management measures, such as assessing the applicant's credit history with credit information bureaus, field investigation of the applicant's credentials, adoption of prudent Loan to value ratio and analysis of the borrower's debt service capacity, monitoring the end use of approved loans, lending only against approved properties, risk based loan pricing and property insurance.

The Company has employed qualified Technical and Legal team to value properties, track property price movements and scrutiny of legal documents.

A separate collection vertical has been set up to monitor recovery of dues from the borrowers. The recovery team constantly follows up with borrowers for the collection of outstanding dues.

Liquidity risks are managed through ongoing monitoring of Asset Liability mismatch and interest rate risks are managed through regular monitoring of maturity profiles of borrowings and advances to customers.

Operational risks arising from inadequate internal processes, people and systems or from external events are adequately addressed by the internal control system and are continuously reviewed and monitored. The senior management team regularly assesses the risks and takes appropriate measure to mitigate them. Process improvements and quality control are on-going activities and are built into the employee training modules as well. The Company has well documented systems to ensure better control over transaction processing and regulatory compliance.

17. Human Resources

In Aptus, Human Resource Development is considered vital for effective implementation of business plans. The team at Aptus comprises of :

Senior Management team:

The core senior management team of Aptus has been with the company almost from inception and there is barely any attrition at this level. This team has clearly imbibed the values of Aptus and have been instrumental in imparting the transparency, governance and culture to be followed across all levels in the organisation.

Middle Management:

These mainly comprise of Middle Level Managers including Area Managers in charge of business across regions. All these staff have been with the company for the last 4 to 5 years and most of them have grown from within.

Branch Managers / Field Staffs:

Attrition at this level is very low and is one of the best in the industry. Lots of importance is placed on recruiting quality staff in these levels and they are groomed to take on higher responsibilities. Further on the job training and induction is imparted to these staff to have better understanding of the company, its culture and business. These initiatives coupled with adequate compensation levels including appropriate incentive schemes matched with the market and good employee welfare schemes like health and life insurance covers have helped us retain the manpower at these levels.

Aptus staff strength as at March 31, 2019 was 1,325.

18. Directors and Key Managerial Personnel

18.1. The following changes took place in the composition of Board of Directors during the year:

a) Mr. Deepak Ramineedi, Nominee Director of WestBridge Crossover Fund LLC resigned from the Board with effect from May 10, 2018. Mr. Pankaj Vaish was appointed as Nominee Director of WestBridge Crossover Fund LLC with effect from May 10, 2018 and his appointment was regularised at the 9th AGM held on August 6, 2018

b) Ms. Mona Kachhwaha, Nominee Director of India Financial Inclusion Fund (IFIF), retired by rotation at the Ninth Annual General Meeting held on August 6, 2018 and was re-appointed. She tendered her resignation as Director with effect from February 28, 2019 consequent to sale of shares by IFIF.

18.2. The following changes took place in the composition of "Key Managerial Personnel" during the year:

Ms. Jyoti Munot was appointed as the Company Secretary of the Company w. e. f. February 1, 2019 in place of Ms. Payal C., who tendered her resignation w. e. f. January 31, 2019.

Director's Report

19. Board Meetings held during the year

During the financial year ended March 31, 2019, five (5) Board Meetings were held on May 10, 2018, August 6, 2018, November 2, 2018, January 31, 2019 and March 27, 2019 respectively. The gap between two meetings was not more than 120 days.

20. Auditors

Statutory Auditors

Pursuant to the provisions of Section 139 and 141 of the Companies Act, 2013, M/s Deloitte Haskins & Sells., Chartered Accountants were appointed as the statutory auditors of the Company at the 6th Annual General Meeting (AGM) of the shareholders held on August 7, 2015, to hold office up to the conclusion of the 10th AGM to be held during calendar year 2019. As their tenure ends at the ensuing 10th AGM , it is proposed to appoint M/s S.R. Batliboi & Associates LLP for a period of five financial years, i.e. from FY 2019 - 20 to FY 2023 - 24 to hold office from the conclusion of the 10th AGM upto the conclusion of the 15th AGM.

The Audit Committee and the Board at their meetings held on May 10, 2019 have recommended the appointment of M/s S.R. Batliboi & Associates LLP as Statutory Auditors.

Secretarial Auditor

Mr S Sandeep from M/s S Sandeep & Associates, Practicing Company Secretaries was appointed to conduct the secretarial audit of the Company for the financial year 2018 - 19, as required under Section 204 of the Companies Act, 2013 and rules made thereunder.

The secretarial audit report for the financial year ended March 31, 2019 forms part of Annual report as an Annexure B to Board's Report and does not contain any qualifications, reservations or adverse remark.

21. Particulars of Contracts or Arrangements with Related parties

During the financial year, the Company has entered into contract or arrangement with Related Parties. The Company has framed a Related Party Transaction (RPT) policy for the Company as per the HFC Corporate Governance (NHB) Directions, 2016.

The RPT policy along with the nature of the related party transactions is enclosed as Annexure C to this report.

22. Material Changes and Commitments

There are no material changes and commitments between March 31, 2019 and the date of this report having an adverse bearing on the financial position of the Company.

23. Conservation of Energy, Technological Absorption

The Company does not have any activity relating to conservation of energy and technical absorption and does not own any manufacturing facility. Hence the requirement of disclosure of particulars relating to conservation of energy and technology absorption in terms of Section 134 of the Companies Act, 2013 and the Rules framed thereunder is not applicable.

24. Foreign Exchange Earnings / Outgo

Your Company does not have any foreign currency earnings or expenditure during the financial year ended March 31, 2019.

25. Particulars of Employees:

In accordance with the provisions of Section 197(12) of the Companies Act, 2013, read with Rules 5(1), 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the name and other particulars of employees are to be set out in the annexure forming part of the Annual Report. However, as per provisions of Section 136(1) of the Companies Act 2013 read with the relevant proviso of the said section, the Annual Report is being sent to members excluding the aforesaid information. The said information is available for inspection at the Registered Office of the Company. Any member interested in obtaining such particulars may write to the Company and the same will be furnished without any fee and free of cost.

26. Dematerialisation of Shares & Non-Convertible Debentures

The equity shares of the Company have been admitted for dematerialisation by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) with ISIN No. INE852O01017.

The Non-Convertible Debentures of the Company have been admitted for dematerialisation by National Securities Depository Limited (NSDL) with ISIN Nos. INE852O07014, INE852O07022, INE852O07030, INE852O07048, INE852O07055, INE852O07063, INE852O07071, INE852O07089, INE852O07097 and INE852O07105.

Director's Report

27. Particulars of Loans, Guarantees or Investments under Section 186 of Companies Act, 2013

During the year under review, the Company had granted loans and provided guarantees covered under Section 186 of the Companies Act, 2013 to Aptus Finance India Pvt Ltd, Wholly Owned Subsidiary as given below:

Sr. No	Nature	Amount as at March 31, 2019 (₹ in lakhs)	Date of Board Resolution	Purpose
1	Inter – Corporate Loan	6,550.00	6th August 2018 and 2nd November 2018	Onward Lending purposes
2	Inter Corporate Guarantee	4,794.22	6th August 2018	For the borrowings availed by the wholly owned subsidiary for lending purpose.

* For details refer to Note no. 33.2 Details of related party transactions disclosed as part of Notes to the Standalone Financial Statements.

During the financial year ended March 31, 2019, your Company has infused further equity capital into its wholly owned subsidiary "Aptus Finance India Private Limited" the details of which are as under. With this capital infusion, the paid up capital of the subsidiary company stands at ₹ 90 crores as at March 31, 2019 which was earlier at ₹ 25 crores as at March 31, 2018.

Sr. No	Date of Investment	Details of Investee	Amount (in ₹)	Purpose for which the proceeds from investment is proposed to be utilised by the recipient	Date of Board Resolution	Date of Special Resolution	Expected rate of return
1	August 28, 2018	Aptus Finance India Private Limited	25,00,00,000 Comprising of 2,50,00,000 equity shares of ₹ 10 each.	General corporate purposes	August 6, 2018	NA	NA
2	March 29, 2019	Aptus Finance India Private Limited	40,00,00,000 Comprising of 4,00,00,000 equity shares of ₹ 10 each.	General corporate purposes	March 27, 2019	NA	NA

Aptus Finance India Private Limited is a wholly owned subsidiary of the Company incorporated on September 18, 2015. In accordance with the provisions of section 129 (3) of the Companies Act 2013, the Consolidated Financial Statements drawn up in accordance with the applicable accounting standards form part of the Annual Report.

Statement containing salient features of the financial statement of the subsidiary, pursuant to first proviso to sub – section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014 forms part of the financial statement.

28. Disclosure of Significant & Material Orders passed by the Regulators or court or tribunal

During the financial year, there are no significant and material orders passed by the regulators or Courts or Tribunals which can have an impact on the going concern status and the Company's operations in future.

29. Deposits

Your Company is registered as a non-deposit taking Housing Finance Company with National Housing Bank and hence does not accept any deposits. No deposits were accepted from the public in the financial year ended March 31, 2019.

30. Declaration from Independent Directors

The Company has received declarations from all the Independent Directors to the effect that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

31. Corporate Social Responsibility Policy (CSR)

The Company has duly constituted a Corporate Social Responsibility Committee as per the provisions of Section 135 of the Companies Act, 2013 and devised a Policy for the implementation of the CSR framework, broadly defining the areas of spending for its promotion / development, of at least two percent of the average net profits made during the last three immediately preceding Financial Years on the activities mentioned under Schedule VII to the Companies Act, 2013.

The CSR Committee monitors the Policy of the Company from time to time and endeavours to ensure that the requisite amount is spent on CSR activities as per the framework.

The CSR Committee consists of three Members, viz. Mr. Krishnamurthy Vijayan, Mr. K M Mohandass and Mr. M Anandan, CMD. A report on CSR is attached as Annexure D to this Report.

Director's Report

32. Formal Annual Evaluation

As per the provisions of the Companies Act, 2013, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Committees. A structured exercise was carried out based on the criteria for evaluation forming part of the Directors Appointment, Remuneration & Evaluation Policy, including Criteria for Evaluation and the inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its committee, attendance at meetings, Board culture, duties of directors, and governance. The aforesaid policy is attached as Annexure E to this report.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its stakeholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors. The Directors have expressed their satisfaction with the evaluation process.

33. Vigil Mechanism, whistle Blower Policy

Your Company as part of the "Vigil Mechanism" has in place a "Whistle Blower Policy" to deal with instances of fraud and misappropriations, if any. This policy has been placed in the website of the Company. During the year under review no whistle blower complaint was received.

34. Management Discussion and Analysis

Report on Management Discussion and Analysis is enclosed and is forming part of this report as Annexure F

35. Corporate Governance Report

The National Housing Bank, vide Notification No. NHB. HFC.CG-DIR.1/ MD&CEO/2016 dated February 9, 2017, has mandated all the Housing Finance Companies to follow the guidelines on Corporate Governance as per the Housing Finance Companies – Corporate Governance (NHB) Directions, 2016. The Company has accordingly framed the internal guidelines on Corporate Governance and the same is forming part of this report as Annexure G.

The Company is committed to achieving the highest standards of Corporate Governance and it aspires to benchmark itself with the best practices in this regard. The Board regularly reviews the Management's reports on statutory and regulatory compliances.

36. Committees

Details on composition of various Committees of the Board and number of meetings of the Board and Committees are given in the Corporate Governance Report in Annexure G.

37. Policy on Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013

The Company has in place an Anti-Sexual Harassment Policy named "Policy Against Sexual Harassment" in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. The said policy is uploaded in the website of the Company. Internal Complaints Committee has been constituted as per the Act. During the financial year under review, no complaint of harassment was received.

38. Directors' Responsibility Statement

The Board of Directors have instituted / put in place a framework of internal financial controls and compliance systems, which is reviewed by the management and the relevant board committees, including the audit committee and independently reviewed by the internal, statutory and secretarial auditors.

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors confirm that:

(i) in the preparation of the annual accounts, the applicable accounting standards have been followed and that there were no material departures therefrom;

(ii) they have, in the selection of the accounting policies, consulted the statutory auditors and have applied their recommendations consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the company as at March 31, 2019 and the profit of the company for the year ended on that date;

(iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(iv) they have prepared the annual accounts on a going concern basis;

Director's Report

(v) they have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively during the year ended March 31, 2019; and

(vi) proper system has been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively during the year ended March 31, 2019.

(vii) they have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively.

39. Listing with Stock Exchanges

The Company is up-to-date in the payment of annual listing fees to Bombay Stock Exchange (BSE) on which its debentures are listed.

Acknowledgement

Your Directors wish to thank the customers, employees, shareholders, bankers, financial institutions, National Housing Bank / other regulatory authorities for their cooperation and continued support.

For and on behalf of the Board of Directors

M Anandan
Chairman& Managing Director
DIN: 00033633

Place: Chennai
Date: May 10, 2019

Annexure – A

APTUS EMPLOYEES STOCK OPTION SCHEME, 2015

The decision to introduce APTUS Employees Stock Option Scheme, 2015 (hereinafter called "APTUS ESOP, 2015" or "The Scheme") was taken by the Board of Directors at the meeting held on May 12, 2015, and was approved by the shareholders of the Company at the Annual General Meeting held on August 7, 2015.

Pursuant to Rule 12(9) of Companies (Share Capital and Debentures) Rules, 2014, the details of the Aptus Employees Stock Option Scheme, 2015 as on March 31, 2019 are:

Nature of Disclosures	Particulars
a. Options approved to be issued as ESOPs	1,800,000
b. Options Granted	1,700,000
c. Options Vested	1,162,500
d. Options Exercised	587,500
e. The total no. of shares arising as a result of exercise of option	587,500
f. Options Lapsed / Surrendered	52,500
g. Variation of Terms of Option	Nil
h. Total number of options in force	1,060,000
i. Money realised by exercise of options during the year 2018 - 19	₹ 159.38 lakhs
j. Details of options granted to	
i. key managerial personnel	Mr P Balaji – EVP & Chief Financial Officer
ii. any other employee who received a grant of options in any one year of option amounting to 5 per cent or more of options granted during that year	Nil
iii. 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	Nil

Annexure – B

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

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

To,

The Members,

APTUS VALUE HOUSING FINANCE INDIA LIMITED

No 8B, Doshi Towers 8th Floor, No.205,
Poonamallee High Road, Kilpauk, Chennai -600 010

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices of M/s. APTUS VALUE HOUSING FINANCE INDIA LIMITED (CIN: U65922TN2009PLC073881) (hereinafter called "the Company").

The 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 authorised 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 March 31, 2019, has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2019 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 as applicable to the Company;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder as applicable to the Company.

(iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder as applicable to the extent of Foreign Direct Investment. The Company does not have any External Commercial Borrowings or other credit facilities or Overseas Direct Investment.

(v) The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act').

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

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

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

(vi) The Company has materially complied with the following and other laws applicable specifically to the Housing Finance Sector as identified by the Company including:

  (a) National Housing Bank (NHB) Act, 1987 and the guidelines carried thereunder;

  (b) NHB (Housing Finance) Directions, 2010 and

  (c) The Prevention of Money Laundering Act, 2002

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

The Company has entered into a listing agreement with Bombay Stock Exchange in India, pursuant to the issuance of Non-Convertible Debentures on private placement basis.

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

We further report that, during the audit period there were no actions / events in pursuance of:

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulation, 2014;

e) The Securities and Exchange Board of India (Delisting of equity shares regulations), 2009

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

Annexure – B

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

Adequate notice is given to all the 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.

We further report that, based on the information provided by the Company, its officers and authorised representatives during the conduct of the audit, and also on the review of quarterly compliance reports taken on record by the Board of Directors of the Company, in our opinion, adequate systems and processes and control mechanism exist in the Company to monitor and ensure compliance with applicable general laws.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were taken unanimously and no dissenting views have been recorded.

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 the Company has issued & allotted

a. 5000 Secured Rated Listed Redeemable Non-Convertible Debentures amounting to ₹ 50,00,00,000/- (Rupees Fifty crores only) on June 20, 2018 by way of private placement and subsequently the same were listed in the Bombay Stock Exchange.

b. 12,500 Secured Rated Listed Redeemable Non-Convertible Debentures amounting to ₹ 125,00,00,000/- (Rupees One Hundred and Twenty Five crores only) on July 20, 2018 by way of private placement and subsequently the same were listed in the Bombay Stock Exchange.

c. 12,500 Secured Rated Listed Redeemable Non-Convertible Debentures amounting to ₹ 125,00,00,000/- (Rupees One Hundred and Twenty Five crores only) on August 20, 2018 by way of private placement and subsequently the same were listed in the Bombay Stock Exchange.

d. 1,01,00,000 Secured Rated Unlisted Redeemable Non-Convertible Debentures amounting to ₹ 101,00,00,000/- (Rupees One Hundred and One crores only) on January 8, 2019 by way of private placement.

We further report that, during the audit period there were no other specific events / actions in pursuance of the above referred laws, rules, regulations, guidelines, etc., having a major bearing on the Company's affairs.

For S Sandeep & Associates

S. Sandeep
Managing Partner
FCS No.5853

Place: Chennai
Date: May 10, 2019

Annexure – C

APTUS VALUE HOUSING FINANCE INDIA LIMITED RELATED PARTY TRANSACTION POLICY

Aptus Value Housing Finance India Limited (Holding Company) is a public limited debt listed company incorporated under the Companies Act, 1956 (CIN: U65922TN2009PLC073881) having its registered office at No. 8B, Doshi Towers, 8th Floor, No:205, Poonamallee High Road, Kilpauk Chennai – 600010. It has promoted a wholly owned subsidiary in the name and style of M/s Aptus Finance India Private Limited (Subsidiary Company) which has been incorporated under the Companies Act, 2013 (CIN: U74900TN2015PTC102252) having its registered office at No. 8B, Doshi Towers, 8th Floor, No:205, Poonamallee High Road, Kilpauk Chennai – 600010.

The holding company would be providing / sharing its infrastructure and resources to / with the subsidiary company. These transactions which are proposed between the holding company and subsidiary company would fall under the purview of Related Party Transactions as dealt with under Section 188 of the Companies Act, 2013 and the rules made thereunder and other applicable laws.

This policy, namely, the related party transaction policy is being formulated and is to be implemented to address these aspects.

This policy seeks to address 2 points.

1. Identification and disclosure of Related Party Transactions (RPT)
2. Lay down transfer pricing norms between the holding company and the subsidiary company.

WHO IS A RELATED PARTY?

As per Section 2(76) of the Companies Act, 2013 - related party with reference to a company, means—.

- A director or his relative
- Key Managerial Personnel or his relative
- A firm, in which a director, manager or his relative is a partner
- A private company in which a director or manager is a member or director
- A public company in which a director or manager is a director and holds along with his relatives, more than 2% of its paid-up share capital
- A body corporate whose board, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager, except if advice / directions / instructions are given in the professional capacity
- Any person on whose advice, directions or instructions a director or manager is accustomed to act, except if advice / directions / instructions are given in the professional capacity
- Any company which is:
  - A holding, subsidiary or an associate company of such company, or
  - A subsidiary of a holding company to which it is also a subsidiary
- Such other persons as may be prescribed

  As can be clearly seen from the above, holding and subsidiary companies fall into the category of Related Party and hence transactions between these 2 entities will have to be disclosed in the accounts / financial statements as Related party transactions and necessary approvals are required to be obtained from the Audit Committee, Board of Directors and the shareholders, as the case may be as laid down under the Companies Act, 2013 and the rules made thereunder and other applicable laws.

RELATED PARTY TRANSACTIONS

The following transactions would be disclosed as Related party Transactions:

1. Investment by the Holding company into the subsidiary company
2. Other transactions between the holding company and subsidiary company

   In the transactions above, the investment by the holding company into the subsidiary needs no further explanation. However, it is essential to cover the other transactions that could be entered into between the holding company and the subsidiary company.

OTHER TRANSACTIONS BETWEEN THE HOLDING COMPANY AND SUBSIDIARY COMPANY

The holding company would be providing / sharing its infrastructure and resources to / with the subsidiary company, it becomes necessary for the holding company to transfer / allocate costs / expenses appropriately and proportionately to the subsidiary company to ensure that such transactions are done on an arm's length basis.

All the costs / expenses that are incurred by the subsidiary company directly would be booked in the books of the subsidiary. However, the costs / expenses incurred by the holding where a portion of the benefits / services are utilised / accrue by / to the subsidiary company, such costs / expenses would need to be shared between the 2 entities. Such costs / expenses are listed below.

a. Personnel costs – The holding company would be providing or deputing its employees and personnel to manage, administer and handle the business of the subsidiary company in all areas including collections, legal, disbursements, software, customer care, marketing, etc. The holding company would be providing or deputing all kinds and types of employees

Annexure – C

and personnel who are on the rolls of the holding company to the subsidiary company including Senior Management personnel, Key Management Personnel, Managers, Cashiers, etc. Their costs would have to be proportionately and appropriately transferred / allocated to the subsidiary company.

b. Expenses for shared infrastructure and resources – The holding company would be sharing all kinds and types of its infrastructure, assets and resources with the subsidiary company like registered office premises, branch offices and premises, storage premises, servers, computers, work stations, hardware and peripherals, telephone and mobile connections, broad band and internet connectivity, logos, stationery, electricity, etc. Hence the expenses pertaining to such infrastructure, assets and resources like rent, electricity charges, repairs & maintenance, communication expenses, software expenses, stationery expenses, etc. would be shared between the holding company and the subsidiary company.

METHODOLOGY FOR ALLOCATION OF SHARED COSTS

The shared costs / expenses enumerated above would be shared / apportioned between the holding company and subsidiary company in the proportion to the average AUM (Assets under Management) for the relevant period.

The sharing / apportionment ratio may be modified during the course of the financial year with the approval of the Audit Committee / Board.

The Related Party Transactions are to be reviewed by the Audit Committee / Board on a quarterly basis.

FORM NO. AOC - 2

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

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

1. Details of material contracts or arrangement or transactions not at arm's length basis: Nil
2. Details of material contracts or arrangement or transactions at arm's length basis:

Name of the related party and nature of relationship	Mr. M Anandan, Promoter, Chairman and Managing Director	Aptus Finance India Private Limited, Wholly Owned Subsidiary Company
Nature of contracts/ arrangements/ transactions	Rent payable towards usage of premises owned by Mr. M Anandan	Shared support charges
Duration of the contracts/ arrangements/ transactions	3 years	Ongoing
Salient terms of the contracts or arrangements or transactions including the value, if any	1. Lease rent per month for the current year: ₹ 57,750/- 2. Security Deposit: Nil 3. Revision in lease rent: Escalation of 5% every year	The holding company would be providing / sharing its infrastructure and resources to / with the wholly owned subsidiary company, it becomes necessary for the holding company to transfer / allocate costs / expenses appropriately and proportionately to the wholly owned subsidiary company to ensure that such transactions are done on an arm's length basis.
Justification for entering into such contracts/ arrangements/ transactions	The Company is utilising the said premises for storage of records and the same is in ordinary course of business.	All the costs / expenses that are incurred by the wholly owned subsidiary company directly would be booked in the books of the subsidiary. However, the costs / expenses incurred by the holding where a portion of the benefits / services are utilised / accrue by / to the wholly owned subsidiary company, such costs / expenses would need to be shared between the 2 entities. The same is in the ordinary course of business.
Date of approval by the Board	17/05/2017	10/05/2018
Amount paid as advance, if any	-	-
Date on which the special resolution was passed in general meeting as required under the first proviso to section 188	Not Applicable	Not Applicable

Annexure – D

REPORT ON CORPORATE SOCIAL RESPONSIBILITY

Brief outline of the Company's CSR policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

Aptus is a growing company and is committed towards social welfare of the common people as it caters the housing needs of self-employed, informal segment of customers, belonging to middle income, primarily from semi urban and rural markets. The Company shall seek to positively impact the lives of the disadvantaged by supporting and engaging in activities that aim to improve their wellbeing.

Your company would be undertaking the CSR activities as listed in Schedule VII and Section 135 of the Companies Act, 2013 and the Rules framed thereunder.

The Company's CSR policy has been uploaded in the website of the Company and the web link to CSR policy is http://www.aptusindia.com/files/Aptus-CSR-Policy.pdf

Composition of the CSR Committee

Mr Krishnamurthy Vijayan,

Mr K M Mohandass,

Mr M Anandan, CMD

Average net profit of the Company for the last three financial years

Average net profit: ₹ 6252.17 lakhs/-

Prescribed CSR expenditure (2% of the average net profit of the last three financial years)

The Company during the financial year 2018 - 19 is required to spend ₹ 125.04 lakhs towards CSR.

Details of CSR spent during the financial year:

a) Total amount spent for the financial year; ₹ 11.76 lakhs .

b) Amount unspent, if any; ₹ 113.28 lakhs.

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	CSR project or activity Identified.	Sector in which the Project is covered+	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads:	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency *
1	Aiding various shelters being run by the Health Department in Chennai Corporation like Homeless Shelters for Children, Women & Men separately, Special Shelters, Shelters for the Mentally Retarded	Social upliftment	Local Area – Chennai, Tamil Nadu	₹ 20 lakhs	Direct expenditure-11.76 lakhs	₹ 11.76 lakhs	Spent directly by the Company
	TOTAL			₹ 20 lakhs		₹ 11.76 lakhs	

The Board at its meeting held on January 31, 2019 approved the proposal to incur CSR expenditure upto ₹ 20 lacs for setting up and aiding various shelters being run by the Health Department in Chennai Corporation like Homeless Shelters for Children, Women & Men separately, Special Shelters, Shelters for the Mentally Retarded. So far, the Company has spent an amount of ₹ 11.76 lakhs towards the same.

As part of its CSR initiatives, the Company has identified a school with student strength of around 450-500, to upgrade the facilities and infrastructure of the school.

As regards the balance unspent CSR amount of about ₹ 113.28 lakhs, it is felt that the Company is not really geared up to spend this amount in the financial year 2018 - 19, taking into account the identification of similar projects which will align with the business of the company and the areas in which it operates.

The CSR committee confirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and Policy of the company.

Place: Chennai
Date: May 10, 2019

sd/-
M Anandan
Chairman & Managing Director
(DIN: 00033633)

sd/-
K M Mohandass
Director
(DIN: 00707839)

Annexure – E

APTUS – DIRECTORS APPOINTMENT, REMUNERATION & EVALUATION POLICY

1. Purpose of this Policy:

Aptus Value Housing Finance India Limited ("Aptus" or the "Company") has adopted this Policy on appointment, remuneration and evaluation of the Directors, Key Managerial Personnel and Senior Management (the "Policy") as required by the provisions of Section 178 of the Companies Act, 2013 (the "Act").

The purpose of this Policy is to establish and govern the procedure applicable:

a) To evaluate the performance of the members of the Board.

b) To ensure remuneration to Directors, KMP and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

c) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

The Company should ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully and the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

2. Definitions:

Independent Director means a director referred to in Section 149(6) of the Act , as amended from time to time.

Key Managerial Personnel (the "KMP") shall mean "Key Managerial Personnel" as defined in Section 2(51) of the Act.

Nomination and Remuneration Committee, by whatever name called, shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Act.

Remuneration means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.

Senior Management means personnel of the Company who are members of its core management team excluding Board of Directors. This would include all members of management one level below the Managing Director, including all functional heads.

Words and expressions used and not defined in this Policy, but defined in the Act or any rules framed under the Act or the Accounting Standards shall have the meanings assigned to them in these regulations.

3. Composition of the Nomination & Remuneration Committee: The composition of the Committee to be in compliance with the Act, Rules made thereunder, as amended from time to time.

4. Role of the Committee:

a. To review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's Corporate Strategy.

b. To identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for Directorships

c. To access the independence of Independent Non-Executive Directors

d. To review the result of the performance evaluation process that relates to the composition of the Board.

e. To make recommendation to the Board regarding the appointment and re- appointment of Directors and succession planning for Directors in particular for Chairman & Chief Executive.

f. To recommend the remuneration payable to Non-Executive Directors of the Company from time to time.

g. Annual appraisal of the performance of Managing Director and fixing his terms of remuneration

h. Annual appraisal of the Senior Management Team reporting to the Managing Director

i. Administration and superintendence in connection with the Scheme under the broad policy and framework laid down by the Company and / or by the Board of Directors.

j. Formulate from time to time specific parameters relating to the Scheme, including,

(i) The quantum of Options to be granted under the Scheme to a particular Eligible employee or to a category or group of Eligible employees and in aggregate;

(ii) Determination of eligibility conditions and selection of Eligible employees to whom Options may from time to time be granted hereunder;

(iii) The Vesting Period and the Exercise Period within which the eligible employee should exercise the Options and that Options would lapse on failure to exercise the Options within the exercise period;

(iv) The conditions under which Options vested in Eligible employee may lapse in case of termination of employment for misconduct;

Annexure – E

(v) The specified time period within which the Eligible employee shall exercise the vested Options in the event of termination or resignation of an Eligible employee;

(vi) The right of an Eligible employee to exercise all the Options vested in him at one time or at various points of time within the Exercise Period;

(vii) The procedure for making a fair and reasonable adjustment to the number of Options and to the Exercise Price in case of corporate actions such as rights issues, bonus issues, etc;

(viii) Make rules by which all options including non-vested options vest immediately in case of sale, transfer or takeover of the company or amalgamation of the Company with any other company, etc. and provide for rules related to exercise period under such circumstances.

(ix) Make rules related to performance based vesting of such part of the options granted to eligible employees as the Committee may decide.

(x) To prescribe, amend and rescind rules and regulations relating to the Scheme;

(xi) To construe, clarify and interpret the terms of the Scheme and Options granted pursuant to the Scheme;

k. Identification of persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.

l. Formulation of criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees

5. Appointment and removal of Director, KMP and Senior Management:

5.1 Appointment criteria and qualification: The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director and recommend to the Board his / her appointment.

For the appointment of KMP (other than Managing Director) or Senior Management, a person should possess adequate qualification, expertise and experience for the position he / she is considered for the appointment.

Further, for administrative convenience, the appointment of KMP (other than Managing Director) or Senior Management, the Managing Director is authorised to identify and appoint a suitable person for such position.

However, if the need be, the Managing Director may consult the Committee / Board for further directions / guidance.

5.2 Term: The Term of the Directors including Managing Director / Independent Director shall be governed as per the provisions of the Act and Rules made thereunder, as amended from time to time. Whereas the term of the KMP (other than the Managing Director) and Senior Management shall be governed by the prevailing HR policies of the Company.

5.3 Evaluation: The Committee shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.

5.4 Removal: Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, Rules and Regulations thereunder and / or for any disciplinary reasons and subject to such applicable Acts, Rules and Regulations and the Company's prevailing HR policies, the Committee may recommend, to the Board, with reasons recorded in writing, removal of a Director, KMP or Senior Management.

5.5 Policy Review: Subject to the approval of the Board, the Nomination & Remuneration Committee reserves the right to review and amend this policy, if required, to ascertain its appropriateness as per the needs of the Company. The company may be amended by passing a resolution at a meeting of the Nomination and Remuneration Committee.

6. Remuneration of Managing Director, KMP and Senior Management:

The remuneration / compensation / commission, etc., as the case may be, to the Managing Director will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission, etc., as the case may be, shall be subject to the approval of the shareholders of the Company and Central Government, wherever required and shall be in accordance with the provisions of the Act and Rules made thereunder. Further, the Managing Director of the Company is authorised to decide the remuneration of KMP and Senior Management, and which shall be decided by the Managing Director based on the standard market practice and prevailing HR policies of the Company.

7. Remuneration to Non-executive / Independent Director:

The remuneration / commission / sitting fees, as the case may be, to the Non-Executive / Independent Director, shall be in accordance with the provisions of the Act and the Rules made thereunder for the time being in force or as may be decided by the Committee / Board / shareholders.

Annexure – E

CRITERIA FOR EVALUATION

Criteria for evaluation of the Board and non-independent directors:

1. Composition of the Board and availability of multi-disciplinary skills
2. Commitment to good Corporate Governance Practices
3. Adherence to Regulatory Compliance
4. Track record of financial Performance
5. Grievance redressal mechanism
6. Existence of integrated Risk Management System
7. Use of Modern technology
8. Commitment to CSR
9. Stakeholder focus
10. Knowledge sharing
11. Drive and commitment
12. Financial & Risk Awareness

Criteria for evaluation of Chairman & Managing Director:

1. Leadership qualities
2. Standard of Integrity
3. Understanding of Macroeconomic trends and Micro Industry trends.
4. Public Relations
5. Future Vision and Innovation

Criteria for evaluation of Independent Directors:

1. Qualifications & Experience
2. Standard of Integrity
3. Attendance in Board Meetings / AGM
4. Understanding of Company's business
5. Value addition in Board Meetings

Criteria for evaluation of the Committees:

1. Qualification & Experience of members
2. Depth of review of financial performance
3. Oversight of Audit & Inspection
4. Review of regulatory compliance
5. Fraud monitoring
6. Defined set of terms of reference
7. Consideration of the recommendations of the committees by the Board
8. Familiarity of the members with the policies, procedures and guidelines of the Committees
9. Receipt of agenda & supporting materials by the members
10. Attendance at committee meetings

Annexure – F

MANAGEMENT DISCUSSION AND ANALYSIS

1. Industry Overview

Mortgage to GDP ratio in India continues to be lower as compared to the rest of the world. As per ICRAs report on Indian Mortgage Finance Market update for H1 FY 2019, the Indian Mortgage to GDP ratio stood at 10%. It is anticipated that by March 2022, this figure will increase to 12-14%.

The mortgage industry which was at ₹ 10 trillion in March 2015 has grown to ₹ 17.8 trillion by Sep 2018 translating into a growth of around 18-19% per annum. This is expected to almost double to around ₹ 30 trillion by 2021-22 translating into an annual growth rate of around 23%.

The interesting part about this growth is that the share of HFCs and NBFCs to the total Housing Credit outstanding has been constantly increasing and most of the growth seems to be coming from Affordable Housing. This means that the housing credit has started flowing to the low cost housing segment where the average size of the loan is around ₹ 10 lakhs. Affordable housing alone is estimated to be an ₹ 6.25 trillion opportunity. The key drivers for strong growth in mortgage finance include, increasing affordability, average age of the home owners coming down to 35 years from 43 in year 2000 and increasing urbanisation.

There have been quite a few government schemes that have been launched in order to promote housing, particularly affordable housing. The schemes include the redevelopment of slums, creation of affordable housing through public-private partnerships, subsidy for economically weaker sections of the society, credit-linked subsidy schemes, grant of infrastructure status to affordable housing projects and creation of Affordable Housing Fund with National Housing Bank (NHB).

The promotion of affordable housing for weaker sections through credit-linked subsidy is a vertical under the Pradhan Mantri Awas Yojana (PMAY) and probably the most promising one. Under the credit-linked subsidy scheme, a person buying first house, costing between ₹ 3 lakh and ₹ 6 lakh, gets 6.5% interest subsidy. This scheme has been expanded to include houses costing ₹ 6 -9 lakhs and ₹ 9 – 12 lakhs. This initiative of the Government is likely to improve the affordability for a wider set of borrowers which will consequently lead to increased growth potential in the affordable housing segment. These schemes have benefited around 6.2 million houses as of December 2018.(3.1 million houses as of Dec 2017)

Given the benefits offered by the government in terms of the above initiatives and tax benefits for both the borrowers and the HFCs, it is clearly evident that India is moving towards reducing its share of homeless people.

2. Industry trends

2.1 Operating environment:

HFCs reported a YoY growth of 22% in the overall portfolio for the 12 months ended Sep 2018. The total housing credit outstanding as of Sep 2018 was ₹ 17.8 trillion. Of this housing credit outstanding of affordable housing finance companies was ₹ 1.78 trillion (₹ 1.3 trillion as of Sep 2017). This translates into a growth of 34% vis-à-vis the 22% growth recorded for all the HFCs put together.

It is clearly evident from the above that affordable housing finance companies are growing at a much faster pace of growth than the normal Housing Finance Companies. This faster pace of growth would not have been possible but for the increase in supply of affordable housing projects following the infrastructure status accorded to the sector and the improved borrower affordability and pass through of capital subsidy through credit linked subsidy scheme under the PMAY scheme of Government of India.

While the long term growth prospects for the segment remain good, the pace of growth in H2 FY 2019 is likely to be slower at around 12-14% due to liquidity problems faced by the HFCs / NBFCs. This is likely to translate into a slightly subdued overall growth of 15-16% in FY 2019.

2.2 Intense Competition:

There has been an increase in the number of new entrants in the housing finance market, including HFCs promoted by NBFCs. During March 2015 to Dec 2018 alone 33 new HFCs were granted licenses by NHB. The number of licensed HFCs increased from 64 in March 2015 to 97 in Dec 2018. Over and above this there are 13 applications pending with NHB for receiving the fresh certificate of registration. This 97 includes 12 listed HFCs, 41 HFCs promoted by Financial / Business Groups and around 44 standalone HFCs promoted by first generation entrepreneurs including PEs.

Notwithstanding the large number of participants in the housing finance market, the sector remains concentrated with top five players clearly dominating the market. These five together accounted for 58% of the total housing credit in India as of Sep 2018. While these players will continue to dominate the mortgage market in the medium term, smaller HFCs particularly in the affordable housing space have been expanding their portfolios over the last few years and are likely to increase their share given their focus on the relatively untapped segments.

While the potential for growth in mortgage finance is good, given large number of players that have been licensed by NHB, the competition is likely to intensify. This coupled with the regulatory move of nil prepayment penalties encourage balance transfers at lower interest rates.

Annexure – F

However, most of the new HFCs are facing challenges of building up a good credit underwriting practice, overcoming ownership title issues in property finance and availability of long term funding.

2.3 Asset Quality:

Asset Quality of HFCs, by and large, have been stable with gross NPAs at 1.0 % as on date, despite Demonetisation, RERA and GST. Going forward, the asset quality could be negatively impacted on account of slowdown in growth and increased portfolio vulnerability. With the problems of liquidity in H2 FY 2019, players are increasingly selling their portfolios in order to raise funds. With the portfolio size shrinking because of portfolio sale, further deterioration in the asset quality is expected. The ability of HFCs to sell repossessed assets in a timely manner will remain a key monitorable.

In addition to this, the new affordable housing companies have also increased their non-Housing Loan portfolio in the recent years. Share of Non Housing Loan portfolio has increased from 22% in March 2015 to 36% in Sep 2018. The quality of this portfolio have been deteriorating with gross NPAs increasing from 2.2% in March 2017 to 2.8% in Sep 2018. This trend is more particularly seen in higher ticket non housing loans of more than ₹ 25 lakhs.

However, strong monitoring and control processes of HFCs, borrower's own equity in the properties, the large proportion of properties financed for self-occupation especially in the affordable housing segment, availability of SARFAESI benefit and comfort of lending to a secured asset class mitigates these concerns to a large extent and the loan losses are expected to be at reasonable levels.

2.4 Funding mix:

Funding mix for large HFCs continued to be diversified and they rely more on debt market borrowings, while smaller HFCs rely more on bank borrowings. There have been quite a few instances of these smaller HFCs accessing the debt market and multilateral financing agencies. Share of NHB refinance to HFCs have also gone up.

There are inherent gaps in the asset liability maturity (ALM) profile of HFCs owing to the relatively longer maturity of assets vis-à-vis liabilities, which was hitherto been plugged by refinancing. Some of the HFCs plugged this gap by way of short term borrowings in the form of CPs. With the tight liquidity witnessed in the debt markets since Sep 2018, HFCs are increasingly focusing on raising longer tenure funds. This is likely to result in increased borrowing costs for all HFCs and more particularly the newer and smaller HFCs.

HFCs are also looking at sale of portfolio by way of direct assignment and securitisation for their funding needs.

2.5 Earnings:

The overall profitability indicators for HFCs remained healthy in FY 2019. Earnings for FY 2019 remained good with return on Equity (RoE) of 17%. However the earnings of HFCs in FY 2019 could be impacted by a mix of factors.

Owing to the ALM mismatch of some of the HFCs and also with the stress on the funds availability in the market, incremental borrowings which will be of longer term in nature will result in increased cost of funds for HFCs by around 30-50 bps in FY 2019 for large HFCs and by around 50-75 bps for smaller / new HFCs. Further slowdown in growth is likely to impact the operating expense ratios. While profitability indicators for FY 2019 are likely to remain robust with RoEs around 15-17%, supported by upfront income booking on assignments, a prolonged slowdown in growth could impact the operating expense ratios and asset quality which could lead to moderation in profitability indicators.

2.6 Capitalisation:

Capitalisation of HFCs are comfortable for current scale of business due to the benefit from lower risk weights for home loans in the affordable housing segment i.e loans upto ₹ 30 lakhs. Capital requirement for HFCs over the medium term will be around ₹ 90-160 billion to grow at 20-22% over the next 3 years. With good market, governmental support and Investor sentiment for the sector, HFCs are better positioned to raise the required amount of equity capital in the medium term.

In addition to the above, NHB has proposed amendments in regulations relating to Capital Adequacy Requirements (CAR) and borrowing limits. The proposed amendment seeks to raise the minimum CAR which is currently at 12% to 13% by March 2020 and progressively to 15% by March 2022. It has also proposed a cap on overall borrowings which is currently at 16 times Net Owned Funds (NOF) to 12 times NOF by March 2022. This we feel is a positive from the risk perspective. While most of the companies will be able to meet the criteria on the CAR as the CAR for HFCs is supported by lower risk weights on smaller ticket loans, the cap on borrowings will act as a check on HFCs not to over leverage.

3. Key Regulatory changes for HFCs:

3.1 Guidelines on Information Technology (IT) Framework for the HFCs

NHB, in June 2018 issued guidelines on Information Technology Framework for Housing Finance Companies (HFC)and has mandated all the HFCs to have a formal IT Framework policy duly approved by the Board. This framework is supposed to cover IT Governance, IT policy, Information and Cyber security, IT operations, IS audit, Business Continuity Planning, Disaster recovery and IT services outsourcing.

Annexure – F

3.2 Reporting and monitoring of frauds:

NHB vide its circular dated February 5, 2019 has issued detailed guidelines on Reporting and Monitoring of Frauds by HFCs. The objective of this is to strengthen the reporting and monitoring system relating to fraudulent transactions reported by HFCs. HFCs have been strictly advised to adhere to these guidelines. These guidelines covers not only the frauds but also attempted frauds to be reported. Attempted frauds in addition to reporting to NHB also needs to be placed before the audit committee of the Board.

3.3. NHB proposes amendments to Capital Adequacy Requirements (CAR) and borrowing limts:

NHB vide a communication dated March 4, 2019 has proposed amendments in regulations relating to CAR and borrowing limits. As per the proposal, the CAR of HFCs which is at 12% currently is proposed to be raised progressively to 15% by March 31, 2022. Further the cap on borrowings which is at 16 times Net Owned Funds (NOF) is proposed to be brought down to 12 times NOF by March 31, 2022.

3.4 NHB enhances refinance limits:

NHB enhanced its limits for refinance to ₹ 30,000 crore for the year (July 2018 to June 2019) from ₹ 24,000 crore. This is likely to support HFCs, especially those operating in the affordable segment, as they would have a higher share of portfolio available for refinance. However, given that the refinance criteria set by NHB states that at least 51% of the on-book portfolio of HFCs should be towards individual housing loans, some HFCs who are assigning a higher share of home loan portfolios may not qualify for the NHB refinance criteria.

3.5 RBI regulation on risk weights:

RBI has issued regulations in relation to risk weight calculation for bank's exposure to NBFCs, wherein rated exposures of banks to all NBFCs would be risk weighted as per the ratings rather than assigning a risk weight of 100% earlier. This would help banks save capital as they now have to assign less capital while lending to better rated NBFCs, thereby enhancing funding access to NBFCs.

3.6 Transition to Indian Accounting Standards

Upto the year ended March 31, 2018, the Company prepared its financial statements in accordance with the requirements of National Housing Bank (NHB) and previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006.

As per circular NHB(ND)/DRS/Policy Circular No.88/2017-18 dated April 16, 2018 issued by National Housing Bank, the Company has prepared its financial statements for the year ended March 31, 2019 in accordance with Indian Accounting Standards (IND AS) notified under the Companies (Indian Accounting Standards) Rules, 2016. The Company has adopted IND AS from April 1, 2018 with effective transition date of April 1, 2017 and accordingly the financial statements have been prepared in accordance with the recognition and measurement principles as laid down in IND AS prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India.

4. APTUS: Business Overview

4.1 Primary focus – Self Employed / Salaried, LMI families:

Aptus, right from the inception in August 2010, has kept the focus in providing individual home loans to the underserved Low and Middle Income (LMI) families largely in Tier II and III Cities to buy or construct a home of their own. More than 80% of the sanctioned customers belong to the LMI / self-employed category and also customers belonging to salaried class in the informal segment who largely earn cash salaries. Typical customer of Aptus will be an individual who runs a business of his own like retailers, agents, professionals, traders, shop owners, contractors, service centers etc. or an individual who works in an informal set up and earns cash salary. These customers aspire to own a home but are under served by banks / HFCs due to challenges faced in income assessment, repayment capacity. Hence Aptus focus is in niche segment of underserved LMI families, by existing financial institutions. Almost all these customers are first time home buyers and mainly reside in the home purchased through funding from HFCs.

4.2 Focus: Semi Urban / Rural

Keeping in line with Aptus' focus on Tier II and Tier III towns, today over 75%of Aptus loans disbursed fall under the Rural Areas as classified by NHB. Aptus' focus will continue to be in extended suburbs of Metro and mini towns, underserved Tier II and III locations, potential semi urban and rural housing locations. With a branch network of over 143 locations spread across 4 states and 1 union territory the distribution reach of Aptus is one of the best and largest in southern part of India.

4.3 Average Ticket Size

Most of Aptus customers are either constructing a house on their own land or buying their small first home. With more branches opened in Telangana, AP and Karnataka in 2018 - 19, the average ticket size of our loans which was at ₹ 7.50 lakhs in 2016 - 17 has gone up ₹ 8.50 lakhs in 2018 - 19. With Loan to value at around 45%, the average value of the properties funded is around ₹ 18-20 lacs.

Annexure – F

4.4 Products:

Housing Finance Company:

Home Loans:

Aptus product portfolio is exhaustive including, Home loans for construction, purchase, Home improvement / extension loans.

Loan against Property – Construction & Purchase:

As per NHB norms, in order to classify a loan as a housing loan, the property for which the funding is done should be built with all relevant approvals from various authorities and the funding to the customers should happen before the house is constructed or purchased. In situations where approvals are not there and funding is by way of refinance after the house is constructed or purchased, Aptus funds these customers through its products named Loan Against Property – Construction and Purchase. These are, for all practical purposes, home loans but cannot be classified as housing loans because of the regulatory norms.

Top up:

This represents the loan given to the existing customers as top up, the end use of which might be for their business / working capital purposes.

Insurance cover:

Aptus is having a tie up with a leading life insurance company and general insurance company to cover the lives of the customers and also the properties funded by Aptus.

NBFC – Aptus Finance India Private Limited (AFIPL) (100% subsidiary of Aptus Value Housing Finance India Limited)

Significant part of AFIPL customers are self-employed and are in need of working capital / small capex loans. This is a large, growing, profitable product and these business loans are provided based on cash flows and security of property, largely residential. The size of these loans are between ₹ 5 lakhs to ₹ 15 lakhs.

As the business potential is large in this product, a wholly owned subsidiary of Aptus Housing has been formed to book additional loans in this product.

4.5 Portfolio Performance:

During the years, Aptus' total outstanding loans increased to ₹ 2,244 crores from ₹ 1,413 crores and registered a growth of 59%. CAGR over the last 5 years has been at 44%

Aptus, closed the financial year 2018 - 19 with a Gross NPA of 0.40%. These levels, one of the best in the industry, have been maintained by Aptus since inception. This would not have been possible but for the excellent systems and processes in originating loan proposals from customers and strong adherence to laid down policies in terms of credit, legal, technical and collections.

4.6 Funding

During the year 2018 - 19, Aptus focused on building a strong and diversified borrowing profile coupled with focus on reducing the cost of funds. While the bigger HFCs have always had options of more diversified funding profiles, including deposits and NCDs etc., the new HFCs like Aptus had to depend on banks and NHB for its funding needs.

In this context, Aptus was able to secure support from diversified sources including Mutual Funds, IFC and banks to cater to the funding requirement in 2018 - 19. Currently funding mix of Aptus comprises of borrowings from Banks, NHB, Multilateral funding agencies like IFC and Mutual Funds.

Aptus understands that it is in the business of long term funding which are in the range of 10-15 years. With this in the back ground, Aptus' borrowing policy has always been prudent to secure long term funding ranging between 6-7 years. The funds raised during the year by way of issuance of debentures to both Mutual Funds and IFC was of 7 year tenor and borrowings from banks were in the range of 6-7 years. There were no short tenor borrowings including commercial papers.

With the stress on the liquidity situation and with current market environment of banks slowing down on funding to NBFCs and HFCs, Aptus too experienced a slight set back in the funding like all other NBFCs / HFCs. However, maintenance of exceptional quality of book consistently right from the inception coupled with no unrelated diversifications into other businesses, made the lenders look at funding for Aptus favourably. All the banks which had sanctioned loans to Aptus honoured it and Aptus was able to secure its borrowings as planned to support the substantial growth in the current year as well.

Annexure – F

4.7. Asset Liability Management:

Aptus understands that it is in the business of long term funding which are in the range of 10-15 years. With this in the back ground, Aptus' borrowing policy has always been prudent to secure long term funding ranging between 6-7 years. The funds raised during the year by way of issuance of debentures to both Mutual Funds and IFC was of 7 year tenor and borrowings from banks were in the range of 6-7 years. There were no short tenor borrowings in the nature of CPs.

This prudent policy for matching funding to assets has resulted in robust Asset Liability stability. The company's strategy has always been to maintain reasonable levels of disbursement requirements in the form of undrawn limits or cash equivalents.

4.8 Internal Control Systems:

Aptus has an internal control system, commensurate with the size, scale and complexity of its operations. The System of internal controls are designed to provide a high degree of assurance regarding the effectiveness and efficiency of operations, the adequacy of safeguards for assets, the reliability of financial controls and compliance with applicable laws and regulations. The integrated loan origination, loan management and accounting systems in the software that has been implemented has adequate checks and balance in place to ensure that the transactions are recorded, authorised and reported correctly.

Further, the Internal Auditors review internal control and risk-management measures, accounting procedures, highlight areas requiring attention, and report their main findings and recommendations to the Audit Committee. The Audit Committee regularly reviews the audit findings and action taken thereon, as well as the adequacy and effectiveness of the internal financial systems and controls. Statutory Auditors, Deloitte Haskins & Sells have also reviewed the internal controls systems as existing in the Company and have given an unmodified opinion on the same.

4.9 Information Technology:

Aptus has made significant strides in the area of technology over the last few years by continuously investing into systems, applications etc which not only improves the productivity of the organisation as a whole but also provides enriched experience to the end customer. During the year, amounts were invested in implementing Disaster Recovery Systems and also Business Continuity Planning.

4.10 Human Resources

At Aptus, lot of importance is placed on the human capital, be it recruitment of quality staff, induction, training and growth of employees.

The number of employees as on March 31, 2019 was at 1,325. The team at Aptus comprises of :

Senior Management team:

The core senior management team of Aptus has been with the company almost from inception and there is barely any attrition at this level. This team has clearly imbibed the values of Aptus and have been instrumental in imparting the transparency, governance and culture to be followed across all levels in the organisation.

Middle Management:

These mainly comprise of Middle Level Managers including Area Managers in charge of business across regions. All these staff have been with the company for the last 3 to 4 years and most of them have grown from within.

Branch Managers / Field Staffs:

Attrition at this level is very low and is one of the best in the industry. Lots of importance is placed on recruiting quality staff in these levels and they are groomed to take on higher responsibilities. Further on the job training and induction is imparted to these staff to have better understanding of the company, its culture and business. These initiatives coupled with adequate compensation levels including appropriate incentive schemes matched with the market and good employee welfare schemes like health and life insurance covers have helped us retain the manpower at these levels.

4.11 Financials

Key elements of Financial Results:

- Income for the year 2018 - 19 grew by 67% as compared to the previous year
- Profit Before Tax grew by 52% as compared to the previous year
- Profit After Tax grew by 67% as compared to the previous year
- Return on average assets for the year was 6.13% as against 6.22% in the previous year
- Return on average networth for the year was at 17.42% as against 12.60% in the previous year.

Annexure – G

REPORT ON CORPORATE GOVERNANCE

The fundamental objective of "Good Corporate Governance and Ethics" is to ensure the commitment of an organisation in managing the company in an ethical, legal and transparent manner in order to maximise the long-term value of the company for its stakeholders including shareholders, customers, employees and other partners. Your company is committed to good corporate governance in all its activities.

1. Company Philosophy

Aptus Value Housing Finance India Limited (Aptus) philosophy on corporate governance envisages adherence to the highest levels of commitment, integrity, transparency, accountability and fairness, in all areas of its business and in all interactions with its stakeholders.

2. Board of Directors

Your Board of Directors currently consists of Eight (8) members including the Chairman cum Managing Director. Of these, three are Independent Directors and four are Non-Executive Directors.

Mr M Anandan is the Executive Chairman and Managing Director of the Company.

During the financial year ended March 31, 2019, five (5) Board Meetings were held on May 10, 2018, August 6, 2018, November 2, 2018, January 31, 2019 and March 27, 2019 respectively. The gap between two meetings was not more than 120 days.

Particulars of the Directors' attendance to the Board / Committee Meetings and particulars of their other company directorships are given below:

Name	Nature of Directorship	Attendance		Other
		Board	Committees	Directorships
M Anandan	Chairman & Managing Director	5	14	--
K M Mohandass	Independent Director	5	20	2
S Krishnamurthy	Independent Director	5	18	2
Krishnamurthy Vijayan	Independent Director	4	8	4
Shailesh J Mehta	Non Executive Director	4	1	6
Suman Bollina	Non Executive Director	3	NA	1
Mona Kachhwaha*	Nominee Director, Non Executive	4	5	4
K P Balaraj	Nominee Director, Non Executive	4	6	3
Pankaj Vaish	Nominee Director, Non Executive	5	2	--

* Ms Mona Kacchwaha resigned from the Board of Directors with effect from 28/02/2019.

2.1 Changes in Board of Directors

The following changes took place in the composition of Board of Directors during the year:

a) Mr. Deepak Ramineedi, Nominee Director of WestBridge Crossover Fund LLC resigned from the Board with effect from May 10, 2018. Mr. Pankaj Vaish was appointed as Nominee Director of WestBridge Crossover Fund LLC with effect from May 10, 2018 and his appointment was regularised at the 9th AGM held on August 6, 2018

b) Ms. Mona Kachhwaha, Nominee Director of India Financial Inclusion Fund (IFIF), retired by rotation at the Ninth Annual General Meeting held on August 6, 2018 and was re-appointed. She tendered her resignation as Director with effect from February 28, 2019 consequent to sale of shares by IFIF.

2.2 Independent Directors

Your Company appointed Independent Directors who are renowned people having expertise / experience in their respective field / profession. None of the Independent Directors are Promoters or are related to Promoters. They do not have pecuniary relationship with the Company and further do not hold two percent or more of the total voting power of the Company.

Every Independent Director, at the first meeting of the Board in which he / she participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he / she meets the criteria of independence as required under Section 149(7) of the Companies Act, 2013.

The Company had issued a formal letter of appointment to all Independent Directors and the terms and conditions of their appointment have been disclosed in the website of the Company.

2.3 Code of Conduct for Directors and Senior Management

Your Company has adopted a Code of Conduct for Independent Directors as per Schedule IV to the Companies Act, 2013. The Code aims at ensuring transparency and independence and at the same time to bring value to the company by providing input on strategy, business, and other matters including performance of monitoring functions.

Annexure – G

Your Company has also adopted a Code of Business Ethics for Directors and members of the Senior Management. The Code aims at ensuring consistent standards of conduct and ethical business practices across the Company.

Your Company continues to ensure effective implementation and enforcement of these codes to achieve the objectives enshrined in these Codes.

3. Committees

A. Committees of the Board

3.1 Audit Committee

Composition and Meetings

The Audit Committee currently consists of the following members:

1. Mr K M Mohandass, Chairman
2. Mr S Krishnamurthy
3. Mr Krishnamurthy Vijayan
4. Mr K P Balaraj

Mr M Anandan, CMD and Mr Shailesh J Mehta, Non-executive Director are invitees to the meetings of the Committee.

The Audit Committee of the Board met four (4) times during the year on May 10, 2018, August 6, 2018, November 2, 2018 and January 31, 2019 respectively.

Terms of reference

1. Oversight of the Company's financial reporting process and the disclosure of its financial interest to ensure that the financial statements are correct, sufficient and credible.
2. The recommendation for appointment, remuneration and terms of appointment of statutory, secretarial and internal auditors of the company.
3. Reviewing with the management the quarterly, half yearly and annual financial statements before submission to the Board, with particular reference to:
    - Matters required to be included in Director's Responsibility Statement to be included in the Board's report to members.
    - Changes, if any in accounting policies and practices and reasons for the same.
    - Major Accounting entries involving estimates based on the exercise of judgment by management.
    - Significant adjustments made in the financial statements arising out of audit findings.
    - Compliance with accounting and other legal requirements relating to financial statements.
    - Disclosure of any Related Party Transactions.
    - Qualifications in draft Auditors Report
4. Reviewing with the management performance of statutory and internal auditors, adequacy of the internal control systems.
5. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department reporting structure and frequency of internal audit.
6. Discussion with internal auditors any significant findings and follow up there on.
7. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
8. Discussion with statutory auditors before the audit commences, about the nature & scope of audit as well as post audit discussion to ascertain any area of concern.
9. Review on quarterly basis the securitisation / bilateral assignment transactions and investment activities of the Company.
10. Annual Review of Company's policies framed pursuant to RBI and NHB guidelines and suggest changes if any, required to the Board for adoption.
11. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
12. Examination of the financial statement and the auditors' report thereon;
13. Approval or any subsequent modification of transactions of the company with related parties;
14. Scrutiny of inter-corporate loans and investments;
15. Valuation of undertakings or assets of the company, wherever it is necessary;

    The Committee shall mandatorily review the following information:

    1. Management discussion and analysis of financial condition and results of operation.
    2. Management letters / letters of internal control weaknesses issued by the statutory auditors.
    3. Internal audit report relating to internal control weaknesses.

Annexure – G

3.2 Nomination & Remuneration Committee

Composition and Meetings

The Nomination & Remuneration Committee currently consists of the following members:

1. Mr Shailesh J Mehta
2. Mr K M Mohandass
3. Mr S Krishnamurthy
4. Mr M Anandan, CMD
5. Mr K P Balaraj

The Nomination & Remuneration Committee of the Board met once during the year on May 10, 2018.

Terms of Reference

1. To review the structure, size and composition (including the skills, knowledge and experience) of the Board atleast annually and make recommendations on any proposed changes to the Board to complement the Company's Corporate Strategy.
2. To identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for Directorships
3. Identification of persons who are qualified to become directors and who maybe appointed in senior management in accordance with the criteria laid down, Recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.
4. To access the independence of Independent Non-Executive Directors.
5. Formulation of criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
6. To review the result of the performance evaluation process that relates to the composition of the Board.
7. To make recommendation to the Board regarding the appointment and re- appointment of Directors and succession planning for Directors in particular for Chairman & Chief Executive.
8. To recommend the remuneration payable to Non-Executive Directors of the Company from time to time.
9. Annual appraisal of the performance of Managing Director and fixing his terms of remuneration
10. Annual appraisal of the Senior Management Team reporting to the Managing Director.
11. Administration and superintendence of ESOP scheme of the Company and / or by the Board of Directors.

3.3 Resourcing & Business Committee

Composition and Meetings

The Resourcing & Business Committee currently consists of the following members:

1. Mr. S Krishnamurthy
2. Mr. K M Mohandass
3. Mr. M Anandan

The Resourcing & Business Committee of the Board met thirteen (13) times during the year on April 16, 2018, May 23, 2018, June 20, 2018, July 20, 2018, August 20, 2018, November 7, 2018, December 12, 2018, December 31, 2018, January 8, 2019, February 28, 2019, March 21, 2019, March 27, 2019 and March 30, 2019 respectively.

Terms of Reference

1. Borrowing such sum or sums of moneys, availing all kinds and types of loans and credit facilities including debentures and other debt instruments, commercial paper, temporary loans from the company's bankers, from time to time, upto such sum / limit as may be fixed by the Board of Directors / Shareholders, for and on behalf of the Company, from its directors, shareholders, banks, NBFCs, financial institutions, companies, firms, bodies corporate, Co-operative Banks, investment institutions and their subsidiaries, or from any other person as may be permitted under applicable laws, whether unsecured or secured by mortgage, charge, hypothecation or lien or pledge of the Company's assets and / or properties, whether movable including stocks, fixed assets, book debts and to create security over the assets and / or properties of the Company in relation to such borrowings and loan / credit facilities, modification or satisfaction of the charge / security created on the assets and / or properties of the Company from time to time.
2. To mortgage / charge / hypothecate all or any of the movable properties and assets of the Company both present and future and the whole or substantially the whole of the undertaking or the undertakings of the Company on such terms and conditions, as may be agreed to with the Lender(s), Debenture holders and providers of credit and debt facilities to secure the loans / borrowings / credit / debt facilities obtained or as may be obtained, or Debentures / Bonds and other instruments issued or to issued by the Company to or in favour of the financial institutions, Non Banking Financial Companies, Co-operative Banks, investment institutions and their subsidiaries, banks, mutual funds, trusts and other bodies corporate or trustees for the holders of debentures / bonds and / or other instruments.
3. To establish current and other banking accounts with various banks upon such terms and conditions as may be agreed upon with the said bank and various other entities; to specify and change the

Annexure – G

authorised signatories and their transaction limits to the said banking accounts; to close current and other banking accounts.

4. Any unsecured loans to be given by the Company other than staff loan advances to be approved by the Resourcing & Business Committee.
5. Any secured loan to be given by the Company including Housing loans, loans against property, SME loans and other loans exceeding ₹ 1 crore to be approved by Resourcing & Business Committee.
6. To consider and approve securitisation arrangements and to authorise carrying out of all actions connected therewith
7. Issuance of Share / Debenture and other security certificates
   a. Issuance of fresh Share / Debenture and other security certificates
   b. Issuance of duplicate Share / Debenture and other security certificates
   c. Issuance of certificates upon request of the Company on split / consolidation / replacement of old and duplicate certificates, transfer or transmission requests.
8. To review, modify and approve investment policy of the Company from time to time.
9. To authorise affixing the common seal of the Company in accordance with the manner laid down in the Articles of Association and to authorise taking the Common Seal out of the registered office of the Company.
10. To exercise such other powers as may be vested by the Board from time to time.

3.4 Corporate Social Responsibility Committee

Composition and Meetings

The Committee currently consists of following members:

1. Mr. Krishnamurthy Vijayan
2. Mr. K M Mohandass
3. Mr. M Anandan, CMD

The Corporate Social Responsibility Committee met twice during the year on May 10, 2018 and January 31, 2019.

Terms of Reference

(1) To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII to the Companies Act, 2013 as may be amended or modified from time to time;

(2) To recommend the amount of expenditure to be incurred on the activities referred above

(3) To monitor the Corporate Social Responsibility activities of the company from time to time.

The report on Corporate Social Responsibility forms part of the Director's Report as Annexure D.

3.5 IT Strategy Committee

Composition and Meetings

The Committee currently consists of following members:

1. Mr. Krishnamurthy Vijayan
2. Mr. K. P. Balaraj
3. Mr. Pankaj Vaish
4. Mr. M Anandan, CMD

The IT Strategy Committee met twice during the year on November 2, 2018 and January 31, 2019.

Terms of Reference

(i) Advising senior management on IT policy, procedures, IT infrastructure

(ii) Review IT strategies, cyber security and any matter related to IT Governance.

(iii) Any matter as may be specified by the Board or as required by NHB guidelines / regulations from time to time.

B. Internal Committees:

3.6 Asset Liability Committee (ALCO)

Composition and Meetings

The Asset Liability Committee currently consists of the following members:

1. Mr M Anandan, CMD
2. Mr P Balaji, EVP & CFO
3. Mr G. Subramanian – EVP – Risk management
4. Mr C. T. Manoharan – VP – Sales and Marketing

The Asset Liability Committee meets regularly to review the areas falling within its terms of reference as given below.

Terms of Reference

1. Liquidity Risk Management
2. Management of Market (Interest Rate) Risk
3. Funding and Capital Planning
4. To determine Aptus Value Housing Finance Base Rate (AVHFBR)
5. Credit and Portfolio Risk Management
6. Setting credit norms for various lending products of the company
7. Operational and Process Risk Management
8. Laying down guidelines on KYC norms
9. To approve and revise the actual interest rates to be charged from customers for different products from time to time applying the interest rate model.

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3.7 Risk Management Committee

Composition and Meetings

The Risk Management Committee currently consists of the following members:

1. Mr M Anandan, CMD
2. Mr P Balaji, EVP & CFO
3. Mr G Subramanian, EVP – Risk & Operations
4. Mr. C T Manoharan – VP – Sales and Marketing

Terms of Reference

1. Laying down the review of procedures relating to risk assessment & risk minimisation to ensure that executive management controls risk through means of a properly defined framework.
2. Credit & Portfolio Risk Management
3. Operational & Process Risk Management.
4. Laying down guidelines on KYC Norms.
5. Annual Review of Company's policies framed pursuant to RBI and NHB guidelines and suggest changes if any, required to the Board for adoption.
6. Evaluation of internal financial controls and risk management systems.

4. Remuneration of Directors

4.1 Sitting Fees

All directors except the CMD and Nominee Directors are paid a sitting fee of ₹ 20,000 for attending every meeting of the Board and ₹ 10,000 for attending every meeting of the Audit Committee, Nomination & Remuneration Committee and Resourcing and Business Committee thereof.

The details of the sitting fees paid and the shares held by them in the Company as at March 31, 2019 are as follows:

Name	Sitting Fees (₹ in lakhs)(#)		No. of equity shares held in the Company
	Board	Committees	
Mr M Anandan	NA	NA	17,732,833
Mr K M Mohandass*	1.00	1.10	250,100
Mr S Krishnamurthy	1.00	0.95	Nil
Mr Krishnamurthy Vijayan	0.80	0.70	Nil
Mr Shailesh J Mehta	0.80	0.05	Nil
Ms Mona Kachhwaha	NA	NA	Nil
Mr K P Balaraj	NA	NA	Nil
Mr Suman Bollina	0.60	NA	83,333
Mr Pankaj Vaish	NA	NA	Nil
Mr. Deepak Ramineedi**	NA	NA	Nil

* 100 Equity shares are held by Mr. KM Mohandass in his own name and 250,000 equity shares are held by Mr. KM Mohandass as a registered holder on behalf of K M Mohandass (HUF) (beneficial owner). Mr. KM Mohandass is the karta of the HUF.

** Mr. Deepak Ramineedi has resigned from the Board of Directors with effect from 10th May 2018.

(#) excluding reimbursement of travel and other expenses incurred for the Company's business/meetings.

4.2 Commission to Non-Executive Directors: -

The Non-executive Directors (including Independent Directors) of the Company are paid remuneration by way of profit related Commission based on the criteria laid down by the Nomination and Remuneration Committee and the Board. The same has been approved by the Board and the shareholders and is within the limits prescribed under the Companies Act, 2013.

The details of commission paid to Directors during the financial year ended March 31, 2019 are as follows:

Name	Commission (₹ lakhs)
Mr K M Mohandass	4.00
Mr S Krishnamurthy	4.00
Mr Krishnamurthy Vijayan	4.00
Mr Shailesh J Mehta	4.00
Mr.Suman Bollina	4.00
M/s India Financial Inclusion Fund (on behalf of Ms Mona Kachhwaha, Nominee Director)	4.00
Mr K P Balaraj	--
Mr.Pankaj Vaish	--
Total	24.00

4.3 Remuneration to Managing Director

The details of remuneration paid to Mr M Anandan, CMD for the financial year ended March 31, 2019 are as follows:

Particulars	Amount (₹lakhs)
Salary	243.75
Commission	100.00
Other allowances and Perquisites	2.51
Total	346.26

5. CMD / EVP &CFO Certification

CMD and EVP & CFO have given a certificate to the Board as per the format given in regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) 2015.

6. General Body Meetings

During the financial year ended March 31, 2019, one (1) Annual General Meeting was held on August 6, 2018 and one (1) Extra Ordinary General Meetings was held on May 31, 2018.

All the proposed resolutions, including special resolutions, were passed by the shareholders as set out in the Notices.

Annexure – G

General Shareholder Information

Financial year	April 1, 2018 to March 31, 2019
10th Annual General Meeting	
Day, Date and Time	Thursday, August 8, 2019
Venue	**Regd. Office:** No. 8B, Doshi Towers, 8th Floor, No.205, Poonamallee High Road, Kilpauk, Chennai – 600 010.
Registrar and Transfer Agents	Karvy Fintech Pvt. Ltd., **Address:** 7th floor| 701| Hallmark Business Plaza| Sant Dnyaneshwar Marg | Opp Guru Nanak Hospital | Off Bandra Kurla Complex | Bandra East | Mumbai - 400 051| India **Telephone No.** 040-67406120 / 67406121
Demat ISIN Number in NSDL / CDSL (Equity Shares)	INE852O01017 (Shares of the Company can be held in electronic form)

7. Shareholding pattern as on March 31, 2019

S. No	Shareholders	Category	No. of Shares held	Shareholding Percentage
1	M. Anandan & immediate relatives	Promoter	23,919,498	30.36%
2	WestBridge Crossover Fund, LLC	Foreign Body Corporate	34,345,951	43.60%
3	Aravali Investment Holdings (Aravali)	Foreign Body Corporate	3,952,499	5.02%
4	Granite Hill India Opportunities Fund	Foreign Body Corporate	3,999,571	5.08%
5	Madison India Opportunities IV	Foreign Body Corporate	3,218,109	4.08%
6	Malabar India Fund Limited (MIF)	Foreign Body Corporate	2,570,363	3.26%
7	Malabar Select Fund Limited (MSF)	Foreign Body Corporate	2,570,363	3.26%
8	Malabar Value Fund (MVF)	Body Corporate	447,020	0.57%
9	Others		3,759,263	4.77%
	Total		**78,782,637**	**100.00%**

For and on behalf of the **Board of Directors**

sd/-
M Anandan
Chairman & Managing Director
(DIN: 00033633)

sd/-
K M Mohandass
Director
(DIN: 00707839)

Place: Chennai
Date: May 10, 2019

Independent Auditor's Report

To The Members of **Aptus Value Housing Finance India Limited** Report on the Audit of the Standalone Financial Statements

OPINION

We have audited the accompanying standalone financial statements of Aptus Value Housing Finance India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement 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 standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Response
Provision for Expected Credit Losses on Receivables The Receivables under Financing Activity are the most significant item in the Financial Statements. This, being the first year of application of the expected credit loss model in determining the provisions, a significant degree of judgement is involved in determining the quantum so as to ensure that there is neither management bias nor material risk of misstatement. The measurement of the said estimate is primarily dependent upon key assumptions relating to probability of default and loss given default, after eliminating exceptional events/losses.	Principal audit procedures performed: We tested the design and operating effectiveness of key controls focusing on the following: • Appropriateness of assumptions, used in determination of provisions; and • Completeness and accuracy of data input into models. For determination of provision we tested data inputs and agreed a sample of data used in the models to source systems. We evaluated the methodology to establish model parameters and assessed the appropriateness of the models used.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors Report, Management Discussion and Analysis, Report on Corporate Governance, Report on Corporate Social Responsibility and Secretarial Audit Report, but does not include the standalone financial statements and our auditor's report thereon. These reports are expected to be made available to us after the date of this auditor's report.
- Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- When we read the Directors Report, Management Discussion and Analysis, Report on Corporate Governance, Report on Corporate Social Responsibility and Secretarial Audit Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

Independent Auditor's Report

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Independent Auditor's Report

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

REPORTING ON COMPARITIVES IN CASE OF FIRST IND AS FINANCIAL STATEMENTS

The comparative financial information of the Company for the year ended March 31, 2018 and the related transition date opening balance sheet as at April 1, 2017 included in these standalone financial statements, have been prepared after adjusting previously issued the standalone financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS.

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.

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

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

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

h) With respect to the other matters to be included in the 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 position.

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, on long-term contracts. The Company does not have any derivative contract;

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**
Chartered Accountants
(Firm's Registration No.008072S)

Geetha Suryanarayanan
Partner
(Membership No. 29519)

Place: Chennai
Date: May 10, 2019

ANNEXURE "A"

TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph (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 Aptus Value Housing Finance India Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the Ind AS standalone financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 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 on Audit of Internal Financial Controls Over Financial Reporting (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, 2019, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No.008072S)

Geetha Suryanarayanan
Partner
(Membership No. 29519)

Place: Chennai
Date: May 10, 2019

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

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

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. The Company does not have any immovable property of leasehold land.

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

(iii) According to the information and explanations given to us, the Company has granted 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, in respect of which:

(a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.

(b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the

Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. There were no unclaimed deposits outstanding at any time during the year and hence reporting under clause (v) of the Order is not applicable.

(vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) Caro 2016 of the Order on maintenance of Cost records is not applicable.

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

(a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Services Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Services Tax, Cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.

(c) There are no dues of Income-tax, Service Tax, Goods and Services Tax and Cess as on March 31, 2019 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 banks or dues to debenture holders.

ANNEXURE "B"

TO THE INDEPENDENT AUDITOR'S REPORT

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us, in respect of term loans, the Company has applied the money for the purposes for which it was 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 (xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Sections 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 as required by the applicable accounting standards.

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

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors 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**
Chartered Accountants
(Firm's Registration No.008072S)

Geetha Suryanarayanan
Partner
(Membership No. 29519)

Place: Chennai
Date: May 10, 2019

Balance Sheet

AS AT MARCH 31, 2019

₹ in lakhs

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
ASSETS				
1 Financial Assets				
(a) Cash and cash equivalents	4	**10,698.57**	1,086.86	913.11
(b) Bank Balance other than (a) above	5	**395.36**	156.51	195.33
(c) Receivables				
(I) Receivables under Financing Activities	6	**2,01,221.78**	1,36,387.38	81,649.32
(II) Other Receivables	6	**6,751.37**	-	-
(d) Investments	7	**9,000.00**	5,952.02	753.28
(e) Other Financial assets	8	**255.40**	192.03	180.37
		2,28,322.48	1,43,774.80	83,691.41
2 Non-financial Assets				
(a) Current tax assets (Net)	9	**83.25**	-	60.16
(b) Property, plant and equipment	10A	**319.76**	316.70	340.41
(c) Other Intangible assets	10B	**78.91**	117.55	126.73
(d) Other non-financial assets	11	**1,177.88**	743.74	293.40
		1,659.80	1,177.99	820.70
TOTAL ASSETS		**2,29,982.28**	1,44,952.79	84,512.11
LIABILITIES AND EQUITY				
LIABILITIES				
1 Financial Liabilities				
(a) Payables				
Trade Payables				
(i) total outstanding dues of micro enterprises and small enterprises	29	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		**492.10**	262.10	190.77
(b) Debt Securities	12	**70,070.00**	29,970.00	6,640.00
(c) Borrowings (Other than Debt Securities)	13	**85,418.18**	52,593.91	23,927.22
(d) Other financial liabilities	14	**877.21**	852.99	496.05
		1,56,857.49	83,679.00	31,254.04
2 Non-Financial Liabilities				
(a) Current tax liabilities (Net)	15	-	21.04	-
(b) Provisions	16	**178.64**	139.75	92.83
(c) Deferred tax liabilities (Net)	17	**1,293.38**	760.89	287.89
(d) Other non-financial liabilities	18	**2,760.62**	1,921.45	1,151.32
		4,232.64	2,843.13	1,532.04
3 EQUITY				
(a) Equity Share capital	19	**7,878.26**	7,857.01	7,857.01
(b) Other Equity	20	**61,013.89**	50,573.65	43,869.02
		68,892.15	58,430.66	51,726.03
TOTAL LIABILITIES AND EQUITY		**2,29,982.28**	**1,44,952.79**	**84,512.11**

See accompanying notes forming part of the financial statements

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

Geetha Suryanarayanan
Partner

Place: Chennai
Date: May 10, 2019

For and on behalf of the **Board of Directors**

M Anandan
Chairman & Managing Director
(DIN: 00033633)

K M Mohandass
Director
(DIN: 00707839)

P Balaji
Executive Vice President
& Chief Financial Officer

Jyoti Munot
Company Secretary

Place: Chennai
Date: May 10, 2019

Statement of Profit and Loss

FOR THE YEAR ENDED MARCH 31, 2019

₹ in lakhs

Particulars		Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
1	**Revenue from operations**			
	(a) Interest Income	21	28,008.04	18,503.50
	(b) Fees and Other charges	21	1,914.86	1,222.42
2	**Other income**	22	1,637.22	469.92
3	**Total Income (1+2)**		31,560.12	20,195.84
4	**Expenses**			
	(a) Finance costs	23	11,138.17	5,236.64
	(b) Employee benefits expense	24	4,588.11	3,448.35
	(c) Depreciation and amortisation expense	10A & 10B	291.58	236.98
	(d) Other expenses	25	1,417.56	1,069.49
	(e) Provision for advances	26	119.60	119.67
Total expenses			17,555.02	10,111.13
5	**Profit before tax (3-4)**		14,005.10	10,084.71
6	**Tax expense**			
	- Current tax expense	27	3,216.91	2,966.42
	- Excess provision for tax relating to prior years		(11.23)	-
	- Deferred tax	17, 27	533.92	475.27
Net tax expense			3,739.60	3,441.69
7	**Profit for the year (5-6)**		10,265.50	6,643.02
8	**Other Comprehensive Income**			
	(i) Items that will not be reclassified to profit or loss			
	Remeasurement gain / (loss) on defined benefit plan		(4.92)	(6.51)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		1.43	2.27
			(3.49)	(4.24)
9	**Total Comprehensive Income for the year (7+8)**		10,262.01	6,638.78
	Earnings per share (of ₹ 10/- each):			
	(a) Basic (in ₹)	35	13.03	8.45
	(b) Diluted (in ₹)	35	13.00	8.44

See accompanying notes forming part of the financial statements

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

Geetha Suryanarayanan
Partner

Place: Chennai
Date: May 10, 2019

For and on behalf of the **Board of Directors**

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P Balaji
Executive Vice President
& Chief Financial Officer

Jyoti Munot
Company Secretary

Place: Chennai
Date: May 10, 2019

Statement of Changes in Equity

FOR THE PERIOD ENDED MARCH 31, 2019

1. EQUITY SHARE CAPITAL

₹ in lakhs

Particulars	Amount
Balance as at April 1, 2017	7,857.01
Changes in equity share capital during the year	-
Balance as at March 31, 2018	7,857.01
Changes in equity share capital during the year	
(a) Issue of equity shares under employee stock option plan (Refer Note 39)	21.25
Balance as at March 31, 2019	**7,878.26**

2. OTHER EQUITY

₹ in lakhs

Particulars	Reserves and Surplus				Total
	Securities Premium	Share Option Outstanding	Special Reserve (Note (i))	Retained Earnings	
Balance as at April 1, 2017	37,311.58	95.83	2,205.00	4,256.61	43,869.02
Premium received during the year	-	-	-	-	-
Additions during the year	-	65.85	-	-	65.85
Profit (loss) for the year after income tax	-	-	-	6,643.02	6,643.02
Transfer to Special reserve	-	-	2,142.87	(2,142.87)	-
Other Comprehensive Income for the year (net of tax)	-	-	-	(4.24)	(4.24)
Transfer to/from retained earnings	-	-	-	-	-
Balance as at March 31, 2018	37,311.58	161.68	4,347.87	8,752.52	50,573.65
Premium received during the year	138.13	-	-	-	138.13
Additions during the year	-	40.10	-	-	40.10
Profit (loss) for the year after income tax	-	-	-	10,265.50	10,265.50
Transfer to Special reserve	-	-	2,789.70	(2,789.70)	-
Other Comprehensive Income for the year (net of tax)	-	-	-	(3.49)	(3.49)
Transfer to/from retained earnings	-	-	-	-	-
Balance as at March 31, 2019	**37,449.71**	**201.78**	**7,137.57**	**16,224.83**	**61,013.89**

Notes:

(i) Special Reserve is created under Section 29C of National Housing Bank (NHB) Act, 1987

See accompanying notes forming part of the financial statements

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

Geetha Suryanarayanan
Partner

Place: Chennai
Date: May 10, 2019

For and on behalf of the **Board of Directors**

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Chairman & Managing Director
(DIN: 00033633)

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P Balaji
Executive Vice President
& Chief Financial Officer

Jyoti Munot
Company Secretary

Place: Chennai
Date: May 10, 2019

Cash Flow Statement

FOR THE YEAR ENDED MARCH 31, 2019

₹ in lakhs

Particulars	For the year ended March 31, 2019		For the year ended March 31, 2018	
Cash flows from operating activities				
Profit before tax		14,005.10		10,084.71
Adjustments for:				
Finance costs	11,138.17		5,236.64	
Interest income from bank deposits	(133.41)		(13.90)	
Dividend income	(411.46)		(178.83)	
Depreciation and amortisation expense	291.58		236.98	
Impairment loss recognised on Receivables	119.60		119.67	
Expense recognised in respect of equity-settled share-based payments	40.10		65.85	
		11,044.58		5,466.41
Operating profit before working capital changes		25,049.68		15,551.12
Movements in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Receivables	(71,705.37)		(54,857.73)	
Other Financial assets	(55.90)		(20.96)	
Other non-financial assets	34.37		(104.53)	
Adjustments for increase / (decrease) in operating liabilities:				
Trade Payables	230.00		71.33	
Other financial liabilities	164.25		(91.70)	
Provisions	33.97		40.41	
Other non-financial liabilities	839.17	(70,459.51)	800.14	(54,163.04)
Cash used in operations		(45,409.83)		(38,611.92)
Financing charges		(11,733.89)		(5,123.66)
Direct Taxes paid		(3,309.97)		(2,885.22)
Net cash used in operating activities (A)		(60,453.69)		(46,620.80)
Cash flows from investing activities				
Capital expenditure on Property, plant and equipment	(268.81)		(244.25)	
Bank balances not considered as cash and cash equivalents	(238.85)		38.82	
Investments in subsidiary	(6,500.00)		(1,800.00)	
Interest received on Bank deposits	125.94		23.20	
Dividend received	411.46		178.83	
Net cash flow used in investing activities (B)		(6,470.26)		(1,803.40)
Cash flows from financing activities				
Proceeds from issue of equity shares (including securities premium)	159.38		-	
Proceeds from borrowings	83,352.74		58,330.00	
Repayment of borrowings	(10,428.48)		(6,333.31)	
Net cash flow from financing activities (C)		73,083.64		51,996.69
Net increase in cash and cash equivalents (A+B+C)		6,159.69		3,572.49
Cash and cash equivalents at the beginning of the year		4,538.88		966.39
Cash and cash equivalents at the end of the year (Refer Note 4 & Note 7)		10,698.57		4,538.88

See accompanying notes forming part of the financial statements

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

For and on behalf of the **Board of Directors**

Geetha Suryanarayanan
Partner

M Anandan
Chairman & Managing Director
(DIN: 00033633)

K M Mohandass
Director
(DIN: 00707839)

P Balaji
Executive Vice President
& Chief Financial Officer

Jyoti Munot
Company Secretary

Place: Chennai
Date: May 10, 2019

Place: Chennai
Date: May 10, 2019

Notes
FORMING PART OF THE FINANCIAL STATEMENTS

1 General Information

Aptus Value Housing Finance India Limited ('the Company') was incorporated on December 11, 2009 with the primary objective of carrying on the business of providing long term housing finance to meet the housing needs of the low and middle income segment in the country. The Company is also engaged in providing loans for non-housing finance activities in the form of Loan Against Properties (LAP).

The Company received the certificate of registration from the National Housing Bank (NHB) on May 31, 2010 to commence the business of Housing Finance without accepting public deposits. The certificate of commencement of business was received from the Registrar of Companies on June 25, 2010.

2 Significant accounting policies

2.1 Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

Upto the year ended March 31, 2018, the Company prepared its financial statements in accordance with the requirements of National Housing Bank (NHB) and previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2017. Refer Note 2.19 for the details of first-time adoption exemptions availed by the Company. The financial statements have been presented in accordance with the format prescribed for financial statements for a Non-Banking Financial Company (NBFC) whose financial statements are drawn up in compliance of the Companies (Indian Accounting Standards) Rules, 2015, in Division III of Notification No.GSR. 1022(E) dated October 11, 2018, issued by Ministry of Corporate Affairs, Government of India.

2.2 Basis of preparation and presentation

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 below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

2.3 Interest Income and Finance Cost

Interest income and expense on financial instruments are recognised as 'Interest on loans' and 'Finance cost' in the profit or loss account using the effective interest method (EIR).

The effective interest rate (EIR) is the rate that exactly discounts estimated future cash flows of the financial instrument through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability.

2.4 Fee and Other charges

Fee and other charges include fees other than those that are an integral part of EIR. The fees included in this part of the Company's statement of profit or loss include among other things fees charged for servicing a loan including cheque bounce charges, field visit charges, pre-closure charges etc.

2.5 Other Income

Interest Income on bank deposits is accounted on accrual basis. Dividend income is recognised when the right to receive payment is established. Revenue from other services are recognised as and when the performance obligations are satisfied, on the basis of an agreed amount in accordance with the agreement entered into by the Company.

Notes
FORMING PART OF THE FINANCIAL STATEMENTS

2.6 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. The Company enters into operating leases as a lessee for renting of branch premises.

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

2.7 Employee benefits

Post employment benefits and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement of actuarial gains and losses is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Interest is calculated by applying the discount rate at the beginning of the period to the defined benefit liability. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- interest expense;
- and remeasurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that 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.

Liabilities recognised in respect of leave encashment and other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the company in respect of services provided by employees up to the reporting date. The Company records the leave encashment liability based on actuarial valuation computed using projected unit credit method.

2.8 Share-based payment arrangements

Share-based payment transactions of the Company

Employees of the Company receive remuneration in the form of equity settled instruments from the company, for rendering services over a defined vesting period. Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date and such fair value is charged to the Statement of Profit & Loss on a straight-line basis. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 39.

2.9 Taxation

Current tax

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

Deferred tax

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

Notes
FORMING PART OF THE FINANCIAL STATEMENTS

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

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

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

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.10 Investments

Investments in subsidiary are carried at cost less provision for diminution (other than temporary) in the value of such investments. Investments in mutual funds are carried individually, at fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

2.11 Property, plant and equipment and Other intangible assets

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost less its estimated residual value. Depreciation on the following categories of tangible fixed assets (other than Freehold Land) has been provided on the straight-line method, the useful lives of which have been assessed as under, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc. The other assets have been depreciated on straight line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Office Equipment	- 3 Years
Servers (under office equipments)	- 3 Years
Furniture and Fixtures	- 3 Years
Vehicles	- 3 Years

Freehold Land is not depreciated

Intangible assets are amortised over their estimated useful life on straight line method as follows:

Intangibles – Computer Software - 3 years or License Period whichever is lower.

Improvements to Leasehold Premises are amortised over the primary lease period or 3 years, whichever is lower.

Individual assets costing ₹ 5,000 or less are fully depreciated in the year of purchase.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.12 Impairment of tangible and intangible assets other than goodwill

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment, if any, indication of impairment exists. An intangible asset that is not yet available for use is tested for impairment each financial year even if there is no indication that the asset is impaired.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognised.

2.13 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.14 Financial instruments

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

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

2.14.1 Financial assets

All financial assets are recognised and derecognised where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at FVTPL in which case, the transaction costs are recognised immediately in profit or loss.

All recognised financial assets that are within the scope of Ind AS 109 are required to be subsequently measured at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Debt instruments at amortised cost or at FVTOCI

The Company assesses the classification and measurement of a financial asset based on the contractual cash flow characteristics of the asset and the Company's business model for managing the asset. For an asset to be classified and measured at amortised cost (using effective interest method), the asset should be held within a business model whose objective is to hold the financial asset in order to collect contractual cash flows ('Hold-to-collect' business model) and its contractual terms should give rise to cash flows that are solely payments of principal and interest on the principal outstanding (SPPI). For an asset to be classified and measured at Fair Value Through Other Comprehensive Income (FVTOCI), the asset should be held within a business model whose objective is to collect contractual cash flows and also sell the financial assets ('Hold-to-collect and sell' business model) its contractual terms should give rise to cash flows that are solely payments of principal and interest on the principal outstanding (SPPI).

For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. That principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin.

An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Company determines the business models at a level that reflects how Company's financial assets are managed together to achieve a particular business objective. The Company's business model does not depend on management's intentions for an individual instrument, therefore the business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis.

Financial assets at FVTPL

Financial assets at FVTPL are:

- assets with contractual cash flows that are not SPPI; or/and
- assets that are held in a business model other than held to collect contractual cash flows or held to collect and sell; or
- assets designated at FVTPL using the fair value option.

These assets are measured at fair value, with any gains/losses arising on remeasurement recognised in profit or loss.

2.14.2 Reclassifications

If the business model under which the Company holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that results in reclassifying the Company's financial assets. During the current financial year and previous accounting period there was no change in the business model under which the Company holds financial assets and therefore no reclassifications were made. Changes in contractual cash flows are considered under the accounting policy on modification and derecognition of financial assets described below.

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2.14.3 Impairment Loss Allowance

Expected Credit Loss (ECL) has been estimated on the Receivables under financing activity of the Company. The portfolios have been divided into 3 stages based on the Staging rules defined below. ECL has been separately estimated for each stage.

Staging rules set have been applied to the product categories to bucket them into either Stage 1, Stage 2 or Stage 3.

Stages	Days Past Due	ECL
Stage 1	Upto 30 Days	12- Month ECL
Stage 2	30- 90 Days	Lifetime ECL
Stage 3	90+ Days	Lifetime ECL

The primary risk components applied for estimation of ECL are Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD). ECL is estimated as a multiple of PD, LGD and EAD for each of the product sub categories.

i. The PD provides an estimate of the likelihood that a borrower will be unable to meet his debt obligations.

ii. The EAD is the total receivables that the Company is exposed to at the time of an account's default.

iii. LGD is usually shown as the percentage of EAD that the Company might lose in case the borrower defaults. It depends, among others, on the type and amount of collateral, collection mechanism existing in the Company and the expected proceeds from a work out (e.g. recovery from sale of collaterals or otherwise) of the assets.

2.14.4 Credit-impaired financial assets

A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit-impairment includes observable data about the following events:

- significant financial difficulty of the borrower;
- a breach of contract such as a default or past due event;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- the disappearance of an active market for a security because of financial difficulties; or
- the purchase of a financial asset at a deep discount that reflects the incurred credit losses.

It may not be possible to identify a single discrete event—instead, the combined effect of several events may have caused financial assets to become credit-impaired. The Company assesses whether debt instruments that are financial assets measured at amortised cost are credit-impaired at each reporting date.

2.14.5 Definition of default

All accounts greater than 90 days past due are considered as default accounts.

2.14.6 Significant increase in credit risk

The Company monitors all financial assets that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Company will measure the loss allowance based on lifetime rather than 12-month ECL.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Company's historical experience and expert credit assessment including forward-looking information.

2.14.7 Modification of financial assets

The Company derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes.

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

2.14.8 Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the asset's cash flows expire (including expiry arising from a modification with substantially different terms), or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred

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to another entity. If the Company neither transfers nor retains substantially all 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 amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain/loss that had been recognised in OCI and accumulated in equity is recognised in profit or loss, with the exception of equity investment designated as measured at FVTOCI, where the cumulative gain/ loss previously recognised in OCI is not subsequently reclassified to profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain/loss allocated to it that had been recognised in OCI is recognised in profit or loss. A cumulative gain/loss that had been recognised in OCI is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts. This does not apply for equity investments designated as measured at FVTOCI, as the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss.

2.14.9 Write-off

Loans and debt securities are written off when the Company has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Company may apply enforcement activities to financial assets written off. Recoveries resulting from the Company's enforcement activities will result in impairment gains.

2.14.10 Presentation of allowance for ECL in the statement of financial position

Loss allowances for ECL are presented in the statement of financial position as follows:

- for financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- where a financial instrument includes both a drawn and an undrawn component, and the Company cannot identify the ECL on the loan commitment component separately from those on the drawn component: the Company presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision.

2.14.11 Financial liabilities and equity instruments

Debt and equity instruments that are issued are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

A financial liability is a contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities with another entity or a contract that will or may be settled in the Company's own equity instruments and is a non-derivative contract for which the Company is or may be obliged to deliver a variable number of its own equity instruments.

2.14.12 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

2.14.13 Financial liabilities

Financial liabilities are classified as either financial liabilities 'at Amortised cost' or 'at FVTPL'.

Amortised cost

Financial liabilities other than those measured at FVTPL, including deposits and borrowings, are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The EIR is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

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Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) held for trading, or (ii) it is designated as at FVTPL. A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

  A financial liability other than a financial liability held for trading or contingent consideration that may be paid by an acquirer as part of a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a Company of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the Companying is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire hybrid (combined) contract to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains/losses arising on remeasurement recognised in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain/loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Income from other financial instruments at FVTPL' line item in the profit or loss account.

2.14.14 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2.14.15 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 an entity are initially measured at their fair values and, are subsequently measured at the higher of:

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

2.15 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.16 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.17 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

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2.18 Segment Reporting

Ind AS 108 establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers. Based on the 'management approach' as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the Company's performance based on an analysis of various performance indicators by business segments and geographic segments.

As per the requirements of Ind AS 108 "Operating Segments", based on evaluation of financial information for allocation of resources and assessing performance, the Company has identified a single segment, viz. "providing long term housing finance, loans against property and refinance loans". Accordingly, there are no separate reportable segments as per Ind AS 108.

2.19 First-time adoption - mandatory exceptions, optional exemptions

The Company has prepared the opening balance sheet as per Ind AS as of April 1, 2017 (the transition date)

- by recognising all assets and liabilities whose recognition is required by Ind AS,
- not recognising items of assets or liabilities which are not permitted by Ind AS,
- by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and
- applying Ind AS in measurement of recognised assets and liabilities.

However, this principle is subject to the certain exception and certain optional exemptions availed by the Company as detailed below:

(a) Derecognition of financial assets and financial liabilities

The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2017 (the transition date).

(b) Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind AS, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

(c) Deemed cost for property, plant and equipment, and intangible assets

The Company has elected to continue with the carrying value of all of its plant and equipment, intangible assets recognised as of April 1, 2017 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

(d) Share based payments

The Company has elected not to apply the requirements of Ind AS 102 to the equity instruments that got vested before April 1, 2017 (transition date).

2.20 Recent accounting pronouncements

Ind AS 116 Leases: On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of profit & loss. The Standard also contains enhanced disclosure requirements for lessees.

The Company is currently evaluating the effect of this amendment on the financial statements.

3 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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3.1 Critical judgements in applying the Company's accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the management have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in financial statements:

- Business model assessment: Classification and measurement of financial assets depends on the results of the Solely Payments of Principle and Interest (SPPI) and the business model test (please see financial assets sections of note 2). The Company determines the business model at a level that reflects how Company's financial assets are managed together to achieve a particular business objective.

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

- Models and assumptions used: The Company uses various models and assumptions in estimating ECL. Judgement is applied in identifying the most appropriate model, as well as for determining the assumptions used in these models, including assumptions that relate to key drivers of credit risk.

- Probability of default (PD): PD constitutes a key input in measuring ECL. PD is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions (See note 34.5.3 for more details).

- Loss Given Default (LGD): LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements (See note 34.5.3 for more details).

- Fair value measurements and valuation processes - Investment in mutual funds and share based payments are measured at fair value and the liability for gratuity and compensated absences is measured based on actuarial valuation for financial reporting purposes. In estimating the fair value and actuarial valuation, the Company uses market-observable data to the extent it is available. Where such inputs are not available, the Company engages third party qualified valuers to perform the valuation.

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4 Cash and cash equivalents

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Cash on hand	186.99	159.21	51.04
Cheques on hand	9.11	9.84	11.42
Balances with banks - In current accounts	10,502.47	917.81	850.65
	10,698.57	1,086.86	913.11

(i) Balances with Banks in Current Accounts and cash, cheques on hand include amounts collected in respect of securitised receivables pending remittance to the investors. Refer Note 14.

5 Bank Balance other than above

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
In deposit accounts - Original maturity more than 3 months	29.95	25.00	12.00
Balances held as margin money against securitisation (Refer Note 40.6)	365.41	131.51	183.33
	395.36	156.51	195.33

6 Receivables

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(I) Receivables under Financing Activities (Secured) - At Amortised Cost - Within India			
Housing loans	1,21,803.48	80,377.81	48,217.03
Non-Housing loans			
- Loans against property	78,898.05	55,587.21	32,915.80
Loans subordinated as Credit Enhancements for assets de-recognised (Refer Note 40.6)	522.63	522.63	623.48
Instalments and Other Dues from Borrowers			
- Housing loan	231.12	160.67	116.40
- Loans against property	306.63	159.59	77.47
Total Gross	2,01,761.91	1,36,807.91	81,950.18
Less: Impairment loss allowance	(540.13)	(420.53)	(300.86)
Total	2,01,221.78	1,36,387.38	81,649.32
Notes:			
(i) Of the above:			
Housing Loan			
Standard Assets - Considered good	1,21,525.20	80,099.44	48,069.69
Substandard assets	227.73	292.71	139.87
Doubtful Assets	191.31	84.65	75.08
Sub-Total (A)	1,21,944.24	80,476.80	48,284.64
Loans against property and Loans subordinated as Credit Enhancements for assets de-recognised			
Standard Assets - Considered good	79,159.71	55,904.55	33,417.38
Substandard assets	330.32	235.96	125.21
Doubtful Assets	132.93	70.94	43.22
Sub-Total (B)	79,622.96	56,211.45	33,585.81
Total (A+B)	2,01,567.20	1,36,688.25	81,870.45

(ii) Refer Note 30.1 for reconciliation based on Ind AS Provisions and Prudential Norms of NHB

(iii) Refer Note 34.5.4 for ageing of above receivables.

(iv) The housing loans and non housing loans are secured by deposit of original title deeds of immovable properties with the Company and registered mortgage of title deeds.

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(v) Securitisation of financial assets

The Company securitises certain receivables and surrenders control over these receivables, though it continues to act as an agent for the collection of these receivables. The Company also provides credit enhancements to the transferee by way of agreeing to bear a portion of default losses. Because of the existence of credit enhancements, the Company continues to have the obligation to pay to the transferee, limited to the extent of credit enhancement, even if it does not collect the equivalent amounts from the original asset, and hence, such transfer does not meet the derecognition criteria resulting into the transfer not being recorded as sale. Consequently, the proceeds received from the transfer amounting ₹ 6,762.74 lakhs (March 31, 2018: ₹ Nil; April 1, 2017: ₹ Nil) are recorded as borrowings. Amount outstanding on such transactions as at March 31, 2019 is ₹ 6,473.25 lakhs (March 31, 2018: ₹ Nil; April 1, 2017: ₹ Nil). Refer Note 40.6 for exposures towards credit enhancements.

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(II) Other Receivables - at Amortised Cost			
Term Loan to Subsidiary (Secured)	6,550.00	-	-
Accrued Income	201.37	-	-
	6,751.37	-	-

(i) Term Loan to Subsidiary are secured by book debts of Subsidiary

7 Investments

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Investment in Mutual Funds (at fair value)	-	3,452.02	53.28
Investment in Subsidiary (at cost) 90,000,000 Equity shares (March 31, 2018 - 25,000,000 Equity shares; April 1, 2017 - 7,000,000 Equity shares) of Face Value ₹ 10 each fully paid up	9,000.00	2,500.00	700.00
	9,000.00	5,952.02	753.28

₹ in lakhs

Particulars	NAV per Unit (in ₹)		
	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
ICICI Prudential Liquid - Reg - Daily Dividend Nil units (March 31, 2018 - 1,736,038 Units; April 1, 2017 - 53,226 Units)	-	100.1482	100.0989
Aditya Birla Sunlife - Cash Plus - Daily Dividend Nil units (March 31, 2018 - 1,708,754 Units; April 1, 2017 - Nil Units)	-	100.2721	-

8 Other Financial assets

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Security deposits	220.99	166.34	133.85
Loans and advances to employees	0.59	0.82	0.54
Interest Accrued but not due on Deposits with Banks	11.59	4.12	13.42
Other Receivables (Refer note below)	22.23	20.75	32.56
	255.40	192.03	180.37

(i) Includes an amount of ₹ 21.47 lakhs (March 31, 2018 - ₹ 20.07 lakhs; April 1, 2017 - ₹ 31.90 lakhs) receivable upon remittance of the dues towards securitised assets referred in Note 14.

9 Current tax assets (Net)

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Advance income tax (Net of provisions ₹ 9,127.22 lakhs (April 1, 2017 - ₹ 2,955.12 lakhs))	83.25	-	60.16
	83.25	-	60.16

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10A Property, Plant and Equipment

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Carrying amounts of :			
(a) Freehold Land	**64.57**	64.57	64.57
(b) Leasehold improvements	**90.38**	82.55	89.66
(c) Furniture and fixtures	**18.74**	11.14	4.03
(d) Vehicles	**19.21**	39.83	60.45
(e) Office Equipments	**126.86**	118.61	121.70
	319.76	316.70	340.41

₹ in lakhs

Particulars	Freehold Land	Leasehold improvements	Furniture and fixtures	Vehicles	Office Equipments	Total
Deemed cost						
Balance at April 1, 2017	64.57	89.66	4.03	60.45	121.70	340.41
Additions	-	51.80	26.22	-	68.17	146.19
Disposals	-	-	-	-	-	-
Balance at March 31, 2018	64.57	141.46	30.25	60.45	189.87	486.60
Additions	-	57.87	32.90	-	101.63	192.40
Disposals	-	-	-	-	-	-
Balance at March 31, 2019	**64.57**	**199.33**	**63.15**	**60.45**	**291.50**	**679.00**
Accumulated depreciation						
Balance at April 1, 2017	-	-	-	-	-	-
Depreciation expense	-	58.91	19.11	20.62	71.26	169.90
Elimination on disposals of assets	-	-	-	-	-	-
Balance at March 31, 2018	-	58.91	19.11	20.62	71.26	169.90
Depreciation expenses	-	50.04	25.30	20.62	93.38	189.34
Elimination on disposals of assets	-	-	-	-	-	-
Balance at March 31, 2019	**-**	**108.95**	**44.41**	**41.24**	**164.64**	**359.24**
Carrying amount						
Balance at April 1, 2017	64.57	89.66	4.03	60.45	121.70	340.41
Additions	-	51.80	26.22	-	68.17	146.19
Disposals	-	-	-	-	-	-
Depreciation expense	-	(58.91)	(19.11)	(20.62)	(71.26)	(169.90)
Balance at March 31, 2018	64.57	82.55	11.14	39.83	118.61	316.70
Additions	-	57.87	32.90	-	101.63	192.40
Disposals	-	-	-	-	-	-
Depreciation expense	-	(50.04)	(25.30)	(20.62)	(93.38)	(189.34)
Balance at March 31, 2019	**64.57**	**90.38**	**18.74**	**19.21**	**126.86**	**319.76**

Note:

(i) Freehold Land with a carrying value of ₹ 64.57 lakhs has been hypothecated to secure Non-convertible debentures issued by the Company.

(ii) The deemed cost of the property, plant and equipment as at April 1, 2017 represents carrying value of property, plant and equipment recognised as of April 1, 2017 (transition date) measured as per the previous GAAP. The carrying value as at April 1, 2017 amounting to ₹ 340.41 lakhs represents gross cost of ₹ 777.29 lakhs net of accumulated depreciation of ₹ 436.88 lakhs as at March 31, 2017.

Notes
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10B Other intangibe assets

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Carrying amounts of :			
a) Computer software	**78.91**	117.55	126.73
	78.91	117.55	126.73

₹ in lakhs

Particulars	Computer software	Total
Deemed cost		
Balance at April 1, 2017	126.73	126.73
Additions	57.90	57.90
Disposals	-	-
Balance at March 31, 2018	184.63	184.63
Additions	63.60	63.60
Disposals	-	-
Balance at March 31, 2019	**248.23**	**248.23**
Accumulated depreciation		
Balance at April 1, 2017	-	-
Amortisation expense	67.08	67.08
Elimination on disposals of assets	-	-
Balance at March 31, 2018	67.08	67.08
Amortisation expense	102.24	102.24
Elimination on disposals of assets	-	-
Balance at March 31, 2019	**169.32**	**169.32**
Carrying amount		
Balance at April 1, 2017	126.73	126.73
Additions	57.90	57.90
Disposals	-	-
Amortisation expense	(67.08)	(67.08)
Balance at March 31, 2018	117.55	117.55
Additions	63.60	63.60
Disposals	-	-
Amortisation expense	(102.24)	(102.24)
Balance at March 31, 2019	**78.91**	**78.91**

Note:

(i) The deemed cost of other intangible assets as at April 1, 2017 represents carrying value of other intangible assets recognised as of April 1, 2017 (transition date) measured as per the previous GAAP. The carrying value as at April 1, 2017 amounting to ₹ 126.73 lakhs represents gross cost of ₹ 219.05 lakhs net of accumulated depreciation of ₹ 92.32 lakhs as at March 31, 2017.

11 Other non-financial assets

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Prepaid Finance Charges	**1,046.00**	590.31	254.65
Capital Advances	**22.96**	10.15	-
Prepaid Expenses	**35.58**	19.88	4.68
Balances with government authorities:			
- Service Tax credit receivable	-	-	2.54
Other Advances	**73.34**	123.40	31.53
	1,177.88	743.74	293.40

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12 Debt Securities

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Secured Redeemable Non-Convertible Debentures (Within India)	**70,070.00**	29,970.00	6,640.00
	70,070.00	29,970.00	6,640.00

(a) Details of Secured Redeemable Non-Convertible Debentures - Redeemable at par:

No of Debentures	Effective Interest Rate	Due date of redemption	Face Value	Balance Outstanding		
				As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
			₹	₹ in lakhs	₹ in lakhs	₹ in lakhs
33,20,000	10.25%	May 15, 2023	100	**3,320.00**	3,320.00	3,320.00
33,20,000	9.62%	May 15, 2023	100	**3,320.00**	3,320.00	3,320.00
33,30,000	10.09%	May 15, 2023	100	**3,330.00**	3,330.00	-
8,000	10.11%	December 26, 2024	1,00,000	**8,000.00**	8,000.00	-
8,000	10.11%	January 24, 2025	1,00,000	**8,000.00**	8,000.00	-
4,000	10.11%	February 26, 2025	1,00,000	**4,000.00**	4,000.00	-
5,000	10.09%	June 20, 2025	1,00,000	**5,000.00**	-	-
12,500	10.09%	July 20, 2025	1,00,000	**12,500.00**	-	-
12,500	10.09%	August 20, 2025	1,00,000	**12,500.00**	-	-
1,01,00,000	10.55%	November 3, 2025	100	**10,100.00**	-	-
				70,070.00	29,970.00	6,640.00

(i) Redeemable Non-Convertible Debentures are secured by hypothecation of specified Receivables under Financing Activities amounting to ₹ 79,764.42 lakhs as at March 31, 2019 (March 31, 2018 - ₹ 36,234.82 lakhs; April 1, 2017 - ₹ 8,298.16 lakhs) and specified immovable property amounting to ₹ 64.57 lakhs as at March 31, 2019 (March 31, 2018 - ₹ 64.57 lakhs; April 1, 2017 - ₹ 64.57 lakhs).

13 Borrowings (Other than Debt Securities)

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Term loans (Within India)			
From banks			
National Housing Bank	**14,546.14**	16,432.71	7,843.33
Other Banks	**63,408.79**	36,161.20	15,783.89
Amount payable on securitisation of financial assets (Within India)	**6,473.25**	-	-
Short-term borrowings from Banks (Within India)			
Working Capital Demand Loans	**-**	-	300.00
Cash credits facilities	**990.00**	-	-
	85,418.18	52,593.91	23,927.22

(a) Details of Term loans and Securitisation payables are as follows:

₹ in lakhs

Effective Interest Rate	Tenure	Balance Outstanding		
		As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
9%-10%	5- 7 years	**16,067.58**	15,900.14	2,200.00
10%-11%		**19,185.11**	4,371.79	9,152.57
11%-11.25%		**9,237.50**	325.00	425.00
7%-7.50%	7-10 years	**-**	36.25	110.45
7.50%-8%		**4,358.50**	4,871.70	-
8%-9%		**5,532.70**	6,253.90	1,846.10
9%-10%		**22,859.36**	16,271.36	3,303.00
10%-11%		**3,000.00**	-	1,650.00
8%-9%	> 10 years	**1,862.50**	2,032.50	2,202.50
9%-10%		**-**	2,183.91	2,356.32
10%-11%		**313.44**	347.36	381.28
11%-11.25%		**2,011.49**	-	-
Total		**84,428.18**	52,593.91	23,627.22

(i) Term loans from Banks are secured by hypothecation of specified Receivables under Financing Activities amounting to ₹ 95,744.33 lakhs as at March 31, 2019 (March 31, 2018 - ₹ 65,012.76 lakhs; April 1, 2017 - ₹ 29,920.00 lakhs).

(ii) The Company has not defaulted in the repayment of term loans from Banks.

(iii) Loans aggregating to ₹ 14,546.14 lakhs (March 31, 2018 - ₹ 16,432.71 lakhs; April 1, 2017 - ₹ 11,650.06 lakhs) has been guaranteed by the promoter Mr. M Anandan.

Notes
FORMING PART OF THE FINANCIAL STATEMENTS

(b) **Details of Short Term Borrowings are as follows:**
Cash credit facilities have been availed at Interest rate of 9-11% p.a.

14 Other financial liabilities

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Interest accrued but not due on borrowings	600.46	740.49	291.85
Advances from customers	6.39	5.85	8.80
Remittances Payable - Securitised Assets	270.36	106.65	195.40
	877.21	852.99	496.05

15 Current tax liabilities (Net)

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Provision for Income Tax (Net of Advance Tax: March 31, 2018 - ₹ 5,900.50 lakhs)	-	21.04	-
	-	21.04	-

16 Provisions

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Provision for employee benefits:			
Provision for gratuity	94.96	77.23	51.56
Provision for compensated absences	83.68	62.52	41.27
	178.64	139.75	92.83

17 Deferred tax liabilities (Net)

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Deferred tax liabilities/ (assets)			
Tax effect of items constituting deferred tax liabilities:			
On Special Reserve created under section 36(1)(viii) of the Income Tax Act, 1961	2,078.46	1,519.32	763.11
On Provision for doubtful advances allowed under section 36(1)(viia)	51.35	29.91	16.95
Prepaid Finance charges	234.35	104.73	50.99
Tax effect of items constituting deferred tax liabilities	2,364.16	1,653.96	831.05
Tax effect of items constituting deferred tax assets:			
Provision for compensated absences, gratuity and other employee benefits	(52.02)	(48.83)	(32.12)
Impairment Loss Allowance	(157.29)	(146.95)	(104.12)
On difference between written down value of Property, plant and equipment as per books and as per Section 32 of Income Tax Act, 1961	(98.32)	(70.86)	(31.92)
Deferred Processing Fee Income	(763.15)	(626.43)	(375.00)
Tax effect of items constituting deferred tax assets	(1,070.78)	(893.07)	(543.16)
Deferred tax liabilities / (assets) (net)	1,293.38	760.89	287.89

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17 Deferred tax liabilities (Net)

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Reconciliation of Deferred Tax:			
Net Deferred Tax (Asset) / Liability as at the beginning of the year	**760.89**	287.89	241.70
Add / Less: Deferred tax (asset) / liability credited to / expense recognised in Profit and Loss and Other comprehensive income	**532.49**	473.00	46.19
Net Deferred Tax Liability / (Asset) as at the end of the year	**1,293.38**	760.89	287.89

18 Other non-financial liabilities

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Deferred Processing Fee Income	**2,620.72**	1,792.66	1,083.55
Statutory remittances	**139.90**	128.79	37.76
Payables on purchase of Property, plant and equipment	**-**	-	30.01
	2,760.62	1,921.45	1,151.32

19 Equity Share capital

₹ in lakhs

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
(i) Authorised						
Equity shares of ₹ 10 each with voting rights	**8,26,00,000**	**8,260.00**	8,26,00,000	8,260.00	8,26,00,000	8,260.00
(ii) Issued, Subscribed and fully paid up						
Equity shares of ₹ 10 each with voting rights	**7,87,82,637**	**7,878.26**	7,85,70,137	7,857.01	7,85,70,137	7,857.01
	7,87,82,637	**7,878.26**	7,85,70,137	7,857.01	7,85,70,137	7,857.01

a) **Reconciliation of number of shares and amount outstanding at the beginning and at the end of the year:**

Particulars	Opening Balance	Fresh issue	ESOP	Closing Balance
Equity shares with voting rights				
Year ended March 31, 2019				
- Number of shares	**7,85,70,137**	**-**	**2,12,500**	**7,87,82,637**
- Amount (₹ in lakhs)	**7,857.01**	**-**	**21.25**	**7,878.26**
Year ended March 31, 2018				
- Number of shares	7,85,70,137	-	-	7,85,70,137
- Amount (₹ in lakhs)	7,857.01	-	-	7,857.01
Year ended March 31, 2017				
- Number of shares	6,22,49,872	1,59,11,765	4,08,500	7,85,70,137
- Amount (₹ in lakhs)	6,224.99	1,591.18	40.84	7,857.01

(b) During the year 2018-19, pursuant to Aptus Employees Stock Option Scheme (ESOP) 2015, the Board of Directors allotted 212,500 fully paid up equity shares of ₹ 10 each at a premium of ₹ 65 each to the employees of the Company vide circular resolution dated April 11, 2018.

(c) During the year 2016-17, the Company had allotted 15,911,765 equity shares of ₹ 10 each at a premium of ₹ 160 per share on preferential basis to Westbridge Cross Over Fund LLC (14,441,176 shares) and India Financial Inclusion Fund (1,470,589 shares) vide Share Subscription Agreement dated August 31, 2016. The said allotment was approved by the Board of Directors at its meeting held on August 11, 2016 and by the members in the Extraordinary General Meeting held on August 31, 2016.

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(d) During the year 2016-17, pursuant to Aptus Employees Stock Option Scheme 2010 and Aptus Employees Stock Option Scheme 2015, the Board of Directors allotted fully paid up equity shares of ₹ 10 each to the employees of the Company vide circular resolution dated October 14, 2016 as follows:

- 33,500 shares of ₹ 10 each allotted at a premium of ₹ 10 each, pursuant to Aptus Employees Stock Option Scheme 2010; and
- 375,000 equity shares of ₹ 10 each allotted at a premium of ₹ 65 each, pursuant to Aptus Employees Stock Option Scheme 2015

(e) Terms/right attached to Equity Shares:

The Company has only one class of equity shares having a par value of ₹10 each. Each holder is entitled to one vote per equity share. Dividends proposed by the Board of Directors, if any is subject to the approval of the shareholders at the Annual General Meeting except in case of interim dividend. Repayment of capital will be in proportion to the number of equity shares held.

(f) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at March 31, 2019		As at March 31, 2018		As at March 31, 2017	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights						
M Anandan	1,77,32,833	22.51%	1,77,32,833	22.57%	1,87,32,833	23.84%
Padma Anandan	50,00,000	6.35%	59,16,666	7.53%	59,16,666	7.53%
Westbridge Cross Over Fund LLC	3,43,45,951	43.60%	3,41,33,451	43.44%	3,27,24,951	41.65%
India Financial Inclusion Fund	-	0.00%	80,46,354	10.24%	80,46,354	10.24%
Granite Hill India Opportunities Fund, Mauritius	39,99,571	5.08%	39,99,571	5.09%	87,11,571	11.09%
Aravali Investment Holdings	39,52,499	5.02%	23,56,000	3.00%	-	0.00%

(g) Shares reserved for issue under options:

Refer Note 39 for details of shares reserved for issue under options.

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20 Other Equity

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Securities premium account	37,449.71	37,311.58	37,311.58
Employee Stock Options Reserve	201.78	161.68	95.83
Special Reserve under Section 29C of National Housing Bank (NHB) Act, 1987	7,137.57	4,347.87	2,205.00
Retained Earnings	16,224.83	8,752.52	4,256.61
	61,013.89	50,573.65	43,869.02

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Securities premium account		
Opening balance	37,311.58	37,311.58
Add : Premium on shares issued during the year (Refer Note 19 (b))	138.13	-
Closing Balance	37,449.71	37,311.58
(b) Employee Stock Options Reserve (Refer Note 39)		
Opening Balance	161.68	95.83
Additions during the year	40.10	65.85
Closing Balance	201.78	161.68
(c) Special Reserve under Section 29C of National Housing Bank (NHB) Act, 1987		
Balance at the beginning of the year		
a) Statutory Reserve u/s 29C of NHB Act, 1987	72.35	72.35
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purpose of Statutory Reserve u/s 29C of the NHB Act, 1987	4,275.52	2,132.65
Addition/Appropriation/withdrawal during the year		
Add: a) Amount transferred u/s 29C of NHB Act, 1987	-	-
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory reserve u/s 29C of the NHB Act, 1987 (Refer Note (i) below)	2,789.70	2,142.87
Less: a) Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
b) Amount withdrawn from special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of provision u/s 29 C of NHB Act 1987	-	-
Balance at the end of the year		
a) Statutory Reserve u/s 29C of NHB Act, 1987	72.35	72.35
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purpose of Statutory Reserve u/s 29C of the NHB Act, 1987	7,065.22	4,275.52
	7,137.57	4,347.87
(d) Retained Earnings		
Opening balance	8,752.52	4,256.61
Add: Profit for the year	10,265.50	6,643.02
Add: Other Comprehensive Income for the year (net of tax)	(3.49)	(4.24)
Less: Transfer to Special reserve u/s 36(1)(viii) of Income Tax Act, 1961 (Refer Note (ii) below)	(2,789.70)	(2,142.87)
Closing Balance	16,224.83	8,752.52
Total	61,013.89	50,573.65

Notes:

(i) As per Section 29C(1) of the National Housing Bank Act, 1987, the Company is required to transfer atleast 20% of its net profit after tax every year to a reserve before any dividend is declared. For this purpose, any Special Reserve created by the Company under Section 36(1)(viii) of the Income Tax Act,1961, is considered to be an eligible transfer. During the current year, the company has transferred ₹ 2,789.70 lakhs (March 31, 2018 - ₹ 2,142.87 lakhs; April 1, 2017 - ₹ 1,125.81 lakhs) in terms of section 36(1)(viii) to the Special Reserve.

(ii) Total amount clearly earmarked for the purposes of Statutory Reserve u/s 29C is ₹ 4,925.89 lakhs (March 31, 2018 - ₹ 2,872.85 lakhs; April 1, 2017 - ₹ 1,481.74 lakhs) out of which ₹ 72.35 lakhs (March 31, 2018 - ₹ 72.35 lakhs; April 1, 2017 - ₹ 72.35 lakhs) is distinctly identifiable above and the balance of ₹ 4,853.54 lakhs (March 31, 2018 - ₹ 2,800.50 lakhs; April 1, 2017 - ₹ 1,409.39 lakhs) is included in the Special Reserve created u/s 36(1)(viii) of the Income Tax Act, 1961.

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21 Revenue from operations

₹ in lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest income		
- on Housing Loans	**15,671.06**	9,339.56
- on Non-Housing Loans		
Loan against property	**12,143.48**	9,163.94
- on Term Loans	**193.50**	-
	28,008.04	18,503.50
Fees and Other charges		
Processing fees	**742.02**	536.52
Other operating income	**1,172.84**	685.90
	1,914.86	1,222.42
	29,922.90	19,725.92

22 Other income

₹ in lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest Income from Deposits with Banks	**133.41**	13.90
Dividend income:		
from current investments	**411.46**	178.83
Charges for Marketing	**1,081.80**	275.70
Other Non Operating Income	**10.55**	1.49
	1,637.22	469.92

23 Finance costs

₹ in lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest expense on Borrowings		
- Term Loans	**5,666.11**	3,783.68
- Debentures	**5,242.05**	1,319.28
Other borrowing costs	**230.01**	133.68
	11,138.17	5,236.64

24 Employee benefits expense

₹ in lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries, Bonus and Commission	**4,488.75**	3,063.97
Employee Stock options expense	**40.10**	65.85
Contributions to provident and other funds	**162.17**	120.33
Gratuity expense	**19.15**	23.52
Staff welfare expenses	**248.54**	214.92
	4,958.71	3,488.59
Less: Expenses recovered (Refer Note 38)	**(370.60)**	(40.24)
	4,588.11	3,448.35

Notes

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25 Other expenses

₹ in lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Rent including lease rentals (Refer Note (i) below)	303.71	224.31
Repairs and maintenance		
- Computers	12.44	5.52
- Others	5.92	8.45
Insurance	9.85	4.41
Information Technology expenses	39.24	36.01
Rates and taxes	102.45	78.46
Communication Expenses	111.22	103.02
Travelling and conveyance	234.98	173.32
Office expenses	285.74	164.64
Printing and stationery	61.43	42.29
Commission to Directors	24.00	18.00
Sitting fees to non-whole time directors	7.00	5.90
Rating Fee	60.31	27.73
Electricity Charges	27.51	20.64
Bank charges	10.12	7.29
Business promotion	19.77	15.43
Legal and professional	87.73	62.87
Payments to auditors (Refer Note (ii) below)	29.10	23.80
Corporate Social Responsibility Expenditure (Refer Note 37)	11.76	-
Miscellaneous expenses	58.53	59.18
	1,502.81	1,081.27
Less: Expenses recovered (Refer Note 38)	(85.25)	(11.78)
	1,417.56	1,069.49
Notes:		
(i) Cancellable operating lease entered for office space	303.71	224.31
(ii) Payments to the Statutory Auditors comprise (net of indirect taxes, where applicable):		
For Statutory Audit	19.00	17.00
For Taxation matters	1.00	1.00
For other services	9.10	5.80
	29.10	23.80

26 Provision for advances

₹ in lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Expected Credit Loss Expense	119.60	119.67
	119.60	119.67

Notes
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27 Reconciliation of Effective tax rate

The income tax expense for the year can be reconciled to the accounting profit/ (loss) as follows:

₹ in lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit before tax	14,005.10	10,084.71
Income tax Expense Calculated at 29.12% (2018: 34.608%)	4,078.29	3,490.12
Effect of change in tax rate	(126.82)	2.79
Effect of income that is exempt from taxation	(119.82)	(61.89)
Effect of inadmissible expenses	11.68	22.79
Effect of admissible deductions	(32.52)	-
Others	(59.98)	(12.12)
Income tax expense recognised in Profit and Loss	3,750.83	3,441.69

The income tax rate used for the above reconciliations is current tax 29.12% (2018: 34.608%) and Deferred tax 29.12% (2018: 34.944%), these are the corporate tax rate payable by corporate entities in India on taxable profits under the Income Tax Act, 1961.

28.1 Contingent Liabilities

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(a) Corporate undertakings for securitisation of receivables for which the outflow would arise in the event of a shortfall, if any, in the cashflows of the pool of the securitised receivables. (Refer note (i) below)	18.69	17.52	16.95
(b) Corporate Guarantees given to Banks and external lenders on behalf of the subsidiary - Aptus Finance India Private Limited	4,794.22	1,450.00	-

Note:

(i) In respect of these undertakings, management does not believe, based on currently available information, that the maximum outflow that could arise, will have a material adverse effect on the Company's financial condition.

28.2 Commitments

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Commitments			
(a) Loans sanctioned to Borrowers pending disbursement	7,400.96	5,484.26	3,690.47
	7,400.96	5,484.26	3,690.47

29 Micro, Small and Medium Enterprises

Based on the extent of information available with the Management, there are no transactions with Micro and Small Enterprises. This has been relied upon by the Auditors.

Notes

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30.1 Loan Portfolio and Provision for Standard and Non Performing Assets as per National Housing Bank Prudential Norms

During the current year, the Company has transitioned into Indian Accounting Standard (Ind AS) with the Transition date as April 1, 2017. In accordance with the Circular No. NHB (ND)/DRS/Policy Circular No.89/2017-18 issued by the NHB on 'Implementation of Indian Accounting Standards', the Company has complied with the provisions of Ind AS, as notified by the Ministry of Corporate Affairs(MCA), Government of India. As required under the aforementioned circular the Company, while reporting to the National Housing Bank (NHB), follows the extant provisions of National Housing Bank Act 1987 and Housing Finance Companies (NHB) Directions 2010 including framework on Prudential Norms, and other related Circulars etc., issued in this regard by the NHB from time to time.

The following is the reconciliation of Provision for Assets, Receivables, Equity and Revenue from Operations between Ind AS and the Prudential Norms issued by the National Housing Bank:

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Provision for Assets as per Prudential Norms			
As per NHB Prudential Norms			
Provision on Standard Assets	675.82	495.26	325.95
Provision on Non-performing Assets	218.39	127.66	90.99
	894.21	622.92	416.94
As per Ind AS			
Impairment Loss Allowance	540.13	420.53	300.86
Ind AS adjustment for impairment of Financial Instruments - A	354.08	202.39	116.08
Receivables under Financing Activity			
As per NHB Prudential Norms			
Housing Loans	1,21,944.24	80,476.80	48,284.64
Loan against property	79,622.96	56,211.45	33,585.81
	2,01,567.20	1,36,688.25	81,870.45
Interest Income receivable for Non-Performing assets - B			
Housing Loans	90.36	61.68	48.79
Loan against property	104.35	57.98	30.94
	194.71	119.66	79.73
As per Ind AS			
Housing Loans	1,22,034.60	80,538.48	48,333.43
Loan against property	79,727.31	56,269.43	33,616.75
	2,01,761.91	1,36,807.91	81,950.18
Deferred Tax Impact - C	(51.76)	(40.81)	(23.24)
Reserves as per NHB norms	68,395.12	58,149.42	51,553.46
Net Impact on Equity on adoption of IndAS (A + B + C)	497.03	281.24	172.57
Equity as per Ind AS	68,892.15	58,430.66	51,726.03

₹ in lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue from Operations		
As per NHB Prudential Norms	29,847.86	19,686.00
Interest Income reversal for Non-Performing assets	75.04	39.92
As per Ind AS	29,922.90	19,725.92

Notes

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30.2.1 Current year

₹ in lakhs

Asset Classification	Loan Outstanding as at March 31, 2019 (Gross)	Provision as at March 31, 2019	Loan Outstanding as at March 31, 2019 (Net)
A. Housing Finance Activities			
Standard Assets	**1,21,525.20**	359.18	1,21,166.02
Sub-Standard Assets	**227.73**	34.16	193.57
Doubtful Assets	**191.31**	76.13	115.18
Sub total (A)	**1,21,944.24**	469.47	1,21,474.77
B. Non Housing Finance Activities			
- Loans Against Property and Loans subordinated as Credit Enhancements for assets de-recognised			
Standard Assets	**79,159.71**	316.64	78,843.07
Sub-Standard Assets	**330.32**	49.55	280.77
Doubtful Assets	**132.93**	58.55	74.38
Sub total (B)	**79,622.96**	424.74	79,198.22
Grand total (A+B)	**2,01,567.20**	894.21	2,00,672.99

30.2.2 Previous year

₹ in lakhs

Asset Classification	Loan Outstanding as at March 31, 2018 (Gross)	Provision as at March 31, 2018	Loan Outstanding as at March 31, 2018 (Net)
A. Housing Finance Activities			
Standard Assets	**80,099.44**	271.64	79,827.80
Sub-Standard Assets	**292.71**	43.92	248.79
Doubtful Assets	**84.65**	24.34	60.31
Sub total (A)	**80,476.80**	339.90	80,136.90
B. Non Housing Finance Activities			
- Loans Against Property and Loans subordinated as Credit Enhancements for assets de-recognised			
Standard Assets	**55,904.55**	223.62	55,680.93
Sub-Standard Assets	**235.96**	35.39	200.57
Doubtful Assets	**70.94**	24.01	46.93
Sub total (B)	**56,211.45**	283.02	55,928.43
Grand total (A+B)	**1,36,688.25**	622.92	1,36,065.33

Disclosures under Accounting Standards

31 Employee benefit plans

31.1 Defined contribution plans

The Company makes Provident Fund contributions for qualifying employees to the Regional Provident Fund Commissioner. Under the Scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 162.17 lakhs (March 31, 2018 - ₹ 120.33 lakhs) for provident fund contributions in the Statement of Profit and Loss. The contributions payable to the scheme by the Company are at rates specified in the rules of the scheme.

31.2 Defined benefit plans

The Company provides for gratuity, a defined benefit plan (the "gratuity plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The gratuity plan provides a lump sum payment to vested employees at retirement or termination of employment based on the respective employee's last drawn salary and years of employment with the Company. The Company does not have a funded gratuity scheme for its employees.

The Company is exposed to various risks in providing the above gratuity benefit such as: interest rate risk, longetivity risk and salary risk.

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Interest risk: A decrease in the bond interest rate will increase the plan liability.

Longevity risk: The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Gratuity provision has been made based on the actuarial valuation done as at the year end using the Projected Unit Credit method. The details of actuarial valuation as provided by the Independent Actuary is as follows:

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Change in defined benefit obligations during the year			
Present value of obligation as at beginning of the year	77.23	51.56	34.92
Current service cost	14.10	10.86	8.28
Past service cost - vested benefits	-	9.40	-
Interest cost	5.05	3.26	2.92
Benefits paid	(6.34)	(4.35)	(2.08)
Actuarial (gains) / losses	4.92	6.50	7.52
Present value of obligation at end of the year	94.96	77.23	51.56
Change in Fair value of assets during the year			
Plan Assets at the beginning of the year	-	-	-
Expected Return on Plan Assets	-	-	-
Actual Company Contributions	-	-	-
Actuarial (gains) / losses	-	-	-
Plan Assets at the end of the year	-	-	-
Liability recognised in the Balance Sheet			
Present value of obligation	94.96	77.23	51.56
Fair value of Plan Assets	-	-	-
Net Liability recognised in the Balance Sheet	94.96	77.23	51.56

₹ in lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Expenses Recognised in the Statement of Profit and Loss:		
Current service cost	14.10	10.86
Net Interest on Net Defined Benefit Obligations	5.05	3.26
Past service cost	-	9.40
Expenses recognised in the statement of profit and loss	19.15	23.52
Amount Recognised for the current period in the Statement of Other Comprehensive Income [OCI]		
Actuarial (gain)/loss on Plan Obligations	4.92	6.51
Difference between Actual Return and Interest Income on Plan Assets- (gain)/loss	-	-
Effect of Balance Sheet asset limit	-	-
Amount recognised in OCI for the current period	4.92	6.51
Actual return on Plan Assets	-	-

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The key assumptions used in the actuarial valuation as provided by independent actuary are as follows:

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Discount Rate	6.67%	6.82%	6.60%
Future Salary Increase	5.00%	5.00%	5.00%
Mortality	Indian Assured Lives Mortality (2012-14) Ultimate Table	Indian Assured Lives (2006-08) Ultimate table	Indian Assured Lives (2006-08) Ultimate table

Notes:

1. The estimate of the future salary increase takes into account inflation, seniority, promotion and other relevant factors.
2. Discount rate is based on the prevailing market yields of Indian Government Bonds as at the Balance Sheet date for the estimated term of the obligation.
3. Experience adjustments

₹ in lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015
Projected Benefit Obligation	94.96	77.23	51.56	34.92	24.68
Fair Value of Plan Assets	-	-	-	-	-
Surplus / (Deficit)	(94.96)	(77.23)	(51.56)	(34.92)	(24.68)
Experience Adjustments on Plan Liabilities	(4.77)	(8.33)	(1.81)	(6.68)	(1.12)

Sensitivity analysis

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The following table summarises the impact on defined benefit obligation arising due to increase / decrease in key actuarial assumptions by 50 basis points:

As at March 31, 2019

Defined Benefit Obligation	Discount rate	Salary increase rate
Impact of decrease	1.67	(1.72)
Impact of increase	(1.61)	1.78

As at March 31, 2018

Defined Benefit Obligation	Discount rate	Salary increase rate
Impact of decrease	1.25	(1.28)
Impact of increase	(1.21)	1.32

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

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

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31.3 Compensated absences

The key assumptions used in the actuarial valuation as provided by independent actuary are as follows:

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Discount Rate	**6.67%**	6.82%	6.60%
Future Salary Increase	**5.00%**	5.00%	5.00%

32 Segment Reporting:

As per the requirements of Ind AS 108 "Operating Segments", based on evaluation of financial information for allocation of resources and assessing performance, the Company has identified a single segment, viz." providing long term housing finance, loans against property and refinance loans". Accordingly, there are no separate reportable segments as per Ind AS 108.

33 Related party transactions

33.1 Details of related parties:

Description of relationship	Names of related parties
Key Management Personnel (KMP)	Mr. M Anandan, Chairman & Managing Director
	Mr. P Balaji, EVP & Chief Financial Officer
	Ms. Jyoti Suresh Munot, Company Secretary (from February 01, 2019)
	Ms. C Payal, Company Secretary (till January 31, 2019)
Relatives of Key Management Personnel	Mr. Suman Bollina, Director
Individuals Holding Substantial Interest	Mr. M Anandan, Chairman & Managing Director
Subsidiary	Aptus Finance India Pvt Limited
Entities in which Key Management Personnel Exercise Significant Influence	None

Note: Related party relationships are as identified by the Management and relied upon by the Auditors.

33.2 Details of related party transactions for the year

Transactions during the year	Names of related parties	Year ended March 31, 2019	Year ended March 31, 2018
Remuneration	Mr. M Anandan		
	- Salary	**243.75**	195.00
	- Commission	**100.00**	65.00
	- Others	**2.51**	1.72
Remuneration	Mr. P Balaji		
	- Salary	**76.29**	66.25
	- Employee Stock options expense	**4.43**	9.58
Remuneration	Ms. C Payal		
	- Salary	**1.36**	1.63
Remuneration	Ms. Jyoti Suresh Munot		
	- Salary	**0.27**	-
Director Commission	Mr. Suman Bollina	**4.00**	3.00
Rent	Mr. M Anandan	**6.93**	6.60

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Transactions during the year	Names of related parties	Year ended March 31, 2019	Year ended March 31, 2018
Support cost recovered	Aptus Finance India Pvt Limited	455.85	52.02
Investment during the year	Aptus Finance India Pvt Limited	6,500.00	1,800.00
Advances given during the year	Aptus Finance India Pvt Limited	8,200.00	-
Advances repaid during the year	Aptus Finance India Pvt Limited	1,650.00	-
Interest Income on Loan to Subsidiary	Aptus Finance India Pvt Limited	193.50	-

₹ in lakhs

Balances as at year end	Names of related parties	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Personal guarantee given for Borrowings taken by the Company as at year end	Mr. M Anandan	14,546.14	16,432.71	11,650.06
Investment as at year end	Aptus Finance India Pvt Limited	9,000.00	2,500.00	700.00
Advances outstanding as at year end	Aptus Finance India Pvt Limited	6,550.00	-	-
Interest accrued but not due on Loan to Subsidiary	Aptus Finance India Pvt Limited	136.58	-	-
Corporate guarantee given for Borrowings taken by the Subsidiary and outstanding as at year end	Aptus Finance India Pvt Limited	4,794.22	1,450.00	-

Note:

Remuneration paid to KMP excludes expense recognised for retiral benefits.

34 Financial Instruments

34.1 Capital management

The Company actively manages its capital to meet regulatory norms and current and future business needs, considering the risks in its businesses, expectations of rating agencies, shareholders and investors, and the available options of raising capital. Its capital management framework is administered by the risk committee of Company.

The Company is subject to the capital adequacy requirements of the National Housing Bank (NHB). As per the Housing Finance Companies (NHB) Directions, 2010, the Company is required to maintain a minimum ratio of total capital to risk adjusted assets as determined by a specified formula, at least half of which must be Tier 1 capital, which is generally shareholders' equity.

The Company has complied with all regulatory requirements related to regulatory capital and capital adequacy ratios as prescribed by NHB.

The company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities.

Following is Company's capital as provided internally to key management personnel.

	31-Mar-19	31-Mar-18	01-Apr-17
Capital Adequacy	43.64%	63.90%	98.07%
Tier I Capital	43.21%	63.50%	97.84%
Tier II Capital	0.43%	0.40%	0.23%

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34.2 Categories of Financial Instruments

Particulars	As at March 31, 2019 Measured at				As at March 31, 2018 Measured at				As at April 1, 2017 Measured at			
	FVTPL	FVTOCI	Amortised Cost	Cost	FVTPL	FVTOCI	Amortised Cost	Cost	FVTPL	FVTOCI	Amortised Cost	Cost
Financial assets												
Cash and Cash equivalents	-	-	**10,698.57**	-	-	-	1,086.86	-	-	-	913.11	-
Bank Balance other than above	-	-	**395.36**	-	-	-	156.51	-	-	-	195.33	-
Receivables under Financing Activity (net of impairment loss allowance)	-	-	**2,01,221.78**	-	-	-	1,36,387.38	-	-	-	81,649.32	-
Other Receivables	-	-	**6,751.37**	-	-	-	-	-	-	-	-	-
Investments	-	-	-	**9,000.00**	3,452.02	-	-	2,500.00	53.28	-	-	700.00
Other Financial assets	-	-	**255.40**	-	-	-	192.03	-	-	-	180.37	-
Total Financial Assets	-	-	**2,19,322.48**	**9,000.00**	3,452.02	-	1,37,822.78	2,500.00	53.28	-	82,938.13	700.00
Financial liabilities												
Debt Securities	-	-	**70,070.00**	-	-	-	29,970.00	-	-	-	6,640.00	-
Borrowings (Other than Debt Securities)	-	-	**85,418.18**	-	-	-	52,593.91	-	-	-	23,927.22	-
Trade Payables	-	-	**492.10**	-	-	-	262.10	-	-	-	190.77	-
Other Financial Liabilities	-	-	**877.21**	-	-	-	852.99	-	-	-	496.05	-
Total Financial liabilities	-	-	**1,56,857.49**	-	-	-	83,679.00	-	-	-	31,254.04	-

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34.3 Market risk management

Market Risk is the risk of loss in on-balance sheet and off-balance sheet positions arising from movements in market place, in particular, changes in interest rates, exchange rates and equity. In line with the regulatory requirements, the Company has in place a Board approved Market Risk Management and ALM policy in place. The Policy provides the framework for assessing market risk, in particular, tracking of events happening in market place, changes in policies / guidelines of government and regulators, exchange rate movement, equity market movements, money market movements etc.

34.4 Interest rate risk management

Interest rate risk is managed through ALM policy framed by the Company. The ALM policy is administered through the ALCO (Asset Liability Management Committee) which monitors the following on a monthly basis:

- Borrowing cost of the Company as on a particular date
- Interest rate scenario existing in the market
- Gap in cash flows at the prevalent interest rates
- Effect of Interest rate changes on the Gap in the cash flows
- Fixing appropriate interest rate to be charged to the customer based on the above factors

Interest rate sensitivity analysis

The sensitivity analysis below has been determined for borrowings where interest rates are variable, assuming the amount outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis points increase or decrease in interest rates is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rate were to increase / decrease by 50 basis points and all other variables were held constant, there will be an increase / decrease in the interest cost for the year amounting to ₹ 335.27 lakhs (March 31, 2018 - ₹ 195.63 lakhs).

34.5 Credit risk

Credit risk in the Company arises due to default by customers on their contractual obligations which results to financial losses. Credit Risk is a major risk in the Company and the Company's asset base comprises loans for affordable housing and loans against property. Credit Risk in the Company stems from outright default due to inability or unwillingness of a customer to meet commitments in relation to lending, settlement and other financial transactions. The essence of credit risk assessment in the Company pivots around the early assessment of stress, either in a portfolio or an account, and taking appropriate measures.

34.5.1 Credit risk management

Credit risk in the Company is managed through a framework that sets out policies and procedures covering the measurement and management of credit risk. There is a clear segregation of duties between transaction originators in the business function and approvers in the credit risk function. Board approved credit policies and procedures mitigate the Company's prime risk which is the default risk. There is a Credit Risk Management Committee in the Company for the review of the policies, process and products on an ongoing basis, with approval secured from the Board as and when required. There is a robust Credit Risk Management set-up in the Company at various levels.

1. There are Credit teams to ensure implementation of various policies and processes through random customer visits and assessment, training of branch staff on application errors, liaison with other institutions to obtain necessary information/loan closure documents, as the case may be, and highlight early warning signals and industry developments enabling pro-active field risk management.

2. The credit sanction is done through a delegation matrix where credit sanctioning powers are defined for respective levels.

3. Portfolio analysis and reporting is used to identify and manage credit quality and concentration risks.

4. Credit risk monitoring for the Company is broadly done at two levels: account level and portfolio level. Account monitoring aims to identify weak accounts at an incipient stage to facilitate corrective action. Portfolio monitoring aims towards managing risk concentration in the portfolio as well as identifying stress in certain occupations, markets and states.

34.5.2 Significant increase in credit risk

The Company monitors all financial assets that are subject to impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk, the Company measures the loss allowance based on lifetime rather than Stage 1 (12-month) Expected Credit Loss (ECL). Pending the adoption of scoring models to assess the change in credit status at an account level and at portfolio level, the Company has adopted SICR (Significant Increase in Credit risk) criteria based on Days Past Due (DPD).The following table lists the staging criteria used in the Company: Staging Criterion

Stage-1:0 – 30 days past due

Stage-2:31 – 89 days past due

Stage-3:90+ days past due

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Stage 2 follows the rebuttable presumption of Ind AS 109, that credit risk has increased significantly since initial recognition no later than when contractual payments are more than 30 days past due.

34.5.3 Measurement of ECL

The key inputs used for measuring ECL are:

Probability of default (PD): The PD is an estimate of the likelihood of default over a given time horizon (12 Month). It is estimated as at a point in time. To compute Expected Credit Loss (ECL) the portfolio is segregated into 3 stages viz. Stage 1, Stage 2 and Stage 3 on the basis of Days Past Dues. The Company uses 12 month PD for the stage 1 borrowers and lifetime PD for stage 2 and 3 to compute the ECL.

Loss given default (LGD): LGD is an estimation of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from eligible collateral.

Exposure at default (EAD): EAD is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date including expected drawdowns on committed facilities.

Probability of Default

To arrive at Probability of Default, 'Vintage Analysis' was done considering monthly defaults of borrower since origination.

The analysis considered Monthly Default Rates starting from inception until the end of observation period i.e. March 2019 to calculate default rates for each vintage month. Cumulative PD was calculated from the marginal PDs for each vintage month. Simple Average and Weighted Average PD was computed for each Month on Book (MOB) period starting from MOB 0 until MOB "n" (end of observation period). The Company has used Simple average to eliminate the bias that can be possible due to weighted average effect.

Loss Given Default

LGD was calculated using First time NPA (FTN) date and recovery data for each of these FTN dates. FTN date was taken from inception until March 2019. For each pool, recovery data was mapped to the subsequent months (until March 2019) from the respective default month i.e. recovery data was retrieved and plotted against the flow of month i.e. Months on Book MOB 0, MOB 1, MOB 2, MOB 3 till MOB (n) against each default month. Considering time value of money, recoveries in each month was discounted to arrive at the value as of FTN date. Average Interest Rates charged for each disbursement year was used as the Effective Interest Rates (EIR) for the loans.

Marginal Recovery rates was computed for each month as Discounted Recovery amount for a given month divided by the total outstanding amount for the given FTN date. Cumulative recovery rates were computed for each FTN date and LGD for corresponding FTN date was computed by using the formula (1- Recovery Rate). Weighted average LGD was computed for the entire observation period, weights being the total outstanding amount for each FTN date.

Exposure at Default :

EAD is the total outstanding balance at the reporting date including principal and accrued interests at the reporting date. EAD calculation for all portfolios is as under:

Stage 1 Assets:

- [(The total outstanding balance drawn) + (Undrawn Portion*CCF undrawn)].

Stage 2 Assets:

- [(The total outstanding balance drawn) + (Undrawn Portion*CCF undrawn)].

Stage 3 Assets:

- [(The total outstanding balance drawn) + (Undrawn Portion*CCF undrawn)].

Credit Conversion Factor (CCF) for undrawn portion has been taken at 50% based on the risk weightage assigned by National Housing Bank for CRAR computation.

The Company measures ECL as the product of PD , LGD and EAD estimates for its Ind AS 109 specified financial obligations.

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Credit Risk Concentrations

An analysis of the Company's credit risk concentrations is provided in the following tables which represent gross

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Receivables under Financing Activities (at amortised cost) - Gross amount			
Concentration by products			
Housing Loans	**1,22,034.60**	80,538.48	48,333.43
Loans against property (including Loans subordinated as Credit Enhancements for assets de-recognised)	**79,727.31**	56,269.43	33,616.75
Total Advances	**2,01,761.91**	1,36,807.91	81,950.18
Concentration by region			
Tamil Nadu	**1,19,941.76**	86,897.72	58,371.61
Andhra Pradesh	**39,797.72**	20,844.57	6,094.28
Karnataka	**23,042.22**	16,968.26	10,712.89
Telangana	**18,980.21**	12,097.36	6,771.40
Total	**2,01,761.91**	1,36,807.91	81,950.18

34.5.4 The tables below analyse the movement of the loss allowance during the year per class of assets.

₹ in lakhs

Loss allowance on Receivables under financing activities at amortised cost	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL
Loss allowance as at March 31, 2019	283.44	9.69	247.00
Loss allowance as at March 31, 2018	213.03	4.88	202.62
Movement	70.41	4.81	44.38

₹ in lakhs

Loss allowance on Receivables under financing activities at amortised cost	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL
Loss allowance as at March 31, 2018	213.03	4.88	202.62
Loss allowance as at April 1, 2017	133.61	4.83	162.42
Movement	79.42	0.05	40.20

The table below provides an analysis of the gross carrying amount of Receivables under financing activities by past due status.

₹ in lakhs

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	Gross carrying	Loss allowance	Gross carrying	Loss allowance	Gross carrying	Loss allowance
Receivables under Financing Activities - Gross amount						
0-30 days	**1,97,824.70**	**283.44**	1,34,213.03	213.03	80,353.29	133.61
31-90 days	**2,860.21**	**9.69**	1,790.97	4.88	1,125.55	4.83
More than 90 days	**1,077.00**	**247.00**	803.91	202.62	471.34	162.42
Total	**2,01,761.91**	**540.13**	1,36,807.91	420.53	81,950.18	300.86

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Collateral held as security and other credit enhancements

The Company holds collateral or other credit enhancements to mitigate credit risk associated with financial assets. The main types of collateral and the types of assets these are associated with are listed in the table below.

Particulars	Type of Collateral held
Housing Loans	Mortgage of the immovable property
Loan Against Properties	Mortgage of the immovable property

Offsetting financial assets and financial liabilities

The Company has not recognised any financial asset or liability on a net basis.

Financial Guarantee

The Company has issued Corporate Guarantees of ₹ 4,794.22 lakhs (March 31, 2018 - ₹ 1,450.00 lakhs; April 1, 2017 - ₹ Nil) to Banks and external lenders on behalf of the subsidiary - Aptus Finance India Private Limited. Based on the financial performance of the subsidiary, the Company does not expect the guarantee liability to devolve on the Company.

34.6 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The 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 its reputation.

Exposure to liquidity risk

The Company manages and measures liquidity risk as per its ALM policy and the ALCO (Asset Liability Management Committee of the Company) is responsible for managing the liquidity risk. The Company not only measures its current liquidity position on an ongoing basis but also forecasts how liquidity position may emerge under different assumptions. The liquidity position is tracked through maturity or cash flow mismatches across buckets spanning all maturities. Refer Note 40.7 for Maturity pattern of assets and liabilities.

34.7 Fair Value Measurements

Fair Value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair value disclosure are required in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard.

(a) Recognised and measured at fair value

₹ in lakhs

Particulars	Level 1	Level 2	Level 3	Total
As at March 31, 2019				
Financial assets				
Investments	-	-	-	-

Particulars	Level 1	Level 2	Level 3	Total
As at March 31, 2018				
Financial assets				
Investments	3,452.02	-	-	3,452.02

Particulars	Level 1	Level 2	Level 3	Total
As at April 1, 2017				
Financial assets				
Investments	53.28	-	-	53.28

(b) Measured at amortised cost

The management believes that the fair value of cash and cash equivalents, receivables, other financial assets, trade payables, borrowings including debt securities and other financial liabilities carried at amortised cost approximate their net carrying amount.

Investment in subsidiary is carried at cost.

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35 Earnings per share

₹ in lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Basic & Diluted		
Profit After Tax	10,265.50	6,643.02
Weighted Average Number of Equity Shares (Face Value ₹ 10 Each) - Basic	7,87,76,815	7,85,70,137
Earnings Per Share - Basic (₹)	13.03	8.45
Weighted Average Number of Equity Shares (Face Value ₹ 10 Each) - Diluted	7,89,63,528	7,86,91,804
Earnings Per Share - Diluted (₹)	13.00	8.44

36 Disclosure pursuant to Schedule V Of Clause A.2 Regulation 53(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

₹ in lakhs

Particulars	Amount Outstanding as March 31, 2019	Maximum Amount Outstanding during the year
Loans and Advances in the nature of Loans to Subsidiaries		
Aptus Finance India Pvt Limited		
- Principal outstanding	6,550.00	8,150.00
- Interest accrued but not due	136.58	136.58

37 Corporate Social Responsibility expenditure:

As per Section 135 of Companies Act 2013, the Company is required to spend ₹ 125.04 lakhs towards CSR activities for the year.

During the year, the Company in consultation with the Health Department of Chennai Corporation, identified Homeless Shelters for children, women and men, Special Shelters and Shelters for mentally challenged. In this regard, the Company had spent ₹ 11.76 lakhs towards improvement of these shelters. Further, the Company has also identified a school with a student strength of around 400-500 to upgrade the facilities and infrastructure of the school. The amount towards this will be spent in FY 2019-20.

38 Sharing of Costs

The Company and its subsidiary share certain costs / service charges. These costs have been recovered by the Company from its subsidiary on a basis mutually agreed to between them, which has been relied upon by the Auditors.

39 Share-based payments

Employee share option plan

39.1 Details of the employee share option plan

a) In the extraordinary general meeting held on July 29, 2010 and in the Annual General Meeting held on August 7, 2015, the shareholders approved the issue of up to 3,200,000 options and 1,800,000 options respectively under the Scheme titled "APTUS Employees Stock Option Scheme 2010" (hereinafter referred to as Aptus ESOS, 2010) and "Aptus Employees Stock Option Scheme 2015" (hereinafter referred to as Aptus ESOS, 2015).

Both the Schemes allow the issue of options to employees of the Company. Each option comprises one underlying equity share.

As per the Scheme, the Nomination and Remuneration Committee ("The Committee") grants the options to the employees deemed eligible and also governs the operation of the scheme.

The difference between the fair price of the share underlying the options granted on the date of grant of option and the exercise price of the option (being the intrinsic value of the option) representing Stock compensation expense is expensed over the vesting period.

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b) **Employee stock options details as on the balance sheet date and Movement in share options during the year are as follows:**

Particulars	Grant 1	Grant 2	Grant 3	Grant 4	Grant 5	Grant 6	Grant 7 under Aptus ESOS 2015	Grant 8 under Aptus ESOS 2015	Total
	under Aptus ESOS, 2010								
Date of Grant	26-Aug-10	03-Dec-10	11-May-11	19-May-12	03-Aug-12	12-Feb-13	07-Aug-15	17-May-17	
Exercise price per option	10.00	10.00	10.00	10.00	20.00	20.00	75.00	130.00	
Intrinsic Value per option	7.33	7.32	7.25	10.25	10.34	20.91	56.26	111.02	
Options outstanding as at April 1, 2017	-	-	-	-	-	-	11,25,000	-	11,25,000
Add: Options granted during the year	-	-	-	-	-	-	-	1,50,000	1,50,000
Less: Options forfeited/lapsed during the year	-	-	-	-	-	-	-	-	-
Less: Options exercised during the year	-	-	-	-	-	-	-	-	-
Options outstanding as at March 31, 2018	-	-	-	-	-	-	11,25,000	1,50,000	12,75,000
Add: Options granted during the year	-	-	-	-	-	-	-	-	-
Less: Options forfeited/lapsed during the year	-	-	-	-	-	-	2,500	-	2,500
Less: Options exercised during the year	-	-	-	-	-	-	2,12,500	-	2,12,500
Options outstanding as at March 31, 2019	-	-	-	-	-	-	9,10,000	1,50,000	10,60,000

39.2 Fair value of share options granted in the year

During the financial year 2017-18, 150,000 shares were granted under the Aptus ESOS 2015 scheme. The fair value of options used to compute Proforma net profit and earnings per Equity Share have been estimated on the date of the grant using Black-Scholes model by an external firm of Chartered Accountants. The key assumptions used in the model for calculating fair value are as below:

Assumptions	Date of Grant							
	26-Aug-10	03-Dec-10	09-May-11	19-May-12	03-Aug-12	12-Feb-13	07-Aug-15	17-May-17
Risk Free Interest Rate	7.13% to 7.78%	7.07% to 7.58%	7.87% to 7.93%	7.83% to 7.91%	7.83%	7.69% to 7.74%	7.96%	7.21% to 7.73%
Expected Life	1.58 to 3.58	1.25 to 3.25	1.83 to 3.83	1.83 to 3.83	1.67	2.17 to 4.17	4	4
Expected Annual Volatility of Shares	38% to 44%	31% to 41%	35% to 42%	34% to 53%	33%	27% to 36%	30%	36%
Expected Dividend Yield	0%	0%	0%	0%	0%	0%	0%	0%
Price of Underlying share at the time of the Option Grant	7.33	7.32	7.25	10.25	10.34	20.91	56.26	111.02
Fair Value of the Option (₹)								
1st Stage	1.07	0.43	0.88	3.50	0.29	6.22	13.61	29.67
2nd Stage	1.62	1.13	1.49	3.50	0.53	6.64	17.21	36.87
3rd Stage	1.96	1.93	2.25	3.97	0.00	9.42	20.60	43.37
4th Stage							23.64	49.29

39.3 Expense arising from share based payment transaction recognised in profit or loss statement as employee benefit expense are as follows:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Employee benefit expense	40.10	65.85

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40 Disclosures pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by the National Housing Bank

40.1 Summary of Significant Accounting Policies

The accounting policies regarding key areas of operations are disclosed as Note 2 to the Financial Statements.

40.2 Capital to Risk Assets Ratio (CRAR)

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Tier I Capital	59,519.24	58,614.61
Tier II Capital	597.21	371.87
Total Capital	60,116.45	58,986.48
Total Risk Assets	1,37,749.96	92,312.80
Capital Ratios		
CRAR - Tier I Capital (%)	43.21%	63.50%
CRAR - Tier II Capital (%)	0.43%	0.40%
CRAR (%)	43.64%	63.90%
Amount of subordinated debt raised as Tier- II Capital	-	-
Amount raised by issue of Perpetual Debt Instruments	-	-

40.3 Reserve Fund u/s 29C, of NHB Act 1987

The movement in the Reserve Fund created under Section 29C of NHB Act, 1987 is disclosed under Note 20 to the Financial Statements.

40.4 Investments

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Value of Investments		
i) Gross Value of Investments		
(a) In India	9,000.00	5,952.02
(b) Outside India	-	-
ii) Provisions for Depreciation		
(a) In India	-	-
(b) Outside India	-	-
iii) Net Value of Investments		
(a) In India	9,000.00	5,952.02
(b) Outside India	-	-
Movement of provisions held towards depreciation on investments		
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	-	-

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40.5 Derivatives

The Company has not entered into any Derivative transactions.

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

Exchange Traded Interest Rate (IR) Derivative: Nil

Disclosures on Risk Exposure in Derivatives: Not applicable

40.6 i) Securitised Assets

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Number of Special Purpose Vehicle (SPV) sponsored for Securitisation transactions*	4	3
Outstanding securitised Assets in books of SPV	9,010.89	2,126.46
Less: Collections not yet due to be remitted to SPV**	217.04	70.04
Outstanding securitised Assets as per books	8,793.85	2,056.42
Total amount of exposures retained by the HFC to comply with Minimum Retention Ratio (MRR) as on the date of balance sheet		
a) Off-balance sheet exposures towards Credit Enhancements		
· First Loss	-	-
· Others	-	-
b) On-balance sheet exposures towards Credit Enhancements		
· First Loss – Cash collateral	365.41	131.51
· Others – Overcollateral	1,533.16	522.63
Amount of exposures to securitisation transactions other than MRR		
a) Off-balance sheet exposures towards Credit Enhancements		
· Exposure to own securitisations	-	-
· Exposure to third party securitisations	-	-
b) On-balance sheet exposures towards Credit Enhancements		
· Exposure to own securitisations	-	-
· Exposure to third party securitisations	-	-
Book value of Assets sold	13,508.64	5,735.37

* This represent SPVs relating to Outstanding Securitisation transactions.

** excludes interest collected from customers on securitised assets.

Also refer Note 6(I)(v) for treatment of securitisation of financial assets during the year.

ii) Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction: Nil

iii) Details of Assignment transactions undertaken by HFCs: Nil

iv) Details of non-performing financial assets purchased / sold: Nil

40.7 Asset Liability Management

Maturity Pattern of certain items of Assets and Liabilities as at March 31, 2019:

₹ in lakhs

Particulars	1 day to 30/31 days (One Month)	Over one month to 2 months	Over 2 months up to 3 months	Over 3 months up to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 7 years	Over 7 years to 10 years	Over 10 years	Total
Liabilities											
Borrowings from Bank* (incl. from NHB)	1,268.55	235.06	1,434.30	3,725.22	7,373.89	28,915.56	23,533.73	9,654.42	2,354.34	449.86	**78,944.93**
Market Borrowings	-	-	-	-	-	-	59,970.00	10,100.00	-	-	**70,070.00**
Others	-	96.90	98.59	306.17	657.69	3,104.41	2,209.49	-	-	-	**6,473.25**
Assets											
Advances	802.31	833.17	844.64	2,603.64	5,516.65	33,164.31	33,229.18	35,243.12	50,275.65	45,604.54	**2,08,117.21**
Investments	-	-	-	-	-	-	-	-	-	9,000.00	**9,000.00**

* The above borrowings excludes Interest payable on borrowings from banks disclosed under Note 14

Maturity Pattern of certain items of Assets and Liabilities as at March 31, 2018:

₹ in lakhs

Particulars	1 day to 30/31 days (One Month)	Over one month to 2 months	Over 2 months up to 3 months	Over 3 months up to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 7 years	Over 7 years to 10 years	Over 10 years	Total
Liabilities											
Borrowings from Bank* (incl. from NHB)	708.75	167.91	890.07	1,903.03	3,883.51	17,284.03	14,891.15	8,300.24	3,764.80	800.43	**52,593.92**
Market Borrowings	-	-	-	-	-	-	20,000	9,970.00	-	-	**29,970.00**
Assets											
Advances	731.40	549.16	556.89	1,716.62	3,632.52	18,000.64	23,608.31	25,275.76	32,449.20	30,167.75	**1,36,688.25**
Investments	3,452.02	-	-	-	-	-	-	-	-	2,500.00	**5,952.02**

* The above borrowings excludes Interest payable on borrowings from banks disclosed under Note 14

In case of Housing loans, where the loan is not completely disbursed and it is in Pre-EMI stage, the Company has estimated the EMI commencement date based on the technical evaluation and other information available as on date. Accordingly, the maturity pattern for such loans has been considered based on the estimated EMI commencement date.

Refer Note 30.1 for reconciliation of receivables as per IndAS and as per NHB Prudential norms.

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40.8 A. Exposure to Real Estate Sector

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
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;		
Upto ₹ 15 Lakhs	**1,82,835.08**	1,23,220.54
More than ₹ 15 Lakhs	**18,732.12**	13,467.71
Total	**2,01,567.20**	1,36,688.25
(ii) Commercial Real Estate		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) Limits	-	-
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures		
a. Residential	-	-
b. Commercial Real Estate	-	-
Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-

* Includes exposures to Non-Housing loans secured by residential mortgages amounting to ₹ 79,622.97 lakhs (March 31, 2018 - ₹ 56,211.45 lakhs; April 1, 2017 - ₹ 33,585.81 lakhs)

Refer Note 30.1 for reconciliation of receivables as per IndAS and as per NHB Prudential norms.

B. Exposure to Capital Market: Nil

C. Details of financing of Parent Company products:

These details are not applicable since the Company is not a subsidiary of any company.

D. Details of Single Borrower Limit (SGL)/ Group Borrower Limit (GBL) exceeded by HF:

The Company has not exceeded Single Borrower Limit (SGL) / Group Borrower Limit (GBL) during the financial year.

E. Unsecured Advances: Nil

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40.9 Other Regulator Registrations

Regulator	Registration No.
1. Ministry of Company Affairs	CIN: U65922TN2009PLC073881
2. National Housing Bank	Certificate Registration No. 05.0084.10 dated May 31, 2010

40.10 Disclosure of Penalties imposed by NHB and other regulators

During the year ended March 31, 2019 and March 31, 2018,

(i) there are no penalties imposed on the Company by NHB or other Regulators.

(ii) the Company has not received any adverse comments in writing by NHB or other Regulators on regulatory compliances, with a specific communication to disclose the same to the public.

40.11 Related party Transactions

Details of all material transactions with related parties are disclosed in Note 33 to Financial Statements.

40.12 Ratings assigned by Credit Rating Agencies

Particulars	As at March 31, 2019	As at March 31, 2018
Non-Convertible Debentures	CARE A [Single A]	CARE A [Single A]
Bank Term Loans	CARE A [Single A] ICRA A [Single A]	CARE A [Single A] ICRA A [Single A]
Short Term Debt	ICRA A1 [Single A1]	-

40.13 Remuneration of Directors

Details of Remuneration of Directors are disclosed as part of the Directors Report.

40.14 Management

Refer to the Management Discussion and Analysis report for the relevant disclosures.

40.15 Net Profit or Loss for the period, prior period items and changes in accounting policies

There are no prior period items that have impact on the current year's profit and loss. There are no changes in accounting policies during the current year.

40.16 Revenue Recognition

There have been no instances in which revenue recognition has been postponed pending the resolution of significant uncertainties.

40.17 Indian AS 110 – Consolidated Financial Statements (CFS)

Refer to the Consolidated Financial Statements for the relevant disclosures.

40.18 Provisions and Contingencies

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account

₹ in lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
1. Provisions for depreciation on Investment	-	-
2. Provision made towards Income Tax	3,739.60	3,441.69
3. Provision towards NPA	90.73	36.66
4. Provision for Standard Assets * (with details like teaser loan, CRE, CRE-RH etc.)		
- Housing Loans (Non-CRE)	87.54	79.36
- Non-Housing Loans (Non-CRE)	93.02	89.95
5. Other Provision and Contingencies	-	-

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Break up of Loan & Advances and Provisions thereon

₹ in lakhs

Particulars	Housing		Non-Housing	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Standard Assets				
a) Total Outstanding Amount	1,21,525.20	80,099.44	79,159.71	55,904.55
b) Provisions made	359.18	271.64	316.64	223.62
Sub-Standard Assets				
a) Total Outstanding Amount	227.73	292.71	330.32	235.96
b) Provisions made	34.16	43.92	49.55	35.39
Doubtful Assets – Category-I				
a) Total Outstanding Amount	159.90	63.44	84.10	45.30
b) Provisions made	51.47	15.86	24.74	11.32
Doubtful Assets – Category-II				
a) Total Outstanding Amount	17.37	21.21	42.90	21.59
b) Provisions made	10.61	8.48	27.88	8.64
Doubtful Assets – Category-III				
a) Total Outstanding Amount	14.04	-	5.94	4.05
b) Provisions made	14.04	-	5.94	4.05
Loss Assets				
a) Total Outstanding Amount	-	-	-	-
b) Provisions made	-	-	-	-
TOTAL				
a) Total Outstanding Amount	1,21,944.24	80,476.80	79,622.97	56,211.45
b) Provisions made	469.46	339.90	424.75	283.02

Notes:

1) The total outstanding amount mean principal + accrued interest* + other charges** pertaining to loans without netting off.

   * Accrued interest on non-performing assets are de-recognised, hence not included in the outstanding amount.

   ** Other charges are recognised only on realisation basis, hence not considered as part of outsanding amount

2) The Category of Doubtful Assets is as under

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

3) Refer Note 30.1 for reconciliation of receivables as per Ind AS and as per NHB Prudential norms

40.19 Draw Down from Reserves

During the financial year 2018-19, there were no draw down from Reserves.

40.20 Concentration of Loans & Advances

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Total Loans & Advances to twenty largest borrowers	789.69	743.79
Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the HFC	0.39%	0.54%

40.21 Concentration of Exposures (including off-balance sheet exposure)

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Total Exposure to twenty largest borrowers/customers	789.69	743.79
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the HFC on borrowers / customers	0.39%	0.54%

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40.22 Concentration of NPAs

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Total Exposure to top ten NPA accounts	196.80	190.47
Percentage of Exposure to top ten NPA accounts to Total Advances of the HFC	0.10%	0.14%

40.23 Sector-wise NPAs

₹ in lakhs

Sector	Percentage of NPAs to Total Advances in that Sector	
	As at March 31, 2019	As at March 31, 2018
A. Housing Loans:		
1. Individuals	0.34%	0.47%
2. Builders/Project Loans	0.00%	0.00%
3. Corporates	0.00%	0.00%
4. Others (specify)	0.00%	0.00%
B. Non-Housing Loans:		
1. Individuals	0.58%	0.55%
2. Builders/Project Loans	0.00%	0.00%
3. Corporates	0.00%	0.00%
4. Others (specify)	0.00%	0.00%

40.24 Movement of NPAs

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
(I) Net NPAs to Net Advances(%)	0.33%	0.41%
(II) Movement of Gross NPAs		
a) Opening balance	684.26	383.38
b) Additions during the year	463.41	477.92
c) Reductions during the year	(265.38)	(177.04)
d) Closing balance	882.29	684.26
(III) Movement of Net NPAs		
a) Opening balance	556.60	292.39
b) Additions during the year	324.76	372.54
c) Reductions during the year	(217.46)	(108.33)
d) Closing balance	663.90	556.60
(IV) Movement of provisions for NPAs (excluding provisions on standard assets)		
a) Opening balance	127.66	90.99
b) Provisions made during the year	138.65	105.38
c) Write-off / write-back of excess provisions	(47.92)	(68.71)
d) Closing balance	218.39	127.66

40.25 Overseas Assets - Nil

40.26 Off-balance Sheet SPVs sponsored (which are required to be consolidated as per accounting Norms) - Nil

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40.27 Customer Complaints

₹ in lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
a) No. of complaints pending at the beginning of the year	-	-
b) No. of complaints received during the year	151	39
c) No. of complaints redressed during the year	151	39
d) No. of complaints pending at the end of the year	-	-

41 First-time adoption of Ind AS

The Company has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from April 1, 2018, with a transition date of April 1, 2017. These financial statements for the year ended March 31, 2019 are the first financial statements the Company has prepared under Ind AS. For all periods upto and including the period ended March 31, 2018, the Company prepared its financial statements in accordance with the erstwhile Accounting Standards notified under the Act, read with relevant rules issued thereunder and guidelines issued by National Housing Bank ("NHB")(Collectively referred to as "the Previous Indian GAAP").

The adoption of Ind AS has been carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards. Ind AS 101 requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements be applied retrospectively and consistently for all financial years presented. Accordingly, the Company has prepared financial statements which comply with Ind AS for year ended March 31, 2019, together with the comparative information as at and for the period ended March 31, 2018. The Company's opening Ind AS Balance Sheet has been prepared as at April 1, 2017, being the date of transition to Ind AS.

In preparing its opening Ind AS balance sheet as at April 1, 2017, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act. An explanation of how the transition from Previous Indian GAAP to Ind AS has affected the company's financial position, financial performance and cash flows is set out in the following tables and notes.

Overall principle

The Company has prepared the opening balance sheet as per Ind AS as of April 1, 2017 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities.

Transition to Ind AS

In preparing these Ind AS financial statements, the Company has availed certain exemptions and exceptions in accordance with Ind AS 101, refer Note 2.19. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and previous GAAP have been recognised directly in equity. This note explains the adjustments made by the Company in restating its previous GAAP financial statements, including the Balance Sheet as at April 1, 2017 and the financial statements as at and for the period ended March 31, 2018.

41.1 Reconciliations between Previous Indian GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

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41.1.1 Effect of Ind As adoption on the balance sheet as at March 31, 2018 and April, 1 2017

₹ in lakhs

Particulars	Notes	As at March 31, 2018			As at April 1, 2017		
		Previous Indian GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet	Previous Indian GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet
ASSETS							
Financial Assets							
Cash and cash equivalents		1,086.86	-	1,086.86	913.11	-	913.11
Bank Balance other than stated above		156.51	-	156.51	195.33	-	195.33
Receivables							
(I) Receivables under Financing Activities	c, d	1,36,065.34	322.04	1,36,387.38	81,453.51	195.81	81,649.32
(II) Other Receivables		-	-	-		-	-
Investments		5,952.02	-	5,952.02	753.28	-	753.28
Other Financial assets		192.03	-	192.03	180.37	-	180.37
		1,43,452.76	322.04	1,43,774.80	83,495.60	195.81	83,691.41
Non-financial Assets							
Current tax assets (Net)		-	-	-	60.16	-	60.16
Property, plant and equipment		316.70	-	316.70	340.41	-	340.41
Other Intangible assets		117.55	-	117.55	126.73	-	126.73
Other non-financial assets	b	153.43	590.31	743.74	38.75	254.65	293.40
		587.68	590.31	1,177.99	566.05	254.65	820.70
TOTAL ASSETS		1,44,040.44	912.35	1,44,952.79	84,061.65	450.46	84,512.11
LIABILITIES AND EQUITY							
LIABILITIES							
Financial Liabilities							
Payables							
Trade Payables							
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		262.10	-	262.10	190.77	-	190.77
Debt Securities		29,970.00	-	29,970.00	6,640.00	-	6,640.00
Borrowings (Other than Debt Securities)		52,593.91	-	52,593.91	23,927.22	-	23,927.22
Other financial liabilities		852.99	-	852.99	496.05	-	496.05
		83,679.00	-	83,679.00	31,254.04	-	31,254.04
Non-Financial Liabilities							
Current tax liabilities (Net)		21.04	-	21.04	-	-	-
Provisions		139.75	-	139.75	92.83	-	92.83
Deferred tax liabilities (Net)	h	1,209.46	(448.57)	760.89	570.60	(282.71)	287.89
Other non-financial liabilities	a, f	135.64	1,785.81	1,921.45	71.03	1,080.29	1,151.32
		1,505.89	1,337.24	2,843.13	734.46	797.58	1,532.04
EQUITY							
Equity Share capital		7,857.01	-	7,857.01	7,857.01	-	7,857.01
Other Equity	a, b, c, d, f, h	50,998.54	(424.89)	50,573.65	44,216.14	(347.12)	43,869.02
		58,855.55	(424.89)	58,430.66	52,073.15	(347.12)	51,726.03
TOTAL LIABILITIES AND EQUITY		1,44,040.44	912.35	1,44,952.79	84,061.65	450.46	84,512.11

Notes

FORMING PART OF THE FINANCIAL STATEMENTS

41.1.2 Reconciliation of total equity as at March 31, 2018 and April 1, 2017

₹ in lakhs

Particulars	Notes	As at March 31, 2018	As at April 1, 2017
Total equity as per previous Indian GAAP		58,855.55	52,073.15
Ind AS Adjustments:			
Adoption of Effective Interest Rate(EIR) for amortisation of Processing Fee Income	a	(1,792.66)	(1,083.55)
Adoption of EIR for amortisation of expenses - financial liabilities at amortised cost	b	590.31	254.65
Application of Expected Credit Loss	c, d	322.04	195.81
Others	f	6.85	3.26
Tax impact on above adjustments	h	448.57	282.71
Total equity as per Ind AS		58,430.66	51,726.03

41.1.3 Effect of Ind As adoption on the statement of profit and loss for the year ended March 31, 2018

₹ in lakhs

Particulars	Notes	For the year ended March 31, 2018		
		Previous Indian GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet
Revenue from operations				
Interest Income	d	18,463.58	39.92	18,503.50
Fees and Other charges	a	2,133.02	(910.60)	1,222.42
Other income		469.92	-	469.92
Total Income		21,066.52	(870.68)	20,195.84
Expenses				
Finance costs	b	5,399.12	(162.48)	5,236.64
Employee benefits expense	a, e, g	3,590.50	(142.15)	3,448.35
Depreciation and amortisation expense		236.98	-	236.98
Other expenses	f	1,073.08	(3.59)	1,069.49
Provision for advances	c	205.97	(86.30)	119.67
Total expenses		10,505.65	(394.52)	10,111.13
Profit before tax		10,560.87	(476.16)	10,084.71
Tax expense				
- Current tax expense		2,966.42	-	2,966.42
- Deferred tax	g, h	638.88	(163.61)	475.27
Net tax expense		3,605.30	(163.61)	3,441.69
Profit for the year		6,955.57	(312.55)	6,643.02
Other Comprehensive Income				
(i) Items that will not be reclassified to profit or loss				
Remeasurement gain / (loss) on defined benefit plan	g	-	(6.51)	(6.51)
(ii) Income tax relating to items that will not be reclassified to profit or loss	g	-	2.27	2.27
		-	(4.24)	(4.24)
Total Comprehensive Income for the year		6,955.57	(316.79)	6,638.78

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41.1.4 Reconciliation of Total Comprehensive Income

₹ in lakhs

Particulars	Notes	For the year ended March 31, 2018
Net Profit after tax for the year ended March 31, 2018 under Previous Indian GAAP		
		6,955.57
Add / (Less) Ind AS Adjustments:		
Adoption of Effective Interest Rate (EIR) for amortisation of Processing Fee Income	a	(709.11)
Adoption of EIR for amortisation of expenses - financial liabilities at amortised cost	b	162.48
Application of Expected Credit Loss	c, d	126.23
Fair Valuation of Employee Stock Options	e	(65.85)
Others	f	3.59
Tax impact on above adjustments	h	165.87
Remeasurement of Defined Benefit Obligation recognised in Other Comprehensive Income under Ind AS (net of tax)	g	4.24
Net Profit after tax for the year under Ind AS		6,643.02
Other Comprehensive Income (net of tax)		(4.24)
Total Comprehensive Income under Ind AS for the year		6,638.78

41.1.5 Cash flow statement

There were no significant reconciliation items between cash flows prepared under Previous Indian GAAP and those prepared under Ind AS.

Notes to the reconciliations

a. Under Previous Indian GAAP, the processing fee earned from receivables was recognised as income when the amount was received. However, as per Ind AS 109, these processing fee are recognised in the Statement of Profit and Loss over the tenure of the loan, as interest income by applying Effective Interest Rate method (EIR). The processing fee received by the Company for the receivables outstanding as on the transition date and for the receivables originated during the year ended March 31, 2018 have been recognised as income over the tenure of the receivables. Hence, the excess processing fee which was recognised earlier on receipt have been reversed. The effect of this change is a decrease in total equity as at March 31, 2018 of ₹ 2,276.57 lakhs (₹ 1,365.97 lakhs as at April 1, 2017), and a decrease in profit for the year ended March 31, 2018 of ₹ 910.60 lakhs. Similarly, the cost incurred for sourcing the receivables have been amortised over the tenure of the loan. The effect of this change has resulted in an increase in total equity as at March 31, 2018 of ₹ 483.91 lakhs (₹ 282.42 lakhs as at April 1, 2017), and an increase in profit for the year ended March 31, 2018 of ₹ 201.49 lakhs.

b. Under Previous Indian GAAP, processing fee incurred on raising borrowings was charged off to the Statement of Profit and Loss in the year in which it is incurred. However, as per Ind AS 109, these processing fee are recognised in the Statement of Profit and Loss over the tenure of the borrowing, as finance cost by applying Effective Interest Rate method (EIR). The processing fee paid by the Company for the borrowings outstanding as on the transition date and for the borrowings raised during the year ended March 31, 2018 have been recognised as expense over the tenure of the respective borrowing. The effect of this change has resulted in an increase in total equity as at March 31, 2018 of ₹ 590.31 lakhs (₹ 254.65 lakhs as at April 1, 2017), and an increase in profit for the year ended March 31, 2018 of ₹ 162.48 lakhs.

c. Under Previous Indian GAAP, Provision for advances was provided as per the provisioning requirements prescribed under the Prudential norms issued by National Housing Bank. Under Ind AS, Provision for advances has been computed based on Expected Credit Loss model as required by Ind AS 109. The effect of this change has resulted in an increase in total equity as at March 31, 2018 of ₹ 202.38 lakhs (₹ 116.07 lakhs as at April 1, 2017), and an increase in profit for the year ended March 31, 2018 of ₹ 86.31 lakhs.

d. Under Previous Indian GAAP, interest is not accrued on Non-performing assets (NPAs). As per Ind AS 109, interest on credit impaired financial assets are recognised and interest accrued along with principal outstanding is considered for expected credit loss. Hence, the Company has recognised interest on receivables classified as Stage 3 assets on the transition date and for the year ended March 31, 2018. The effect of this change has resulted in an increase in total equity as at March 31, 2018 of ₹ 119.66 lakhs (₹ 79.74 lakhs as at April 1, 2017), and an increase in profit for the year ended March 31, 2018 of ₹ 39.92 lakhs.

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e. Under Previous Indian GAAP, the Company has been recording the cost of the employee share based payments based on the intrinsic value method. As per Ind AS 102 Share-based Payment, stock options have to be fair valued on the grant date and expense has to be recognised in the Statement of Profit & Loss over the vesting period on straight-line basis. The Company has accordingly determined the cost of the employee share-based payments considering the fair value principles and in line with Ind AS 101, recognised the share based payment expense for all the unvested options as on the transition date for the period starting from the grant date till the transition date. Further, the share based payment expense recognised for the year ended March 31, 2018 as per the Previous Indian GAAP have been adjusted to reflect the amount that has to be recognised as per Ind AS 102. The effect of this change has resulted in a decrease in profit for the year ended March 31, 2018 of ₹ 65.85 lakhs. This change does not affect total equity.

f. Under Previous Indian GAAP, rent expenses are required to be straight lined over the lease term. Under Ind AS, actual rent paid shall be recognised as expense if the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Accordingly, the lease equalisation reserve has been reversed and actual rent expense has been recognised. The effect of this change has resulted in an increase in total equity as at March 31, 2018 of ₹ 6.85 lakhs (₹ 3.26 lakhs as at April 1, 2017), and an increase in profit for the year ended March 31, 2018 of ₹ 3.59 lakhs.

g. Under Previous Indian GAAP, actuarial gains and losses were recognised in profit or loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of the net defined benefit liability which is recognised in other comprehensive income. Consequently, the tax effect of the same has also been recognised in other comprehensive income under Ind AS instead of profit or loss. The actuarial loss for the year ended March 31, 2018 were ₹ 6.51 lakhs and the tax effect thereon ₹ 2.27 lakhs. This change does not affect total equity, but there is a increase in profit before tax of ₹ 6.51 lakhs, and in total profit of ₹ 4.24 lakhs for the year ended March 31, 2018.

h. Deferred tax has been created on the Ind AS adjustments. The effect of this change has resulted in an increase in total equity as at March 31, 2018 of ₹ 448.57 lakhs (₹ 282.71 lakhs as at April 1, 2017), and an increase in profit for the year ended March 31, 2018 of ₹ 165.87 lakhs.

42 Approval of financial statements

The financial statements were approved for issue by the Board of Directors on May 10, 2019

For and on behalf of the **Board of Directors**

M Anandan
Chairman & Managing Director
(DIN: 00033633)

K M Mohandass
Director
(DIN: 00707839)

P Balaji
Executive Vice President &
Chief Financial Officer

Jyoti Munot
Company Secretary

Place: Chennai
Date: May 10, 2019

Independent Auditor's Report

To The Members of **Aptus Value Housing Finance India Limited** Report on the Audit of the Consolidated Financial Statements

OPINION

We have audited the accompanying consolidated financial statements of Aptus Value Housing Finance India Limited ("the Holding Company") and its subsidiary, (the Holding Company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31 2019, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated 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, and based on the consideration of reports of the other auditors on separate financial statements of the subsidiary, referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Response
Provision for Expected Credit Losses on Receivables	
Receivables under Financing Activity are the most significant item in the Financial Statements. This, being the first year of application of the expected credit loss model in determining the provisions, a significant degree of judgement is involved in determining the quantum so as to ensure that there is neither management bias nor material risk of misstatement. The measurement of the said estimate is primarily dependent upon key assumptions relating to probability of default and loss given default, after eliminating exceptional events/losses.	Principal audit procedures performed: We tested the design and operating effectiveness of key controls focusing on the following: • Appropriateness of assumptions, used in determination of provisions; and • Completeness and accuracy of data input into models. For determination of provision we tested data inputs and agreed a sample of data used in the models to source systems. We evaluated the methodology to establish model parameters and assessed the appropriateness of the models used.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors Report, Management Discussion and Analysis, Report on Corporate Governance, Report on Corporate Social Responsibility and Secretarial Audit Report, but does not include the standalone financial statements and our auditor's report thereon. These reports are expected to be made available to us after the date of this auditor's report.
- Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, identified above when it becomes available and, compare with the financial statements of the subsidiaries, audited by the

Independent Auditor's Report

other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries, is traced from their financial statements audited by the other auditors.

- When we read the Directors Report, Management Discussion and Analysis, Report on Corporate Governance, Report on Corporate Social Responsibility and Secretarial Audit Report , if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding 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 consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate or cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding 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 ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required

Independent Auditor's Report

to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the consolidated financial statements of which we are the independent auditors. For the other entities or business activities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

OTHER MATTERS

(a) We did not audit the financial statements / financial information of one subsidiary, whose financial statements / financial information reflect total assets of ₹ 22,012.24 lakhs as at March 31, 2019, total revenues of ₹ 2,475.32 lakhs and net cash inflows/ (outflows) amounting to (₹1,091.34 lakhs) for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information have been audited by other auditor whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors..

REPORTING ON COMPARATIVES IN CASE OF FIRST IND AS FINANCIAL STATEMENTS

The comparative financial statements/ information for the year ended March 31, 2018 in respect of one subsidiary, and the related transition date opening balance sheet as at April 1, 2017 prepared in accordance with the Ind AS and included in these consolidated financial statements have been audited by other auditor, whose reports have been furnished to us by the Management and in so far as it relates to the comparative amounts and disclosures included in respect of the subsidiary made in these consolidated Ind AS financial statements, is based solely on the reports of the other auditor.

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

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Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditor on the separate financial statements/ financial information of the subsidiary referred to in the Other Matters section above we report, to the extent applicable that:

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

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditor.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

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

e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary company, none of the directors of the Group company, is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Holding company and subsidiary company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

g) With respect to the other matters to be included in the 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 Holding 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) There were no pending litigations which would impact the consolidated financial position of the Group.

   ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. The group does not have any derivative contracts;

   iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary company incorporated in India.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No.008072S)

Geetha Suryanarayanan
Partner
(Membership No. 29519)

Place: Chennai
Date: May 10, 2019

ANNEXURE "A"

TO THE INDEPENDENT AUDITOR'S REPORT

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

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

In conjunction with our audit of the IND AS Consolidated financial statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of Aptus Value Housing Finance India Limited (hereinafter referred to as "the Holding Company") and its subsidiary company, which includes internal financial controls over financial reporting of the Company and its subsidiary incorporated in India, as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Holding company and its subsidiary company,, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company and its subsidiary company, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") 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 and the audit evidence obtained by the other auditors of the subsidiary company, which is a company incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company and its subsidiary company, which are companies incorporated in India.

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.

ANNEXURE "A"

TO THE INDEPENDENT AUDITOR'S REPORT

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Holding Company and its subsidiary company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on "the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

OTHER MATTERS

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to, one subsidiary , which is a company incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No.008072S)

Geetha Suryanarayanan
Partner
(Membership No. 29519)

Place: Chennai
Date: May 10, 2019

Consolidated Balance Sheet

AS AT MARCH 31, 2019

₹ in lakhs

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
ASSETS				
1 Financial Assets				
(a) Cash and cash equivalents	4	**10,732.07**	1,200.17	926.32
(b) Bank Balance other than (a) above	5	**395.36**	156.51	918.74
(c) Receivables				
(I) Receivables under Financing Activities	6	**2,23,050.22**	1,39,308.07	81,649.32
(II) Other Receivables	6	**64.79**	-	-
(d) Investments	7	**-**	4,463.55	53.28
(e) Other Financial assets	8	**256.90**	192.03	181.43
		2,34,499.34	1,45,320.33	83,729.09
2 Non-financial Assets				
(a) Current tax assets (Net)	9	**83.25**	5.96	60.16
(b) Deferred Tax assets	10	**115.25**	15.05	2.18
(c) Property, plant and equipment	11A	**319.92**	316.70	340.41
(d) Other Intangible assets	11B	**81.32**	117.55	126.73
(e) Other non-financial assets	12	**1,208.86**	765.30	293.40
		1,808.60	1,220.56	822.88
TOTAL ASSETS		**2,36,307.94**	1,46,540.89	84,551.97
LIABILITIES AND EQUITY				
LIABILITIES				
1 Financial Liabilities				
(a) Payables				
Trade Payables				
(i) total outstanding dues of micro enterprises and small enterprises	30	**-**	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		**523.58**	265.40	191.76
(b) Debt Securities	13	**70,070.00**	29,970.00	6,640.00
(c) Borrowings (Other than Debt Securities)	14	**90,212.40**	54,043.91	23,927.22
(d) Other financial liabilities	15	**891.25**	865.57	496.05
		1,61,697.23	85,144.88	31,255.03
2 Non-Financial Liabilities				
(a) Current tax liabilities (Net)	16	**97.50**	21.04	5.86
(b) Provisions	17	**178.64**	139.75	92.83
(c) Deferred tax liabilities (Net)	18	**1,293.38**	760.89	287.89
(d) Other non-financial liabilities	19	**3,181.92**	1,981.18	1,151.42
		4,751.44	2,902.86	1,538.00
3 EQUITY				
(a) Equity Share capital	20	**7,878.26**	7,857.01	7,857.01
(b) Other Equity	21	**61,981.01**	50,636.14	43,901.93
		69,859.27	58,493.15	51,758.94
TOTAL LIABILITIES AND EQUITY		**2,36,307.94**	1,46,540.89	84,551.97

See accompanying notes forming part of the consolidated financial statements

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

Geetha Suryanarayanan
Partner

For and on behalf of the **Board of Directors**

M Anandan
Chairman & Managing Director
(DIN: 00033633)

K M Mohandass
Director
(DIN: 00707839)

P Balaji
Executive Vice President
& Chief Financial Officer

Jyoti Munot
Company Secretary

Place: Chennai
Date: May 10, 2019

Place: Chennai
Date: May 10, 2019

Consolidated Statement of Profit and Loss

FOR THE YEAR ENDED MARCH 31, 2019

₹ in lakhs

Particulars		Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
1	Revenue from operations			
	(a) Interest Income	22	29,876.80	18,593.58
	(b) Fees and Other charges	22	2,080.61	1,240.87
2	Other income	23	1,884.53	532.06
3	**Total Income (1+2)**		33,841.94	20,366.51
4	**Expenses**			
	(a) Finance costs	24	11,517.47	5,289.17
	(b) Employee benefits expense	25	4,971.44	3,490.39
	(c) Depreciation and amortisation expense	11A & 11B	292.82	236.98
	(d) Other expenses	26	1,624.45	1,106.75
	(e) Provision for advances	27	135.99	120.71
Total expenses			18,542.17	10,244.00
5	**Profit before tax (3-4)**		15,299.77	10,122.51
6	**Tax expense**			
	- Current tax expense	28	3,707.15	2,987.51
	- Short / (Excess) provision for tax relating to prior years		(11.23)	-
	- Deferred tax	10, 18, 28	433.72	462.40
Net tax expense			4,129.64	3,449.91
7	**Profit for the year (5-6)**		11,170.13	6,672.60
8	**Other Comprehensive Income**			
	(i) Items that will not be reclassified to profit or loss			
	Remeasurement gain / (loss) on defined benefit plan		(4.92)	(6.51)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		1.43	2.27
			(3.49)	(4.24)
9	**Total Comprehensive Income for the year (7+8)**		11,166.64	6,668.36
	Earnings per share (of ₹ 10/- each):			
	(a) Basic (in ₹)	36	14.18	8.49
	(b) Diluted (in ₹)	36	14.15	8.48

See accompanying notes forming part of the consolidated financial statements

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

Geetha Suryanarayanan
Partner

Place: Chennai
Date: May 10, 2019

For and on behalf of the **Board of Directors**

M Anandan
Chairman & Managing Director
(DIN: 00033633)

K M Mohandass
Director
(DIN: 00707839)

P Balaji
Executive Vice President
& Chief Financial Officer

Jyoti Munot
Company Secretary

Place: Chennai
Date: May 10, 2019

Strategic Report
Statutory Reports
Financial Statements

Consolidated Statement of Changes in Equity

FOR THE PERIOD ENDED MARCH 31, 2019

1. Equity Share capital

₹ in lakhs

Particulars	Amount
Balance as at April 1, 2017	7,857.01
Changes in equity share capital during the year	-
Balance as at March 31, 2018	7,857.01
Changes in equity share capital during the year	
(a) Issue of equity shares under employee stock option plan (Refer Note 40)	21.25
Balance as at March 31, 2019	**7,878.26**

2. Other Equity

₹ in lakhs

Particulars	Reserves and Surplus					Total
	Securities Premium	Share Option Outstanding	Special Reserve u/s 29C of NHB Act (Note 1)	Special Reserve u/s 45-IC of RBI Act (Note 2)	Retained Earnings	
Balance as at April 1, 2017	37,311.58	95.83	2,205.00	5.78	4,283.74	43,901.93
Premium received during the year	-	-	-	-	-	-
Additions during the year	-	65.85	-	-	-	65.85
Profit (loss) for the year after income tax	-	-	-	-	6,672.60	6,672.60
Transfer to Special reserve	-	-	2,142.87	11.97	(2,154.84)	-
Other Comprehensive Income for the year (net of tax)	-	-	-	-	(4.24)	(4.24)
Balance as at March 31, 2018	37,311.58	161.68	4,347.87	17.75	8,797.26	50,636.14
Premium received during the year	138.13	-	-	-	-	138.13
Additions during the year	-	40.10	-	-	-	40.10
Profit (loss) for the year after income tax	-	-	-	-	11,170.13	11,170.13
Transfer to Special reserve	-	-	2,789.70	180.93	(2,970.63)	-
Other Comprehensive Income for the year (net of tax)	-	-	-	-	(3.49)	(3.49)
Balance as at March 31, 2019	**37,449.71**	**201.78**	**7,137.57**	**198.68**	**16,993.27**	**61,981.01**

Notes:

(1) Special Reserve is created under Section 29C of National Housing Bank (NHB) Act, 1987

(2) Reserve fund created under section 45-IC of the Reserve Bank of India Act, 1934

See accompanying notes forming part of the consolidated financial statements

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

Geetha Suryanarayanan
Partner

Place: Chennai
Date: May 10, 2019

For and on behalf of the **Board of Directors**

M Anandan
Chairman & Managing Director
(DIN: 00033633)

K M Mohandass
Director
(DIN: 00707839)

P Balaji
Executive Vice President
& Chief Financial Officer

Jyoti Munot
Company Secretary

Place: Chennai
Date: May 10, 2019

Consolidated Cash Flow Statement

FOR THE YEAR ENDED MARCH 31, 2019

₹ in lakhs

Particulars	For the year ended March 31, 2019		For the year ended March 31, 2018	
Cash flows from operating activities				
Profit before tax		**15,299.77**		10,122.51
Adjustments for:				
Finance costs	**11,517.47**		5,289.17	
Interest income from bank deposits	**(133.41)**		(32.31)	
Dividend income	**(424.69)**		(200.36)	
Depreciation and amortisation expense	**292.82**		236.98	
Impairment loss recognised on Receivables	**135.99**		120.71	
Expense recognised in respect of equity-settled share-based payments	**40.10**		65.85	
		11,428.28		5,480.04
Operating profit before working capital changes		**26,728.05**		15,602.55
Movements in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Receivables	**(83,942.93)**		(57,779.46)	
Other Financial assets	**(57.40)**		(20.96)	
Other non-financial assets	**45.48**		(117.53)	
Adjustments for increase / (decrease) in operating liabilities:				
Trade Payables	**258.18**		73.64	
Other financial liabilities	**165.51**		(91.56)	
Provisions	**33.97**		40.41	
Other non-financial liabilities	**1,200.74**	**(82,296.45)**	859.77	(57,035.69)
Cash used in operations		**(55,568.40)**		(41,433.14)
Financing charges		**(12,133.52)**		(5,172.31)
Direct Taxes paid		**(3,696.75)**		(2,918.13)
Net cash used in operating activities (A)		**(71,398.67)**		(49,523.58)
Cash flows from investing activities				
Capital expenditure on Property, plant and equipment	**(272.62)**		(244.25)	
Bank balances not considered as cash and cash equivalents	**(238.85)**		762.23	
Interest received on Bank deposits	**125.94**		42.67	
Dividend received	**424.69**		200.36	
Net cash flow used in investing activities (B)		**39.16**		761.01
Cash flows from financing activities				
Proceeds from issue of equity shares (including securities premium)	**159.38**		-	
Proceeds from borrowings	**87,352.74**		59,830.00	
Repayment of borrowings	**(11,084.26)**		(6,383.31)	
Net cash flow from financing activities (C)		**76,427.86**		53,446.69
Net increase in cash and cash equivalents (A+B+C)		**5,068.35**		4,684.12
Cash and cash equivalents at the beginning of the year		**5,663.72**		979.60
Cash and cash equivalents at the end of the year (Refer Note 4 & Note 7)		**10,732.07**		5,663.72

See accompanying notes forming part of the consolidated financial statements

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

Geetha Suryanarayanan
Partner

Place: Chennai
Date: May 10, 2019

For and on behalf of the **Board of Directors**

M Anandan
Chairman & Managing Director
(DIN: 00033633)

K M Mohandass
Director
(DIN: 00707839)

P Balaji
Executive Vice President
& Chief Financial Officer

Jyoti Munot
Company Secretary

Place: Chennai
Date: May 10, 2019

Notes

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1 General Information

Aptus Value Housing Finance India Limited ('Holding Company') was incorporated on December 11, 2009 with the primary objective of carrying on the business of providing long term housing finance to meet the housing needs of the low and middle income segment in the country. The group is also engaged in providing loans for non-housing finance activities in the form of Loan Against Properties (LAP).

The Holding Company received the certificate of registration from the National Housing Bank (NHB) on May 31, 2010 to commence the business of Housing Finance without accepting public deposits. The certificate of commencement of business was received from the Registrar of Companies on June 25, 2010.

Aptus Finance India Pvt. Limited ('Subsidiary Company') was incorporated on September 18, 2015 as a subsidiary of Aptus Value Housing Finance India Limited with the primary objective of carrying on the business of providing finance in the form of loan against immovable properties.

The Subsidiary Company received the certificate of registration from the Reserve Bank of India (RBI) on December 16, 2016 to commence the business of Non-Banking Financial Institution without accepting public deposits. It is a non-deposit taking non systemically important Non-Banking Financial Company ('NBFC-ND-Non SI').

The above two companies will be collectively known as the "Group".

2 Significant accounting policies

2.1 Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

Upto the year ended March 31, 2018, the Group prepared its financial statements in accordance with the requirements of National Housing Bank (NHB) / Reserve Bank of India as applicable and previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Group's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2017. Refer Note 2.20 for the details of first-time adoption exemptions availed by the Group. The financial statements have been presented in accordance with the format prescribed for financial statements for a Non-Banking Financial Company (NBFC) whose financial statements are drawn up in compliance of the Companies (Indian Accounting Standards) Rules, 2015, in Division III of Notification No.GSR. 1022(E) dated October 11, 2018, issued by Ministry of Corporate Affairs, Government of India.

2.2 Principles of consolidation

The consolidated financial statements relate to Aptus Value Housing Finance India Limited(the 'Holding Company') and its subsidiary company.

The consolidated financial statements have been prepared on the following basis:

(i) The financial statements of the subsidiary company used in the consolidation are drawn upto the same reporting date as that of the Holding company i.e., March 31, 2019.

(ii) The financial statements of the Holding company and its subsidiary company have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances and intra-group transactions.

(iii) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

(iv) Aptus Finance India Private Limited, the subsidiary company has been considered in the preparation of the consolidated financial statements. The % of holding of Aptus Value Housing Finance India Limited as on March 31, 2019 is 100%.

2.3 Basis of preparation and presentation

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 below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as value in use in Ind AS 36.

Notes

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

2.4 Interest Income and Finance Cost

Interest income and expense on financial instruments are recognised as 'Interest on loans' and 'Finance cost' in the profit or loss account using the effective interest method (EIR).

The effective interest rate (EIR) is the rate that exactly discounts estimated future cash flows of the financial instrument through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability.

2.5 Fee and Other charges

Fee and other charges include fees other than those that are an integral part of EIR. The fees included in this part of the Group's statement of profit or loss include among other things fees charged for servicing a loan including cheque bounce charges, field visit charges, pre-closure charges etc.

2.6 Other Income

Interest Income on bank deposits is accounted on accrual basis. Dividend income is recognised when the right to receive payment is established. Revenue from other services are recognised as and when the performance obligations are satisfied, on the basis of an agreed amount in accordance with the agreement entered into by the Group.

2.7 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. The Group enters into operating leases as a lessee for renting of branch premises.

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

2.8 Employee benefits

Post employment benefits and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement of actuarial gains and losses is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Interest is calculated by applying the discount rate at the beginning of the period to the defined benefit liability. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- interest expense; and
- remeasurement

The Group presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that 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.

Notes

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Liabilities recognised in respect of leave encashment and other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date. The Group records the leave encashment liability based on actuarial valuation computed using projected unit credit method.

2.9 Share-based payment arrangements

Share-based payment transactions of the Holding Company

Employees of the Holding Company receive remuneration in the form of equity settled instruments from the holding company, for rendering services over a defined vesting period. Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date and such fair value is charged to the Statement of Profit & Loss on a straight-line basis. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 40.

2.10 Taxation

Current tax

The current tax payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using 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 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.

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

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

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

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.11 Investments

Investments in mutual funds are carried individually, at fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

2.12 Property, plant and equipment and Other intangible assets

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost less its estimated residual value. Depreciation on the following categories of tangible fixed assets (other than Freehold Land) has been provided on the straight-line method, the useful lives of which have been assessed as under, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc. The other assets have been depreciated on straight line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Office Equipment	- 3 Years
Servers (under office equipments)	- 3 Years
Furniture and Fixtures	- 3 Years
Vehicles	- 3 Years

Freehold Land is not depreciated

Intangible assets are amortised over their estimated useful life on straight line method as follows:

Intangibles – Computer Software - 3 years or License Period whichever is lower.

Improvements to Leasehold Premises are amortised over the primary lease period or 3 years, whichever is lower.

Individual assets costing ₹ 5,000 or less are fully depreciated in the year of purchase.

Notes

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.13 Impairment of tangible and intangible assets other than goodwill

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment, if any, indication of impairment exists. An intangible asset that is not yet available for use is tested for impairment each financial year even if there is no indication that the asset is impaired.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognised.

2.14 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.15 Financial instruments

Financial assets and financial liabilities are recognised in the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

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

2.15.1 Financial assets

All financial assets are recognised and derecognised where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at FVTPL in which case, the transaction costs are recognised immediately in profit or loss.

All recognised financial assets that are within the scope of Ind AS 109 are required to be subsequently measured at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Debt instruments at amortised cost or at FVTOCI

The Group assesses the classification and measurement of a financial asset based on the contractual cash flow characteristics of the asset and the Group's business model for managing the asset.

For an asset to be classified and measured at amortised cost (using effective interest method), the asset should be held within a business model whose objective is to hold the financial asset in order to collect contractual cash flows ('Hold-to-collect' business model) and its contractual terms should give rise to cash flows that are solely payments of principal and interest on the principal outstanding (SPPI).

For an asset to be classified and measured at Fair Value Through Other Comprehensive Income (FVTOCI), the asset should be held within a business model whose objective is to collect contractual cash flows and also sell the financial assets ('Hold-to-collect and sell' business model) its contractual terms should give rise to cash flows that are solely payments of principal and interest on the principal outstanding (SPPI).

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For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. That principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin.

An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Group determines the business models at a level that reflects how the Group's financial assets are managed together to achieve a particular business objective. The business model does not depend on management's intentions for an individual instrument, therefore the business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis.

Financial assets at FVTPL

Financial assets at FVTPL are:

- assets with contractual cash flows that are not SPPI; or/and
- assets that are held in a business model other than held to collect contractual cash flows or held to collect and sell; or
- assets designated at FVTPL using the fair value option.

  These assets are measured at fair value, with any gains/losses arising on remeasurement recognised in profit or loss.

2.15.2 Reclassifications

If the business model under which the Group holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that results in reclassifying the Group's financial assets. During the current financial year and previous accounting period there was no change in the business model under which the Group holds financial assets and therefore no reclassifications were made. Changes in contractual cash flows are considered under the accounting policy on modification and derecognition of financial assets described below.

2.15.3 Impairment Loss Allowance

Expected Credit Loss (ECL) has been estimated on the Receivables under financing activity of the Holding Company.

Since the Subsidiary Company has started its lending operations only from the year 2017-18, its loan book is not seasoned enough for analysing and arriving at the Expected Credit Loss.

Hence, the primary risk components - Probability of Default (PD) and Loss Given Default (LGD) evaluated for the Holding Company has been applied for computing the expected credit loss for the receivables of the subsidiary company.

A brief of the methodology adopted in the Holding Company is given below:

The portfolios have been divided into 3 stages based on the Staging rules defined below. ECL has been separately estimated for each stage.

Staging rules set have been applied to the product categories to bucket them into either Stage 1, Stage 2 or Stage 3.

Stages	Days Past Due	ECL
Stage 1	Upto 30 Days	12- Month ECL
Stage 2	30- 90 Days	Lifetime ECL
Stage 3	90+ Days	Lifetime ECL

The primary risk components applied for estimation of ECL are Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD). ECL is estimated as a multiple of PD, LGD and EAD for each of the product sub categories.

i. The PD provides an estimate of the likelihood that a borrower will be unable to meet his debt obligations.

ii. The EAD is the total receivables that the Company is exposed to at the time of an account's default.

iii. LGD is usually shown as the percentage of EAD that the Company might lose in case the borrower defaults. It depends, among others, on the type and amount of collateral, collection mechanism existing in the Company and the expected proceeds from a work out (e.g. recovery from sale of collaterals or otherwise) of the assets.

2.15.4 Credit-impaired financial assets

A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit-impairment includes observable data about the following events:

- significant financial difficulty of the borrower;
- a breach of contract such as a default or past due event;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- the disappearance of an active market for a security because of financial difficulties; or

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- the purchase of a financial asset at a deep discount that reflects the incurred credit losses.

It may not be possible to identify a single discrete event—instead, the combined effect of several events may have caused financial assets to become credit-impaired. The Group assesses whether debt instruments that are financial assets measured at amortised cost are credit-impaired at each reporting date.

2.15.5 Definition of default

All accounts greater than 90 days past due are considered as default accounts.

2.15.6 Significant increase in credit risk

The Group monitors all financial assets that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Group will measure the loss allowance based on lifetime rather than 12-month ECL.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Group's historical experience and expert credit assessment including forward-looking information.

2.15.7 Modification of financial assets

The Group derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes.

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

2.15.8 Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the asset's cash flows expire (including expiry arising from a modification with substantially different terms), or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain/loss that had been recognised in OCI and accumulated in equity is recognised in profit or loss, with the exception of equity investment designated as measured at FVTOCI, where the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain/loss allocated to it that had been recognised in OCI is recognised in profit or loss. A cumulative gain/loss that had been recognised in OCI is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts. This does not apply for equity investments designated as measured at FVTOCI, as the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss.

2.15.9 Write-off

Loans and debt securities are written off when the Group has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Group may apply enforcement activities to financial assets written off. Recoveries resulting from the Group's enforcement activities will result in impairment gains.

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2.15.10 Presentation of allowance for ECL in the statement of financial position

Loss allowances for ECL are presented in the statement of financial position as follows:

- for financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- where a financial instrument includes both a drawn and an undrawn component, and the Group cannot identify the ECL on the loan commitment component separately from those on the drawn component: the Group presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision.

2.15.11 Financial liabilities and equity instruments

Debt and equity instruments that are issued are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

A financial liability is a contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities with another entity or a contract that will or may be settled in the Group's own equity instruments and is a non-derivative contract for which the Group is or may be obliged to deliver a variable number of its own equity instruments.

2.15.12 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Holding Company are recognised at the proceeds received, net of direct issue costs.

2.15.13 Financial liabilities

Financial liabilities are classified as either financial liabilities 'at Amortised cost' or 'at FVTPL'.

Amortised cost

Financial liabilities other than those measured at FVTPL, including deposits and borrowings, are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The EIR is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) held for trading, or (ii) it is designated as at FVTPL. A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

  A financial liability other than a financial liability held for trading or contingent consideration that may be paid by an acquirer as part of a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a Company of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the Companying is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire hybrid (combined) contract to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains/losses arising on remeasurement recognised in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain/loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Income from other financial instruments at FVTPL' line item in the profit or loss account.

2.15.14 Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

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2.15.15 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 an entity are initially measured at their fair values and, are subsequently measured at the higher of:

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

2.16 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.17 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

2.18 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

2.19 Segment Reporting

Ind AS 108 establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers. Based on the 'management approach' as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the Group's performance based on an analysis of various performance indicators by business segments and geographic segments.

As per the requirements of Ind AS 108 "Operating Segments", based on evaluation of financial information for allocation of resources and assessing performance, the Group has identified a single segment, viz. "providing long term housing finance, loans against property and refinance loans". Accordingly, there are no separate reportable segments as per Ind AS 108.

2.20 First-time adoption - mandatory exceptions, optional exemptions

The Group has prepared the opening balance sheet as per Ind AS as of April 1, 2017 (the transition date)

- by recognising all assets and liabilities whose recognition is required by Ind AS,
- not recognising items of assets or liabilities which are not permitted by Ind AS,
- by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and
- applying Ind AS in measurement of recognised assets and liabilities.

However, this principle is subject to the certain exception and certain optional exemptions availed by the Group as detailed below:

(a) Derecognition of financial assets and financial liabilities

The Group has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2017 (the transition date).

(b) Impairment of financial assets

The Group has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Group has not undertaken an exhaustive search for information when determining, at the date of transition to Ind AS, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

(c) Deemed cost for property, plant and equipment, and intangible assets

The Group has elected to continue with the carrying value of all of its plant and equipment, intangible assets recognised as of April 1, 2017 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

(d) Share based payments

The Group has elected not to apply the requirements of Ind AS 102 to the equity instruments that got vested before April 1, 2017 (transition date).

2.21 Recent accounting pronouncements

Ind AS 116 Leases: On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of profit & loss. The Standard also contains enhanced disclosure requirements for lessees.

The Group is currently evaluating the effect of this amendment on the financial statements.

3 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 2, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3.1 Critical judgements in applying the Group's accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the management have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in financial statements:

- Business model assessment: Classification and measurement of financial assets depends on the results of the Solely Payments of Principle and Interest (SPPI) and the business model test (please see financial assets sections of note 2). The Group determines the business model at a level that reflects how Group's financial assets are managed together to achieve a particular business objective.
- Significant increase of credit risk: Expected Credit Loss (ECL) are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL assets for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. Ind AS 109 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Group takes into account qualitative and quantitative reasonable and supportable forward looking information.
- Models and assumptions used: The Group uses various models and assumptions in estimating ECL. Judgement is applied in identifying the most appropriate model, as well as for determining the assumptions used in these models, including assumptions that relate to key drivers of credit risk.
- Probability of default (PD): PD constitutes a key input in measuring ECL. PD is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions (See note 35.5.3 for more details).
- Loss Given Default (LGD): LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements (See note 35.5.3 for more details).
- Fair value measurements and valuation processes - Investment in mutual funds and share based payments are measured at fair value and the liability for gratuity and compensated absences is measured based on actuarial valuation for financial reporting purposes. In estimating the fair value and actuarial valuation, the Group uses market-observable data to the extent it is available. Where such inputs are not available, the Group engages third party qualified valuers to perform the valuation.

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4 Cash and cash equivalents

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Cash on hand	**193.65**	160.01	51.04
Cheques on hand	**9.11**	9.84	11.42
Balances with banks - In current accounts	**10,529.31**	1,030.32	863.86
	10,732.07	1,200.17	926.32

(i) Balances with Banks in Current Accounts and cash, cheques on hand include amounts collected in respect of securitised receivables pending remittance to the investors. Refer Note 15.

5 Bank Balance other than above

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
In deposit accounts - Original maturity more than 3 months	**29.95**	25.00	735.41
Balances held as margin money against securitisation (Refer Note 38)	**365.41**	131.51	183.33
	395.36	156.51	918.74

6 Receivables

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(I) Receivables under Financing Activities (Secured) - At Amortised Cost - Within India			
Housing loans	**1,21,803.48**	80,377.81	48,217.03
Non-Housing loans			
- Loans against property	**1,00,739.93**	58,508.75	32,915.80
Loans subordinated as Credit Enhancements for assets de-recognised (Refer Note 38)	**522.63**	522.63	623.48
Instalments and Other Dues from Borrowers			
- Housing loan	**231.12**	160.67	116.40
- Loans against property	**310.62**	159.78	77.47
Total Gross	**2,23,607.78**	1,39,729.64	81,950.18
Less: Impairment loss allowance	**(557.56)**	(421.57)	(300.86)
Total	**2,23,050.22**	1,39,308.07	81,649.32
Notes:			
(i) Of the above:			
Housing Loan			
Standard Assets - Considered good	**1,21,525.20**	80,099.44	48,069.69
Substandard assets	**227.73**	292.71	139.87
Doubtful Assets	**191.31**	84.65	75.08
Sub-Total (A)	**1,21,944.24**	80,476.80	48,284.64
Loans against property and Loans subordinated as Credit Enhancements for assets de-recognised			
Standard Assets - Considered good	**1,00,993.80**	58,826.28	33,417.38
Substandard assets	**340.83**	235.96	125.21
Doubtful Assets	**132.93**	70.94	43.22
Sub-Total (B)	**1,01,467.56**	59,133.18	33,585.81
Total (A+B)	**2,23,411.80**	1,39,609.98	81,870.45

(ii) Refer Note 31.1 for reconciliation based on Ind AS Provisions and Prudential Norms of NHB

(iii) Refer Note 35.5.4 for ageing of above receivables.

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(iv) The housing loans and non housing loans are secured by deposit of original title deeds of immovable properties with the Company and registered mortgage of title deeds.

(v) Securitisation of financial assets

The Holding Company securitises certain receivables and surrenders control over these receivables, though it continues to act as an agent for the collection of these receivables. The Holding Company also provides credit enhancements to the transferee by way of agreeing to bear a portion of default losses. Because of the existence of credit enhancements, the Holding Company continues to have the obligation to pay to the transferee, limited to the extent of credit enhancement, even if it does not collect the equivalent amounts from the original asset, and hence, such transfer does not meet the derecognition criteria resulting into the transfer not being recorded as sale. Consequently, the proceeds received from the transfer amounting ₹ 6,762.74 lakhs (March 31, 2018: ₹ Nil; April 1, 2017: ₹ Nil) are recorded as borrowings. Amount outstanding on such transactions as at March 31, 2019 is ₹ 6,473.25 lakhs (March 31, 2018: ₹ Nil; April 1, 2017: ₹ Nil). Refer Note 38 for exposures towards credit enhancements.

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(II) Other Receivables - at Amortised Cost			
Accrued Income	**64.79**	-	-
	64.79	-	-

7 Investments

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Investment in Mutual Funds (at fair value)	-	4,463.55	53.28
	-	4,463.55	53.28

₹ in lakhs

Particulars	NAV per Unit (in ₹)		
	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
ICICI Prudential Liquid - Reg - Daily Dividend Nil units (March 31, 2018 - 2,241,124 Units; April 1, 2017 - 53,226 Units)	-	100.1482	100.0989
Aditya Birla Sunlife - Cash Plus - Daily Dividend Nil units (March 31, 2018 - 2,213,080 Units; April 1, 2017 - Nil Units)	-	100.2721	-

8 Other Financial assets

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Security deposits	**222.49**	166.34	133.85
Loans and advances to employees	**0.59**	0.82	0.54
Interest Accrued but not due on Deposits with Banks	**11.59**	4.12	14.48
Other Receivables (Refer note below)	**22.23**	20.75	32.56
	256.90	192.03	181.43

(i) Includes an amount of ₹ 21.47 lakhs (March 31, 2018 - ₹ 20.07 lakhs; April 1, 2017 - ₹ 31.90 lakhs) receivable upon remittance of the dues towards securitised assets referred in Note 15.

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9 Current tax assets (Net)

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Advance income tax (Net of provisions ₹ 9,127.22 (April 1, 2017 - ₹ 2,955.12 lakhs))	83.25	5.96	60.16
	83.25	5.96	60.16

10 Deferred tax assets (Net)

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Deferred tax assets / (liabilities) (net)			
Tax effect of items constituting deferred tax assets			
Preliminary Expenses not written off	0.78	1.48	2.08
Impairment Allowance for Financial Assets	5.08	0.29	-
Deferred Processing Income	118.39	15.64	-
Others	-	-	0.10
	124.25	17.41	2.18
Tax effect of items constituting deferred tax liabilities			
Prepaid Finance Charges	(8.47)	(2.36)	-
Others	(0.53)	-	-
	(9.00)	(2.36)	-
	115.25	15.05	2.18

11A Property, plant and equipment

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Carrying amounts of :			
a) Freehold Land	64.57	64.57	64.57
b) Leasehold improvements	90.38	82.55	89.66
c) Furniture and fixtures	18.74	11.14	4.03
d) Vehicles	19.21	39.83	60.45
e) Office Equipments	127.02	118.61	121.70
	319.92	316.70	340.41

₹ in lakhs

Particulars	Freehold Land	Leasehold improvements	Furniture and fixtures	Vehicles	Office Equipments	Total
Deemed cost						
Balance at April 1, 2017	64.57	89.66	4.03	60.45	121.70	340.41
Additions	-	51.80	26.22	-	68.17	146.19
Disposals	-	-	-	-	-	-
Balance at March 31, 2018	64.57	141.46	30.25	60.45	189.87	486.60
Additions	-	57.87	32.90	-	101.84	192.61
Disposals	-	-	-	-	-	-
Balance at March 31, 2019	**64.57**	**199.33**	**63.15**	**60.45**	**291.71**	**679.21**
Accumulated depreciation						
Balance at April 1, 2017	-	-	-	-	-	-
Depreciation expense	-	58.91	19.11	20.62	71.26	169.90
Elimination on disposals of assets	-	-	-	-	-	-
Balance at March 31, 2018	-	58.91	19.11	20.62	71.26	169.90
Depreciation expenses	-	50.04	25.30	20.62	93.43	189.39
Elimination on disposals of assets	-	-	-	-	-	-
Balance at March 31, 2019	**-**	**108.95**	**44.41**	**41.24**	**164.69**	**359.29**

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₹ in lakhs

Particulars	Freehold Land	Leasehold improvements	Furniture and fixtures	Vehicles	Office Equipments	Total
Carrying amount						
Balance at April 1, 2017	64.57	89.66	4.03	60.45	121.70	340.41
Additions	-	51.80	26.22	-	68.17	146.19
Disposals	-	-	-	-	-	-
Depreciation expense	-	(58.91)	(19.11)	(20.62)	(71.26)	(169.90)
Balance at March 31, 2018	64.57	82.55	11.14	39.83	118.61	316.70
Additions	-	57.87	32.90	-	101.84	192.61
Disposals	-	-	-	-	-	-
Depreciation expense	-	(50.04)	(25.30)	(20.62)	(93.43)	(189.39)
Balance at March 31, 2019	**64.57**	**90.38**	**18.74**	**19.21**	**127.02**	**319.92**

Note:

(i) Freehold Land with a carrying value of ₹ 64.57 lakhs has been hypothecated to secure Non-convertible debentures issued by the Company.

(ii) The deemed cost of the property, plant and equipment as at April 1, 2017 represents carrying value of property, plant and equipment recognised as of April 1, 2017 (transition date) measured as per the previous GAAP. The carrying value as at April 1, 2017 amounting to ₹ 340.41 lakhs represents gross cost of ₹ 777.29 lakhs net of accumulated depreciation of ₹ 436.88 lakhs as at March 31, 2017.

11B Other intangibe assets

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Carrying amounts of :			
a) Computer software	**81.32**	117.55	126.73
	81.32	117.55	126.73

₹ in lakhs

Particulars	Computer software	Total
Deemed cost		
Balance at April 1, 2017	126.73	126.73
Additions	57.90	57.90
Disposals	-	-
Balance at March 31, 2018	184.63	184.63
Additions	67.20	67.20
Disposals	-	-
Balance at March 31, 2019	**251.83**	**251.83**
Accumulated depreciation		
Balance at April 1, 2017	-	-
Amortisation expense	67.08	67.08
Elimination on disposals of assets	-	-
Balance at March 31, 2018	67.08	67.08
Amortisation expense	103.43	103.43
Elimination on disposals of assets	-	-
Balance at March 31, 2019	**170.51**	**170.51**
Carrying amount		
Balance at April 1, 2017	126.73	126.73
Additions	57.90	57.90
Disposals	-	-
Amortisation expense	(67.08)	(67.08)

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₹ in lakhs

Particulars	Computer software	Total
Balance at March 31, 2018	117.55	117.55
Additions	67.20	67.20
Disposals	-	-
Amortisation expense	(103.43)	(103.43)
Balance at March 31, 2019	**81.32**	**81.32**

Note:

(i) The deemed cost of other intangible assets as at April 1, 2017 represents carrying value of other intangible assets recognised as of April 1, 2017 (transition date) measured as per the previous GAAP. The carrying value as at April 1, 2017 amounting to ₹ 126.73 lakhs represents gross cost of ₹ 219.05 lakhs net of accumulated depreciation of ₹ 92.32 lakhs as at March 31, 2017.

12 Other non-financial assets

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Prepaid Finance Charges	1,075.09	598.87	254.65
Capital Advances	22.96	10.15	-
Prepaid Expenses	37.47	19.88	4.68
Balances with government authorities:			
- Service Tax credit receivable	-	-	2.54
Other Advances	73.34	136.40	31.53
	1,208.86	765.30	293.40

13 Debt Securities

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Secured Redeemable Non-Convertible Debentures (Within India)	70,070.00	29,970.00	6,640.00
	70,070.00	29,970.00	6,640.00

(a) Details of Secured Redeemable Non-Convertible Debentures - Redeemable at par:

No of Debentures	Effective Interest Rate	Due date of redemption	Face Value	Balance Outstanding		
				As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
			₹	₹ in lakhs	₹ in lakhs	₹ in lakhs
33,20,000	10.25%	May 15, 2023	100	3,320.00	3,320.00	3,320.00
33,20,000	9.62%	May 15, 2023	100	3,320.00	3,320.00	3,320.00
33,30,000	10.09%	May 15, 2023	100	3,330.00	3,330.00	-
8,000	10.11%	December 26, 2024	1,00,000	8,000.00	8,000.00	-
8,000	10.11%	January 24, 2025	1,00,000	8,000.00	8,000.00	-
4,000	10.11%	February 26, 2025	1,00,000	4,000.00	4,000.00	-
5,000	10.09%	June 20, 2025	1,00,000	5,000.00	-	-
12,500	10.09%	July 20, 2025	1,00,000	12,500.00	-	-
12,500	10.09%	August 20, 2025	1,00,000	12,500.00	-	-
1,01,00,000	10.55%	November 3, 2025	100	10,100.00	-	-
				70,070.00	29,970.00	6,640.00

(i) Redeemable Non-Convertible Debentures are secured by hypothecation of specified Receivables under Financing Activities amounting to ₹ 79,764.42 lakhs as at March 31, 2019 (March 31, 2018 - ₹ 36,234.82 lakhs; April 1, 2017 - ₹ 8,298.16 lakhs) and specified immovable property amounting to ₹ 64.57 lakhs as at March 31, 2019 (March 31, 2018 - ₹ 64.57 lakhs; April 1, 2017 - ₹ 64.57 lakhs)

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14 Borrowings (Other than Debt Securities)

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Term loans (Within India)			
From banks :			
National Housing Bank	14,546.14	16,432.71	7,843.33
Other Banks	67,253.51	37,611.20	15,783.89
From Companies	949.50	-	-
Amount payable on securitisation of financial assets (Within India)	6,473.25	-	-
Short-term borrowings from Banks (Within India)			
Working Capital Demand Loans	-	-	300.00
Cash credits facilities	990.00	-	-
	90,212.40	54,043.91	23,927.22

(a) Details of Term loans and Securitisation payables are as follows:

₹ in lakhs

Effective Interest Rate	Tenure	Balance Outstanding		
		As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
9%-10%	5 - 7 years	16,067.58	15,900.14	2,200.00
10%-11%		22,129.83	5,821.79	9,152.57
11%-11.50%		10,187.00	325.00	425.00
7%-7.50%	7 - 10 years	-	36.25	110.45
7.50%-8%		4,358.50	4,871.70	-
8%-9%		5,532.70	6,253.90	1,846.10
9%-10%		22,859.36	16,271.36	3,303.00
10%-11%		3,900.00	-	1,650.00
8%-9%	> 10 years	1,862.50	2,032.50	2,202.50
9%-10%		-	2,183.91	2,356.32
10%-11%		313.44	347.36	381.28
11%-11.25%		2,011.49	-	-
Total		89,222.40	54,043.91	23,627.22

(i) Term loans from Banks are secured by hypothecation of specified Receivables under Financing Activities amounting to ₹ 101,612.68 lakhs as at March 31, 2019 (March 31, 2018 - ₹ 66,718.80 lakhs; April 1, 2017 - ₹ 29,920.00 lakhs).

(ii) The Company has not defaulted in the repayment of term loans from Banks.

(iii) Loans aggregating to ₹ 14,546.14 lakhs (March 31, 2018 - ₹ 16,432.71 lakhs; April 1, 2017 - ₹ 11,650.06 lakhs) has been guaranteed by the promoter Mr. M Anandan.

(b) Details of Short Term Borrowings are as follows:

Cash credit facilities have been availed at Interest rate of 9-11% p.a.

15 Other financial liabilities

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Interest accrued but not due on borrowings	613.10	752.93	291.85
Advances from customers	7.79	5.99	8.80
Remittances Payable - Securitised Assets	270.36	106.65	195.40
	891.25	865.57	496.05

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16 Current tax liabilities (Net)

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Provision for Income Tax (Net of Advance Tax: March 31, 2019 - ₹ 416.03 lakhs; March 31, 2018 - ₹ 5,900.50 lakhs; April 1, 2017 - ₹ 4.28 lakhs)	97.50	21.04	5.86
	97.50	21.04	5.86

17 Provisions

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Provision for employee benefits:			
Provision for gratuity	94.96	77.23	51.56
Provision for compensated absences	83.68	62.52	41.27
	178.64	139.75	92.83

18 Deferred tax liabilities (Net)

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Deferred tax liabilities/ (assets)			
Tax effect of items constituting deferred tax liabilities:			
On Special Reserve created under section 36(1)(viii) of the Income Tax Act, 1961	2,078.46	1,519.32	763.11
On Provision for doubtful advances allowed under section 36(1)(viia)	51.35	29.91	16.95
Prepaid Finance charges	234.35	104.73	50.99
Tax effect of items constituting deferred tax liabilities	2,364.16	1,653.96	831.05
Tax effect of items constituting deferred tax assets:			
Provision for compensated absences, gratuity and other employee benefits	(52.02)	(48.83)	(32.12)
Impairment Loss Allowance	(157.29)	(146.95)	(104.12)
On difference between written down value of Property, plant and equipment as per books and as per Section 32 of Income Tax Act, 1961	(98.32)	(70.86)	(31.92)
Deferred Processing Fee Income	(763.15)	(626.43)	(375.00)
Tax effect of items constituting deferred tax assets	(1,070.78)	(893.07)	(543.16)
Deferred tax liabilities / (assets) (net)	1,293.38	760.89	287.89
Reconciliation of Deferred Tax:			
Net Deferred Tax (Asset) / Liability as at the beginning of the year	760.89	287.89	241.70
Add / Less: Deferred tax (asset) / liability credited to / expense recognised in Profit and Loss and Other comprehensive income	532.49	473.00	46.19
Net Deferred Tax Liability / (Asset) as at the end of the year	1,293.38	760.89	287.89

19 Other non-financial liabilities

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Deferred Processing Fee Income	3,027.26	1,849.42	1,083.55
Statutory remittances	154.66	131.76	37.86
Payables on purchase of Property, plant and equipment	-	-	30.01
	3,181.92	1,981.18	1,151.42

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20 Equity Share capital

₹ in lakhs

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
(i) Authorised						
Equity shares of ₹ 10 each with voting rights	8,26,00,000	8,260.00	8,26,00,000	8,260.00	8,26,00,000	8,260.00
(ii) Issued, Subscribed and fully paid up						
Equity shares of ₹ 10 each with voting rights	7,87,82,637	7,878.26	7,85,70,137	7,857.01	7,85,70,137	7,857.01
	7,87,82,637	**7,878.26**	**7,85,70,137**	**7,857.01**	**7,85,70,137**	**7,857.01**

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

Particulars	Opening Balance	Fresh issue	ESOP	Closing Balance
Equity shares with voting rights				
Year ended March 31, 2019				
- Number of shares	**7,85,70,137**	**-**	**2,12,500**	**7,87,82,637**
- Amount (₹ in lakhs)	**7,857.01**	**-**	**21.25**	**7,878.26**
Year ended March 31, 2018				
- Number of shares	7,85,70,137	-	-	7,85,70,137
- Amount (₹ in lakhs)	7,857.01	-	-	7,857.01
Year ended March 31, 2017				
- Number of shares	6,22,49,872	1,59,11,765	4,08,500	7,85,70,137
- Amount (₹ in lakhs)	6,224.99	1,591.18	40.84	7,857.01

(b) During the year 2018-19, pursuant to Aptus Employees Stock Option Scheme (ESOP) 2015, the Board of Directors allotted 212,500 fully paid up equity shares of ₹ 10 each at a premium of ₹ 65 each to the employees of the Holding Company vide circular resolution dated April 11, 2018.

(c) During the year 2016-17, the Holding Company had allotted 15,911,765 equity shares of ₹ 10 each at a premium of ₹ 160 per share on preferential basis to Westbridge Cross Over Fund LLC (14,441,176 shares) and India Financial Inclusion Fund (1,470,589 shares) vide Share Subscription Agreement dated August 31, 2016. The said allotment was approved by the Board of Directors at its meeting held on August 11, 2016 and by the members in the Extraordinary General Meeting held on August 31, 2016.

(d) During the year 2016-17, pursuant to Aptus Employees Stock Option Scheme 2010 and Aptus Employees Stock Option Scheme 2015, the Board of Directors allotted fully paid up equity shares of ₹ 10 each to the employees of the Holding Company vide circular resolution dated October 14, 2016 as follows:

- 33,500 shares of ₹ 10 each allotted at a premium of ₹ 10 each, pursuant to Aptus Employees Stock Option Scheme 2010; and
- 375,000 equity shares of ₹ 10 each allotted at a premium of ₹ 65 each, pursuant to Aptus Employees Stock Option Scheme 2015

(e) Terms/right attached to Equity Shares:

The Holding Company has only one class of equity shares having a par value of ₹10 each. Each holder is entitled to one vote per equity share. Dividends proposed by the Board of Directors, if any is subject to the approval of the shareholders at the Annual General Meeting except in case of interim dividend. Repayment of capital will be in proportion to the number of equity shares held.

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(f) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at March 31, 2019		As at March 31, 2018		As at March 31, 2017	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights						
M Anandan	1,77,32,833	22.51%	1,77,32,833	22.57%	1,87,32,833	23.84%
Padma Anandan	50,00,000	6.35%	59,16,666	7.53%	59,16,666	7.53%
Westbridge Cross Over Fund LLC	3,43,45,951	43.60%	3,41,33,451	43.44%	3,27,24,951	41.65%
India Financial Inclusion Fund	-	0.00%	80,46,354	10.24%	80,46,354	10.24%
Granite Hill India Opportunities Fund, Mauritius	39,99,571	5.08%	39,99,571	5.09%	87,11,571	11.09%
Aravali Investment Holdings	39,52,499	5.02%	23,56,000	3.00%	-	0.00%

(g) Shares reserved for issue under options:

Refer Note 40 for details of shares reserved for issue under options.

21 Other Equity

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Securities premium account	**37,449.71**	37,311.58	37,311.58
Employee Stock Options Reserve	**201.78**	161.68	95.83
Special Reserve under Section 29C of National Housing Bank (NHB) Act, 1987	**7,137.57**	4,347.87	2,205.00
Statutory Reserve under Section 45-IC of the Reserve Bank of India Act, 1934	**198.68**	17.75	5.78
Retained Earnings	**16,993.27**	8,797.26	4,283.74
	61,981.01	50,636.14	43,901.93

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Securities premium account		
Opening balance	**37,311.58**	37,311.58
Add : Premium on shares issued during the year	**138.13**	-
Closing Balance	**37,449.71**	37,311.58
(b) Employee Stock Options Reserve		
Opening Balance	**161.68**	95.83
Additions during the year	**40.10**	65.85
Closing Balance	**201.78**	161.68
(c) Special Reserve under Section 29C of National Housing Bank (NHB) Act, 1987		
Balance at the beginning of the year		
a) Statutory Reserve u/s 29C of NHB Act, 1987	**72.35**	72.35
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purpose of Statutory Reserve u/s 29C of the NHB Act, 1987	**4,275.52**	2,132.65

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₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Addition/Appropriation/withdrawal during the year		
Add: a) Amount transferred u/s 29C of NHB Act, 1987	-	-
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory reserve u/s 29C of the NHB Act, 1987 (Refer Note (i) below)	2,789.70	2,142.87
Less: a) Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
b) Amount withdrawn from special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of provision u/s 29 C of NHB Act 1987	-	-
Balance at the end of the year		
a) Statutory Reserve u/s 29C of NHB Act, 1987	72.35	72.35
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purpose of Statutory Reserve u/s 29C of the NHB Act, 1987	7,065.22	4,275.52
	7,137.57	4,347.87
(d) Statutory Reserve (Refer Note (iii) below)		
Balance at the beginning of the year	17.75	5.78
Add: Amount transferred during the year	180.93	11.97
Closing Balance	198.68	17.75
(e) Retained Earnings		
Opening balance	8,797.26	4,283.74
Add: Profit for the year	11,170.13	6,672.60
Add: Other Comprehensive Income for the year (net of tax)	(3.49)	(4.24)
Less: Transfer to Special reserve u/s 36(1)(viii) of Income Tax Act, 1961 (Refer Note (ii) below)	(2,789.70)	(2,142.87)
Less: Transfer to Special reserve (Refer Note (iii) below)	(180.93)	(11.97)
Closing Balance	16,993.27	8,797.26
Total	61,981.01	50,636.14

Notes:

(i) As per Section 29C(1) of the National Housing Bank Act, 1987, the Company is required to transfer atleast 20% of its net profit after tax every year to a reserve before any dividend is declared. For this purpose, any Special Reserve created by the Company under Section 36(1)(viii) of the Income Tax Act,1961, is considered to be an eligible transfer. During the current year, the company has transferred ₹ 2,789.70 lakhs (March 31, 2018 - ₹ 2,142.87 lakhs; April 1, 2017 - ₹ 1,125.81 lakhs) in terms of section 36(1)(viii) to the Special Reserve.

(ii) Total amount clearly earmarked for the purposes of Statutory Reserve u/s 29C is ₹ 4,925.89 lakhs (March 31, 2018 - ₹ 2,872.85 lakhs; April 1, 2017 - ₹ 1,481.74 lakhs) out of which ₹ 72.35 lakhs (March 31, 2018 - ₹ 72.35 lakhs; April 1, 2017 - ₹ 72.35 lakhs) is distinctly identifiable above and the balance of ₹ 4,853.54 lakhs (March 31, 2018 - ₹ 2,800.50 lakhs; April 1, 2017 - ₹ 1,409.39 lakhs) is included in the Special Reserve created u/s 36(1)(viii) of the Income Tax Act, 1961.

(iii) Represents the Reserve fund created under section 45-IC of the Reserve Bank of India Act,1934.

22 Revenue from operations

₹ in lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest income		
- on Housing Loans	15,671.06	9,339.56
- on Non-Housing Loans		
Loan against property	14,205.74	9,254.02
	29,876.80	18,593.58
Fees and Other charges		
Processing fee s	807.37	544.19
Other operating income	1,273.24	696.68
	2,080.61	1,240.87
	31,957.41	19,834.45

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23 Other income

₹ in lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest Income from Deposits with Banks	133.41	32.31
Dividend income:		
from current investments	424.69	200.36
Charges for Marketing	1,315.80	297.90
Other Non Operating Income	10.63	1.49
	1,884.53	532.06

24 Finance costs

₹ in lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest expense on Borrowings		
- Term Loans	6,035.94	3,834.67
- Debentures	5,242.05	1,319.28
Other borrowing costs	239.48	135.22
	11,517.47	5,289.17

25 Employee benefits expense

₹ in lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries, Bonus and Commission	4,501.19	3,065.77
Employee Stock options expense	40.10	65.85
Contributions to provident and other funds	162.42	120.33
Gratuity expense	19.15	23.52
Staff welfare expenses	248.58	214.92
	4,971.44	3,490.39

26 Other expenses

₹ in lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Rent including lease rentals (Refer Note (i) below)	303.71	224.31
Support Costs	-	-
Repairs and maintenance		
- Computers	12.44	5.52
- Others	5.92	8.45
Insurance	9.85	4.41
Information Technology expenses	40.19	36.01
Rates and taxes	197.32	97.52
Communication Expenses	111.22	103.02
Travelling and conveyance	234.98	173.32
Office expenses	286.52	164.64
Printing and stationery	63.69	43.63
Commission to Directors	24.00	18.00
Sitting fees to non-whole time directors	9.30	7.30
Rating Fee	62.92	27.73
Electricity Charges	27.51	20.64
Bank charges	10.38	7.73

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26 Other expenses

₹ in lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Business promotion	19.77	15.43
Legal and professional	91.44	63.23
Payments to auditors (Refer Note (ii) below)	32.88	25.30
Corporate Social Responsibility Expenditure (Refer Note 37)	11.76	-
Miscellaneous expenses	68.65	60.56
	1,624.45	1,106.75
Notes:		
(i) Cancellable operating lease entered for office space	303.71	224.31
(ii) Payments to the Statutory Auditors comprise (net of indirect taxes, where applicable):		
For Statutory Audit	22.00	18.50
For Taxation matters	1.75	1.00
For other services	9.13	5.80
	32.88	25.30

27 Provision for advances

₹ in lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Expected Credit Loss Expense	135.99	120.71
	135.99	120.71

28 Reconciliation of Effective tax rate

The income tax expense for the year can be reconciled to the accounting profit / (loss) as follows:

₹ in lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit before tax	15,299.77	10,122.51
Income tax Expense Calculated at 29.12% (2018: 34.608%) applicable to Holding Company	4,455.29	3,503.20
Effect of change in tax rate	(126.82)	2.79
Effect of income that is exempt from taxation	(123.67)	(69.34)
Effect of inadmissible expenses	29.29	27.46
Effect of admissible deductions	(32.52)	-
Others	(59.98)	(12.12)
Effect of tax rate differentials in respect of subsidiary	(0.72)	(2.08)
Income tax expense recognised in Profit and Loss	4,140.87	3,449.91

The income tax rate used for the above reconciliations is current tax 29.12% (2018: 34.608%) and Deferred tax 29.12% (2018: 34.944%) applicable for the Holding Company, these are the corporate tax rate payable by corporate entities in India on taxable profits under the Income Tax Act, 1961.

29.1 Contingent Liabilities

Corporate undertakings for securitisation of receivables aggregated to ₹ 18.69 lakhs as at March 31, 2019 (March 31, 2018 - ₹ 17.52 lakhs; April 1, 2017 - ₹ 16.95 lakhs). The outflow would arise in the event of a shortfall, if any, in the cashflows of the pool of the securitised receivables.

In respect of these undertakings, management does not believe, based on currently available information, that the maximum outflow that could arise, will have a material adverse effect on the Company's financial condition.

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29.2 Commitments

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
Loans sanctioned to Borrowers pending disbursement	8,189.80	5,826.62	3,690.47
	8,189.80	5,826.62	3,690.47

30 Micro, Small and Medium Enterprises

Based on the extent of information available with the Management, there are no transactions with Micro and Small Enterprises. This has been relied upon by the Auditors.

31.1 Loan Portfolio and Provision for Standard and Non Performing Assets as per Prudential Norms

During the current year, the Group has transitioned into Indian Accounting Standard (Ind AS) with the Transition date as April 1, 2017.

The Companies in the Group, while reporting to the respective regulatory authority, follow the Prudential Norms issued by National Housing Bank and Reserve Bank of India as applicable.

The following is the reconciliation of Provision for Assets, Receivables and Equity between Ind AS and the Prudential Norms issued by the National Housing Bank and Reserve Bank of India as applicable:

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Provision for Assets as per Prudential Norms			
As per Prudential Norms			
Provision on Standard Assets	730.40	502.56	325.95
Provision on Non-performing Assets	219.97	127.66	90.99
	950.37	630.22	416.94
As per Ind AS			
Impairment Loss Allowance	557.56	421.57	300.86
Ind AS adjustment for impairment of Financial Instruments - A	392.81	208.65	116.08
Receivables under Financing Activity			
As per Prudential Norms			
Housing Loans	1,21,944.24	80,476.80	48,284.64
Loan against property	1,01,467.56	59,133.18	33,585.81
	2,23,411.80	1,39,609.98	81,870.45
Interest Income receivable for Non-Performing assets - B			
Housing Loans	90.36	61.68	48.79
Loan against property	105.62	57.98	30.94
	195.98	119.66	79.73
As per Ind AS			
Housing Loans	1,22,034.60	80,538.48	48,333.43
Loan against property	1,01,573.18	59,191.16	33,616.75
	2,23,607.78	1,39,729.64	81,950.18
Deferred Tax Impact on above adjustments - C	(63.41)	(42.54)	(23.24)
Reserves as per norms	69,333.89	58,207.37	51,586.36
Net Impact on Equity on adoption of IndAS (A + B + C)	525.38	285.78	172.58
Equity as per Ind AS	69,859.27	58,493.15	51,758.94

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₹ in lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue from Operations		
As per Prudential Norms	**32,033.72**	19,874.37
Interest Income reversal for Non-Performing assets	**(76.31)**	(39.92)
As per Ind AS	**31,957.41**	19,834.45

31.2.1 Current year

Asset Classification	Loan Outstanding as at March 31, 2019 (Gross)	Provision as at March 31, 2019	Loan Outstanding as at March 31, 2019 (Net)
A. Housing Finance Activities			
Standard Assets	1,21,525.20	359.18	1,21,166.02
Sub-Standard Assets	227.73	34.16	193.57
Doubtful Assets	191.31	76.13	115.18
Sub total (A)	1,21,944.24	469.47	1,21,474.77
B. Non Housing Finance Activities			
- Loans Against Property and Loans subordinated as Credit Enhancements for assets de-recognised			
Standard Assets	1,00,993.80	371.22	1,00,622.58
Sub-Standard Assets	340.83	51.13	289.70
Doubtful Assets	132.93	58.55	74.38
Sub total (B)	1,01,467.56	480.90	1,00,986.66
Grand total (A+B)	2,23,411.80	950.37	2,22,461.43

31.2.2 Previous year

Asset Classification	Loan Outstanding as at March 31, 2018 (Gross)	Provision as at March 31, 2018	Loan Outstanding as at March 31, 2018 (Net)
A. Housing Finance Activities			
Standard Assets	80,099.44	271.64	79,827.80
Sub-Standard Assets	292.71	43.92	248.79
Doubtful Assets	84.65	24.34	60.31
Sub total (A)	80,476.80	339.90	80,136.90
B. Non Housing Finance Activities			
- Loans Against Property and Loans subordinated as Credit Enhancements for assets de-recognised			
Standard Assets	58,826.28	230.92	58,595.36
Sub-Standard Assets	235.96	35.39	200.57
Doubtful Assets	70.94	24.01	46.93
Sub total (B)	59,133.18	290.32	58,842.86
Grand total (A+B)	1,39,609.98	630.22	1,38,979.76

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32 Employee benefit plans

32.1 Defined contribution plans

The Group makes Provident Fund contributions for qualifying employees to the Regional Provident Fund Commissioner. Under the Scheme, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits. The Group recognised ₹ 162.42 lakhs (March 31, 2018 - ₹ 120.33 lakhs) for provident fund contributions in the Statement of Profit and Loss. The contributions payable to the scheme by the Group are at rates specified in the rules of the scheme.

32.2 Defined benefit plans

The Group provides for gratuity, a defined benefit plan (the "gratuity plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The gratuity plan provides a lump sum payment to vested employees at retirement or termination of employment based on the respective employee's last drawn salary and years of employment with the Group. The Group does not have a funded gratuity scheme for its employees.

The Group is exposed to various risks in providing the above gratuity benefit such as: interest rate risk, longevity risk and salary risk.

Interest risk: A decrease in the bond interest rate will increase the plan liability.

Longevity risk: The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Gratuity provision has been made based on the actuarial valuation done as at the year end using the Projected Unit Credit method. The details of actuarial valuation as provided by the Independent Actuary is as follows:

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Change in defined benefit obligations during the year			
Present value of obligation as at beginning of the year	**77.23**	51.56	34.92
Current service cost	**14.10**	10.86	8.28
Past service cost - vested benefits	-	9.40	-
Interest cost	**5.05**	3.26	2.92
Benefits paid	**(6.34)**	(4.35)	(2.08)
Actuarial (gains) / losses	**4.92**	6.50	7.52
Present value of obligation at end of the year	**94.96**	77.23	51.56
Change in Fair value of assets during the year			
Plan Assets at the beginning of the year	-	-	-
Expected Return on Plan Assets	-	-	-
Actual Company Contributions	-	-	-
Actuarial (gains) / losses	-	-	-
Plan Assets at the end of the year	-	-	-
Liability recognised in the Balance Sheet			
Present value of obligation	**94.96**	77.23	51.56
Fair value of Plan Assets	-	-	-
Net Liability recognised in the Balance Sheet	**94.96**	77.23	51.56

₹ in lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Expenses Recognised in the Statement of Profit and Loss:		
Current service cost	**14.10**	10.86
Net Interest on Net Defined Benefit Obligations	**5.05**	3.26
Past service cost	-	9.40
Expenses recognised in the statement of profit and loss	**19.15**	23.52
Amount Recognised for the current period in the Statement of Other Comprehensive Income [OCI]		
Actuarial (gain)/loss on Plan Obligations	**4.92**	6.51
Difference between Actual Return and Interest Income on Plan Assets- (gain)/loss	-	-
Effect of Balance Sheet asset limit	-	-
Amount recognised in OCI for the current period	**4.92**	6.51
Actual return on Plan Assets	-	-

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The key assumptions used in the actuarial valuation as provided by independent actuary are as follows:

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Discount Rate	6.67%	6.82%	6.60%
Future Salary Increase	5.00%	5.00%	5.00%
Mortality	Indian Assured Lives Mortality (2012-14) Ultimate Table	Indian Assured Lives (2006-08) Ultimate table	Indian Assured Lives (2006-08) Ultimate table

Notes:

1. The estimate of the future salary increase takes into account inflation, seniority, promotion and other relevant factors.
2. Discount rate is based on the prevailing market yields of Indian Government Bonds as at the Balance Sheet date for the estimated term of the obligation.
3. Experience adjustments

₹ in lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015
Projected Benefit Obligation	94.96	77.23	51.56	34.92	24.68
Fair Value of Plan Assets	-	-	-	-	-
Surplus / (Deficit)	(94.96)	(77.23)	(51.56)	(34.92)	(24.68)
Experience Adjustments on Plan Liabilities	(4.77)	(8.33)	(1.81)	(6.68)	(1.12)

Sensitivity analysis

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The following table summarises the impact on defined benefit obligation arising due to increase / decrease in key actuarial assumptions by 50 basis points:

As at March 31, 2019

Defined Benefit Obligation	Discount rate	Salary increase rate
Impact of decrease	1.67	(1.72)
Impact of increase	(1.61)	1.78

As at March 31, 2018

Defined Benefit Obligation	Discount rate	Salary increase rate
Impact of decrease	1.25	(1.28)
Impact of increase	(1.21)	1.32

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

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

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32.3 Compensated absences

The key assumptions used in the actuarial valuation as provided by independent actuary are as follows:

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Discount Rate	**6.67%**	6.82%	6.60%
Future Salary Increase	**5.00%**	5.00%	5.00%

33 Segment Reporting:

As per the requirements of Ind AS 108 "Operating Segments", based on evaluation of financial information for allocation of resources and assessing performance, the Group has identified a single segment, viz. "providing long term housing finance, loans against property and refinance loans". Accordingly, there are no separate reportable segments as per Ind AS 108.

34 Related party transactions

34.1 Details of related parties:

Description of relationship	Names of related parties
Key Management Personnel (KMP)	Mr. M Anandan, Chairman & Managing Director
	Mr. P Balaji, EVP & Chief Financial Officer
	Ms. Jyoti Suresh Munot, Company Secretary (from February 01, 2019)
	Ms. C Payal, Company Secretary (till January 31, 2019)
Relatives of Key Management Personnel	Mr. Suman Bollina, Director
Individuals Holding Substantial Interest	Mr. M Anandan, Chairman & Managing Director
Subsidiary	Aptus Finance India Pvt Limited
Entities in which Key Management Personnel Exercise Significant Influence	None

Note: Related party relationships are as identified by the Management and relied upon by the Auditors.

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34.2 Details of related party transactions for the year

Transactions during the year	Names of related parties	Year ended March 31, 2019	Year ended March 31, 2018
Remuneration	Mr. M Anandan		
	- Salary	243.75	195.00
	- Commission	100.00	65.00
	- Others	2.51	1.72
Remuneration	Mr. P Balaji		
	- Salary	76.29	66.25
	- Employee Stock options expense	4.43	9.58
Remuneration	Ms. C Payal		
	- Salary	1.36	1.63
Remuneration	Ms. Jyoti Suresh Munot		
	- Salary	0.27	-
Director Commission	Mr. Suman Bollina	4.00	3.00
Rent	Mr. M Anandan	6.93	6.60

Balances as at year end	Names of related parties	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Personal guarantee given for Borrowings taken by the Company as at year end	Mr. M Anandan	14,546.14	16,432.71	11,650.06

Note:

Remuneration paid to KMP excludes expense recognised for retiral benefits.

35 Financial Instruments

35.1 Capital management

The Group actively manages its capital to meet regulatory norms and current and future business needs, considering the risks in its businesses, expectations of rating agencies, shareholders and investors, and the available options of raising capital. Its capital management framework is administered by the risk committee of Companies in the Group.

The Holding Company is subject to the capital adequacy requirements of the National Housing Bank (NHB). Under NHB's capital adequacy guidelines, the company is required to maintain a minimum ratio of total capital to risk adjusted assets as determined by a specified formula, at least half of which must be Tier 1 capital, which is generally shareholders' equity.

The Group has complied with all regulatory requirements related to regulatory capital and capital adequacy ratios as prescribed by NHB / RBI as applicable.

The Group sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities.

Following is Holding Company's capital as provided internally to key management personnel.

	31-Mar-19	31-Mar-18	01-Apr-17
Capital Adequacy	43.64%	63.90%	98.07%
Tier I Capital	43.21%	63.50%	97.84%
Tier II Capital	0.43%	0.40%	0.23%

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35.2 Categories of Financial Instruments

Particulars	As at March 31, 2019 Measured at			As at March 31, 2018 Measured at			As at April 1, 2017 Measured at		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Financial assets									
Cash and Cash equivalents	-	-	10,732.07	-	-	1,200.17		-	926.32
Bank Balance other than above	-	-	395.36	-	-	156.51	-	-	918.74
Receivables under Financing Activity (net of impairment loss allowance)	-	-	2,23,050.22	-	-	1,39,308.07	-	-	81,649.32
Other Receivables	-	-	64.79	-	-	-	-	-	-
Investments	-	-	-	4,463.55	-	-	53.28	-	-
Other Financial assets	-	-	256.90	-	-	192.03	-	-	181.43
Total Financial Assets	-	-	2,34,499.34	4,463.55	-	1,40,856.78	53.28	-	83,675.81
Financial liabilities									
Debt Securities	-	-	70,070.00	-	-	29,970.00	-	-	6,640.00
Borrowings (Other than Debt Securities)	-	-	90,212.40	-	-	54,043.91	-	-	23,927.22
Trade Payables	-	-	523.58	-	-	265.40	-	-	191.76
Other Financial Liabilities	-	-	891.25	-	-	865.57	-	-	496.05
Total Financial liabilities	-	-	1,61,697.23	-	-	85,144.88	-	-	31,255.03

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35.3 Market risk management

Market Risk is the risk of loss in on-balance sheet and off-balance sheet positions arising from movements in market place, in particular, changes in interest rates, exchange rates and equity. In line with the regulatory requirements, the Holding Company has in place a Board approved Market Risk Management and ALM policy in place. The Policy provides the framework for assessing market risk, in particular, tracking of events happening in market place, changes in policies / guidelines of government and regulators, exchange rate movement, equity market movements, money market movements etc.

35.4 Interest rate risk management

Interest rate risk is managed through ALM policy framed by the Holding Company. The ALM policy is administered through the ALCO (Asset Liability Management Committee) which monitors the following on a monthly basis:

- Borrowing cost of the Company as on a particular date
- Interest rate scenario existing in the market
- Gap in cash flows at the prevalent interest rates
- Effect of Interest rate changes on the Gap in the cash flows
- Fixing appropriate interest rate to be charged to the customer based on the above factors

Interest rate sensitivity analysis

The sensitivity analysis below has been determined for borrowings where interest rates are variable, assuming the amount outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis points increase or decrease in interest rates is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rate were to increase / decrease by 50 basis points and all other variables were held constant, there will be an increase / decrease in the interest cost for the year amounting to ₹ 359.24 lakhs (March 31, 2018 - ₹ 202.88 lakhs).

35.5 Credit risk

Credit risk in the Company arises due to default by customers on their contractual obligations which results to financial losses. Credit Risk is a major risk in the Group and the Group's asset base comprises loans for affordable housing and loans against property. Credit Risk in the Group stems from outright default due to inability or unwillingness of a customer to meet commitments in relation to lending, settlement and other financial transactions. The essence of credit risk assessment in the Group pivots around the early assessment of stress, either in a portfolio or an account, and taking appropriate measures.

35.5.1 Credit risk management

Credit risk in the Group is managed through a framework that sets out policies and procedures covering the measurement and management of credit risk. There is a clear segregation of duties between transaction originators in the business function and approvers in the credit risk function. Board approved credit policies and procedures mitigate the Group's prime risk which is the default risk. There is a Credit Risk Management Committee in the Holding Company for the review of the policies, process and products on an ongoing basis, with approval secured from the Board as and when required. There is a robust Credit Risk Management set-up in the Group at various levels.

1. There are Credit teams to ensure implementation of various policies and processes through random customer visits and assessment, training of branch staff on application errors, liaison with other institutions to obtain necessary information/loan closure documents, as the case may be, and highlight early warning signals and industry developments enabling pro-active field risk management.
2. The credit sanction is done through a delegation matrix where credit sanctioning powers are defined for respective levels.
3. Portfolio analysis and reporting is used to identify and manage credit quality and concentration risks.
4. Credit risk monitoring for the Group is broadly done at two levels: account level and portfolio level. Account monitoring aims to identify weak accounts at an incipient stage to facilitate corrective action. Portfolio monitoring aims towards managing risk concentration in the portfolio as well as identifying stress in certain occupations, markets and states.

35.5.2 Significant increase in credit risk

The Group monitors all financial assets that are subject to impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk, the Company measures the loss allowance based on lifetime rather than Stage 1 (12-month) Expected Credit Loss (ECL). Pending the adoption of scoring models to assess the change in credit status at an account level and at portfolio level, the Group has adopted SICR (Significant Increase in Credit risk) criteria based on Days Past Due (DPD).The following table lists the staging criteria used in the Group: Staging Criterion

Stage-1:0 – 30 days past due

Stage-2:31 – 89 days past due

Stage-3:90+ days past due

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Stage 2 follows the rebuttable presumption of Ind AS 109, that credit risk has increased significantly since initial recognition no later than when contractual payments are more than 30 days past due.

35.5.3 Measurement of ECL

The key inputs used for measuring ECL are:

Probability of default (PD): The PD is an estimate of the likelihood of default over a given time horizon (12 Month). It is estimated as at a point in time. To compute Expected Credit Loss (ECL) the portfolio is segregated into 3 stages viz. Stage 1, Stage 2 and Stage 3 on the basis of Days Past Dues. The Company uses 12 month PD for the stage 1 borrowers and lifetime PD for stage 2 and 3 to compute the ECL.

Loss given default (LGD): LGD is an estimation of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from eligible collateral.

Exposure at default (EAD): EAD is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date including expected drawdowns on committed facilities.

Probability of Default

To arrive at Probability of Default, 'Vintage Analysis' was done considering monthly defaults of borrower since origination.

The analysis considered Monthly Default Rates starting from inception until the end of observation period i.e. March 2019 to calculate default rates for each vintage month. Cumulative PD was calculated from the marginal PDs for each vintage month. Simple Average and Weighted Average PD was computed for each Month on Book (MOB) period starting from MOB 0 until MOB "n" (end of observation period). The Group has used Simple average to eliminate the bias that can be possible due to weighted average effect.

Loss Given Default

LGD was calculated using First time NPA (FTN) date and recovery data for each of these FTN dates. FTN date was taken from inception until March 2019. For each pool, recovery data was mapped to the subsequent months (until March 2019) from the respective default month i.e. recovery data was retrieved and plotted against the flow of month i.e. Months on Book MOB 0, MOB 1, MOB 2, MOB 3 till MOB (n) against each default month. Considering time value of money, recoveries in each month was discounted to arrive at the value as of FTN date. Average Interest Rates charged for each disbursement year was used as the Effective Interest Rates (EIR) for the loans.

Marginal Recovery rates was computed for each month as Discounted Recovery amount for a given month divided by the total outstanding amount for the given FTN date. Cumulative recovery rates were computed for each FTN date and LGD for corresponding FTN date was computed by using the formula (1- Recovery Rate). Weighted average LGD was computed for the entire observation period, weights being the total outstanding amount for each FTN date.

Exposure at Default :

EAD is the total outstanding balance at the reporting date including principal and accrued interests at the reporting date. EAD calculation for all portfolios is as under:

Stage 1 Assets:

- [(The total outstanding balance drawn) + (Undrawn Portion*CCF undrawn)].

Stage 2 Assets:

- [(The total outstanding balance drawn) + (Undrawn Portion*CCF undrawn)].

Stage 3 Assets:

- [(The total outstanding balance drawn) + (Undrawn Portion*CCF undrawn)].

Credit Conversion Factor (CCF) for undrawn portion has been taken at 50% based on the risk weightage assigned by National Housing Bank for CRAR computation.

The Group measures ECL as the product of PD , LGD and EAD estimates for its Ind AS 109 specified financial obligations.

Expected Credit Loss (ECL) has been estimated on the Receivables under financing activity of the Holding Company.

Since the Subsidiary Company has started its lending operations only from the year 2017-18, its loan book is not seasoned enough for analysing and arriving at the Expected Credit Loss.

Hence, the primary risk components - Probability of Default (PD) and Loss Given Default (LGD) evaluated for the Holding Company has been applied for computing the expected credit loss for the receivables of the subsidiary company.

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Credit Risk Concentrations

An analysis of the Group's credit risk concentrations is provided in the following tables which represent gross carrying amounts of each class.

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Receivables under Financing Activities (at amortised cost) - Gross amount			
Concentration by products			
Housing Loans	**1,22,034.60**	80,538.48	48,333.43
Loans against property (including Loans subordinated as Credit Enhancements for assets de-recognised)	**1,01,573.18**	59,191.16	33,616.75
Total Advances	**2,23,607.78**	1,39,729.64	81,950.18
Concentration by region			
Tamil Nadu	**1,33,079.78**	89,819.45	58,371.61
Andhra Pradesh	**40,870.22**	20,844.57	6,094.28
Karnataka	**29,601.96**	16,968.26	10,712.89
Telangana	**20,055.82**	12,097.36	6,771.40
Total	**2,23,607.78**	1,39,729.64	81,950.18

35.5.4 The tables below analyse the movement of the loss allowance during the year per class of assets.

₹ in lakhs

Loss allowance on Receivables under financing activities at amortised cost	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL
Loss allowance as at March 31, 2019	299.25	9.73	248.58
Loss allowance as at March 31, 2018	214.07	4.88	202.62
Movement	85.18	4.85	45.96

₹ in lakhs

Loss allowance on Receivables under financing activities at amortised cost	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL
Loss allowance as at March 31, 2018	214.07	4.88	202.62
Loss allowance as at April 1, 2017	133.61	4.83	162.42
Movement	80.46	0.05	40.20

The table below provides an analysis of the gross carrying amount of Receivables under financing activities by past due status.

₹ in lakhs

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	Gross carrying	Loss allowance	Gross carrying	Loss allowance	Gross carrying	Loss allowance
Receivables under Financing Activities - Gross amount						
0-30 days	**2,19,645.97**	**299.25**	1,37,134.76	214.07	80,353.29	133.61
31-90 days	**2,873.01**	**9.73**	1,790.97	4.88	1,125.55	4.83
More than 90 days	**1,088.80**	**248.58**	803.91	202.62	471.34	162.42
Total	**2,23,607.78**	**557.56**	1,39,729.64	421.57	81,950.18	300.86

Collateral held as security and other credit enhancements

The Group holds collateral or other credit enhancements to mitigate credit risk associated with financial assets. The main types of collateral and the types of assets these are associated with are listed in the table below.

Particulars	Type of Collateral held
Housing Loans	Mortgage of the immovable property
Loan Against Properties	Mortgage of the immovable property

Offsetting financial assets and financial liabilities

The Group has not recognised any financial asset or liability on a net basis

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35.6 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The 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 its reputation.

Exposure to liquidity risk

The Group manages and measures liquidity risk as per its ALM policy and the ALCO (Asset Liability Management Committee of the Holding Company) is responsible for managing the liquidity risk. The Companies in the group not only measure their current liquidity position on an ongoing basis but also forecast how liquidity position may emerge under different assumptions. The liquidity position is tracked through maturity or cash flow mismatches across buckets spanning all maturities. The remaining maturities of borrowings and receivables as at year end are given below:

As at March 31, 2019

₹ in lakhs

Particulars	1 day to 30/31 days (One Month)	Over one month to 2 months	Over 2 months up to 3 months	Over 3 months up to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 7 years	Over 7 years to 10 years	Over 10 years	Total
Liabilities											
Debt Securities	-	-	-	-	-	-	59,970.00	10,100.00	-	-	70,070.00
Borrowings (other than debt securities)	1,335.70	349.27	1,777.99	4,262.37	8,598.01	34,351.90	27,078.55	9,654.42	2,354.34	449.85	90,212.40
Assets											
Receivables under financing activity (Gross amount)	1,105.35	939.22	952.55	2,938.72	6,240.78	30,395.06	38,934.16	42,202.44	54,294.96	45,604.54	2,23,607.78
Investments	-	-	-	-	-	-	-	-	-	-	-

As at March 31, 2018

₹ in lakhs

Particulars	1 day to 30/31 days (One Month)	Over one month to 2 months	Over 2 months up to 3 months	Over 3 months up to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 7 years	Over 7 years to 10 years	Over 10 years	Total
Liabilities											
Debt Securities	-	-	-	-	-	-	20,000.00	9,970.00	-	-	**29,970.00**
Borrowings (other than debt securities)	708.75	167.91	1,015.07	1,928.03	4,033.51	17,884.03	15,441.15	8,300.24	3,764.80	800.42	**54,043.91**
Assets											
Receivables under financing activity (Gross amount)	864.80	562.95	570.92	1,760.19	3,726.75	18,492.40	24,351.75	26,295.91	32,936.22	30,167.75	**1,39,729.64**
Investments	4,463.55	-	-	-	-	-	-	-	-	-	**4,463.55**

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35.7 Fair Value Measurements

Fair Value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair value disclosure are required in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard.

(a) Recognised and measured at fair value

₹ in lakhs

Particulars	Level 1	Level 2	Level 3	Total
As at March 31, 2019				
Financial assets				
Investments	-	-	-	-

₹ in lakhs

Particulars	Level 1	Level 2	Level 3	Total
As at March 31, 2018				
Financial assets				
Investments	4,463.55	-	-	4,463.55

₹ in lakhs

Particulars	Level 1	Level 2	Level 3	Total
As at March 31, 2017				
Financial assets				
Investments	53.28	-	-	53.28

(b) Measured at amortised cost

The management believes that the fair value of cash and cash equivalents, receivables, other financial assets, trade payables, borrowings including debt securities and other financial liabilities carried at amortised cost approximate their net carrying amount.

36 Earnings per share

₹ in lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Basic & Diluted		
Profit After Tax	**11,170.13**	6,672.60
Weighted Average Number of Equity Shares (Face Value ₹ 10 Each) - Basic	**7,87,76,815**	7,85,70,137
Earnings Per Share - Basic (₹)	**14.18**	8.49
Weighted Average Number of Equity Shares (Face Value ₹ 10 Each) - Diluted	**7,89,63,528**	7,86,91,804
Earnings Per Share - Diluted (₹)	**14.15**	8.48

37 Corporate Social Responsibility expenditure:

As per Section 135 of Companies Act 2013, the Holding Company is required to spend ₹ 125.04 lakhs towards CSR activities for the year.

During the year, the Holding Company in consultation with the Health Department of Chennai Corporation, identified Homeless Shelters for children, women and men, Special Shelters and Shelters for mentally challenged. In this regard, the Company had spent ₹ 11.76 lakhs towards improvement of these shelters. Further, the Holding Company has also identified a school with a student strength of around 400-500 to upgrade the facilities and infrastructure of the school. The amount towards this will be spent in FY 2019-20.

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38 Securitised Assets

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Number of Special Purpose Vehicle (SPV) sponsored for Securitisation transactions*	4	3
Outstanding securitised Assets in books of SPV	9,010.89	2,126.46
Less: Collections not yet due to be remitted to SPV**	217.04	70.04
Outstanding securitised Assets as per books	8,793.85	2,056.42
Total amount of exposures retained by the HFC to comply with Minimum Retention Ratio (MRR) as on the date of balance sheet		
a) Off-balance sheet exposures towards Credit Enhancements		
· First Loss	-	-
· Others	-	-
b) On-balance sheet exposures towards Credit Enhancements		
· First Loss – Cash collateral	365.41	131.51
· Others – Overcollateral	1,533.16	522.63
Amount of exposures to securitisation transactions other than MRR		
a) Off-balance sheet exposures towards Credit Enhancements		
· Exposure to own securitisations	-	-
· Exposure to third party securitisations	-	-
b) On-balance sheet exposures towards Credit Enhancements		
· Exposure to own securitisations	-	-
· Exposure to third party securitisations	-	-
Book value of Assets sold	13,508.64	5,735.37

* Represents the SPVs relating to outstanding securitisation transactions

** excludes interest collected from customers on securitised assets.

Also refer Note 6(I)(v) for treatment of securitisation of financial assets during the year.

39 Additional Information as required by paragraph 2 of the General Instruction for preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

As at March 31, 2019:

Name of the entity	Net Assets		Share in Total Comprehensive Income	
	As a % of Consolidated Net Assets	Amount (₹ in lakhs)	As a % of Consolidated Total Comprehensive Income	Amount (₹ in lakhs)
Parent Company				
Aptus Value Housing Finance India Limited	98.62%	68,892.15	91.90%	10,262.01
Indian Subsidiary				
Aptus Finance India Pvt Limited	1.38%	967.12	8.10%	904.63
Total		**69,859.27**		**11,166.64**

As at March 31, 2018:

Name of the entity	Net Assets		Share in Total Comprehensive Income	
	As a % of Consolidated Net Assets	Amount (₹ in lakhs)	As a % of Consolidated Total Comprehensive Income	Amount (₹ in lakhs)
Parent Company				
Aptus Value Housing Finance India Limited	99.89%	58,430.66	99.56%	6,638.78
Indian Subsidiary				
Aptus Finance India Pvt Limited	0.11%	62.49	0.44%	29.58
Total		58,493.15		6,668.36

40 Share-based payments

Employee share option plan

40.1 Details of the employee share option plan

a) In the extraordinary general meeting held on July 29, 2010 and in the Annual General Meeting held on August 7, 2015, the shareholders approved the issue of up to 3,200,000 options and 1,800,000 options respectively under the Scheme titled "APTUS Employees Stock Option Scheme 2010" (hereinafter referred to as Aptus ESOS, 2010) and "Aptus Employees Stock Option Scheme 2015" (hereinafter referred to as Aptus ESOS, 2015).

Both the Schemes allow the issue of options to employees of the Holding Company. Each option comprises one underlying equity share.

As per the Scheme, the Nomination and Remuneration Committee ("The Committee") grants the options to the employees deemed eligible and also governs the operation of the scheme.

The difference between the fair price of the share underlying the options granted on the date of grant of option and the exercise price of the option (being the intrinsic value of the option) representing Stock compensation expense is expensed over the vesting period.

b) Employee stock options details as on the balance sheet date and Movement in share options during the year are as follows:

Particulars	Grant 1	Grant 2	Grant 3	Grant 4	Grant 5	Grant 6	Grant 7 under Aptus ESOS 2015	Grant 8 under Aptus ESOS 2015	Total
	under Aptus ESOS, 2010								
Date of Grant	26-Aug-10	03-Dec-10	11-May-11	19-May-12	03-Aug-12	12-Feb-13	07-Aug-15	17-May-17	
Exercise price per option	10.00	10.00	10.00	10.00	20.00	20.00	75.00	130.00	
Intrinsic Value per option	7.33	7.32	7.25	10.25	10.34	20.91	56.26	111.02	
Options outstanding as at April 1, 2017	-	-	-	-	-	-	11,25,000	-	11,25,000
Add: Options granted during the year	-	-	-	-	-	-	-	1,50,000	1,50,000
Less: Options forfeited/lapsed during the year	-	-	-	-	-	-	-	-	-
Less: Options exercised during the year	-	-	-	-	-	-	-	-	-
Options outstanding as at March 3 1, 2018	-	-	-	-	-	-	11,25,000	1,50,000	12,75,000
Add: Options granted during the year	-	-	-	-	-	-	-	-	-
Less: Options forfeited/lapsed during the year	-	-	-	-	-	-	2,500	-	2,500
Less: Options exercised during the year	-	-	-	-	-	-	2,12,500	-	2,12,500
Options outstanding as at March 31, 2019	-	-	-	-	-	-	9,10,000	1,50,000	10,60,000

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40.2 Fair value of share options granted in the year

During the financial year 2017-18, 150,000 shares were granted under the Aptus ESOS 2015 scheme. The fair value of options used to compute Proforma net profit and earnings per Equity Share have been estimated on the date of the grant using Black-Scholes model by an external firm of Chartered Accountants. The key assumptions used in the model for calculating fair value are as below:

Assumptions	Date of Grant							
	26-Aug-10	03-Dec-10	09-May-11	19-May-12	03-Aug-12	12-Feb-13	07-Aug-15	17-May-17
Risk Free Interest Rate	7.13% to 7.78%	7.07% to 7.58%	7.87% to 7.93%	7.83% to 7.91%	7.83%	7.69% to 7.74%	7.96%	7.21% to 7.73%
Expected Life	1.58 to 3.58	1.25 to 3.25	1.83 to 3.83	1.83 to 3.83	1.67	2.17 to 4.17	4	4
Expected Annual Volatility of Shares	38% to 44%	31% to 41%	35% to 42%	34% to 53%	33%	27% to 36%	30%	36%
Expected Dividend Yield	0%	0%	0%	0%	0%	0%	0%	0%
Price of Underlying share at the time of the Option Grant	7.33	7.32	7.25	10.25	10.34	20.91	56.26	111.02
Fair Value of the Option (₹)								
1st Stage	1.07	0.43	0.88	3.50	0.29	6.22	3.88	29.67
2nd Stage	1.62	1.13	1.49	3.50	0.53	6.64	7.04	36.87
3rd Stage	1.96	1.93	2.25	3.97	0.00	9.42	10.39	43.37
4th Stage							13.78	49.29

40.3 Expense arising from share based payment transaction recognised in profit or loss statement as employee benefit expense are as follows:

₹ in lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Employee benefit expense	40.10	65.85

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41 First-time adoption of Ind AS

The Group has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from April 1, 2018, with a transition date of April 1, 2017. These financial statements for the year ended March 31, 2019 are the first financial statements the Group has prepared under Ind AS. For all periods upto and including the period ended March 31, 2018, the Group prepared its financial statements in accordance with the erstwhile Accounting Standards notified under the Act, read with relevant rules issued thereunder and guidelines issued by National Housing Bank ("NHB") / Reserve Bank of India ("RBI") as applicable (Collectively referred to as "the Previous Indian GAAP").

The adoption of Ind AS has been carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards. Ind AS 101 requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements be applied retrospectively and consistently for all financial years presented. Accordingly, the Group has prepared financial statements which comply with Ind AS for year ended March 31, 2019, together with the comparative information as at and for the period ended March 31, 2018. The Group's opening Ind AS Balance Sheet has been prepared as at April 1, 2017, being the date of transition to Ind AS.

In preparing its opening Ind AS balance sheet as at April 1, 2017, the Group has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act. An explanation of how the transition from Previous Indian GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows is set out in the following tables and notes.

Overall principle

The Group has prepared the opening balance sheet as per Ind AS as of April 1, 2017 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities.

Transition to Ind AS

In preparing these Ind AS financial statements, the Group has availed certain exemptions and exceptions in accordance with Ind AS 101, refer Note 2.15. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and previous GAAP have been recognised directly in equity. This note explains the adjustments made by the Group in restating its previous GAAP financial statements, including the Balance Sheet as at April 1, 2017 and the financial statements as at and for the period ended March 31, 2018.

41.1 Reconciliations between Previous Indian GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

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41.1.1Effect of Ind As adoption on the balance sheet as at March 31, 2018 and April, 1 2017

₹ in lakhs

Particulars	Notes	As at March 31, 2018			As at April 1, 2017		
		Previous Indian GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet	Previous Indian GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet
ASSETS							
Financial Assets							
Cash and cash equivalents		1,200.17	-	1,200.17	926.32	-	926.32
Bank Balance other than stated above		156.51	-	156.51	918.74	-	918.74
Receivables							
(I) Receivables under Financing Activities	c, d	1,38,979.77	328.30	1,39,308.07	81,453.51	195.81	81,649.32
(II) Other Receivables		-	-	-	-	-	-
Investments		4,463.55	-	4,463.55	53.28	-	53.28
Other Financial assets		192.03	-	192.03	181.43	-	181.43
		1,44,992.03	328.30	1,45,320.33	83,533.28	195.81	83,729.09
Non-financial Assets							
Current tax assets (Net)		5.96	-	5.96	60.16	-	60.16
Deferred Tax assets	h	3.37	11.68	15.05	2.18	-	2.18
Property, plant and equipment		316.70	-	316.70	340.41	-	340.41
Other Intangible assets		117.55	-	117.55	126.73	-	126.73
Other non-financial assets	b	166.43	598.87	765.30	38.75	254.65	293.40
		610.01	610.55	1,220.56	568.23	254.65	822.88
TOTAL ASSETS		1,45,602.04	938.85	1,46,540.89	84,101.51	450.46	84,551.97
LIABILITIES AND EQUITY							
LIABILITIES							
Financial Liabilities							
Payables							
Trade Payables							
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		265.40	-	265.40	191.76	-	191.76
Debt Securities		29,970.00	-	29,970.00	6,640.00	-	6,640.00
Borrowings (Other than Debt Securities)		54,043.91	-	54,043.91	23,927.22	-	23,927.22
Other financial liabilities		865.57	-	865.57	496.05	-	496.05
		85,144.88	-	85,144.88	31,255.03	-	31,255.03
Non-Financial Liabilities							
Current tax liabilities (Net)		21.04	-	21.04	5.86	-	5.86
Provisions		139.75	-	139.75	92.83	-	92.83
Deferred tax liabilities (Net)	h	1,209.46	(448.57)	760.89	570.59	(282.70)	287.89
Other non-financial liabilities	a, f	138.61	1,842.57	1,981.18	71.14	1,080.28	1,151.42
		1,508.86	1,394.00	2,902.86	740.42	797.58	1,538.00
EQUITY							
Equity Share capital		7,857.01	-	7,857.01	7,857.01	-	7,857.01
Other Equity	a, b, c, d, f, h	51,091.29	(455.15)	50,636.14	44,249.05	(347.12)	43,901.93
		58,948.30	(455.15)	58,493.15	52,106.06	(347.12)	51,758.94
TOTAL LIABILITIES AND EQUITY		1,45,602.04	938.85	1,46,540.89	84,101.51	450.46	84,551.97

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41.1.2 Reconciliation of total equity as at March 31, 2018 and April 1, 2017

₹ in lakhs

Particulars	Notes	For the year ended March 31, 2018	For the year ended March 31, 2017
Total equity as per previous Indian GAAP		58,948.30	52,106.06
Ind AS Adjustments:			
Adoption of Effective Interest Rate(EIR) for amortisation of Processing Fee Income	a	(1,849.41)	(1,083.55)
Adoption of EIR for amortisation of expenses - financial liabilities at amortised cost	b	598.87	254.65
Application of Expected Credit Loss	c, d	328.31	195.81
Others	f	6.85	3.26
Tax impact on above adjustments	h	460.23	282.71
Total equity as per Ind AS		58,493.15	51,758.94

41.1.3 Effect of Ind As adoption on the statement of profit and loss for the year ended March 31, 2018

₹ in lakhs

Particulars		For the year ended March 31, 2018		
	Notes	Previous Indian GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet
Revenue from operations				
Interest Income	d	18,553.66	39.92	18,593.58
Fees and Other charges	a	2,208.23	(967.36)	1,240.87
Other income		532.06	-	532.06
Total Income		21,293.95	(927.44)	20,366.51
Expenses				
Finance costs	b	5,460.21	(171.04)	5,289.17
Employee benefits expense	a, e, g	3,632.54	(142.15)	3,490.39
Depreciation and amortisation expense		236.98	-	236.98
Other expenses	f	1,110.34	(3.59)	1,106.75
Provision for advances	c	213.27	(92.56)	120.71
Total expenses		10,653.34	(409.34)	10,244.00
Profit before tax		10,640.61	(518.10)	10,122.51
Tax expense				
- Current tax expense		2,987.51	-	2,987.51
- Deferred tax	g, h	637.69	(175.29)	462.40
Net tax expense		3,625.20	(175.29)	3,449.91
Profit for the year		7,015.41	(342.81)	6,672.60
Other Comprehensive Income				
(i) Items that will not be reclassified to profit or loss				
Remeasurement gain / (loss) on defined benefit plan	g	-	(6.51)	(6.51)
(ii) Income tax relating to items that will not be reclassified to profit or loss	g	-	2.27	2.27
		-	(4.24)	(4.24)
Total Comprehensive Income for the year		7,015.41	(347.05)	6,668.36

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41.1.4 Reconciliation of Total Comprehensive Income

₹ in lakhs

Particulars	Notes	For the year ended March 31, 2018
Net Profit after tax for the year ended March 31, 2018 under Previous Indian GAAP		
		7,015.41
Add / (Less) Ind AS Adjustments:		
Adoption of Effective Interest Rate (EIR) for amortisation of Processing Fee Income	a	(765.87)
Adoption of EIR for amortisation of expenses - financial liabilities at amortised cost	b	171.04
Application of Expected Credit Loss	c, d	132.50
Fair Valuation of Employee Stock Options	e	(65.85)
Others	f	3.59
Tax impact on above adjustments	h	177.54
Remeasurement of Defined Benefit Obligation recognised in Other Comprehensive Income under Ind AS (net of tax)	g	4.24
Net Profit after tax for the year under Ind AS		6,672.60
Other Comprehensive Income (net of tax)		(4.24)
Total Comprehensive Income under Ind AS for the year		6,668.36

41.1.5 Cash flow statement

There were no significant reconciliation items between cash flows prepared under Previous Indian GAAP and those prepared under Ind AS.

Notes to the reconciliations

a. Under Previous Indian GAAP, the processing fee earned from receivables was recognised as income when the amount was received. However, as per Ind AS 109, these processing fee are recognised in the Statement of Profit and Loss over the tenure of the loan, as interest income by applying Effective Interest Rate method (EIR). The processing fee received by the Company for the receivables outstanding as on the transition date and for the receivables originated during the year ended March 31, 2018 have been recognised as income over the tenure of the receivables. Hence, the excess processing fee which was recognised earlier on receipt have been reversed. The effect of this change is a decrease in total equity as at March 31, 2018 of ₹ 2,333.33 lakhs (₹ 1,365.97 lakhs as at April 1, 2017), and a decrease in profit for the year ended March 31, 2018 of ₹ 967.36 lakhs. Similarly, the cost incurred for sourcing the receivables have been amortised over the tenure of the loan. The effect of this change has resulted in an increase in total equity as at March 31, 2018 of ₹ 483.91 lakhs (₹ 282.42 lakhs as at April 1, 2017), and an increase in profit for the year ended March 31, 2018 of ₹ 201.49 lakhs.

b. Under Previous Indian GAAP, processing fee incurred on raising borrowings was charged off to the Statement of Profit and Loss in the year in which it is incurred. However, as per Ind AS 109, these processing fee are recognised in the Statement of Profit and Loss over the tenure of the borrowing, as finance cost by applying Effective Interest Rate method (EIR). The processing fee paid by the Company for the borrowings outstanding as on the transition date and for the borrowings raised during the year ended March 31, 2018 have been recognised as expense over the tenure of the respective borrowing. The effect of this change has resulted in an increase in total equity as at March 31, 2018 of ₹ 598.87 lakhs (₹ 254.65 lakhs as at April 1, 2017), and an increase in profit for the year ended March 31, 2018 of ₹ 171.04 lakhs.

c. Under Previous Indian GAAP, Provision for advances was provided as per the provisioning requirements prescribed under the Prudential norms issued by National Housing Bank. Under Ind AS, Provision for advances has been computed based on Expected Credit Loss model as required by Ind AS 109. The effect of this change has resulted in an increase in total equity as at March 31, 2018 of ₹ 208.64 lakhs (₹ 116.07 lakhs as at April 1, 2017), and an increase in profit for the year ended March 31, 2018 of ₹ 92.57 lakhs.

d. Under Previous Indian GAAP, interest is not accrued on Non-performing assets (NPAs). As per Ind AS 109, interest on credit impaired financial assets are recognised and interest accrued along with principal outstanding is considered for expected credit loss. Hence, the Company has recognised interest on receivables classified as Stage 3 assets on the transition date and for the year ended March 31, 2018. The effect of this change has resulted in an increase in total equity as at March 31, 2018 of ₹ 119.66 lakhs (₹ 79.74 lakhs as at April 1, 2017), and an increase in profit for the year ended March 31, 2018 of ₹ 39.92 lakhs.

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FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

e. Under Previous Indian GAAP, the Company has been recording the cost of the employee share based payments based on the intrinsic value method. As per Ind AS 102 Share-based Payment, stock options have to be fair valued on the grant date and expense has to be recognised in the Statement of Profit & Loss over the vesting period on straight-line basis. The Company has accordingly determined the cost of the employee share-based payments considering the fair value principles and in line with Ind AS 101, recognised the share based payment expense for all the unvested options as on the transition date for the period starting from the grant date till the transition date. Further, the share based payment expense recognised for the year ended March 31, 2018 as per the Previous Indian GAAP have been adjusted to reflect the amount that has to be recognised as per Ind AS 102. The effect of this change has resulted in a decrease in profit for the year ended March 31, 2018 of ₹ 65.85 lakhs. This change does not affect total equity.

f. Under Previous Indian GAAP, rent expenses are required to be straight lined over the lease term. Under Ind AS, actual rent paid shall be recognised as expense if the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Accordingly, the lease equalisation reserve has been reversed and actual rent expense has been recognised. The effect of this change has resulted in an increase in total equity as at March 31, 2018 of ₹ 6.85 lakhs (₹ 3.26 lakhs as at April 1, 2017), and an increase in profit for the year ended March 31, 2018 of ₹ 3.59 lakhs.

g. Under Previous Indian GAAP, actuarial gains and losses were recognised in profit or loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of the net defined benefit liability which is recognised in other comprehensive income. Consequently, the tax effect of the same has also been recognised in other comprehensive income under Ind AS instead of profit or loss. The actuarial loss for the year ended March 31, 2018 were ₹ 6.51 lakhs and the tax effect thereon ₹ 2.27 lakhs. This change does not affect total equity, but there is a increase in profit before tax of ₹ 6.51 lakhs, and in total profit of ₹ 4.24 lakhs for the year ended March 31, 2018.

h. Deferred tax has been created on the Ind AS adjustments. The effect of this change has resulted in an increase in total equity as at March 31, 2018 by way of decrease in Deferred Tax liability of ₹ 448.57 lakhs (₹ 282.71 lakhs as at April 1, 2017) and increase in Deferred Tax asset of ₹ 11.67 lakhs (₹ Nil as at April 1, 2017), and an increase in profit for the year ended March 31, 2018 of ₹ 177.54 lakhs.

42 Approval of financial statements

The financial statements were approved for issue by the Board of Directors on May 10, 2019

For and on behalf of the **Board of Directors**

M Anandan
Chairman & Managing Director
(DIN: 00033633)

K M Mohandass
Director
(DIN: 00707839)

P Balaji
Executive Vice President &
Chief Financial Officer

Jyoti Munot
Company Secretary

Place: Chennai
Date: May 10, 2019

Form AOC-1

APTUS VALUE HOUSING FINANCE INDIA LIMITED

FORM AOC-1

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

Statement containing salient features of the financial statement of subsidiaries

Part "A": Subsidiaries

₹ in lakhs

Sl. No.	Particulars	Details
1	Name of the subsidiary	Aptus Finance India Private Limited
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA
4	Share capital	9,000.00
5	Reserves & surplus	967.11
6	Total assets	22,012.24
7	Total Liabilities	12,045.13
8	Investments	-
9	Turnover	2,228.01
10	Profit before taxation	1,294.67
11	Provision for taxation	390.04
12	Profit after taxation	904.63
13	Proposed Dividend	Nil
14	% of shareholding	100%

For and on behalf of the **Board of Directors**

M Anandan
Chairman & Managing Director
(DIN: 00033633)

K M Mohandass
Director
(DIN: 00707839)

P Balaji
Executive Vice President &
Chief Financial Officer

Jyoti Munot
Company Secretary

Place: Chennai
Date: May 10, 2019

Notes

APTUS™

APTUS VALUE HOUSING FINANCE INDIA LIMITED

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