Repco Home Finance

REPCO HOME FINANCE LIMITED.
(Promoted by Repco Bank-Govt. of India Enterprise)
CIN : L65922TN2000PLC044655

RHFL/SE/11/2019-20

September 03, 2019

National Stock Exchange of India Limited,
Exchange Plaza,
Bandra Kurla Complex, Bandra (E)
Mumbai-400 051
NSE Symbol: REPCOHOME

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai- 400001
BSE Security Code: 535322

Kind Attn: Listing Department

Respected Sir,

Sub: Annual Report 2018-19 & Notice Convening the 19th Annual General Meeting

In pursuance to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Annual Report of the Company for the financial year 2018-19 to be adopted by the Members in the 19th Annual General Meeting (AGM) of the Company to be held on 27th September, 2019 along with the notice of 19th Annual General Meeting of the Company.

This is for your Information

Thanking You,

Yours Faithfully,

Company Secretary

Repco
Home Finance

19th Annual Report 2018-19

Shri. Yashpal Gupta, MD& CEO inaugurates Borivali branch at Maharashtra

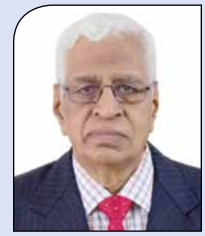
Stepping into new terrain. Shri. Arun Mishra, CDO, inaugurates Jaipur branch - first in the state of Rajasthan

Lamp lighting by Shri. A Palpandi, General Manager during Inaugural event of Satara branch in Maharashtra

BOARD OF DIRECTORS

Chairman
Shri **T.S. KRISHNAMURTHY**
(Chief Election Commissioner, Retd)

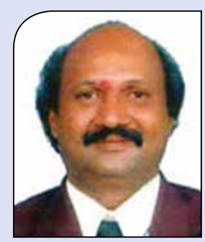
Shri **DINESH PONRAJ OLIVER** I.A.S
Director of Rehabilitation,
Government of Tamil Nadu



Shri **K.SRIDHAR**
Managing Director (Retd)
LIC of India Ltd.

Shri **G.R. SUNDARAVADIVEL**
Executive Director (Retd)
United Bank of India

Shri **V. NADANASABAPATHY**
Dy. General Manager (Retd)
Syndicate Bank



Shri **L. MUNISHWAR GANESAN**
Business Professional

Smt **R.S. ISABELLA**
Managing Director, Repco Bank

Smt **SUMITHRA RAVICHANDRAN**
Practising Chartered Accountant

Shri **YASHPAL GUPTA**
Managing Director & CEO

OUR MISSION

Translating into reality the aspirations of people to own a house covering the market existing and potential comprehensively through institutional credit support customised to suit individual needs in a transparent and ethical way.

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FINANCIAL HIGHLIGHTS

Particulars	Units	IGAAP					Ind AS		
		FY13	FY14	FY15	FY16	FY17	FY18	FY19	CAGR
Outstanding Loan Book	Rs cr	3,544	4,661	6,012	7,691	8,939	9,856	11,036	19%
Sanctions	Rs cr	1,284	1,822	2,399	3,082	2,875	3,079	3,370	13%
Disbursements	Rs cr	1,167	1,715	2,181	2,851	2,642	2,806	3,091	13%
Income from Operations	Rs cr	405	534	692	880	1,044	1,105	1,189	17%
Net Interest Income	Rs cr	125	190	237	303	367	428	469	20%
Profit after tax	Rs cr	80	110	123	150	182	206	234	16%
Networth	Rs cr	623	719	810	951	1,086	1,253	1,441	15%
Debt	Rs cr	3,064	3,902	5,104	6,537	7,560	8,137	9,279	19%

RATIOS

Net interest margin	%	4.0	4.7	4.5	4.4	4.4	4.9	4.5
Gross NPA	%	1.5	1.5	1.3	1.3	2.6	2.9	3.0
Return on assets	%	2.5	2.7	2.3	2.2	2.2	2.1	2.2
Return on equity	%	17.4	16.4	16.1	17.7	18.2	17.5	17.7

CORPORATE INFORMATION

CORPORATE IDENTIFICATION NUMBER: CIN - L65922TN2000PLC044655

BOARD OF DIRECTORS

• Shri. T.S. KrishnaMurthy	Chairman
• Shri. Yashpal Gupta	Managing Director
• Shri. Dinesh Ponraj Oliver, I.A.S	Director
• Shri. K.Sridhar	Director
• Shri. G.R.Sundaravadivel	Director
• Shri.V. Nadanasabapathy	Director
• Shri. L.Munishwar Ganesan	Director
• Smt. R.S. Isabella	Director
• Smt.Sumithra Ravichandran	Director

COMMITTEES OF THE BOARD

AUDIT COMMITTEE

• Shri. K. Sridhar	Chairman of the Committee
• Shri. V. Nadanasabapathy	Member
• Shri. G.R. Sundaravadivel	Member
• Smt. Sumithra Ravichandran	Member

STAKEHOLDERS RELATIONSHIP COMMITTEE

• Shri. G.R. Sundaravadivel	Chairman of the Committee
• Shri. K.Sridhar	Member
• Shri. V. Nadanasabapathy	Member

NOMINATION & REMUNERATION COMMITTEE

• Shri. G.R. Sundaravadivel	Chairman of the Committee
• Shri. K.Sridhar	Member
• Shri. V. Nadanasabapathy	Member
• Smt. R.S. Isabella	Member

COMPENSATION COMMITTEE

• Shri. G.R. Sundaravadivel	Chairman of the Committee
• Shri. K.Sridhar	Member
• Shri. V. Nadanasabapathy	Member

MANAGEMENT AND RISK MANAGEMENT COMMITTEE

• Shri. Dinesh Ponraj Oliver, I.A.S	Chairman of the Committee
• Shri. K.Sridhar	Member
• Shri. V. Nadanasabapathy	Member
• Shri. G.R. Sundaravadivel	Member
• Shri. Yashpal Gupta	Member

CSR COMMITTEE

• Shri. T.S. KrishnaMurthy	Chairman of the Committee
• Shri. K.Sridhar	Member
• Shri. V. Nadanasabapathy	Member
• Shri. G.R. Sundaravadivel	Member

SECURITIES ALLOTMENT COMMITTEE

• Shri. T.S. KrishnaMurthy	Chairman of the Committee
• Shri. K.Sridhar	Member
• Shri. V. Nadanasabapathy	Member
• Shri. G.R. Sundaravadivel	Member
• Shri. L.Munishwar Ganesan	Member

CHIEF FINANCIAL OFFICER

Shri. T. Karunakaran

COMPANY SECRETARY & COMPLIANCE OFFICER

Shri. K. Prabhu

SENIOR MANAGEMENT

• Shri. Arun Mishra	Chief Development Officer
• Smt. Poonam Sen	General Manager
• Shri. A.Palpandi	General Manager
• Shri. K.Pandiarajan	Deputy General Manager / Chief Technology Officer

REGISTERED OFFICE

Repco Tower
No. 33, North Usman Road,
T. Nagar, Chennai 600 017
Telephone: 044-28340715
Facsimile: 044-28340716

CORPORATE OFFICE

Third Floor, Alexander Square,
Old No.34 & 35, New No. 2,
Sardar Patel Road, Guindy, Chennai – 600032
Telephone: 044- 42106650; Mobile: 9444394918
Facsimile: 044 - 42106651
E-mail: cs@repcohome.com
Website: www.repcohome.com

FINANCIAL INSTITUTION

National Housing Bank, New Delhi

STATUTORY AUDITORS

M/s. S.R. Batliboi & Associates LLP
Chartered Accountants
Firm Registration Number: 101049W/E300004
7th Floor, "A" Block
Tidel Park (Module 601,701, & 702)
No. 4, Rajiv Gandhi Salai, Taramani,
Chennai 600 113

DEBENTURE TRUSTEES

M/s. Catalyst Trusteeship Limited
GDA House, Plot No. 85, Bhusari Colony (Right),
Paud Road, Pune - 411 038

REGISTRAR AND SHARE TRANSFER AGENT

Karvy Fintech Private Limited
Karvy Selenium Tower B, Plot 31-32,
Gachibowli, Financial District, Hyderabad -500032
Telephone: 040-67162222
Facsimile: 040-23001153
E-mail: einward.ris@karvy.com

BANKERS

- Abu Dhabi Commercial Bank
- Andhra Bank
- Axis Bank Limited
- Bank of India
- Canara Bank
- Corporation Bank
- HDFC Bank Limited
- ICICI Bank Limited
- IDBI Bank Limited
- IDFC First bank Limited
- Indian Bank
- Indian Overseas Bank
- Karur Vysya Bank
- Kotak Mahindra Bank Limited
- Oriental Bank of Commerce
- Repco Bank Limited
- South Indian Bank Limited
- State Bank of India
- SBI Life Insurance Company Limited
- South Indian Bank
- Syndicate Bank
- UCO Bank
- Union Bank of India
- United Bank of India
- Vijaya Bank
- Yes Bank Limited

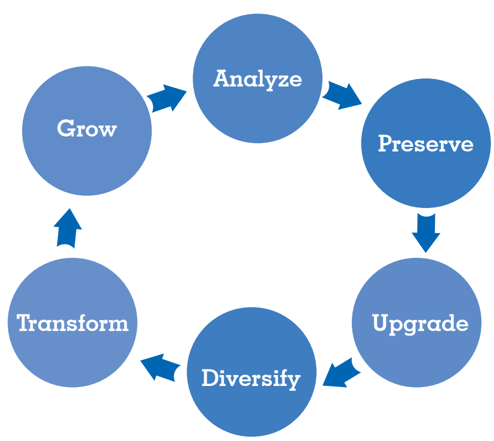
STOCK EXCHANGES

- **National Stock Exchange of India Limited**
  Exchange Plaza, Bandra Kurla Complex, Bandra (E) Mumbai-400 051
- **Bombay Stock Exchange Limited**
  Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001

MANAGEMENT DISCUSSION AND ANALYSIS FY 2018-19

I am delighted to write to you for the first time in my role as MD & CEO of Repco Home Finance Limited. Although the year gone by was an atypical one for doing business from both a microeconomic and macroeconomic point of view – moreso with the proliferation of trust deficit in the borrowings market leading to an acute liquidity crisis - we came out unscathed and stronger. From my new vantage point as MD & CEO I see a better future for the Company as we continue to focus on our granular retail only growth strategy. Our target segment will continue to be small salaried customers employed with MSMEs and SMEs and unsalaried customers running MSMEs, small shops and the like with aspirations to own a house in Tier 2, Tier 3 and Tier 4 towns.

Over the medium term, we will focus on 3 main aspects – sustainable loan book growth, reduction in non-performing assets and profitability. This focused approach will be guided by 6 pillars



A brief introduction to each pillar is as below

a. Analyze – To capture more data, identify patterns and warning signals and focus on fresh slippages and make decision making objective.

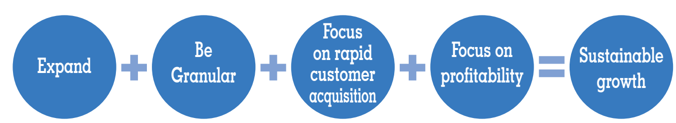
b. Preserve what is already going for us – superior risk based pricing, retain good customers, maintain granularity of loan book, employee loyalty and stakeholder faith in the Company.

c. Upgrade the transparency quotient by introducing the concept of minimum lending rate, which is a function of, among other things, our incremental cost of funds and expected return on equity. Other measures include, a new credit policy and a short term investment policy. In future, we intend to introduce verticalization in our organizational structure.

d. Diversify our 1) business sourcing mix to focus on digital marketing, involvement of selling agents and geographic expansion. In March 2019 we acquired a pool of small ticket housing loans spread across many States including National Capital Region, Madhya Pradesh and Rajasthan in April 2019 we entered the State of Rajasthan by opening a branch at Jaipur 2) revenue mix by cross selling insurance products that are value additive to our borrowers and 3) risk by hiring KYC consultants and in future by tying up with banks and other financial institutions for co-originating loans.

e. Transform by adopting best practices. We recently separated our credit and legal decision making to lower the turnaround time (TAT) and created asset recovery branches (ARBs) to test the waters if the same improves recovery performance.

f. Grow by blending the 5 pillars discussed above and achieve medium term objectives



It is indeed gratifying to note that Repco Home brand is a trusted name amongst our stakeholders, especially our lenders. I would like to thank all our stakeholders for stranding by us.

1. Industry Structure and Developments:

Economic growth of India is estimated to moderate at 7.2% for FY19 as per estimates released by Central Statistics Organization (CSO). At that rate India will continue to hold the tag of the fastest growing economy in the world.

Sudden weakness in INR and surge in global crude prices moved the RBI to change its monetary policy stance from neutral to calibrated tightening and hike benchmark rates by 50 basis points in the first half of the year. Things began to change in the second half when globally crude started falling on supply and global growth slowdown concerns and domestically food inflation started falling. This moved the RBI to cut benchmark rates by 25 basis points each in its February and April 2019 meeting. With retail inflation within the 4% band, there is more room for rate cuts, which would support the housing and real estate industry and other domestic sectors like auto and consumption.

Global trade war and Brexit present risks that cannot be quantified immediately in terms of how the impact would affect our economy and more importantly what it could do to the real estate industry, which is already constrained by availability of funds and is debt ridden.

It is my hope that the trust deficit will narrow and confidence will come back in the system now that a stable Government is in place and some of the high profile debt default cases are on the verge of getting resolved in a time bound manner. The fact that Indian corporate bond market is underpenetrated – forming only 4.5% of GDP – gives me confidence that there is headway for improvement. What also gives me comfort is Government's steadfast focus on keeping inflation low and reforming the banking sector, which will structurally lower the cost of capital in the course of time.

Announcements pertaining to the housing sector in the interim budget 2019, which can improve demand for housing in the near term

- Income tax rebate for taxable income upto Rs. 5 lacs per annum.
- New allocation to Pradhan Mantri Sadak Yojna will see Government spending Rs. 19,000 crore on building road infrastructure. This can boost demand for housing in tier 4 towns and beyond cause broad-based increase in real estate prices.
- Permission to reinvest capital gains from sale of residential property in two houses.
- Notional rent on second self-occupied house scrapped.
- No TDS on rental income upto Rs. 2.4 lakhs per annum.
- Standard deduction increased by Rs. 10,000 to Rs. 50,000.

2. Opportunities and Threats in the Housing Finance Sector

Opportunities:

Government's Initiatives

The housing demand in the real estate sector is quite robust largely due to the growing population (Growth at 1.2%-1.3% per annum) in India, which is complimented by acute housing shortage of 40 million houses (both urban and rural), favourable demographics, rise of concept of nuclear families, migration to urban areas, fiscal benefits, rising income aspirations could lead to a further demand for another 8-10 million houses. Now, the builders with strong balance sheet have shifted their thrust from luxury and mid-end houses to affordable housing which has received some significant impetus from the Government through its initiatives.

Housing for All 2022:

The Government of India has reiterated its commitment to "Housing for all by 2022" in its election manifesto. The mission seeks to address the housing requirement of urban poor including slum dwellers through following programme verticals:

- Slum rehabilitation of Slum Dwellers with participation of private developers using land as a resource
- Promotion of Affordable Housing for weaker section through credit linked subsidy
- Affordable Housing in Partnership with Public & Private sectors
- Subsidy for beneficiary-led individual house construction

The Mission will be implemented until 2022 and will provide central assistance to implementing agencies through States and UTs for providing houses to all eligible families/beneficiaries by 2022.

Pradhan Mantiri Awas Yojana - Credit Linked Subsidy Scheme (PMAY-CLSS)

With an objective to expand institutional credit flow to the housing needs of urban poor, the Government of India (GoI) has launched the Credit Linked Subsidy Scheme (CLSS) under its Housing for all Mission. Credit linked subsidy will be provided on home loans taken by eligible urban poor (Economically Weaker Section/ Lower Income Group and Middle Income Group) for acquisition, construction and improvement of the beneficiaries ' first house. The scheme is implemented through Nodal agencies like National Housing Bank (NHB) and HUDCO.

Under this scheme, Beneficiaries of Economically Weaker section (EWS) and Low Income Group (LIG) seeking housing loans from financial institutions would be eligible for an interest subsidy at the rate of 6.5 % for tenure of 20 years or during tenure of loan whichever is lower. The subsidy will be available only for loan amounts upto Rs 6 lakhs and loans beyond Rs. 6 lakhs, if any, will be at nonsubsidized rate. Similarly, Beneficiaries of Middle Income Group (MIG 1 & 2) seeking housing loans from financial institutions would be eligible for an interest subsidy at the rate of 4 % or 3 % for tenure of 20 years or during tenure of loan whichever is lower. The subsidy will be available only for loan amounts upto Rs 9 lakhs or Rs 12.00 lacs respectively and loans beyond the limits, if any, will be at nonsubsidized rate

Our Company being a prime lending institution has MoU in place with NHB for successful implementation of the scheme.

The aforesaid Government Initiatives are expected to keep the demand for housing robust.

Underpenetrated Market:

Going by the metric of mortgage to GDP ratio of sub-10%, the Indian mortgage market is underpenetrated relative to global peers and significant growth is expected on this front translating into good growth rates going forward.

Urbanization:

Notwithstanding that the growth in population may be showing a decelerating trend, the rapid urbanization in the country is showing a steady growth reflecting favourable prospects for the sector.

Favorable Demographics:

About 67% of our country's population is comprised of persons who are in the mid-thirties age group and given that house purchase decisions are made roughly during this period presents a large opportunity for the sector.

Tax Benefits:

Apart from the measures announced in the interim budget 2019, home loan principal repayment upto Rs. 1.5 lakhs (Section 80C of the Income Tax Act) and interest payment upto Rs. 2 lakhs are eligible for tax deduction. This pushes down the effective interest rate paid on home loans.

Threats

- Economic slowdown and persistent high interest rate scenario could adversely impact the demand for housing and housing finance
- The ongoing chain of events concerning the financial sector resulting in trust deficit and liquidity tightening, if not addressed soon could catapult to a bigger challenge for all non-bank financial companies
- Company's ability to raise resources at competitive rates in an adverse scenario could impact profitability
- Company's ability to hire and train manpower for achieving Company's growth objectives outside south India
- Sizeable exposure to non-salaried segment could exert pressure on the Company's asset quality and increase credit cost in unfavorable economic conditions
- Inability of government to push through the envisaged reforms could result in significant opportunity cost

Strengths and Weakness

Strengths

- Strong profitability ratios even in challenging times
- Robust off-balance sheet liquidity in terms of unavailed long term credit lines.
- There are abundant opportunities to tap in the affordable housing space the Company is present in. More so, in the backdrop of governmental focus on affordable housing
- The Company has demonstrated the efficacy of its business model by successfully replicating it in other prosperous non-south States like Maharashtra, Gujarat and the like
- Focus on tier II and tier III cities and peripheral areas of tier I cities results in less competition from banks and other HFCs leading to possibility of high advances growth
- The Company has over the years gained significant insights in underwriting the risks involved in lending to non-salaried class, which is highly underpenetrated, relatively less competitive and offers higher yields
- Proven track record of containing loan losses at very low levels
- Low operating cost structure –3-5 employees per branch on average, lower rentals in tier 2/3 cities, commission expenses capped, etc.
- Strong Tier 1 capital position; CAR – 24.08%
- Expanding footprint – sowing the seeds for the future

Weakness

- Slowing loan book growth
- Over 90% of the loan book comes from southern States and points to existence of significant concentration risk
- High exposure to Tamil Nadu has resulted in greater susceptibility to State specific factors
- Credit rating of AA assigned by CARE Ratings constrains Company's ability to optimize cost of capital market borrowings in an environment where average marginal cost of lending rate of banks is higher than interest rates prevalent in debt capital market
- Constrained credit rating profile could cause a meaningful rise in cost of funds during times of distress in the economy as credit spreads widen. Worse still, it could restrict Company ability to raise resources, negatively impacting future growth prospects
- Higher NPAs and lower provision coverage vis-à-vis the industry although actual loan losses are amongst the lowest
- There is a lot of scope for improvement as far as technology initiatives within the Company is concerned

Outlook

- Going forward, loan book growth band of the Company would hinge on resolution of State specific factors, branch expansion strategy with focus on customer base expansion and profitability, ability to deepen presence in existing geographies, ability to quickly understand credit cultures of new states so the Company can venture into new territories
- Leverage Company's robust liquidity profile to buy retail loan portfolios from other HFCs/NBFCs via direct assignment
- Continue to target markets that are relatively under penetrated (lower competition, better yields)
- Continue to maintain an optimal blend of non-salaried and salaried loans in the loan book
- Maintain the non-housing book at or below 20% with continued focus on small ticket loans
- Deepen penetration in southern region markets and gradually expand into other regions/states on a contiguous basis.
- Diversify sources of borrowings and effectively manage borrowing cost if and when macroeconomic situation improves
- Focus on cross selling products and earning fee based income
- Exercise strict control on operating costs and improve employee productivity
- Give strong focus on improving the asset quality
- Innovative strategies to optimize productivity, reduce cost and boost profitability

Segment wise - Product wise performance is not applicable.

Corporate Overview

The Company is present in 2 segments – individual home loans and loans against property (LAP). The Company provides a variety of tailor-made home loan products to individual borrowers in both salaried and non-salaried (self employed professional and self employed non-professional) segments to suit various requirements.

Construction or purchase	Repair and Renovation / Extension	Loan against property
• Repco Rural Loan* • Dream Home Loan • Super Loan* • Fifty Plus Loan • NRI Housing Loan • Plot Loan	• Home Makeover Loan • Super Loan* • Repco Rural Loan*	• Prosperity Loan • New Horizon Loan • Commercial Real Estate (CRE) Loan

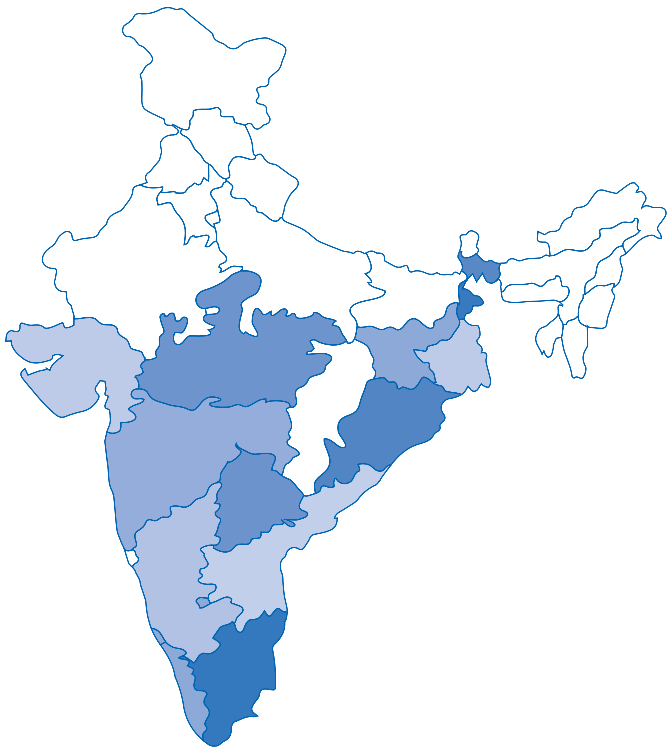
* Overlapping multi-purpose products

100% of the loans extended by the Company is retail in nature.

Geographic Presence

170 points of presence comprising of 144 branches and 26 satellite centers; presence in 11 states and a union territory; greater focus on direct sourcing

During the year, the Company converted 6 satellite centers into branches, opened 7 new branches and 3 new satellite centers, taking the total network to 144 branches and 26 satellite centers. The Company didn't venture into a new state during the year with a view to penetrate deeper in existing regions. The retail network is spread across states of Tamil Nadu, Karnataka, Andhra Pradesh, Telangana, Kerala, Maharashtra, Odisha, West Bengal, Gujarat, Madhya Pradesh, Jharkhand and the Union Territory of Puducherry.



State-wise retail network	March 2019
Tamil Nadu	82
Andhra Pradesh	15
Telangana	7
Gujarat	9
Karnataka	22
Kerala	9
Maharashtra	17
Odisha	2
Puducherry	1
West Bengal	2
Madhya Pradesh	3
Jharkhand	1
Total	170

The Company's sources of customer acquisition are loan camps, customer walk-ins, referrals, direct selling agents and direct sales teams. Of these, loan camps contribute to over 40% of incremental originations. Manager of every branch conducts a loan camp once in every 2-3 months where, a primary assessment of customer documents is done and an in-principle sanction given. The customer then approaches the branch for further processing of his/her loan. The branch personnel act as single point of contact to customers and are responsible for sourcing loans, carrying out preliminary checks on the credit worthiness of potential customers, providing assistance in documentation, disbursing loans and monitoring repayments and collections. This way the Company ensures that there is no conflict of interest and level of accountability is very high. The share of DSA driven business was about 10% of total incremental business generated in FY9.

Result of Operations (Discussion on financial performance with respect to operational performance)

The Company reported satisfactory performance and demonstrated its ability to create value for its stakeholders even during uncertain times. The Company grew at a decent rate given the macroeconomic conditions.

There are no significant in the key financial ratios of the Company

Risk Management

The Company's business activities expose it to a variety of risks including credit risk, operational risk, interest rate risk and more recently (perceived) solvency risk. Risk management forms an integral part of Company's business. The objective of the Company's risk management system is to measure and monitor various risks and to implement policies and procedures to mitigate such risks.

The Company recognizes that identification of risk is most important function in managing and mitigating the risk. The Company identifies the risks in each function / activity. In this process, inputs from all the departments are taken and their viewpoints are considered in totality to do a meaningful analysis for the organization.

The Company analyzes risks in terms of consequence and likelihood of its impact. The analysis considers the range of potential consequences and likelihood of those consequences to occur.

The Company recognizes that risk cannot be eliminated while doing business. In fact, risk has to be leveraged to the potential extent. Taking various factors such as strengths, weaknesses, opportunities and threats, the Company assesses and arrives at the risk appetite to maximize the benefits. It is imperative that the level of risk be measured and evaluated to take calibrated measures to manage the risk at the appropriate level. As mentioned earlier, our pricing adequately covers the risks we take.

Rigorous credit appraisal keeps credit risk in check

The credit appraisal process, which happens both at branch and head office level ensures high level of checks. A preliminary appraisal is performed by the branch manager, branch-level valuers and lawyers. This again is revalidated at the head office level before sanction. Each borrower is rated based on a dynamic credit rating model comprising of 18 parameters carrying different weights. The interest chargeable is linked to the credit score. Credit bureau scores are tracked and taken seriously and proposals with scores below a threshold value are rejected (minor deviations are considered if backed by proper justifications).Apart from that, we are now moving towards capturing and analysing granular characteristics of loan accounts, identifying patterns and behaviours and making the credit underwriting process completely system driven. All efforts are made to ensure that our pricing covers the risk we underwrite. Such pricing discipline, we believe, will generate consistent and superior return ratios.

The Company maintains a conservative loan to value (LTV) and documented installment to income ratio (IIR) on the loans. The average LTV was 59% at the forced sale value and average documented IIR was 35% as on March 31, 2019.

Operational risk is mitigated using various tools

An ongoing monitoring of loan accounts is ensured by credit monitoring department at the head office that tracks, among other things, early mortality cases and early warning signs and informs process owners immediately. Credit offsite team that sits out of a separate office at Chennai checks and double checks all KYC documents before giving disbursement clearance.

Inspection of each branch is performed by an internal inspection team and an audit by an external audit firm at regular intervals. Concurrent audit is done at key branches identified in terms of loans outstanding. Senior Company officials also make surprise visits to branches to check if all processes and best practices are followed. Apart from that, we take the help of external KYC agents to perform KYC and risk checks for all non-housing loans (LAP) and housing loans above a predefined threshold value. We have also recently shifted our attention from non-performing assets to likely non-performing assets. Our recovery team now starts following up with customers and stands ready to take action the moment an account defaults on a payment.

To improve operational efficiency, quarterly Board level discussions are held on reports shared by recovery officers, external audit firm and vigilance officer, who oversee monitoring of Company's offsite transactions and Know Your Customer related compliance. New learning is put to use immediately.

Performance review of all branch personnel is undertaken twice a year by senior management team. It is a platform where performers are rewarded in front of all employees and others are motivated to do their job efficiently.

Interest rate risk

The Company has formulated an asset liability management (ALM) policy, which lays down mechanisms for assessment of various types of risks and altering the asset-liability portfolio in a dynamic way to manage such risks. There is an on-going monitoring of the maturity profile of assets and liabilities by Asset Liability Management Committee (ALCO) - a strategic decision making body constituted by the Board, to mitigate the risks arising from cash flow mismatches, comprising of the Managing Director, Chief Development Officer, Chief Financial Officer and others.

At any point in time, an optimal balance between short term and long term borrowings is maintained in sync with extant asset and liability profile. Most of the long term borrowings and on-lending happen at floating rates, which acts as a hedge in times when interest rate volatility is high.

Solvency Risk

Recent events have brought solvency risk in spotlight. To mitigate this perceived risk we have a short term investment policy in place. The idea is to create and maintain an emergency buffer of upto Rs. 500 Crs to be used in the unlikely event things go out of hand.

The ALCO members are also part of the Investment Committee (IC). In the year ending March 2019, the Company did not feel the need to do any short term investments considering the robust nature of Company's off-balance sheet liquidity in terms of available lines of credit. Not to mention, such short term investments will have a negative carry and dampen profitability. On the other hand, the Company leveraged its comfortable liquidity position to acquire a housing loan pool via direct assignment route.

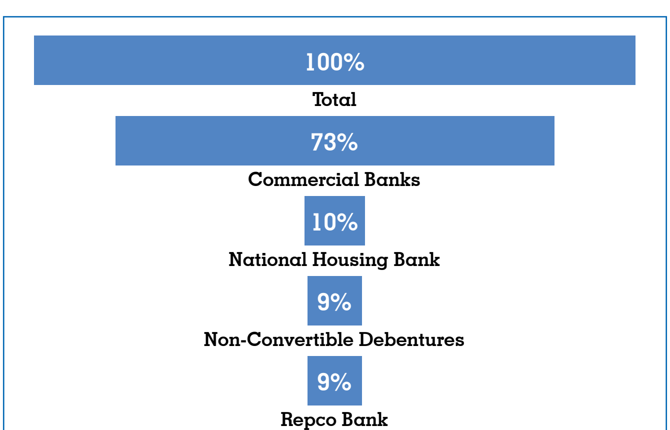
Borrowing Profile

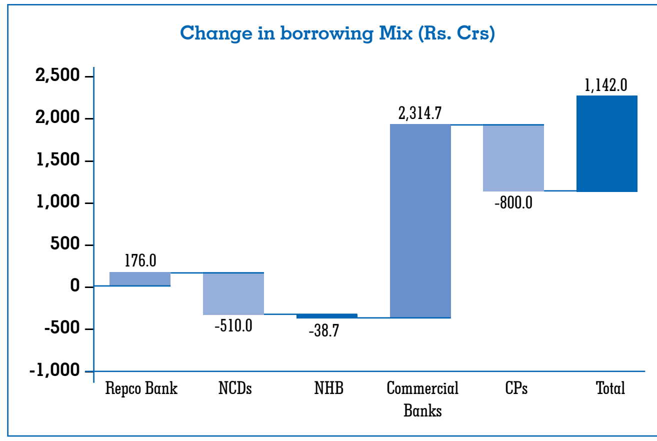
The Company has diversified its sources of funding across five verticals viz. refinance from NHB, long-term bank loans, working capital loan from Repco Bank, non-convertible debentures (NCDs) and commercial papers (CPs).

As of 31st March, 2019, 72.7% of Company's borrowings were by way of borrowings from commercial banks, 9.7% by way of refinance from the National Housing Bank (NHB), 8.6% from Repco Bank and 8.9% by way of non-convertible debentures (NCDs). Although there were no commercial papers outstanding as on March 31, 2019, the Company took advantage of attractive interest rate offered on commercial papers maturing before the Balance Sheet date. The total outstanding borrowings stood at Rs. 9,279.0 Crs as against Rs. 8,137.0 Crs in the previous year.

Going forward, if the prevalent elevated interest rate scenario subsides, the share of NCD, CP borrowings is likely to go up to be offset by declining share of bank borrowings. In a low interest rate scenario, the Company will also explore the option of securitizing its assets via PTC or/and direct assignment route,

As of March 31, 2019, 15.1 % of overall borrowings were on fixed rate basis and 84.9% on floating rate basis. The average tenor on borrowings was 7.7 years.





Borrowing source	Rs. Crs
Repco Bank	798.7
Non-Convertible Debentures	827.0
National Housing Bank	903.6
Commercial Banks	6,749.7
Total	9,279.0

Credit Rating

The Company's short term and long term debt facilities are rated by two rating agencies – CARE Ratings & ICRA.

In FY19, credit rating agency CARE Ratings maintained the AA rating assigned to Company's term loan and non-convertible debenture facilities. Company's commercial paper facility continues to enjoy A1+ rating by CARE Ratings.

Rating agency ICRA maintained AA- rating assigned to Company's term loan facilities and A1+ assigned to Company's commercial paper facility.

Capital Adequacy

RHFL's capital adequacy ratio (CAR) as at March 31, 2019 was 24.08% consisting entirely of Tier-1 capital. Over the medium term, as and when the interest rates soften and risk spreads revert to mean, the Company has plans to securitize its loan assets and issue Tier-2 bonds (as and when required) to maintain its capital adequacy to support its growth ambitions.

Asset Quality

Over the years, the Company has developed robust risk management systems & processes in all areas of operations like loan origination, credit appraisal, loan disbursement and collection & recovery.

However, given the tilt of the loan book towards the unsalaried segment and focus on tier 2 & 3 areas of the country, the asset quality of the book exhibits volatility intra-year. Majority of our salaried customers work for micro, small and medium enterprises and have volatile cash flows. Although the market segment we operate in results in volatile asset quality and relatively higher credit costs, the actual losses are quite low. Cumulative since inception write down of less than Rs. 10 Crs as bad till date (excluding technically written off loans) bears testimony to the aforementioned statement.

Gross non-performing assets (GNPA) and net non-performing assets (NNPA) are 2.95% (Rs. 325.75 Crs) and 1.37% (Rs.207.90 Crs) respectively as on 31st March 2019 as compared to 2.87% (Rs. 282.65 Crs) and 1.29% (Rs.125.48 Crs) in the previous year. The Stage 2 provision coverage ratio stood at 36.1% at the end of FY19.

During the year, the Company opened a total of 2 Asset Recovery Branches (ARBs) at Chennai and Bangalore and transferred some of the non-performing assets from aforementioned regions. The focus of the ARBs will just be on recovery. It was also done to make better use of available manpower resources and to preserve the existing hierarchy by creating a proxy for CO level verticalization. This move will also free up business development resources at branch level, who could now solely focus on growth and containing fresh slippages.

Investments

The Company has investments in the equity of unlisted associate Company, Repco Micro Finance Limited to the extent of Rs.22 Crore (2,20,00,000 equity shares of Rs.10/- each).

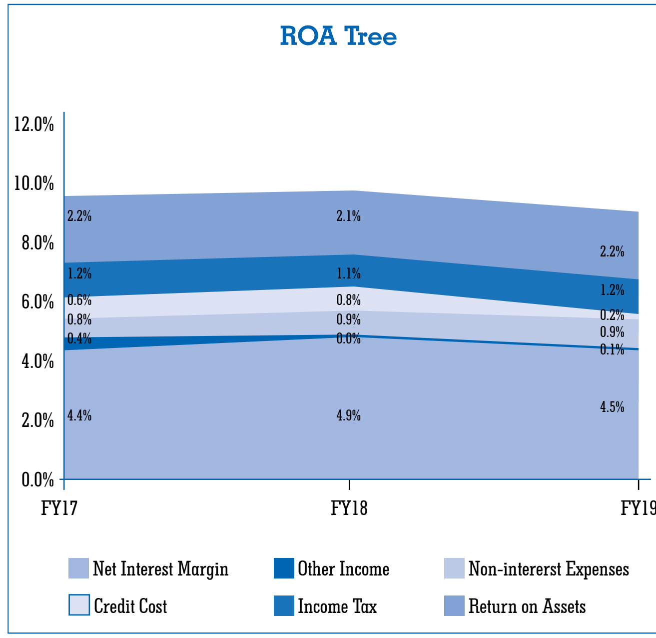
Purchase of Loan Portfolio

The Company invested Rs. 36.5 Crs (our Company's share) to acquire a pool of housing loans from another housing finance Company via direct assignment route.

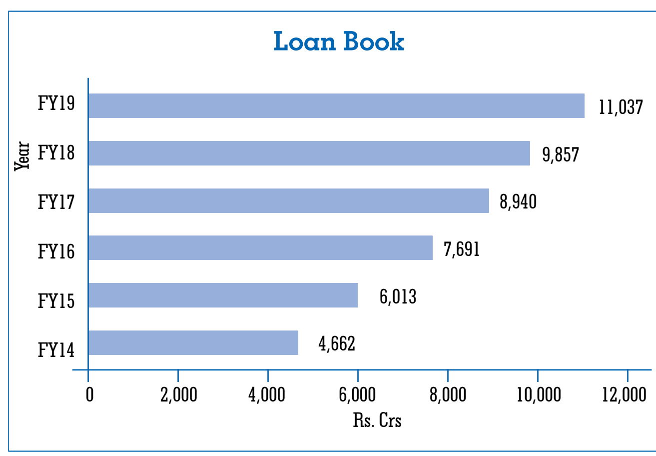
Financial Performance Summary

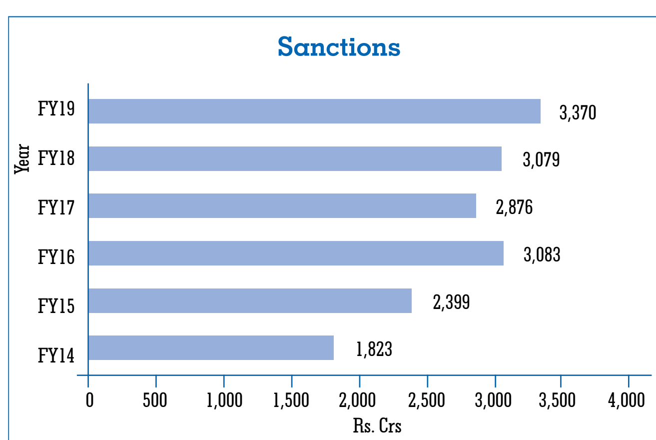
Ratio of income and expenses to average loan assets (ROA Tree)

Metric	FY17	FY18	FY19
Net interest margin	4.4%	4.9%	4.5%
Other income	0.4%	0.0%	0.1%
Non-interest expenses	0.8%	0.9%	0.9%
Credit cost	0.6%	0.8%	0.2%
Income Tax	1.2%	1.1%	1.2%
Return on assets	2.2%	2.1%	2.2%

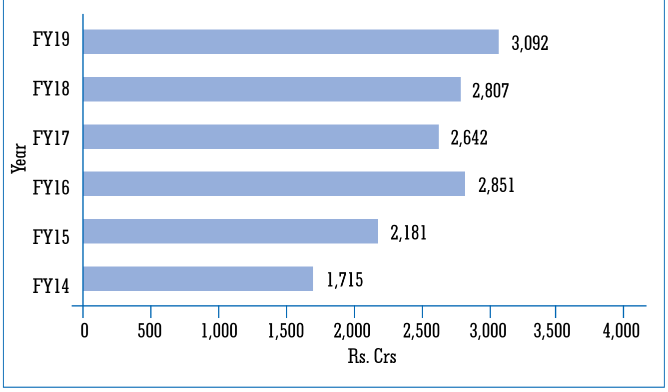


5 YEAR HISTORICAL PERFORMANCE AT A GLANCE

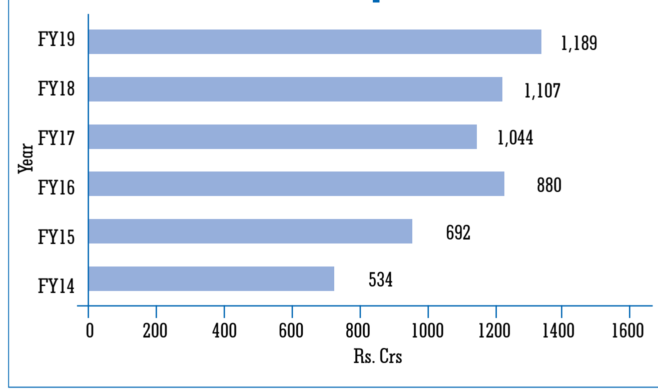




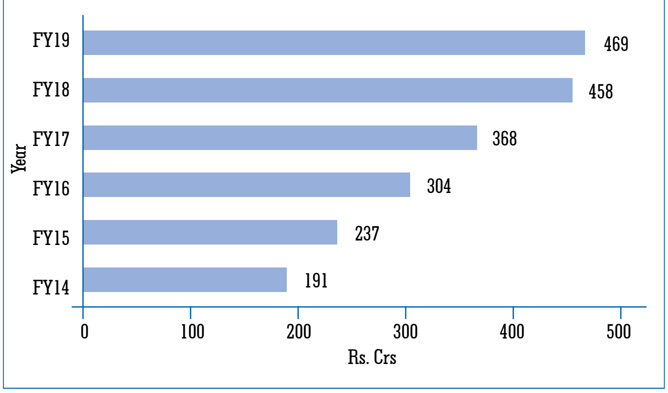
Disbursements



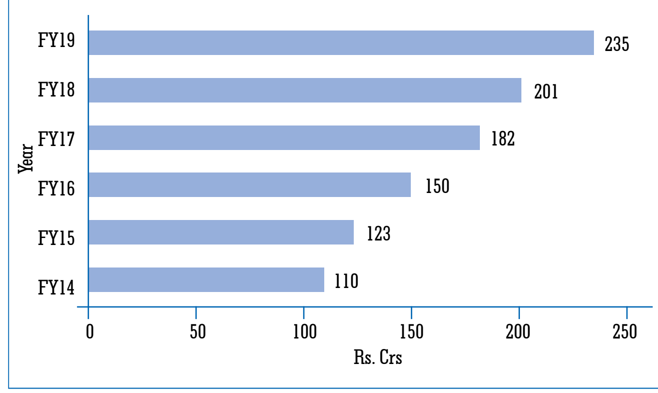
Income from Operations



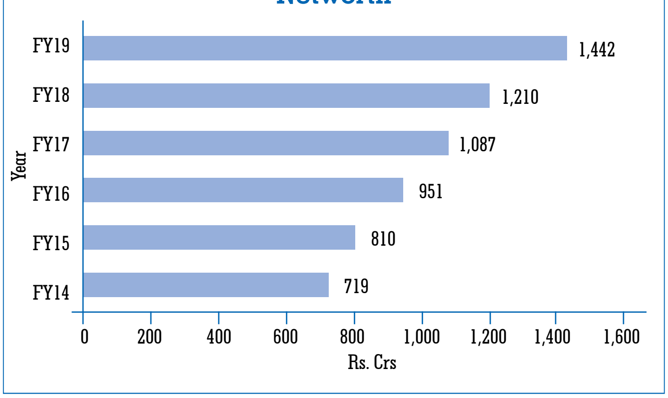
Net Interest Income



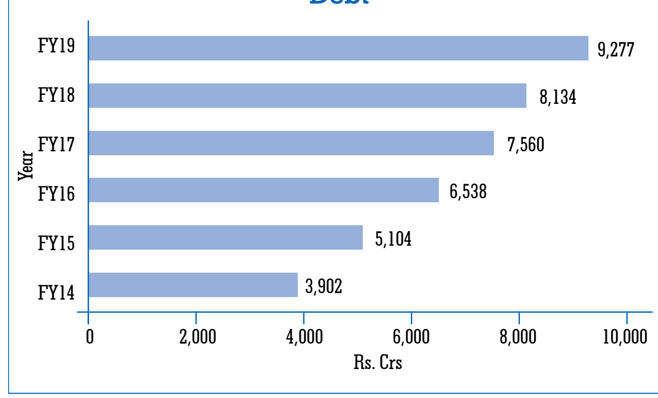
Profit After Tax



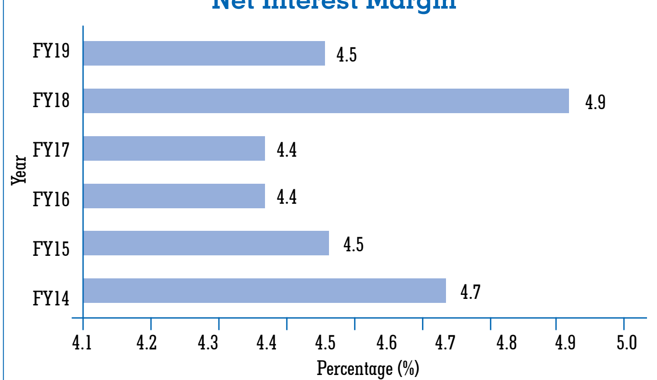
Networth



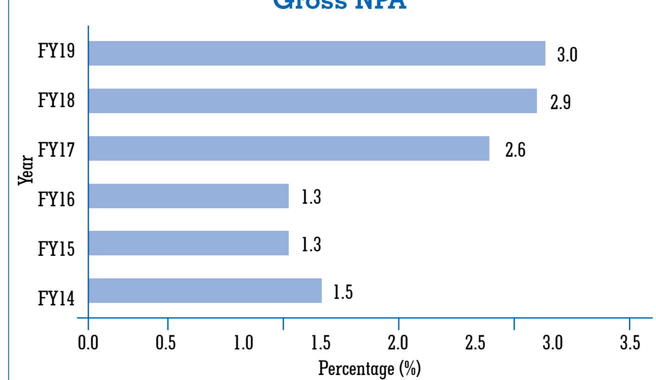
Debt



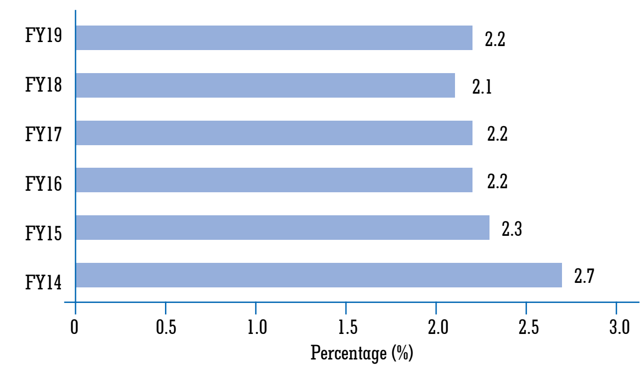
Net Interest Margin



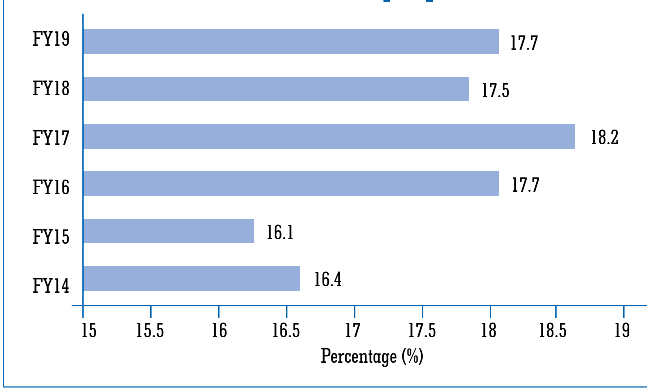
Gross NPA



Return on Assets



Return on Equity



Internal Audit & Control

The Company has put in place organized adequate and effective internal control systems. The Company gets internal audit done by an external chartered accountant firm twice every year. Besides, efforts are made to carry out a full-fledged inspection of every branch once in a year by the head office inspection team. There are stringent systems in place to ensure that the assets and properties of the Company are utilized in the best interest of the Company. The internal control systems and internal auditor's reports are reviewed by the Audit Committee of the Board at regular intervals so as to ensure transparency and proper compliances.

Information Technology

All branches of the Company are connected wirelessly with the head office at Chennai. One of the USPs of the Company is quick processing of loan applications, which is facilitated by the Company's adequate IT infrastructure that ensures all borrower specific documents are transferred online. Automated SMS alerts are also sent to borrowers to remind them of upcoming payments so they can ensure availability of sufficient funds in their bank accounts. The Company's ability to operate and remain competitive depends in part on its ability to maintain and upgrade information technology systems and infrastructure on a timely and cost-effective basis, including ability to process a large number of transactions on a daily basis. An Information Technology audit is conducted every year via an external agency to ensure safety of protocols and data.

Human Resources

The Company believes in attracting, nurturing and retaining a qualitative workforce to accomplish its long-term objectives. To achieve this, the Company provides the necessary internal and external training to keep employees updated in tune with prevailing benchmark practices in the housing finance industry. The Company provides a professional work environment and maintains healthy relations with its employees. As on March 31, 2019, the Company had 929 employees on it rolls.

For and on behalf of the Board of Directors

Yashpal Gupta
Managing Director

Place : Chennai
August 14, 2019

DIRECTORS' REPORT

To the Members

Your Directors are pleased to present to the 19th Annual Report of your Company with the Audit Accounts for the year ended March 31, 2019.

The Company's financial performance for the financial year ended March 31, 2019, is summarized below:

(Rs in crore)

Particulars	Standalone		Consolidated	
	2018-19	2017-18	2018-19	2017-18
Profit before Tax	359.82	307.35	359.82	307.35
Less: Provision for Taxation				
Current Year	101.69	102.38	101.69	102.38
Deferred	23.49	3.97	23.49	3.97
Profit after tax	**234.64**	**201.00**	**234.64**	**201.00**
Other comprehensive Income	0.84	0.23	0.84	0.23
Total Comprehensive Income for the period	**235.48**	**201.23**	**235.48**	**210.23**
Add : Net share of profit from associate	–	–	14.42	9.29
Balance brought forward from previous year	290.07	221.01	307.60	231.50
Less: Dividend received from Associate credited to carrying value of investment	–	–	2.27	2.25
Amount available for appropriation	**525.55**	**422.24**	**555.23**	**439.77**
Appropriations:				
Transferred to Statutory Reserve u/s 29c of the National Housing Bank Act, 1987	46.93	41.23	46.93	41.23
Transferred to special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purpose of Statutory Reserve under Section 29C of the NHB Act, 1987	55.27	55.65	55.27	55.65
Transfer to General Reserve	-	20.00	-	20.00
Dividend for previous year	13.75	12.51	13.75	12.51
Tax on Distributed Profits	2.80	2.55	2.80	2.55
Remeasurement of defined benefit obilgations	0.84	0.23	0.84	0.23
Balance carried forward to balance sheet	405.96	290.07	435.64	307.60
Total	**525.55**	**422.24**	**555.23**	**439.77**
Earnings Per Share				
Basic (Rs.)	37.51	32.13	39.81	33.61
Diluted (Rs.)	37.51	32.13	39.81	33.61

Note: The Financial statements for the year ended March 31, 2019 have been prepared under Indian Accounting Standard (Ind AS). The financial statements for the year ended March 31, 2018 have been restaed in accourdance with Ind-AS

Dividend

Your Directors recommend a dividend of Rs.2.50 per equity share of face value of Rs.10.00 each for the year ended March 31, 2019 as against a dividend of Rs.2.20 per equity share of face value of Rs.10.00 each for the previous year. The dividend payout ratio for the year is 8.02% (amounting to Rs.18.82 crore, inclusive of Tax on dividend) as against 8.24% (amounting to Rs. 16.55 crore, inclusive of Tax on dividend) in the previous year.

In compliance with requirements stipulated vide SEBI notification no. SEBI/ LAD-NRO/GN/2016-17/008 dated July 8, 2016 and Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; the Dividend Distribution Policy of the Company is available on the website of the Company, www.repcohome.com/new_site/corporate_governance.php and has been provided as Annexure-1 to this report.

Changes in Share Capital

During the financial year, there was no change in the Paid up capital of the Company. As at March 31, 2019, the Paid up capital stood at Rs. 62,56,13,620 divided into 6,25,61,362 Equity shares of Rs. 10 each

State of Affairs of the Company

The Company endeavors towards adopting the benchmark underwriting practices backed up by robust monitoring and recovery mechanisms. The Company is committed in its efforts towards improving efficiency and service level in its operations.

Lending Operations

1) Sanctions

During the year, loan approvals stood at Rs. 3,370.02 crore as compared to Rs. 3,079.26 crore in the previous year. The cumulative loan sanctions since inception of the Company stood at Rs. 22052.60 crore at the end of the financial year 2018-19.

2) Disbursements

During the year under review, the Company disbursed loans to the extent of Rs. 3,091.77 crore as against Rs. 2,806.51 crore in the previous year. The Cumulative disbursements stood at Rs. 20272.72 crore at the end of the financial year 2018-19.

3) Loans Outstanding

The loan book of the Company at the end of financial year 2018-19 was Rs. 11,036.81 crore as against Rs. 9,856.78 crore in the previous year representing a growth of 11.97%.

Non-Performing Assets (NPA)

As of March 31, 2019, the gross NPA of the Company was Rs.325.75 crore (previous year Rs.282.65 crore) constituting 2.95% (previous year 2.87%) of the total loans outstanding. During the period under review, the Company has written off Rs. 32.21 crore (previous year Rs.15.77 crore) from its books in respect of loans where recovery had been rendered impracticable. However, the Company continues to make all possible efforts to recover from these accounts.

Regulatory Compliance

The Company is in compliance with the guidelines, circulars and directions of National Housing Bank. The Company is also in compliance with the Companies Act 2013, guidelines, directions and circulars of MCA, SEBI etc.

The Ministry of Corporate Affairs notified the Indian Accounting Standards (Ind AS) applicable to certain class of companies. Ind AS has replaced the Indian GAAP prescribed under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. These notifications are applicable to all Housing Finance Companies (HFCs) effective April 1, 2018. Accordingly, the Company has adopted Ind AS as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment /rules made thereafter. Accordingly, the annual as well as quarterly financials for the previous year were also realigned /restated as per Ind-AS and hence, the figures are not strictly comparable with the statement in the previous Annual Report.

The Company is registered with the Central Registry of Securitization, Asset Reconstruction and Security Interest of India (CERSAI) and furnishes information in respect of its loans. Compliance of all regulatory guidelines to NHB / other statute are periodically reviewed at Audit Committee / Board of the Company.

IRDA Compliance

The Company is registered with IRDAI for carrying on the Insurance Agency Business for life and property and has complied with the applicable requirements under Insurance Regulatory and Development Act, 1999 and IRDAI (Registration of Corporate Agent) Regulations 2015, as amended from time to time.

Other Compliances

(i) The Company had obtained the Legal Entity Identifier No. 335800M7AQBAQYVHEW38 as required under the RBI Circular -No.RBI/2017-18/82 - DBR. No.BP.92/21.04.048/2017-18 dated November 02, 2017 and as advised by NHB. The Registration has been renewed as required on an annual basis.

(ii) As per RBI/2015-16/96 Master Circular No.15/2015-16 on Foreign Investment in India and as per RBI/2017-18/194 A.P (DIR Series) Circular No.30 dated June 07, 2018 on Foreign Investment in India, all types of Companies which have foreign investment are required to report through FIRMS – Reporting in Single Master Form. For the purpose the Company has completed the registration process for Entity User and was issued login credentials.

(iii) As per the ROC letter No. ROCB/Co. No.8699/MSME Notice/2019/3106 dated January 24, 2019 received by the Company and MSME Notification No.S.O. 5621(E) dated November 02, 2018, the Companies registered under the Companies Act, with a turnover of more than Rs.500 Crore shall get themselves registered on the Trade Receivables Discounting System (TReDS) platform. The Company has applied for registration on TReDS Platform through Receivables Exchange of India Limited (RXIL) and has received the provisional registration No. RE0000869 (Membership Code).

(iv) The Company has complied with all the applicable Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time and circulars, notifications etc issued by SEBI.

Capital Adequacy

The Company's capital adequacy ratio as on 31 March 2019 was 24.08% (previous year 23.04%) which is well above the prescribed 12% threshold as per NHB Directions. This consisted entirely of Tier 1 capital.

Financial Resources

Refinance from National Housing Bank (NHB)

During the year the Company has availed refinance facility for Rs.300 crore from National Housing Bank. The refinance outstanding at the end of the year was Rs. 903.60 crore (previous year Rs. 942.31 crore)

Borrowings from Bank and Financial Institutions

The outstanding borrowings (terms loans and overdraft) from Bank and Financial Institutions at the end of the financial year stood at Rs. 7548.41 crore (previous year Rs. 5057.70 crore).

Secured Non-Convertible Debentures

During the year, the Company has not issued any SRNCDs (previous year Rs. 652 crores). The outstanding SRNCDs as on 31st March 2019 was Rs.825.40 crores (previous year Rs. 1334.30 crores). These instruments have been rated "ICRA AA-" by M/s. ICRA Ltd., and "CARE AA" by M/s.CARE Ltd.,

Commercial Papers

The Company's commercial paper is rated A1+ by M/s. ICRA Ltd., and CARE Ltd., implying highest safety. During the financial year 2018-19, the Company has raised funds amounting to Rs. 1225 crores (previous year Rs. 2,350 crores) by way of issuance of commercial paper. After repayments on maturity, the net amount outstanding as at 31st March 2019 is NIL. (Previous year Rs.800 crores).

Unclaimed NCDs / Unclaimed Equity

According to section 125 of the Companies Act, 2013, NCDs and interest thereon remaining unclaimed and unpaid for a period of seven years from the date they became due are required to be credited to the Investor Education and Protection Fund (IEPF) set up by the Government of India. As at 31 March 2019 there are no non convertible debentures amount or interest thereon remaining unpaid or unclaimed.

Disclosure under Housing Finance Companies issuance of Non Convertible Debentures on private placement basis, (NHB) Directions 2014.

There are no Non Convertible Debentures which have not been claimed by the Investors or which were not paid by the Company after the date on which the Non Convertible Debentures became due for redemption. Further the Company has paid the interest on respective due dates. NCDs amounting to Rs.510 crore has been redeemed during FY 2018-19.

Unclaimed Dividends

As of 31 March 2019, dividend amounting to Rs. 261135.50 has not been claimed by the investors. According to section 125 of the Companies Act, 2013 dividends remaining unclaimed for a period of seven years from the date they became due are required to be credited to the Investor Education and Protection Fund (IEPF) set up by the Government of India. In accordance with the Investor Education Fund (Uploading of information regarding unpaid and unclaimed amount lying with the Companies) Rules 2012, the Company has uploaded this information on www.iepf.gov.in and www.repcohome.com/new_site/unclaimed_dividend.php.

Public Deposits

The Company has not accepted deposits from the public during the financial year 2018-19.

Risk Management

The Management & Risk Management of the Company is constituted in line with the provisions of Regulation 21 of the SEBI (LODR) Regulations. The Committee comprises of Shri. Dinesh Ponraj Oliver (Chairman), Shri. G.R. Sundaravadivel, Shri. K.Sridhar, Shri. V. Nadanasabapathy and Shri.Yashpal Gupta.

The Company has in place a risk management policy framework which has been approved by the Board of Directors. The framework identifies various risks faced by the Company and puts in place appropriate mitigants.

Human Resources

The objective of human resource development in an organization is to enhance human productivity through progressive and consistent policies in knowledge & skill upgradation and betterment of employment conditions at all levels. Human Resource Management's objective is to maximize the return on investment from the organization's human capital. It is the responsibility of human resource/ development department in a corporate context to conduct these activities in an effective, legal, impartial and cohesive manner.

Your Company worked tirelessly towards the performance upgradation of its employees by introducing objective performance appraisal mechanism and performance linked incentive structure. Employees are also nominated regularly to attend various training programmes conducted by NHB, ICSI & other capacity building institutions besides in-house training programmes for constant skill upgradation. During the financial year the Company conducted 15 (including online training) in-house training programmes and employees were nominated for 4 external programmes.

The Company provides a professional work environment and maintains a healthy relation with its employees.

As on 31 March 2019, the number of people employed by the Company stood at 929.

Disclosure under the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of women at the workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. The following is a summary of sexual harassment complaints received and disposed off during the year 2018-19

- No. of complaints received: 1
- No of complaints disposed off: 1

Particulars of Employees Covered Under Companies (Appointment and Remuneration of Managerial Personnel Rules, 2014.

During FY18-19, the Company had not employed anyone with a remuneration of Rs.1.02 crore or more per annum.

Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013 and the rules framed thereunder, the Company has in place a Corporate Social Responsibility Committee of Directors comprising of Shri. T.S. KrishnaMurthy, Shri. K. Sridhar, Shri. G.R. Sundaravadivel and Shri. V. Nadanasabapathy and has inter alia formulated a Corporate Social Responsibility Policy.

This Committee envisages the activities to be undertaken in pursuance of CSR initiatives. During the year the Company spent a sum of Rs.0.55 crore towards CSR initiatives. The Annual Report on CSR activities forming part of the Directors' Report is furnished as Annexure-2 to this report.

Employee Stock Option Scheme:

The employee stock options have been granted to the eligible employees and the Managing Director in pursuance of "Repco Home Finance Limited Employees Stock Option Scheme -2013". There are no material changes to this scheme and the said scheme is in compliance with the extant regulations prescribed by the Securities and Exchange Board of India in this regard. The disclosures as required by the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations 2014 have been placed on the website of the Company.

Particulars Relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Expenditure

Particulars relating to conservation of energy and technology absorption stipulated in the Companies (Accounts) Rules 2014 are not applicable to the Company and further the Company has no foreign exchange earnings.

Directors

In accordance with Section 152 of the Companies Act, 2013, Shri. Dinesh Ponraj Oliver, I.A.S, Director of the Company is liable to retire by rotation at the ensuing annual general meeting and is eligible for reappointment. The resolution for his re-appointment forms a part of the notice convening the Annual General Meeting. The details pertaining to the re-appointment are elucidated in the explanatory statement to the notice convening the Annual General Meeting.

The details of familiarization programmes conducted for Independent Directors is put up on the website of the Company.

Details of Managerial Remuneration As Required Under Companies (Appointment And Remuneration of Managerial Personnel) Rules, 2014

The particulars of managerial remuneration as required by under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given as Annexure-3.

Statutory Auditors

At the 17th Annual General Meeting held on 21 September 2017, the members had appointed M/s. S.R. Batliboi & Associates LLP, Chartered Accountants (Firm Registration No. 101049W/ E300004) as Statutory Auditors for a term of five years beginning from the conclusion of the 17th Annual General Meeting till the conclusion of the 22nd Annual General Meeting.

The Statutory Auditors have not made any adverse comments or given any qualification, reservation or adverse remarks or disclaimer in their Audit Report.

Directors' Responsibility Statement

In pursuance of section 134(3)(C) read with Section 134(5) of the Companies Act, 2013, and based on the information provided by the Management, your Directors hereby confirm that:

(a) In the preparation of the annual accounts, the applicable accounting standards have been followed;

(b) Accounting policies selected were applied consistently. Reasonable and prudent judgments and estimates were made so as to give a true and fair view of the state of affairs of the Company as at 31 March 2019 and of the profit and loss of the Company for that date;

(c) Proper and sufficient care has been taken 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;

(d) The annual accounts of the Company have been prepared on a going concern basis;

(e) Internal financial controls have been followed by the Company and such internal financial controls are adequate and were operating effectively.

(f) Systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

Declaration by Independent Directors:

The Independent Directors have given declarations to the Company in terms of Section 149(7) and 149(8) of the Companies Act, 2013 and Regulation 25(8) of SEBI (LODR) Regulations, 2015 that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015.

Internal Control Systems

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board every quarter or at periodic intervals.

Extracts of the Annual Return (Form MGT-9)

In accordance with Sec 134 (3) (a) of the said Act, amended provision, the provisional Annual Return in the prescribed format has been made available on the website of the Company at www.repcohome.com. The extract of Annual return is annexed to this report as Annexure-4.

Secretarial Audit Report

In accordance with Section 204 of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, M/s. G Ramachandran & Associates, Company Secretaries were appointed by the Company to undertake Secretarial Audit of the Company. The Secretarial Audit Report is annexed to this report as Annexure-5.

In addition to the Secretarial Audit Report, Secretarial Compliance report has also been issued by the PCS as per the SEBI Circular No. CIR/CFD/CMD1/27/2019 dated February 02, 2019, and the said report has been submitted to the Stock Exchanges.

Explanation on comments by the Board on Every qualification, reservation on adverse remark or disclaimer made by Auditor /Secretarial Auditor.

Neither the statutory auditor nor the secretarial auditor have made any qualification, reservation or adverse remark or disclaimer in their respective reports.

Secretarial Standards

The Company complies with the mandatory Secretarial Standards i.e. SS-1 and SS-2 issued by the Institute of Company Secretaries of India and has referred to Secretarial Standards SS-3 and SS-4 for good governance.

Details of Loans Given, Guarantees Given or Security Provided

The provisions contained in Section 186(11) of the Companies Act, 2013, relating to loans, guarantees or securities do not apply to the Company.

Investments

The Company has investments in the equity of unlisted associate Company, Repco Micro Finance Limited to the extent of Rs.22 Crore (2,20,00,000 equity shares of Rs.10/- each).

Subsidiary, Joint Ventures And Associate Companies

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013, your Company has prepared Consolidated Financial Statements of the Company which forms part of this Annual Report. Further, a Statement containing salient features of financial statements of the Subsidiary, joint venture entities and associate Companies in the prescribed format AOC-1, pursuant to Section 129(3) of the Companies Act, 2013 and rules made thereunder, is annexed as Annexure-6 to this Report.

Particulars of Contracts or Arrangements with Related Parties Referred to in Section 188(1)

All the related party transactions entered during the year were in ordinary course of business and on arm's length basis. The Company has obtained the shareholders' approval for material related party transactions as required under Listing Regulations.

There are no transactions under the ambit of section 188 of the companies act 2013.

The Company presents a statement of all related party transactions before the Audit Committee. The details of such transactions are given in the accompanying financial statements.

Material Changes and Commitments Affecting Financial Position of the Company between 31 March 2019 and the date of Board's Report.

There has been no material changes and commitment, affecting the financial position of the Company which has occurred between the end of the financial year to which the financial statements relate and the date of the report.

The Company does not have any subsidiary. There has been no change in the nature of business of the Company. No significant or material Orders have been passed by the regulators or Courts or Tribunals impacting the going concern status of the Company and / or the Company's operations in future.

Management Discussion and Analysis

In accordance with the SEBI (LODR) Regulations, 2015, Management Discussion and Analysis Report for the year under review, is presented in a separate section which forms a part of this report.

Report on Corporate Governance

In accordance with the SEBI (LODR) Regulations, 2015, the report on corporate governance for the year under review is presented in a separate section which forms a part of this report.

Board Evaluation

As per the provisions of the Companies Act, 2013 and SEBI Listing Regulations, the Nomination & Remuneration Committee carried out the evaluation of the performance of each Director of the Company and the Board as a whole.

The independent directors held a separate meeting to review the performance of the non-executive directors, the Chairman of the Company and the overall performance of the board.

Vigil Mechanism / Whistle Blower Policy

The Board of Directors has approved the vigil mechanism/ whistle blower policy of the Company which provides a framework to promote a responsible and secure whistle blowing. It protects employees wishing to raise a concern about serious irregularities within the Company. It provides for a vigil mechanism to channelize reporting of such instances/ complaints/ grievances to ensure proper governance. The Audit Committee oversees the vigil mechanism. No employee has been denied access to the Audit Committee. The policy is placed on the website of the Company, www.repcohome.com/new_site/corporate_governance.php.

Listing

The shares of your Company are listed on National Stock Exchange Limited and Bombay Stock Exchange Limited. The Listing fees for the financial year 2019-20 have already been paid to the Stock Exchanges.

Details of non-compliance, penalties, imposed on by any statutory authority

There were no penalties/punishments/compounding of offences for the year ending March 31, 2019

Others

Related Party Transaction Policy

As required by NHB notification no. NHB.HFC.CG-DIR.1/ MD&CEO/2016 dated February 9, 2017, a policy on Transactions with Related Parties is given as 'Annexure-7' to this report.

Business Responsibility Reporting

In accordance with the requirement under Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) (LODR) Regulations, 2015, Business Responsibility Report forms part of the Directors' Report and is annexed as 'Annexure-8' to this report.

Acknowledgements

The Directors of your Company wish to place on record their sincere gratitude to the National Housing Bank and its Executives for continuous guidance and support. We also record our gratitude to our bankers, financial institutions and insurance companies for their continued trust, support and assistance given to the Company.

The Board places on record its sincere gratitude to Ministry of Home Affairs, GOI, SEBI, NSE, BSE, Department of Company Affairs, REPCO Bank, shareholders, Government, local/statutory authorities, customers and all the other stakeholders for their patronage and support for the achievements by the Company despite the most competitive environment in the market.

Your Directors take this opportunity to thank all the executives and employees of the Company and wish to place on record their commendable hard work, team spirit and dedicated service to the customers which enabled the Company to achieve an appreciable level of business performance during the year.

For and on behalf of the Board of Directors

Date : August 14, 2019 **(T.S.KrishnaMurthy)**
Place : Chennai Chairman

ANNEXURE-1 TO DIRECTORS' REPORT

DIVIDEND DISTRIBUTION POLICY

SCOPE AND PURPOSE

The Securities Exchange Board of India (SEBI) on July 8, 2016 has notified the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016 (Regulations). Vide these Regulations, SEBI has inserted Regulation 43A after Regulation 43 of SEBI (LODR) Regulations, 2015, which requires the Company to frame and adopt a Dividend Distribution Policy, which shall be disclosed in its Annual Report and on its website. Accordingly, this Dividend Distribution Policy has been adopted by the Company.

KEY PARAMETERS TO BE CONSIDERED WHILE DECLARING THE DIVIDEND

(a) The circumstances under which the shareholders of the Company may or may not expect dividend:

1. Dividend shall be declared or paid only out of:
   - I. Profit of the current period post:
     - a) providing for depreciation as per law;
     - b) transfer to reserves as per Companies Act, 2013 and National Housing Bank Act, 1987 and Guidelines and the rules made thereunder, Income Tax Act, 1961 or in pursuance of any applicable statute.
   - II. Profit of previous years
     - a) after providing for depreciation as per law; and
     - b) out of the amount available for dividend after prescribed appropriations
   - III. Combination of I or II
2. The losses of previous years will be set off against the current year's or previous year's profit before declaring dividend.
3. The Board will avoid practice of declaration of dividend out of reserves.

(b) The following financial parameters shall be considered before declaration of dividend:

1. Income and profitability parameters:
   - I. Net Interest Income (NII)
   - II. Profit Before Tax (PBT) and Profit After Tax (PAT)
   - III. Return on Assets (RoA)
   - IV. Return on Equity (RoE)
   - V. Earnings Per Share (EPS)
   - VI. Profit growth targets and market expectations
2. Capitalization level parameters:
   - I. Net Owned Funds (NOF)
   - II. Capital Risk Adequacy Ratio (CRAR), tier I capital and tier II capital
   - III. Gross leverage and net leverage
3. Portfolio quality parameters:
   - I. Absolute values of gross NPA and net NPA
   - II. Gross NPA and net NPA as percentage of loan assets
   - III. Provisioning levels and provision coverage
   - IV. Change in regulatory provisioning requirements
   - V. Outlook on portfolio quality

(c) Internal and external factors that shall be considered for declaration of dividend;

1. The Board and Management may decide to utilize its profit for
   - I. Business growth
   - II. Capital expenditure
   - III. Inorganic growth
   - IV. Provision of contingency fund
   - V. Acquisition of technology
2. The level of competition and the prospects of growth for the sector may require the Company to buffer up Capital to enhance operational efficiency.
3. The ability of the Company to raise funds in cost effective manner coupled with the liquidity scenario may also occasion ploughing back of profits.
4. The Company is exposed to operational, environmental, regulatory, and legal risks. Possible adverse impact from these risks notwithstanding risk migration by the Company can have a bearing on dividend payout.

(d) Policy as to how the retained earnings shall be utilized:

The retained earnings will be utilized for the main objects of the Company.

(e) Parameters that shall be adopted with regard to various classes of share

The Company only has one class of equity share and there are no shares with differential rights as to either voting or dividend

ANNEXURE -2 TO DIRECTORS' REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

  Corporate Social Responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large.

  The CSR Policy of the Company as approved by the Board of the Directors, is available on the Company's website at www.repcohome.com/new_site/corporate_governance.php.

- **Composition of the CSR Committee: The CSR Committee comprises of the following directors:**
  - Shri.T.S.KrishnaMurthy (Chairman, Non-Executive and Independent Director)
  - Shri.K.Sridhar (Non-Executive and Independent Director)
  - Shri.V.Nadanasabapathy (Non-Executive and Independent Director)
  - Shri. G.R.Sundaravaidivel (Non-Executive and Independent Director)
- Average net profit of the Company for last three financial years : Rs.269.68 crore
- Prescribed CSR Expenditure (two percent of the amount mentioned in item 3 above) : Rs.5.39 crore
- Details of CSR expenditure during the financial year 2018-19
- Total amount to be spent for the financial year 2018-19: Rs.5.39 crore
- Amount spent during the financial year 2018-19: Rs.0.55 crore
- Amount unspent, if any : Rs.4.84 crore

Reason for not spending the amount:

The Company has earmarked a sum of Rs.2.5 crore for provision of housing to economically downtrodden repatriates in Nilgiris District and the same is excepted to be expendend during the financial year.

The Company could not spend the entire amount due to process constraints and will endevour to spend the specified amount subsequently in appropriate project going forward.

We state that the implementation and monitoring of the CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Shri. Yashpal Gupta	**Shri. T.S. KrishnaMurthy**
Managing Director	Chairman of CSR Committee

Manner in which the amount spent during the financial year 2018-19 is detailed below. **(Rs.)**

S No	CSR Project or Activity identified	Sector in which Project is covered	Projects or Programs with location	Amount Outlay (Budget) Project or Program-wise	Amount spent on the projects or programs	Cumulative	Amount spent direct or through agency
1	Contribution to M/s. Varasidhi Visual Vidyashram	Promoting education and Health Care	Tirunelveli	3,23,150	3,23,150	3,23,150	Direct
2	Contribution to M/s. P.S.Educational Society	Promoting education	Chennai	7,00,000	7,00,000	10,23,150	Direct
3	Contribution to M/s. Robotics and Artificial Intelligence Foundation	Promoting education	Chennai	2,50,000	2,50,000	12,73,150	Direct
4	Contribution to Chief Ministers Distress Relief Fund towards Flood Relief in Kerala	Contribution to Chief Ministers Distress Relief Fund	Kerala	5,00,000	5,00,000	17,73,150	Direct
5	Contribution to M/s. RMD Pain and Palliative Care Trust	Health Care	Chennai	10,25,000	10,25,000	27,98,150	Direct
6	Contribution to Chief Ministers Public Relief Fund Towards rehabilitation in the areas affected by Gaja Cyclone in Tamil Nadu	Contribution to Chief Ministers Relief Fund	Tamilnadu	10,00,000	10,00,000	37,98,150	Direct
7	Contribution towards purchase of products in flood relief areas in Kerala	Contribution towards flood relief	Kerala	96,527	96,527	38,94,677	Direct
8	Contribution towards purchase of relief materials supplied in Gaja cyclone affected areas	Contribution towards cyclone relief	Tamilnadu	1,68,489	1,68,489	40,63,166	Direct
9	Contribution towards renovation of house of repatriate	Rural Development	Coonoor	20,000	20,000	40,83,166	Direct
10	Contribution to M/s. Institute of Social Sciences	Promoting education and empowering women	New Delhi	1,00,000	1,00,000	41,83,166	Direct
11	Contribution to M/s. Urathasinthania Vasaga Ezhuthulargal sangam	Promoting education	Chennai	4,000	4,000	41,87,166	Direct
12	Contribution to M/s. M.S.Chellamuthu Trust & Research Foundation	Health Care	Madurai	5,00,000	5,00,000	46,87,166	Direct
13	Contribution to M/s. Sri Aurobindo Society	Promoting preventive health	Puducherry	1,00,000	1,00,000	47,87,166	Direct
14	Contribution to M/s. Sevalaya	Promoting education, setting up homes and hostels for women and orphans	Chennai	1,00,000	1,00,000	48,87,166	Direct
15	Contribution to M/s. Ramakrishna Mission	Promoting education, and Health Care	Chennai	1,00,000	1,00,000	49,87,166	Direct
16	Contribution to M/s.Nellai Cancer Care Center	Health Care	Tirunelveli	5,00,000	5,00,000	54,87,166	Direct

ANNEXURE – 3 TO DIRECTORS REPORT

DISCLOSURES ON MANAGERIAL REMUNERATION

1) Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2018-19.

Sl No	Name	Designation	Ratio of remuneration to the median employees' remuneration (Times)
1	Shri. T.S.KrishnaMurthy	Chairman, Independent Director	1.28
2	Shri. Dinesh Ponraj Oliver, I.A. S	Non-Executive Director	Nil
3	Shri. K.Sridhar	Independent Director	2.38
4	Shri. G R.Sundaravadivel	Independent Director	2.38
5	Shri. V.Nadanasabapathy	Independent Director	2.55
6	Shri. L.Munishwar Ganesan	Non-Executive Director	0.55
7	Smt. R.S. Isabella	Non-Executive Director	Nil
8	Shri.Yashpal Gupta*	Managing Director	11.46
9	Shri. R. Varadarajan #	Managing Director	19.00

*Appointed on the Board w.e.f 03 January 2019

Retired w.e.f 31 December 2018

2) Percentage increase in the remuneration of each director and key managerial personnel in the financial year 2018-19.

Sl No	Name	Designation	Increase in Remuneration (%)
1	Shri. T.S.KrishnaMurthy	Chairman, Independent Director	87.50
2	Shri. Dinesh Ponraj Oliver, I.A. S	Non-Executive Director	Nil
3	Shri. K.Sridhar	Independent Director	201.54
4	Shri. G R.Sundaravadivel	Independent Director	56.80
5	Shri. V.Nadanasabapathy	Independent Director	61.54
6	Shri. L.Munishwar Ganesan	Non-Executive Director	50.00
7	Smt. R.S. Isabella	Non-Executive Director	Nil
8	Shri. Yashpal Gupta	Managing Director	-
9	Shri. R. Varadarajan	Managing Director	17.11
10	Shri. T. Karunakaran	Chief Financial Officer	9.66
11	Shri. K. Prabhu	Company Secretary	5.90

3) The percentage increase in the median remuneration of employees in the financial year stood at 1.22 %

4) The number of permanent employees on the rolls of the Company: 929

5) Average percentile increase already made in salaries of employees other than managerial personal in last financial year and its comparison with percentile increase in managerial remuneration.

The average increase in the remuneration of all employees was 4.32 % in the financial year 2018-19. The average increase in remuneration of key managerial personnel was 33.69%.

The average increase in the remuneration of managerial personnel was determined based on the overall performance of the Company. Further the criteria for remuneration of non-managerial personnel is based on an internal evaluation of key result areas (KRAs), while the remuneration of the managerial personnel is based on the remuneration policy as recommended by the Nomination & Remuneration Committee and approved by the Board of Directors.

There was no exceptional circumstance which warranted an increase in managerial remuneration which was not justified by the overall performance of the Company.

6) We affirm that the remuneration paid to Directors, Key Managerial Personnel (KMPs) and others is as per the remuneration policy of the Company.

ANNEXURE-4 TO THE DIRECTORS' REPORT

FORM NO. MGT-9 - EXTRACT OF ANNUAL RETURN
(As on the financial year ended on 31st March 2019)

[Pursuant to section 92(3) of the Companies Act, 2013 and
rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION & OTHER DETAILS:

i	CIN	L65922TN2000PLC044655
ii	Registration Date	04.04.2000
iii	Name of the Company	Repco Home Finance Limited
iv	Category/Sub-category of the Company	Public Company limited by shares
v	Address of the Registered office & contact details	Repco Tower, No. 33, North Usman Road T. Nagar, Chennai 600017 Tel : 044 42106650 Fax: 044 42106651 Email : cs@repcohome.com Website: www.repcohome.com
vi	Whether listed Company	Yes
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Karvy Computershare Private Limited Karvy Selenium, Tower B, Plot Number 31 & 32 Financial District, Gachibowli, Hyderabad 500032 Tel : 040-67162222 Fax : 040-23001153 E-mail: einward.ris@karvy.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated:-

SI. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	Housing Finance	65922	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary / Associate	% of Shares held	Applicable Section
1	Repco Micro Finance Limited	U74900TN2007PLC064126	Associate	31.79%	2(6)

Repco Home Finance

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total	Demat	Physical	Total	% of Total	
A. Promoters									
1) Indian	0	0	0	0	0	0	0	0	0
a) Individual / HUF	0	0	0	0	0	0	0	0	0
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt (s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other	23230606	0	23230606	37.13	23230606	0	23230606	37.13	0
Sub-total (A) (1) :-	23230606	0	23230606	37.13	23230606	0	23230606	37.13	0
2) Foreign	0	0	0	0	0	0	0	0	0
a) NRIs-Individuals	0	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other	0	0	0	0	0	0	0	0	0
Sub-total (A) (2) :-	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	**23230606**	**0**	**23230606**	**37.13**		**0**	**23230606**	**37.13**	**0**
B. Public Shareholding									
1) Institutions									
a) Mutual Funds	15108937	0	15108937	24.15	15546369	0	15546369	24.85	0.7
b) Banks / FI	337694	0	337694	0.54	357360	0	357360	0.57	0.03
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	14448971	0	14448971	23.1	14669921	0	14669921	23.45	0.35
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):	**29895602**	**0**	**29895602**	**47.79**	**30573650**	**0**	**30573650**	**48.87**	**-1.08**
2) Non-Institutions									
a) Bodies Corp.									
i) Indian	1208760	0	1208760	1.93	875581	0	875581	1.4	-0.53
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individuals shareholders holding nominal share capital upto Rs.1 lakh	5500811	272	5501083	8.79	4865920	272	4866192	7.78	-1.01
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	766887	0	766887	1.23	597596	0	597596	0.96	-0.27
c) Others (specify)									
NBFCs	6525	0	6525	0.01	3698	0	3698	0.01	0
Trusts	63479	0	63479	0.1	31221	0	31221	0.05	-0.05
Alternative Investment Funds	713711	0	713711	1.14	910162	0	910162	1.45	0.31
Custodians / Clearing member	197607	0	197607	0.32	142446	0	142446	0.23	-0.09
NRIs	977102	0	977102	1.56	1330210	0	1330210	2.13	0.57
Sub-total(B)(2):	9434882	272	9435154	15.08	8756834	272	8757106	14	-1.08
Total Public Shareholding (B)=(B)(1)+(B)(2)	39330484	272	39330756	62.87	39330484	272	39330756	62.87	0.12
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	62561090	272	62561362	100	62561090	272	62561362	100	0

ii) Shareholding of Promoter

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	%of Shares Pledged / encumbered to total shares	
1	Repatriates Co Operative Finance & Development Bank Limited	23230606	37.13	0	23230606	37.13	0	-
	Total	23230606	37.13	0	23230606	37.13	0	-

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

There is no change in the number of shares held by the promoter of the Company.

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

Top Ten Shareholders' Name	Shareholding at the beginning of the year (April 1, 2018)		Shareholding at the end of the year (March 31, 2019)	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
FRANKLIN TEMPLETON MUTUAL FUND A/C FRANKLIN INDIA*	4503550	7.20	3864616	6.18
ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C*	4483513	7.17	4136059	6.61
DSP BLACKROCK SMALL CAP FUND*	3879502	6.20	2784216	4.45
INDIA CAPITAL FUND LIMITED*	2130750	3.41	3444750	5.51
APAX GLOBAL ALPHA LIMITED*	1329085	2.12	1329085	2.12
HSBC GLOBAL INVESTMENT FUNDS - ASIA EX JAPAN EQUITY@	1309056	2.09	0	0
ALLIANCEBERNSTEIN INDIA GROWTH (MAURITIUS) LIMITED@	1113379	1.78	0	0
SUNDARAM MUTUAL FUND A/C SUNDARAM FINANCIAL SERVICE@	865310	1.38	0	0
PARVEST EQUITY INDIA*	750000	1.20	523374	0.84
DSP BLACKROCK CORE FUND*	689457	1.10	620512	0.99
AB FCP I - EMERGING MARKETS GROWTH PORTFOLIO#	0	0	811445	1.30
HDFC SMALL CAP FUND#	156600	0.25	4530653	7.24
AB SICAV I - INDIA GROWTH PORTFOLIO#	0	0	1113379	1.78

1. The shares of the Corporation are substantially held in dematerialised form and are traded on a daily basis and hence, the date wise increase/decrease in shareholding is not indicated.
2. * Common top 10 shareholders as on April 1, 2018 and March 31, 2019

   @ Top 10 shareholders only as on April 1, 2018

   # Top 10 shareholders only as on March 31, 2019

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No	For Each of the Directors & KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the Company	No of shares	% of total shares of the Company
Shareholding of Directors:					
1	Shri.T.S. KrishnaMurthy	265	0.00	265	0.00
2	Shri.Yashpal Gupta	0	0.00	0	0.00
3	Shri.Dinesh Ponraj Oliver, I.A.S	0	0.00	0	0.00
4	Shri.K.Sridhar	0	0.00	0	0.00
5	Shri.V. Nadanasabapathy	0	0.00	0	0.00
6	Shri.G.R. Sundaravadivel	0	0.00	0	0.00
7	Shri.L.Munishwar Ganesan	525	0.00	525	0.00
8	Smt.R.S.Isabella	10	0.00	10	0.00
9	Smt.Sumithra Ravichandran*	0	0.00	0	0.00
Shareholding of Key Managerial Personnel :					
1	Shri.T.Karunakaran	1501	0.00	1501	0.00
2	Shri.K.Prabhu	3500	0.01	3500	0.01

*Appointed w.e.f 01 April 2019

V. INDEBTEDNESS

(Rs in Crore)

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

Particulars	Secured Loans excluding Deposits	Unsecured Loans (CP)	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	7,334.31	800.00	–	8,134.31
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	138.64	–	–	138.64
Total (i+ii+iii)	**7,472.95**	**800.00**	–	**8,272.95**
Change in Indebtedness during the financial year				
• Addition	6,248.95	1,225.00	–	7,473.95
• Reduction	(4,373.16)	(2,025.00)	–	(6,398.16)
Net Change	**1,875.79**	**(800.00)**	–	**1,075.79**
Indebtedness at the end of the financial year				
i) Principal Amount	9,277.41	–	–	9,277.41
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	71.33	–	–	71.33
Total (i+ii+iii)	**9,348.74**	–	–	**9,348.74**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A) Remuneration to Shri. R. Varadarajan, Managing Director (till 31.12.2018):

S. No.	Particulars of Remuneration	Total Amount (Rs.)
1	Gross salary	
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	70,76,042
(b)	Value of perquisites u/s 17(2) Income-tax Act,1961	4,69,460
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL
2	Stock Option (Number of Stocks options granted during the year)	NIL
3	Sweat Equity	NIL
4	Commission	NIL
	- As % of Profit	
	- Others, specify	
5	Others	NIL
	Total	75,45,502
	Ceiling as per the Act*	Refer Note

Remuneration to Shri. Yashpal Gupta, Managing Director (from 03.01.2019-31.03.2019):

S. No.	Particulars of Remuneration	Total Amount (Rs.)
1	Gross salary	
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	13,05,801
(b)	Value of perquisites u/s 17(2) Income-tax Act,1961	37,712
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL
2	Stock Option (Number of Stocks options granted during the year)	NIL
3	Sweat Equity	NIL
4	Commission	NIL
	- As % of Profit	
	- Others, specify	
5	Others	NIL
	Total	13,43,513
	Ceiling as per the Act*	Refer Note

*** Note:** In terms of the provisions of the Companies Act, 2013, the remuneration payable to Managing Director shall not exceed 5% of the net profit of the Company. The remuneration paid to the Managing Director is well within the said limit.

B) Remuneration of other directors:

S. No.	Name	Particulars of Remuneration*			
		Fees for attending board/committee meetings (Rs.)	Commission (Rs.)	Others (Rs.)	Total* (Rs.)
1	Shri.T.S. KrishnaMurthy	5,25,000	-	-	5,25,000
2	Shri.Dinesh Ponraj Oliver, I.A.S	-	-	-	-
3	Shri.K.Sridhar	9,80,000	-	-	9,80,000
4	Shri.V. Nadanasabapathy	10,50,000	-	-	10,50,000
5	Shri.G.R. Sundaravadivel	9,80,000	-	-	9,80,000
6	Shri.L.Munishwar Ganesan	2,25,000	-	-	2,25,000
7	Smt.R.S.Isabella	-	-	-	-
	Total Managerial Remuneration	37,60,000	-	-	37,60,000
	Ceiling as per the Act#				Refer Note

Note: In terms of the provisions of the Companies Act, 2013, the remuneration payable to directors other than executive directors shall not exceed 1% of the net profit of the Company .The remuneration paid to the directors is well within the said limit.

C) Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD

S. No.	Particulars of Remuneration	Name of KMP		Total Amount (in Rs.)
		Shri. T. Karunakaran Chief Financial Officer	Shri. K. Prabhu Company Secretary	
1	Gross salary			
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	22,24,907	18,84,659	41,09,566
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	94,346	17,583	1,11,929
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	–	–	–
2	Stock Option (Number of Stocks options granted during the year)	–	–	–
3	Sweat Equity	–	–	–
4	Commission - As % of Profit - Others, specify	 – –	 – –	 – –
5	Others	–	–	–
	Total	**23,19,253**	**19,02,242**	**42,21,495**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

During the year under review, the Company or any of its Directors were not liable for any penalty, punishment or any compounding offences under the Companies Act, 2013.

ANNEXURE-5 TO DIRECTORS' REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019

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

To,
The Members,
Repco Home Finance Limited
CIN# L65922TN2000PLC044655
'Repco Tower' No.33 North Usman Road, T. Nagar, Chennai – 600017

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

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. Repco Home Finance Limited for the financial year ended on 31st March 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;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) 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 (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; and
- (f) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

(vi) National Housing Bank Act, 1987 and the rules made thereunder

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

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

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

We further report that

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

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

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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.

For G RAMACHANDRAN & ASSOCIATES
Company Secretaries

G. RAMACHANDRAN
Proprietor
M.No.: F9687 CoP. No.3056

Date: May 29, 2019
Place: Chennai

This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

ANNEXURE-A SECRETARIAL AUDIT REPORT OF EVEN DATE

To,
The Members,
Repco Home Finance Limited
CIN# L65922TN2000PLC044655
'Repco Tower' No.33 North Usman Road, T. Nagar, Chennai – 600017

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

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

For G RAMACHANDRAN & ASSOCIATES
Company Secretaries

G. RAMACHANDRAN
Proprietor
M.No.: F9687 CoP. No.3056

Date: May 29, 2019
Place: Chennai

ANNEXURE-6 TO DIRECTORS' REPORT

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 financial statement of subsidiaries / associate companies / joint ventures

Part "A": Subsidiaries – Not Applicable

Part "B": Associates and Joint Ventures

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

	Name of Associates/ Joint Ventures	**REPCO MICRO FINANCE LIMITED**
1	Latest audited Balance Sheet Date	31.03.2019
2.	Date on which the Associate or Joint Venture was associated or acquired	19.10.2010
3	Shares of Associate / Joint Ventures held by the Company on the year end.	
	Number	2,20,00,000
	Amount of Investment in Associates / Joint Venture.	22,00,00,000
	Extent of Holding %	31.79%
4	Description of how there is significant influence	By virtue of shareholding
5	Reasons why the associate / joint ventures is not consolidated.	Not Applicable
6	Net worth attributable to Shareholdings as per latest audited Balance Sheet	Rs. 160.91crore
7	Profit / Loss for the year	
	Considered in Consolidation	Rs. 14.41 Crore
	Not considered in Consolidation	–

For and on behalf of the Board of Directors

(T.S.KrishnaMurthy)
Chairman

(Yashpal Gupta)
Managing Director

Place: Chennai

Date : August 14, 2019

ANNEXURE-7 TO DIRECTORS' REPORT

RELATED PARTY TRANSACTION POLICY

1. Preamble

The policy envisages the procedure governing Related Party Transactions required to be followed by Company to ensure compliance with the Law and Regulation. The Related Party Transaction Policy may be amended from time to time and is subject to the approval of the Board of Directors of the Company.

2. Purpose

This policy is framed as per requirement of SEBI LODR Regulations entered by the Company with the Stock Exchanges and intended to ensure the proper approval and reporting of transactions between the Company and its Related Parties. Such transactions are appropriate only if they are in the best interest of the Company and its shareholders. The Company is required to disclose each year in the Financial Statements certain transactions between the Company and Related Parties as well as policies concerning transactions with Related Parties.

3. Definitions

"Audit Committee" means Committee of Board of Directors of the Company constituted under the provisions of Listing agreement and Companies Act, 2013.

"Board" means Board of Directors of the Company.

"Control" includes the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner

"Key Managerial Personnel" means key managerial personnel as defined under the Companies Act, 2013 and includes

(i) Managing Director, or Chief Executive Officer or manager and in their absence, a wholetime director;

(ii) Company Secretary; and

(iii) Chief Financial Officer

"Material Related Party Transaction" means a transaction with a related party if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds five percent of the annual turnover or twenty percent of the net worth of the Company as per the last audited financial statements of the Company, whichever is higher.

"Policy" means Related Party Transaction Policy.

"Related Party" means related party as defined in SEBI LODR Regulations which is as follows:

A 'related party' is a person or entity that is related to the Company. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party, directly or indirectly, in making financial and/or operating decisions and includes the following:

1. A person or a close member of that person's family is related to a Company if that person:

   a. is a related party under Section 2(76) of the Companies Act, 2013 which are as follows:

      - a director or his relative ;
      - a 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 or holds along with his relatives, more than two per cent of its paid-up share capital ;
      - any body corporate whose Board of directors, managing director, or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager;
      - any person under whose advice, directions or instructions a director or manager is accustomed to act:

        Provided that nothing in sub-clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a 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 ;
- Director or key managerial personnel of the holding Company or his relative with reference to a Company; or

b. has control or joint control or significant influence over the Company; or

c. is a key management personnel of the Company or of a parent of the Company; or

2 An entity is related to a Company if any of the following conditions applies:

a. The entity is a related party under Section 2(76) of the Companies Act, 2013; or

b. The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others); or

c. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member); or

d. Both entities are joint ventures of the same third party; or

e. One entity is a joint venture of a third entity and the other entity is an associate of the third entity; or

f. The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company; or

g. The entity is controlled or jointly controlled by a person identified in (1).

h. A person identified in (1)(b) has significant influence over the entity (or of a parent of the entity); or

"Related Party Transaction" means any transaction directly or indirectly involving any Related Party which is a transfer of resources, services or obligations between a Company and a related party, regardless of whether a price is charged.

"Relative" means relative as defined under the Companies Act, 2013 and includes any one who is related to another, if –

i. They are members of a Hindu undivided family;

ii. They are husband and wife ; or

iii. Father (including step-father)

iv. Mother (including step-mother)

v. Son (including step-son)

vi. Son's wife

vii. Daughter

viii. Daughter's husband

ix. Brother (including step-brother)

x. Sister (including step-sister)

4. Policy

All Related Party Transactions must be reported to the Audit Committee and referred for approval by the Committee in accordance with this Policy.

4.1 Identification of Potential Related Party Transactions

Each director and Key Managerial Personnel is responsible for providing notice to the Board or Audit Committee of any potential Related Party Transaction involving him or her or his or her Relative, including any additional information about the transaction that the Board/Audit Committee may reasonably request. Board/Audit Committee will determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this policy.

The Company strongly prefers to receive such notice of any potential Related Party Transaction well in advance so that the Audit Committee/Board has adequate time to obtain and review information about the proposed transaction.

4.2 Prohibitions related to Related Party Transactions

All Related Party Transactions shall require prior approval of Audit Committee.

Further, all Material Related Party Transactions shall require approval of the shareholders through special resolution and the Related Parties shall abstain from voting on such resolutions.

4.3 Review and Approval of Related Party Transactions

Related Party Transactions will be referred to the next regularly scheduled meeting of Audit Committee for review and approval. Any member of the Committee who has a potential interest in any Related Party Transaction will recuse himself or herself and abstain from discussion and voting on the approval of the Related Party Transaction.

To review a Related Party Transaction, the Committee will be provided with all relevant material information of the Related Party Transaction, including the terms of the transaction, the business purpose of the transaction, the benefits to the Company and to the Related Party, and any other relevant matters. In determining whether to approve a Related Party Transaction, the Committee will consider the following factors, among others, to the extent relevant to the Related Party Transaction:

- Whether the terms of the Related Party Transaction are fair and on arms length basis to the Company and would apply on the same basis if the transaction did not involve a Related Party;
- Whether there are any compelling business reasons for the Company to enter into the Related Party Transaction and the nature of alternative transactions, if any;
- Whether the Related Party Transaction would affect the independence of an independent director;
- Whether the proposed transaction includes any potential reputational risk issues that may arise as a result of or in connection with the proposed transaction;
- Whether the Company was notified about the Related Party Transaction before its commencement and if not, why pre-approval was not sought and whether subsequent ratification is allowed and would be detrimental to the Company; and
- Whether the Related Party Transaction would present an improper conflict of interest for any director or Key Managerial Personnel of the Company, taking into account the size of the transaction, the overall financial position of the director, Executive Officer or other Related Party, the direct or indirect nature of the director's, Key Managerial Personnel's or other Related Party's interest in the transaction and the ongoing nature of any proposed relationship and any other factors the Board/Committee deems relevant.

If the Committee determines that a Related Party Transaction should be brought before the Board, or if the Board in any case elects to review any such matter or it is mandatory under any law for Board to approve the Related Party Transaction, then the considerations set forth above shall apply to the Board's review and approval of the matter, with such modification as may be necessary or appropriate under the circumstances.

Notwithstanding the foregoing, the following Related Party Transactions shall not require approval of Audit Committee or Shareholders:

i. Any transaction that involves the providing of compensation to a director or Key Managerial Personnel in connection with his or her duties to the Company or any of its subsidiaries or associates, including the reimbursement of reasonable business and travel expenses incurred in the ordinary course of business.

ii. Any transaction in which the Related Party's interest arises solely from ownership of securities issued by the Company and all holders of such securities receive the same benefits pro rata as the Related Party

5. Related Party Transactions not approved under this Policy

In the event the Company becomes aware of a Related Party Transaction with a Related Party that has not been approved under this Policy prior to its consummation, the matter shall be reviewed by the Committee. The Committee shall consider all of the relevant facts and circumstances regarding the Related Party Transaction, and shall evaluate all options available to the Company, including ratification, revision or termination of the Related Party Transaction. The Committee shall also examine the facts and circumstances pertaining to the failure of reporting such Related Party Transaction to the Committee under this Policy, and shall take any such action it deems appropriate.

In any case, where the Committee determines not to ratify a Related Party Transaction that has been commenced without approval, the Committee, as appropriate, may direct additional actions including, but not limited to, immediate discontinuation or rescission of the transaction. In connection with any review of a Related Party Transaction, the Committee has authority to modify or waive any procedural requirements of this Policy.

ANNEXURE-8 TO DIRECTORS' REPORT

BUSINESS RESPONSIBILITY REPORT

SECTIONS A,B,C-Details of the Company

Repco Home Finance Limited is a Housing Finance Company set up in April, 2000 and registered with the National Housing Bank (NHB). The Company's registered office is situated at "Repco Towers" No. 33, North Usman Road, T. Nagar, Chennai 600 017. The Company has been established for providing long term housing loans (activity code 65922) for purchase/construction/renovation of houses. Repco Home Finance Ltd. Operates in 11 States and 1 Union Territory through 144 branches and 26 satellite centres. The Company does not accept any deposits from the public.

The Company's paid up capital is Rs. 62.56 Crores and total net owned funds were Rs.1441.49 Crore. The total loan disbursements during the year were Rs. 3,091.77 Crores. The Company had recorded a Profit after Tax of Rs.234.64 Crore for the financial year 2018-19.

The details pertaining to CSR initiatives of the Company and the amount spent thereon are given as a part of the Director's Report.

Repco Home Finance Limited has no subsidiary.

SECTION D : Business Responsibility Information

The Board of Directors is primarily responsible for the overall business of the Company. Repco Home Finance has an ingrained value system for governance. Since the beginning the Company adopts the principles of transparency, integrity, accountability and responsibility at all levels. The Board maintains the highest sprit of trusteeship and guides the Company's management to practice professional ethics in the conduct of its business and transactions with all its stakeholders.

The Company has in place an Audit Committee, Shareholders Relationship Committee and Nomination and Remuneration Committee to monitor the value system and practices.

The Company's endevour is to become a responsible corporate citizen founded on ethical values and practices.

SECTION E: Principle-Wise Performance

PRINCIPLE 1: Business should conduct and govern themselves with Ethics, Transparency and Accountability

The Company has in place the following Policies:

1. Code of Conduct for the Directors and the Senior Management
2. Code of Practices and Procedures for fair disclosures of Unpublished Price Sensitive Information
3. Fair Practices Code
4. KYC and AML Policy
5. Code for dealing in the Securities of the Company
6. Policy on Prevention of Sexual Harassment of Women at work place
7. Whistle Blower Policy
8. Related Transaction Policy

There was no instance of violation of the Company's Code of Conduct in 2018-19 and no case was reported under the Whistle Blower Mechanism and one case was reported under the Policy for prevention of sexual harassment of women during the year.

PRINCIPLE 2: Businesses should provide goods and services that are safe and contribute to the sustainability throughout the life cycle.

The Company is a Housing Finance Company that provides loans for purchase/ construction/repairs to houses in accordance with all applicable regulatory prescriptions including the guidelines/directions of National Housing Bank in relation to its credit/technical and ; legal appraisal processes.

The Company has encouraged use of paperless communication with its stakeholders. The Company's annual report for the year 2017-18 were distributed in soft copies to 26185 shareholders.

PRINCIPLE 3: Businesses should promote overall well being of all employees:

As of 31 March 2019, the Company's staff strength comprises of 929 employees, 166 were women permanent employees and NIL staff with disability. There is no employees' association.

The Company provides mediclaim/accident/life insurance coverage to its employees. The Company extends housing loans to employees at a concessional rate for purchase/construction and repairs to houses as a part of its welfare measure. The Company also has a furnishing allowance scheme for its eligible employees.

During the year 2018-19, one complaint was received pertaining to sexual harassment and was disposed off.

The Company imparts induction and continual training to its employees on its products and operations and regulatory guidelines. The Company also nominates its staff for periodic external training programmes.

PRINCIPLE 4: Businesses should respect the interests of and be responsive towards all stake holders, especially those who are vulnerable and marginalized:

The Company's stakeholders comprise its investors, customers, employees, borrowers and the regulators and the Company's endevour is to comprehend and respond to its stakeholders. The Company is fair and equitable to all its stakeholders without discrimination on any ground such as caste, creed, gender, religion etc. All the employees are sensitized to engage with stakeholders in the best interests of the organization.

PRINCIPLE 5: Business should respect and promote human rights:

The Company follows the principle of respect and support for human rights in its business operations. The Company has the greatest regard for its stakeholders ensuring that they are treated with dignity and due respect in compliance with the applicable statutes/ legal requirements. The Company has in place accessible grievance redressal mechanisms to all its stakehold**ERS.**

PRINCIPLE 6: Businesses should respect, protect and make efforts to restore the environment:

The Company is committed towards respecting, protecting and making efforts to protect the environment and is in compliance with the legal/regulatory requirements related to environment protection, management and sustainable development.

PRINCIPLE 7: Businesses when engaged in influencing public and regulatory policy should do so in a responsible manner:

The Company is not a member of any trade and chamber or association. The Company escalates matters pertaining to its stakeholders through periodic interactions through various forums to the Regulator.

PRINCIPLE 8: Businesses should support inclusive growth and equitable development

The Company supports inclusive growth and equitable development by extending affordable housing loans under rural housing, urban housing, PMAY (CLSS) schemes-EWS/LIG/MIG. The Company is active in the tier-ii and tier-iii cities thus playing its part in enhancing housing stock in those locations.

PRINCIPLE 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner:

The Company had received 41 customer grievances/ service requests during the year and had 2 grievances/ service requests pending at the beginning of the year. During the year 40 grievances/service requests were resolved and 3 were pending for resolution. The information on products are prominently displayed on the notice boards of the branches. There were no cases filed against the Company regarding Unfair Trade practices, irresponsible advertising and /or competitive behaviour. The Company collects feedback from its customers through the visits of its officials to the various branches and through other modes.

REPORT ON CORPORATE GOVERNANCE

Corporate Governance Philosophy

The Company is committed in ensuring high standards of transparency and accountability in all its activities. The best management practices and high levels of integrity in decision making are followed to endevour for long term wealth generation and creation of value for all the stakeholders. The Company follows all the principles of corporate governance in its true spirit and at all times.

During the year ended 31st March, 2019, your Company had complied with the provisions set out on Corporate Governance Practices required under Listing Regulations.

Given below is the report of the directors on corporate governance in accordance with the provisions of the SEBI (LODR) Regulations, 2015.

Board of Directors

Composition

The Board had eight Directors as on 31st March 2019. All the Directors of the Company, except the Managing Director are Non-Executive Directors. Out of the seven Non-Executive Directors, four are Independent Directors. The composition of the board is in conformity with Regulation 17 of the SEBI (LODR) Regulations, 2015 and section 149 of the Companies Act, 2013.

S No.	Name of the Director	DIN	Category of Directors	No of shares held in RHFL
1	Shri.T.S. KrishnaMurthy	00279767	Chairman, Independent Non-Executive	265
2	Shri.Yashpal Gupta	00033484	Managing Director	0
3	Shri.Dinesh Ponraj Oliver	05297355	Non-Executive	0
4	Shri.K.Sridhar	00034010	Independent Non-Executive	0
5	Shri.V. Nadanasabapathy	03140725	Independent Non-Executive	0
6	Shri.G.R. Sundaravadivel	00353590	Independent Non-Executive	0
7	Shri.L.Munishwar Ganesan	07082752	Non-Executive	525
8	Smt.R.S.Isabella	06871120	Non-Executive	10
9	Smt.Sumithra Ravichandran*	08430816	Independent Non-Executive	0

*Appointed on 01 April 2019

Number of Directorships and Memberships in Committees etc.

None of the Directors hold office in more than ten Public Companies in terms of Sec 165 of Companies Act, 2013. All Directors are also in compliance with the limit of Independent Directorships of listed companies as prescribed under Regulation 17A of the Listing Regulations. None of the Directors on the Board is a member of more than ten Committees or Chairperson of five Committees (Committees being Audit Committee and Stakeholders Relationship Committee) across all the entities in which he/she is a Director.

The details of the Board of Directors in terms of their directorships held in listed companies, category of directorship and their memberships/ Chairmanships in Audit Committee and Stakeholders Relationship Committee are as under:

S No.	Name of the Director	Total Directorships in Listed Companies (including RHFL)	Name of the Listed Companies	Category of Directorship	Membership of AC & SRC in public limited companies (including RHFL)	Chairperson of AC & SRC Committees in public companies
1	Shri. T.S. KrishnaMurthy	1	Repco Home Finance Limited	Independent Non-Executive	-	-
2	Shri. Yashpal Gupta	1	Repco Home Finance Limited	Executive	-	-
3	Shri. Dinesh Ponraj Oliver	1	Repco Home Finance Limited	Non-Executive	-	-
4	Shri. K. Sridhar	1	Repco Home Finance Limited	Independent Non-Executive	2	1
5	Shri. V. Nadanasabapathy	1	Repco Home Finance Limited	Independent Non-Executive	2	-
6	Shri. G.R. Sundaravadivel	2	Repco Home Finance Limited	Independent Non-Executive	3	1
			Indbank Merchant Banking Services Limited	Independent Non-Executive	-	-
7	Shri. L. Munishwar Ganesan	1	Repco Home Finance Limited	Non-Executive	-	-
8	Smt. R.S. Isabella	1	Repco Home Finance Limited	Non-Executive	-	-
9	Smt. Sumithra Ravichandran	1	Repco Home Finance Limited	Independent Non-Executive	1	-

Skills / Expertise / Competencies of The Board of Directors

The key competencies, skills and attributes which are taken into consideration while nominating Directors to serve on the Board in given below:

- Knowledge on Company's business, policies, strengths & weaknesses, major threats and opportunities and knowledge of the industry
- Financial Skills and management of the finance function of a Company
- Leadership skills and experience in reputed banks and financial institutions
- Technical / Professional skills and specialized knowledge in relation to Company's business
- Experience in developing and implementing good corporate governance practices, maintaining board and management accountability, managing stakeholders' interests

The Board comprises of qualified members with required skills, competence and expertise to make effective contributions to the Board and its committees. The Board members are committed to ensure that the Company's Board is in compliance with the highest standards of corporate governance.

Independent Directors

As on 31 March 2019, the Company had four Independent Directors on its Board. The Company has received the necessary declaration from the Independent Directors under Section 149(7) of the Companies Act, 2013 that they meet the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and SEBI (LODR).

None of the non executive Directors have any pecuniary relationships or transactions vis-à-vis the Company. None of the Directors of the Company are related to each other. All directors are appointed by the members of the Company.

Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management.

Appointment of Independent Director

As on 31st March 2019, the Company has four Independent Directors on its Board. Shri. T.S. KrishnaMurthy, Shri. G.R. Sundaravadivel and Shri. V. Nadanasabapathy were appointed at the 14th Annual

General Meeting of the Company held on 11 September 2014 for a period of 5 years and are not liable to retire by rotation. Shri. K. Sridhar has been appointed for a period of 5 years appointed at the 18th Annual General Meeting of the Company held on 25 September 2018. The letters of appointment were issued to the Directors in accordance with the Companies Act, 2013. The copy of the letter with the terms and conditions of appointment of the Independent Directors is placed on the Company's website.

The Board of Directors on the recommendations of the Nomination and Remuneration Committee had appointed Smt. Sumithra Ravichandran (DIN: 08430816) as Additional Director (Independent Director) on 01 April 2019, subject to the approval of the members in the ensuing general meeting.

All the Independent directors possess the requisite qualifications and are very experienced in their own fields.

Familiarisation Programme

The objective of a familiarisation programme is to ensure that the Non-Executive Directors are updated on the business environment and overall operations of the Company. This enables the non-executive directors to make better informed decisions in the interest of the Company and its stakeholders.

In compliance with the requirements of SEBI Regulations, the Company has put in place a familiarization programme for the Independent Directors to familiarize them with their role, rights and responsibility as Directors, the working of the Company, nature of the industry in which the Company operates, business model etc.

The Directors were briefed on the operations of the Company through periodic presentations made during the course of the Committee/Board Meetings. The Directors are apprised of regulatory changes by placing the same before the respective Committee/Board Meetings. The key executives interact periodically with the Directors to brief them on the state of affairs of the organisation. The Managing Director makes a comprehensive and holistic presentation to the Board every quarter. An overview of the familiarisation programme is placed on the Company's website, http://www.repcohome.com/corporate_governance.php.

Evaluation of Directors and the Board

The Nomination and Remuneration Committee reviewed the formulation of criteria for determining qualifications, positive attributes and independence of a Director and recommendation to the Board of the remuneration policy; formulation of criteria for evaluation of Independent Directors and the Board; devising a policy on Board diversity; and identification of persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

The performance of individual Directors was evaluated on parameters such as participation in Board deliberations, attendance at Board meetings, level of independence of judgement, protecting the interest of the Company and its shareholders.

Board Meetings

The meetings of the Board of Directors are generally held at the Corporate Office of the Company or within Chennai. The meetings are generally scheduled well in advance. The Board meets at least once in a quarter to review the quarterly performance and the financial results of the Company.

The dates for the board meetings are fixed after taking into account the convenience of all the Directors and sufficient notice is given to them. Detailed agenda notes are sent to the Directors. All the information required for decision making are incorporated in the agenda. Those that cannot be included in the agenda are tabled at the meeting. The Managing Director makes a presentation to the Board on the overall performance of the Company at every board meeting. The Board reviews performance, approves capital expenditures, sets the strategy the Company should follow and ensures financial stability. The Board takes on record the actions taken by the Company on all its decisions periodically.

The Board also takes on record the declaration made by the Managing director, Chief Financial Officer and Company Secretary regarding compliances of all laws on a quarterly basis.

The Board met 6 times during the financial year 2018-19. The meetings were held 23-05-2018, 13-08-2018, 25-09-2019, 14-11-2018, 03-01-2019 and 13-02-2019.

The attendance of each director at the board meetings, sitting fee paid and attendance at the last annual general meeting are as under:

S No	Name of Directors	Attendance at the Board meetings (No of meetings held-6)	Attendance at the 18th AGM
1	Shri.T.S. KrishnaMurthy	6	Present
2	Shri.Yashpal Gupta*	1	Present
3	Shri.Dinesh Ponraj Oliver, I.A.S	4	Present
4	Shri.K.Sridhar	6	Present
5	Shri.G.R.Sundaravadivel	6	Present
6	Shri.V.Nadanasabapathy	6	Present
7	Shri.L.Munishwar Ganesan	6	Present
8	Smt.R.S.Isabella	6	Not present
9	Shri.R.Varadarajan#	4	Present

*Appointed on 03 January 2019

Retired on 31 December 2018

Leave of absence was granted to the Directors who could not attend the respective meetings.

Appointment of Managing Director

During the year under review, the Board of Directors appointed Shri. Yashpal Gupta as Managing Director & Chief Executive Officer with effect from 03 January 2019.

Re-appointment of Director(s)

Pursuant to Section 152 of the Companies Act, 2013, Shri.Dinesh Ponraj Oliver, I.A.S, Director is retiring by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Disclosure of relationship between directors inter-se: There is no inter-se relationship between the directors of the Company

Committees of the Board

The Board has established the following statutory and non-statutory Committees

1. Audit Committee

The audit committee assists the board in the analysing of financial information and in overseeing the financial and accounting processes in the Company. The terms of reference of the audit committee covers all matters specified in Regulation 18 of the SEBI (LODR) Regulations, 2015 and also those specified in section 177 of the Companies Act 2013. The audit committee reviews, the quarterly and annual financial statements and related party transactions and reports its findings to the Board. The committee also recommends the appointment of internal auditor and statutory auditor. The statutory auditors were present at all audit committee meetings. The internal auditors are also invited to the audit committee meetings at periodic intervals.

The composition of the audit committee is as per Regulation 18 of the SEBI (LODR) Regulations, 2015. The Audit Committee comprises of Shri. K. Sridhar (Chairman), Shri. G.R. Sundaravadivel, Shri. V. Nadanasabapathy and Smt. Sumithra Ravichandran (Appointed on 01 April 2019). The Audit Committee is chaired by an Independent Director. All the members of the committee are financially literate and have relevant finance / audit exposure. The chief financial officer is a permanent invitee to the meetings of the committee. The Company Secretary acts as the Secretary to the committee. Shri.K.Sridhar, Chairman of the Audit Committee was present at the previous Annual General Meeting of the Company held on 25 September 2018.

The audit committee met 4 times during the year on 22-05-2018, 11-08-2018, 13-11-2018 and 12-02-2019. The details of attendance at the Audit Committee meetings are as under:

Name of the Director	Number of meetings attended
Shri. K. Sridhar- Chairman	4
Shri. G.R. Sundaravadivel - Member	4
Shri. V. Nadanasabapathy - Member	4

2. Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises of Shri. G.R. Sundaravadivel (Chairman), Shri. K. Sridhar, Shri. V. Nadanasabapathy and Smt. R.S. Isabella. The Company Secretary is the Secretary to the Committee.

The powers, role and terms of reference of the Nomination and Remuneration Committee covers the areas as contemplated under SEBI (LODR) Regulations, 2015 and Section 178 of the Companies Act, 2013, besides other terms as may be referred by the Board.

The terms of reference of the Nomination and Remuneration Committee:

a) formulation of criteria for determining qualifications, positive attributes and independence of a Director and recommendation to the Board of the remuneration policy

b) formulation of criteria for evaluation of Independent Directors and the Board

c) devising a policy on Board diversity

d) identification of persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal

e) Power to evaluate the performance of Key Managerial Personnel and Senior Management.

During the year, the Nomination and Remuneration Committee met 6 times on 16-04-2018, 14-08-2018, 17-09-2018, 05-11-2018, 03-01-2019 and 12-02-2019. The details of attendance at the Nomination and Remuneration Committee Meeting are as under:

Name of the Director	Number of meetings attended
Shri. G.R. Sundaravadivel - Chairman	6
Shri. K. Sridhar - Member	6
Shri. V. Nadanasabapathy - Member	3
Smt. R.S. Isabella	6

3. Stakeholders' Relationship Committee:

The Stakeholders' Relationship Committee comprises of Shri. G.R. Sundaravadivel (Chairman), Shri. K. Sridhar and Shri. V. Nadanasabapathy.

SEBI vide Circular Ref:CIR/OIAE/2/2011 dated June 3, 2011 informed the Company that they had commenced processing of investor complaints in a web based complaints redress system "SCORES". Under this system, all complaints pertaining to companies are electronically sent through SCORES and the companies are required to view the complaints pending against them and submit Action Taken Report (ATRs) along with supporting documents electronically in SCORES.

All the requests received from the shareholders were attended to within the stipulated time and nothing was pending for disposal at the end of the year. Shri. K.Prabhu, Company Secretary is the Compliance Officer of the Company. For any clarification / complaint the shareholders may contact Shri. K.Prabhu, Company Secretary at the Corporate Office of the Company.

The committee once during the year on 11-08-2018. The details of attendance at the Stakeholders' Relationship Committee meeting is as under:

Name of the Director	Number of meetings attended
Shri. G.R. Sundaravadivel - Chairman	1
Shri. K. Sridhar - Member	1
Shri. V. Nadanasabapathy- Member	1

During the year, 2 complaints were received from shareholders and all complaints have been attended / resolved.

4. Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee comprises of Shri. T.S. KrishnaMurthy (Chairman), Shri. K. Sridhar, Shri. G.R. Sundaravadivel and Shri. V. Nadanasabapathy. The Committee is primarily responsible for formulating and recommending to the Board of Directors, a Corporate Social Responsibility (CSR) Policy and monitoring the same from time to time, amount of expenditure to be incurred on the activities pertaining to CSR and monitoring CSR Projects. During the financial year the Committee met 4 times on 13-08-2018, 17-09-2018, 03-01-2019 and 13-02-2019. The details of attendance at the Committee meeting are as under:

Name of the Director	Number of meetings attended
Shri.T.S.KrishnaMurthy - Chairman	2
Shri.G.R.Sundaravadivel - Member	4
Shri.K.Sridhar - Member	4
Shri.V.Nadanasabapathy - Member	4

5. Compensation Committee

The Compensation Committee comprises of Shri. G.R. Sundaravadivel (Chairman), Shri. K. Sridhar and Shri. V. Nadanasabapathy. Compensation Committee was constituted for the purpose of reviewing and approving, on behalf of the Board of Directors, Management recommendations regarding all forms of compensation to be provided to the staff and Directors of the Company, all bonus and stock compensation to all employees, and to administer the Company's stock option plans.

6. Management & Risk Management Committee

The Management & Risk Management of the Company is constituted in line with the provisions of Regulation 21 of the SEBI (LODR) Regulations. The Committee comprises of Shri. Dinesh Ponraj Oliver (Chairman), Shri. G.R. Sundaravadivel, Shri. K. Sridhar, Shri. V. Nadanasabapathy and Shri. Yashpal Gupta.

During the financial year the Committee met 6 times on 22-05-2018, 14-08-2018, 28-09-2018, 14-11-2018, 11-01-2019 and 12-02-2019. The details of attendance at the Committee meeting are as under:

Name of the Director	Number of meetings attended
Shri. Dinesh Ponraj Oliver, I.A.S - Chairman	3
Shri.K.Sridhar - Member	6
Shri.G.R.Sundaravadivel - Member	6
Shri.V.Nadanasabapathy - Member	6
Shri.Yashpal Gupta - Member*	2
Shri.R.Varadarajan - Member#	4

*Appointed on 03 January 2019

Retired on 31 December 2018

7. Securities Allotment Committee

The Securities Allotment Committee was constituted to effect allotment of securities including that of allotment of shares pursuant to exercise of employee stock options. The Compensation Committee comprises of Shri. T.S. KrishnaMurthy (Chairman), Shri. G.R. Sundaravadivel, Shri. K. Sridhar, Shri. V. Nadanasabapathy and Shri. L. Munishwar Ganesan.

8. IT Strategic Committee

The Board has constituted IT Strategy Committee as per NHB guidelines NHB(ND)/DRS/Policy Circular No.90/2017-18. The Compensation Committee comprises of Shri. V.Nadanasabapathy (Director & Chairman of the Committee), Shri. T.Karunakaran (Chief Information Officer) and Shri. K.Pandiarajan (Chief Technology Officer).

The Committee conducts gap analysis between their current IT framework and stipulations as laid out in the specified circular and to review and amend/ frame IT strategies as and when required. During the year the IT Strategic Committee met on October 05, 2018 and November 12, 2018.

Meeting of Independent Directors:

The Independent Directors of the Company had met once during the year on 28-03-2019 to review the performance of the Board as a whole, the Committees, the Managing Director, the non-independent directors and the Chairman of the Company and to assess the quality, quantity and timeliness of flow of information between the Company Management and the Board.

Remuneration Policy

The Remuneration Policy, including the criteria for remunerating non-executive directors is recommended by the Nomination & Remuneration Committee and approved by the Board. The key objective of the Remuneration Policy is to ensure that it is aligned to the overall performance of the Company. The Policy ensures that it is fair and reasonable to attract and retain necessary talent, is linked to attaining performance benchmarks and involves a judicious balance of fixed and variable components. The Remuneration Policy is placed on the Company's website.

Remuneration paid to Directors

As on 31 March 2019, of the total 8 directors, one is executive director (i.e. Managing Director). The remuneration payable to the Managing Director is determined by the Board on the recommendation of the Nomination & remuneration committee. This is subject to the approval of the shareholders at the Annual General Meeting. The Non Executive Directors do not draw any remuneration from the Company except sitting fees for attending the meetings of the board and the committees. The sitting fee paid for each meeting for Chairman is Rs.70,000 and for other directors it is Rs.50,000 for Board meetings and Rs.40,000 for Committee meetings.

Details of Remuneration paid to the all the Directors during the financial year 2018-19

a) Remuneration Details of Managing Director

The remuneration component for the managing director for financial year 2018-19 or given below.

1. Shri R. Varadarajan

Gross Salary	Rs. 70,76,042
Perquisites	Rs. 4,69,460
Total:	**Rs. 75,45,502**

2. Yashpal Gupta

Gross Salary	Rs. 13,05,801
Perquisites	Rs. 37,712
Total:	**Rs. 13,43,513**

Shri. R. Varadarajan retired w.e.f 31st December 2018. Shri.Yashpal Gupta was appointed as Managing Director w.e.f 03 January 2019.

b) Details of Sitting Fees paid to Non-Executive Directors

S No	Name of Directors	Sitting fees paid (Rs)
1	Shri. T.S. KrishnaMurthy	5,25,000
2	Shri. Dinesh Ponraj Oliver, I.A.S	-
3	Shri.K.Sridhar	9,80,000
4	Shri.G.R.Sundaravadivel	9,80,000
5	Shri.V.Nadanasabapathy	10,50,000
6	Shri. L. Munishwar Ganesan	2,25,000
7	Smt.R.S.Isabella	–

Transactions With Non-Executive Directors

There were no pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the Company during the Financial Year ended 31st March 2019.

Prevention of Insider Trading

In January 2015, SEBI notified the SEBI (Prevention of Insider Trading) Regulations, 2015 which came into effect from May 15, 2015. Pursuant thereto, the Company has formulated and adopted a Code of Practices & Procedures for Fair Disclosure of Unpublished Price Sensitive Information and revised existing Code for Prevention of Insider Trading.

The code ensures that the employees deal in the shares of the Company only at a time when any price sensitive information that could be known to the employee is also known to the public at large. This code is applicable to the Designated Employees and Directors of the Company.

Code of Conduct

The Board of Directors has laid down a Code of Conduct for all the Board members and the Designated Employees of the Company.

The Code of Conduct is posted on the website of the Company, http://www.repcohome.com/corporate_governance.php. For the year under review, all Directors and members of senior management have affirmed their adherence to the provisions of the Code. A declaration from the Managing Director/ CEO of the Company is placed as Annexure to this Report.

In terms of the HFCs Corporate Governance (NHB) Directions, 2016, all the Directors have executed the Declarations-cum undertakings as well as the Deed of Covenants with the Company.

Annual General Meetings

The details of the Annual General Meetings held in the last three years are as follows:

Financial Year	Meeting	Date & Time	Venue	Special Resolutions passed
2015-16	16th AGM	22/09/2016 11.00 AM	Sri Dakshinamurthy Auditorium, PS Higher Secondary School,No.215, Ramakrishna Mutt Road, Mylapore, Chennai-600004	1. Offer or invite subscription for Non-Convertible Debentures (NCD) and Commercial Paper (CP) aggregating to Rs. 2,000 crore and Rs.500 crore respectively on private placement 2. RHFL ESOP Scheme 2016
2016-17	17th AGM	21/09/2017 10.15 AM	Sri Dakshinamurthy Auditorium, PS Higher Secondary School,No.215, Ramakrishna Mutt Road, Mylapore, Chennai 600004	Offer or invite subscription for Non-Convertible Debentures (NCD) and Commercial Paper (CP) aggregating to Rs. 3,000 Crore and Rs. 800 Crore respectively on private placement
2017-18	18th AGM	25/09/2018 11.00 AM	Bharatiya Vidya Bhavan (Bhavan's Dr. Preetha Reddy Auditorium - Main Hall) 18, 20, East Mada Street, Mylapore, Chennai 600 004	Offer or invite subscription for Non-Convertible Debentures (NCD) and Commercial Paper (CP) aggregating to Rs. 4000 Crore and Rs.1000 Crore respectively on private placement

Postal Ballot

The Shareholders have approved the following resolutions through Postal Ballot during the financial year 2018-19:

I. Ordinary Resolution - Approval for Related Party Transactions with Repco Bank

Voting period – June 11, 2018 to July 10, 2018

Date of declaration of result– July 12, 2018

Number of Votes in Favour (in number of shares)	Number of Votes Against (in number of shares)	Total Valid Votes (in number of shares)	Assent %	Dissent %
2,07,18,284	16,73,367	2,23,91,651	92.53	7.47

II.

Item No	Resolutions
1	Ordinary Resolution - Appointment of Shri. Yashpal Gupta (DIN: 00033484) as Managing Director and Chief Executive Officer for a period of Three (3) Years from January 3, 2019 to January 2, 2022
2	Special Resolution - Continuation of Directorship of Shri. T.S.KrishnaMurthy (DIN: 00279767) for the remaining period of the current term expiring on September 10, 2019 and second term starting from September 11, 2019 for 3 consecutive years notwithstanding that he has attained the age of 75 Years
3	Special Resolution - Continuation of Directorship of Shri. G.R.Sundaravadivel (DIN: 00353590) for the remaining period of the current term expiring on September 10, 2019 and second term starting from September 11, 2019 for 3 consecutive years notwithstanding that he has attained the age of 75 Years
4	Special Resolution -- Continuation of Directorship of Shri. V. Nadanasabapathy (DIN: 03140725) f for the remaining period of the current term expiring on September 10, 2019 on attaining 75 years on July 12, 2019, and second term starting from September 11, 2019 for 3 consecutive years

Voting period – February 25, 2019 to March 26, 2019

Date of declaration of result– March 28, 2019

Item No	Number of Votes in Favour (in number of shares)	Number of Votes Against (in number of shares)	Total Valid Votes (in number of shares)	Assent %	Dissent %
1	4,55,37,046	3,28,057	4,58,65,103	99.28	0.72
2	4,58,64,490	712	4,58,65,202	99.99	0.01
3	4,58,64,290	882	4,58,65,172	99.99	0.01
4	4,14,95,833	880	4,14,96,713	99.99	0.01

Shri. G. Ramachandran of M/s. G Ramachandran & Associates, Company Secretaries, was appointed as the Scrutinizer for conducting the postal ballot process in a fair and transparent manner.

Procedure for Postal Ballot: Your Company follows the provisions of the Companies Act, 2013 and Listing Regulations 2015 for Postal Ballot.

At present there is no special resolution proposed to be conducted through postal ballot.

Means of Communication

a. The unaudited quarterly results of the Company are published in leading newspapers such as Business Line, Business Standard, Financial Express, The Hindu etc. The Standalone quarterly and annual results of the Company are available on the Company's website at http://www.repcohome.com/quarterly_results.php. The Standalone quarterly and annual results are filed with the Stock Exchanges in terms of SEBI (LODR) Regulations, 2015.

b. The Company's website contains basic information about the Company and such other details as required under the SEBI (LODR) Regulations, 2015 including investor presentations. The Company ensures periodical updation of its website.

c. Pursuant to the SEBI (LODR) Regulations, 2015, all data related to quarterly financial results, shareholding pattern, etc., are filed in NEAPS (NSE Electronic Application Processing System) and BSE Listing Centre within the time frame prescribed in this regard.

General Shareholder Information

1. Annual General Meeting

Date and time	September 27, 2019 at 10.15 A.m
Venue	Sri Dakshinamurthy Auditorium, PS Higher Secondary School, No. 215, Ramakrishna Mutt Road, Mylapore, Chennai - 600004
Financial Year	1st April 2018 to 31st March 2019

2. Book Closure Dates:

From September 21, 2019 to September 27, 2019 (both days inclusive) for the purpose of Annual General Meeting and payment of dividend if approved by the Shareholders.

3. Particulars of Dividend for the year ended 31.03.2019

The Board of Directors has recommended a dividend of Rs.2.50 per equity share of Rs.10/ each for the financial year ended March 31, 2019 subject to the approval of the shareholders at the Annual General Meeting.

Dividend entitlement is as follows:

(i) For shares held in physical form: shareholders whose names appear on the register of members of the Company as September 20, 2019.

(ii) For shares held in electronic form: beneficial owners whose names appear in the statements of beneficial ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as at the end of business on September 20, 2019.

The Dividend if any declared by the members at the ensuing Annual General Meeting will be paid on or before on October 27, 2019 (30 days of AGM Date) being the statutory time limit.

4. Listing of Shares

Name of the Stock Exchange	Stock Code
Bombay Stock Exchange Limited, Mumbai (BSE)	535322
National Stock Exchange of India Limited (NSE)	repcohome

International Securities Identification Number

ISIN for our equity shares is INE612J01015

(Note: Annual Listing fees for the year 2019-20 were duly paid to the above stock exchanges within the stipulated time limit.)

Listing of Debt Securities:

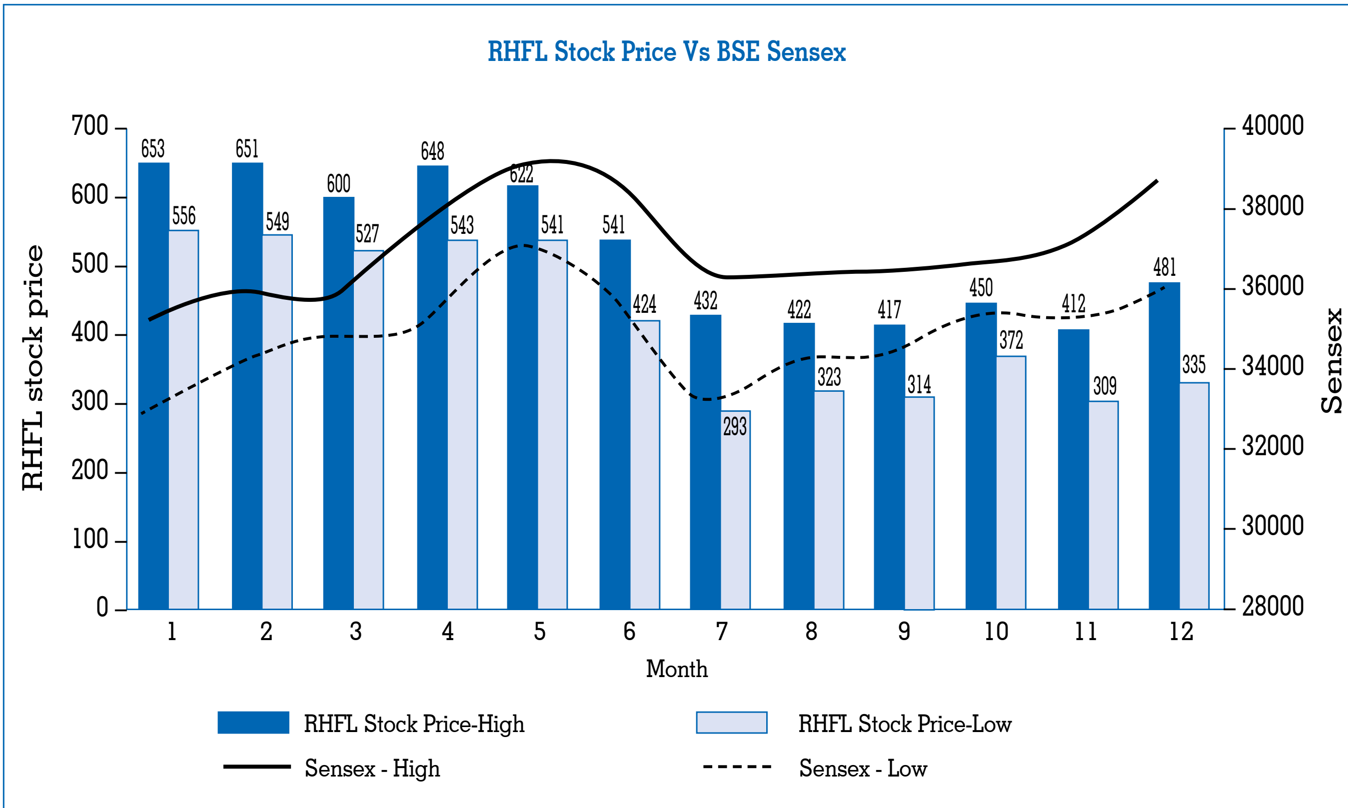
The Company's Non-Convertible Debentures are listed on Bombay Stock Exchange Limited.

5. Stock Market Data

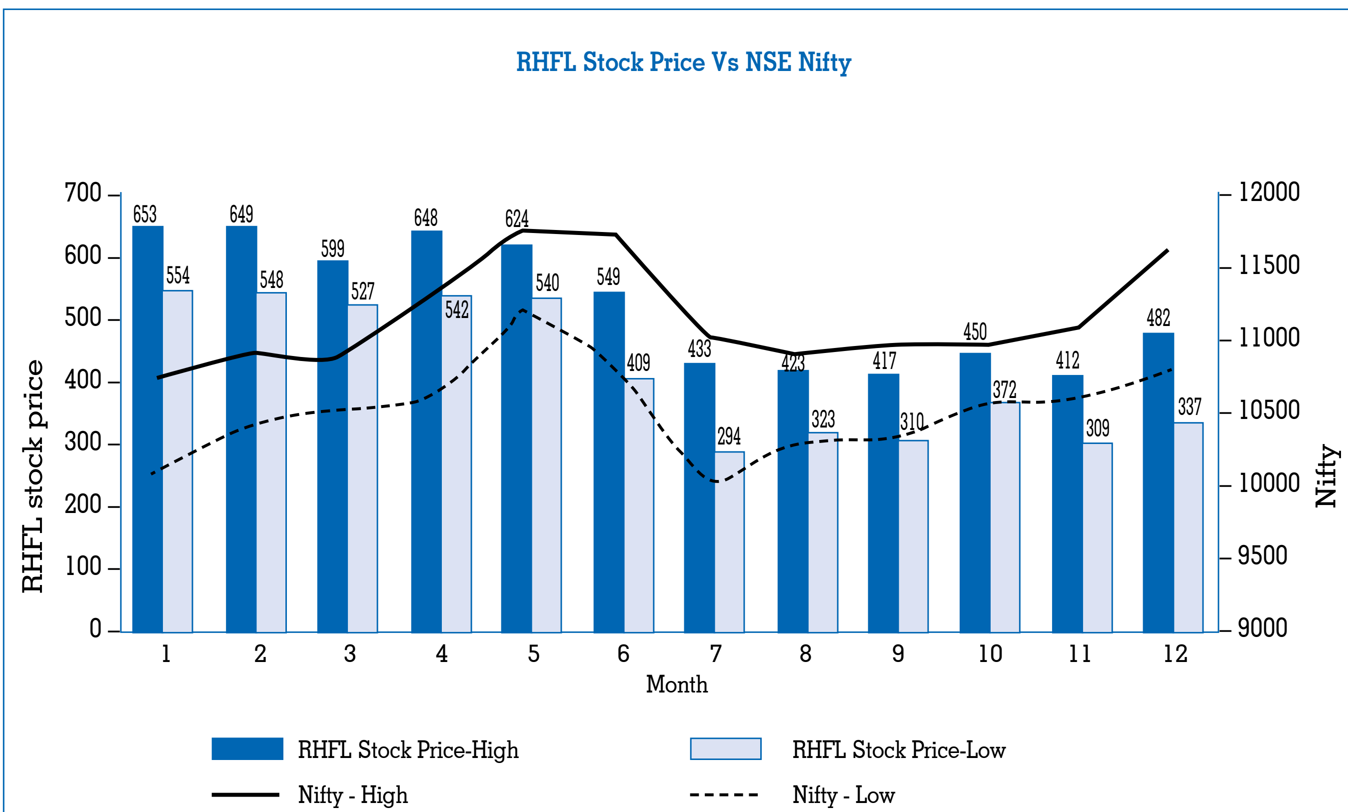
Month	The Bombay Stock Exchange Limited			National Stock Exchange of India Limited		
	Month's High Price (in Rs.)	Month's Low Price (in Rs.)	Total volume of shares transacted	Month's High Price (in Rs.)	Month's Low Price (in Rs.)	Total volume of shares transacted
Apr-18	653	556	278579	653	554	6542192
May-18	651	549	1421900	649	548	7324327
Jun-18	600	527	796603	599	527	5973942
Jul-18	648	543	138175	648	542	4614236
Aug-18	622	541	237598	624	540	4321457
Sep-18	541	424	428946	549	409	7719455
Oct-18	432	293	1098250	433	294	14571969
Nov-18	422	323	2441299	423	323	11982712
Dec-18	417	314	1478193	417	310	13269705
Jan-19	450	372	797405	450	372	17316867
Feb-19	412	309	1058992	412	309	17073677
Mar-19	481	335	1346946	482	337	28885777

(Note: The securities were not suspended from trading, any time during FY19)

Movement of Repco's Share Price via-a-vis the Sensex



Movement of Repco's Share Price via-a-vis the Nifty



6. **Shareholding Pattern as on 31st March 2019**

Particulars	Number of Share holders	Total Number of shares held	Shares held in dematerialised form	% of capital
Promoter and Promoter Group				
a. Bodies Corporate	0	0	0	0
b. Directors & their relatives	0	0	0	0
c. Others	1	23230606	23230606	37.13
Public Shareholding				
I. Institutions				
a. Mutual Funds/UTI	7	15546369	15546369	24.85
b. Financial Institutions/Banks	3	357360	357360	0.57
c. Insurance Companies	0	0	0	0
d. Foreign Institutional Investors	96	14669921	14669921	23.45
II. Non Institutions				
a. Bodies Corporate	485	875581	875581	1.40
b. Individuals	25828	5463788	5463516	8.73
c. Non Resident Indians	2535	1330210	1330210	2.13
d. Clearing Members	70	142446	142446	0.23
e. Trusts	2	31221	31221	0.05
f. NBFC/ Alternative Investment Fund	9	913860	913860	1.46
Total	**29036**	**62561362**	**62561090**	**100**

7. Distribution of Shareholding as on 31st March 2019

Number of Equity Shares held	Number of Share holders	%	Number of Shares	%
upto 5000	26469	91.16	3000421	4.80
5001 - 10000	1409	4.85	1011053	1.62
10001 - 20000	607	2.09	851072	1.36
20001 - 30000	187	0.64	461903	0.74
30001 - 40000	84	0.29	298915	0.48
40001 - 50000	73	0.25	326347	0.52
50001 - 100000	78	0.27	552903	0.88
100001 & Above	129	0.44	56058748	89.61
Total	**29036**	**100.00**	**62561362**	**100**

8. **Registrar and Share Transfer Agents**

Karvy Fintech Private Limited, having its office at Karvy Selenium, Tower B, Plot No. 31 & 32, Financial District, Gachibowli, Hyderabad 500 032 are the Registrars for the demat segment and also the share transfer agents of the Company, to whom communications regarding share transfer and dematerialization requests are addressed. All matters connected with share transfer, transmission, dividend payment is handled by the share transfer agent. Share transfers are processed within 15 days of lodgement. A Practising Company Secretary certifies on a quarterly basis the timely dematerialization of shares of the Company.

9. **Information in respect of unclaimed dividends due for remittance into Investor Education and Protection Fund (IEPF) is given below:**

Under the provisions of the Companies Act, 1956 dividends that remain unclaimed for a period of seven years from the date of declaration are required to be transferred to the Investor Education and Protection Fund (IEPF) administered by the Central Government. The details of the unclaimed dividend are as under:

(Rs.)

Financial Year	Unpaid/ Unclaimed dividend as on 31.03.2019	Date of declaration	Date of transfer to IEPF
2012-13	10,165.10	13-Sep-13	21-Oct-20
2013-14	22,534.40	11-Sep-14	19-Oct-21
2014-15	22,274.00	12-Sep-15	20-Oct-22
2015-16	48,868.60	22-Sep-16	30-Oct-23
2016-17	87,910.00	21-Sep-17	29-Oct-24
2017-18	69,383.20	25-Sep-18	03-Nov-25

The details of Unpaid/ Unclaimed dividend is posted on the Company's website, http://www.repcohome.com/unclaimed.php

- Members are requested to note that as per the Companies Act, 2013, unclaimed dividend once transferred to IEPF will not be refunded.
- Shareholders holding shares in electronic form are requested to deal only with their Depository Participant in respect of change of address, nomination facility and furnishing bank account number, etc.

10. Request to Investors

Shareholders are requested to follow the general safeguards/procedures as detailed hereunder in order to avoid risks while dealing in the securities of the Company.

- Shareholders are requested to convert their physical holding to demat/electronic form through any of the DPs to avoid any possibility of loss, mutilation etc., of physical share certificates and also to ensure safe and speedy transaction in securities.
- Shareholders holding shares in physical form, should communicate the change of address, if any, directly to the Registrars and Share Transfer Agent of the Company.
- It has become mandatory for transferees to furnish a copy of Permanent Account Number for registration of transfer of shares held in physical mode.
- Shareholders holding shares in physical form who have not availed nomination facility and would like to do so are requested to avail the same, by submitting the nomination in Form 2B. The form will be made available on request. Those holding shares in electronic form are advised to contact their DPs.
- As required by SEBI, it is advised that the shareholders furnish details of their bank account number and name and address of their bank for incorporating the same in the dividend warrants. This would avoid wrong credits being obtained by unauthorized persons.

11. Reconciliation of Share Capital Audit

A quarterly audit was conducted by a practising Company Secretary, reconciling the issued and listed capital of the Company with the aggregate of the number of shares held by investors in physical form and in the depositories and the said certificates were submitted to the stock exchanges within the prescribed time limit. As on 31st March 2019 there was no difference between the issued and listed capital and the aggregate of shares held by investors in both physical form and in electronic form with the depositories.

12. Dematerialisation of shares

As on 31st March 2019, 6,25,61,090 equity shares representing 99.99% of the paid up equity capital have been dematerialized.

Particulars	No.of shares	(%)
Shares held in physical form	272	0.01
Shares held in electronic form	6,25,61,090	99.99
Total Shares	6,25,61,362	100

13. Information to Shareholders

A brief resume of the director reappointed together with the nature of his experience and details of the other directorships held by him is annexed to the Notice convening the Annual General Meeting.

14. Outstanding GDRs / ADRs / warrants:

The Company does not have any GDRs / ADRs / Warrants or any convertible instruments.

15. Commodity price risk or foreign exchange risk and hedging activities: Nil

16. Plant Locations: Nil

17. Address for Correspondence

To contact Registrars & Share Transfer Agents for matters relating to shares	M/s. Karvy Fintech Private Limited Karvy Selenium, Tower B, Plot number 31 & 32, Financial District, Gachibowli, Hyderabad 500 032 Tel : 040-67162222 Fax : 040-23001153 E-mail: einward.ris@karvy.com
For any other general matters or in case of any difficulties / grievance	Shri..K.Prabhu, Company Secretary Repco Home Finance Limited Third Floor, Alexander Square, Old No.34 & 35, New No.2, Sardar Patel Road, Guindy, Chennai – 600032 Telephone: 044- 42106650 Fax No: 044 - 42106651 E-mail: cs@repcohome.com

17. Credit Ratings

Nature of instrument	Rating awarded by ICRA Limited	Rating awarded by CARE Limited
Term Loans	AA-	AA
Debentures	AA-	AA
Commercial Papers	A1+	A1+

Other Disclosures:

(a) Materially significant related party transactions:

The Company has also formulated a policy on dealing with the Related Party Transactions and necessary approval of the Audit Committee and Board of Directors were taken wherever required in accordance with the Policy. The Policy is placed on the Company's website, http://www.repcohome.com/corporate_governance.php.

The Company has been entering into contracts and arrangements with the promoter bank viz., Repco Bank since incorporation, in the ordinary course of business. The Company has been availing Term Loans, Overdraft facilities, making payment of interest, placing short term/long term deposits, and collecting / recovering interest thereon, occupy any business premises of the Bank on rent, let any business premises to the bank on rent etc.

The Company has obtained prior approval of the shareholders for the material related party transactions which would be entered into or already entered into by the Company with Repco Bank for an amount not exceeding Rs.900 Crore (Rupees Nine Hundred Crore) only.

In compliance with the Regulation 23(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has submitted to the stock exchanges a note on Related Party Transactions, to the extent applicable, drawn in accordance with applicable accounting standards for the half year ended March 31, 2019.

There have been no materially significant related party transactions with the Company's promoters, directors, the management, their subsidiaries or relatives which may have potential conflict with the interest of the Company at large. The necessary disclosures regarding the transactions are given in the notes to accounts.

(b) Details of non-compliance by listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the Board or any statutory authority, on any matter related to capital markets, during the last three years;

During the FY 2018-19, there were no penalties or strictures have been imposed on the Company by any stock exchange, SEBI or any other statutory authority on any matter relating to the capital markets.

(c) Details of establishment of vigil mechanism / whistle blower policy

The Company has an established a Whistle Blower Policy/ vigil mechanism for Directors / Employees to report concerns about unethical behaviour, actual or suspected fraud, or violation of the code of conduct or ethics policy. It also provides for adequate safeguards against victimization of Directors/ Employees who avail of the mechanism. The Company affirms that no personnel has been denied access to the Audit Committee.

Any employee of the Company may report any unethical & improper practices or alleged wrongful conduct to the Designated Officer if it involves any employees upto the level of Assistant Manager or to the Managing Director in case of involvement of officers' upto General Manager and to the Audit Committee in certain exceptional cases and in case of involvement of the Managing Director. The Whistle Blower Policy is placed on the Company's website, http://www.repcohome.com/corporate_governance.php.

(d) Details of compliance with mandatory requirements

The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and all the applicable clauses of Regulation 46(2) (b) to (i) of the Listing Regulations.

This Corporate Governance Report of the Company for the FY18-19 and as on March 31, 2019 are in compliance with the requirements of Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(e) Non-Mandatory Disclosures:

The non-mandatory requirements have been adopted to the extent and in the manner as stated under the appropriate headings detailed below:

(i) **The Board:** The Chairperson of the Company is Non-Executive Chairperson. The Company has separate positions for that of the Chairman and that of the Managing Director & CEO.

(ii) **Shareholder Rights:** The half-yearly and quarterly financial statements are published in newspapers, uploaded on Company's website, submitted to Stock exchanges on which Equity shares/ Non-convertible debentures of the Company are listed viz., the National Stock Exchange of India Ltd., and the BSE Limited.

(iii) **Modified opinion(s) in audit report:** The Company has a regime of un-modified financial statements. There were no qualifications on financial statements by the Auditors.

(iv) **Reporting of Internal Auditor:** The Internal Auditor of the Company directly reports to the Audit Committee.

(f) **Subsidiaries**

The Company has no subsidiaries and as such the requirement of certain compliances relating to subsidiaries, as prescribed, are not applicable.

(g) **Commodity risks faced by the Company during the year and commodity hedging activities:** Not applicable

(h) **Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A): Not applicable for the year.**

(i) **Certification from Company Secretary in Practice**

Shri. G.Ramachandran of M/s.G Ramachandran & Associates, Practicing Company Secretaries, has conducted Secretarial Audit and his Audit Report is annexed to the Directors Report. He has also issued a certificate as required under the Listing Regulations, confirming that none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as director of companies by the SEBI / Ministry of Corporate Affairs or any such statutory authority. The certificate is enclosed with this report as Annexure.

(j) Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has constituted an Internal Complaint Committee for prevention, prohibition and redressal of complaints / grievances on the sexual harassment of women at work places. During the year, one complaint of sexual harassment was received by the Company and the same has been duly addressed.

(k) There have been no instances during the year where recommendations of the any Committee of the Board were not accepted by the Board.

(l) Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor is given below:

Particulars	(Rs in cr)
Statutory Audit fees including Limited review	0.275
Certification fees	0.04
Total	0.315

(m) **Compliance with Accounting Standards**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standard) Amendment Rules, 2016 as applicable read with Section 133 of the Companies Act, 2013 and guidelines issued by National Housing Bank.

(n) **Disclosures made by the Management to the Board**

During the year, there were no transactions of a material nature with the promoters, Directors or the management, or relatives that had any potential conflict with the interest of the Company. All disclosures related to financial and commercial transactions where Directors have a potential interest are provided to the board and the interested Directors do not participate in the discussion nor do they vote on such matters.

(o) **The Company has complied with the Regulation 17 to 27 and Clauses (b) to (i) of Sub-Regulation (2) of Regulation 46 of the Listing Regulations.**

Compliances:

The Company has complied with the mandatory requirements as stipulated under Regulation 34(3) and 53 of SEBI (LODR) Regulations, 2015. The Company has submitted the quarterly compliance status report to the stock exchanges within the prescribed time limit.

Disclosures with respect to demat suspense account/ unclaimed suspense account

(a) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year: Nil

(b) Number of shareholders who approached listed entity for transfer of shares from suspense account during the year: Nil

(c) Number of shareholders to whom shares were transferred from suspense account during the year: Nil

(d) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year: Nil

That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares

CEO/ CFO Certification

In accordance with Regulation 17(8) and Part B of Schedule II of SEBI (LODR) Regulations, 2015, the Managing Director & Chief Executive Officer and the Chief Financial Officer of the Company, have inter alia, certified and confirmed to the Board about the correctness of the financial statements, adequacy of internal control measures and matters to be reported to the Audit Committee.

Going Concern

The directors are satisfied that the Company has adequate resources to continue its business for the foreseeable future and consequently consider it appropriate to adopt the going concern basis in preparing the financial statements.

For and on behalf of the Board of Directors

Date : August 14, 2019
Place : Chennai

(Yashpal Gupta)
Managing Director

DECLARATION BY MANAGING DIRECTOR & CEO ON CODE OF CONDUCT

[Schedule V (D) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To
The Members

I, hereby declare that to the best of my knowledge and information, all the Board Members and Senior Management Personnel have affirmed compliance with the code of conduct for the year ended March 31, 2019.

Date : August 14, 2019
Place : Chennai

(Yashpal Gupta)
Managing Director & CEO

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Clause C(10)(i) of Schedule V read with Regulations 34(3) and 53(f) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To
The Members,
Repco Home Finance Limited
CIN# L65922TN2000PLC044655
'Repco Tower' No.33 North Usman Road,
T. Nagar, Chennai – 600017

We certify that none of the Directors on the Board of Repco Home Finance Limited have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority.

For **G RAMACHANDRAN & ASSOCIATES**
Company Secretaries

G. RAMACHANDRAN
Proprietor
M.No.: F9687 CoP. No.3056

Date: August 14, 2019
Place: Chennai

CEO/CFO CERTIFICATION FOR THE YEAR ENDED MARCH 31, 2019

With reference to the certification as per Regulation 17(8) Part B of the SEBI (Listing obligations & Disclosure Requirements) Regulations 2015, we certify that:

a) We have reviewed financial statements and the Cash Flow statement for the year ended March 31st 2019 and that to the best of our knowledge and belief:

   i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.

c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps taken or propose to take to rectify these deficiencies.

d) We have indicated to the auditors and the Audit Committee

   i. Significant changes in Internal control over financial reporting during the year;

   ii. Significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and

   iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Yashpal Gupta	**T. Karunakaran**
Managing Director & CEO	Chief Financial Officer

Place: Chennai

Date : August 14, 2019

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE AS PER PROVISIONS OF CHAPTER IV OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015, AS AMENDED

The Members of
Repco Home Finance Limited

1. The Corporate Governance Report prepared by Repco Home Finance Limited (hereinafter the "Company"), contains details as specified in regulations 17 to 27, clauses (b) to (i) of sub – regulation (2) of regulation 46 and para C, D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') for the year ended March 31, 2019 as required by the Company for annual submission to the Stock exchange.

Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to provide a reasonable assurance in the form of an opinion whether, the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of key procedures performed include:
   i. Read and understood the information prepared by the Company and included in its Corporate Governance Report;
   ii. Obtained and verified that the composition of the Board of Directors with respect to executive and non-executive directors has been met throughout the reporting period;
   iii. Obtained and read the Register of Directors as on March 31, 2019 and verified that at least one woman director was on the Board throughout the year;
   iv. Obtained and read the minutes of Annual General Meeting held on September 21, 2018;
   v. Obtained and read the minutes of Meetings of the Board of Directors and the following committees of the Board held from April 1, 2018 to March 31, 2019
      (a) Audit Committee;
      (b) Nomination, Remuneration & Governance Committee;
      (c) Stakeholders' Relationship Committee;
      (d) Corporate Social Responsibility Committee;
      (e) IT Strategy Committee; and
   vi. Obtained necessary declarations from directors of the Company;
   vii. Obtained and read the policy adopted by the Company for related party transactions;
   viii. Obtained the schedule of related party transactions entered into by the Company during the year and balances at the year- end; Read and understood from the minutes of the Meetings of Audit Committee that such related party transactions have been pre-approved by the audit committee;
   ix. Performed necessary inquiries with the management and also obtained necessary specific representations from management.
8. The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purpose of

expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Opinion

9. Based on the procedures performed by us, as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations, as applicable for the year ended March 31, 2019, referred to in paragraph 4 above.

Other matters and Restriction on Use

10. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
11. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Aniruddh Sankaran
Partner
Membership Number: 211107
UDIN: 19211107AAAACR6446

Place of Signature: Chennai
Date: August 14, 2019

WEB LINKS

As required under the various provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the web link of some of the important documents placed on the website of the Company is provided below:

1. **Code of Conduct for directors and senior management**
   https://www.repcohome.com/pdf_files/corporate_governance/CODE%20OF%20CONDUCT.pdf
2. **Corporate Social Responsibility Policy**
   https://www.repcohome.com/pdf_files/corporate_governance/CSRP.pdf
3. **Whistle Blower policy**
   https://www.repcohome.com/pdf_files/corporate_governance/Whistle%20Blower%20Policy%20of%20Repco%20Home%20Finance.pdf
4. **Policy on Transactions with Related Parties**
   https://www.repcohome.com/pdf_files/corporate_governance/RELATED%20PARTY%20TRANSACTION%20POLICY.pdf
5. **Familiarization Programme**
   https://www.repcohome.com/corporate_governance.php
6. **Policy on Remuneration of Directors, Senior Management, KMPs and other employees**
   https://www.repcohome.com/pdf_files/corporate_governance/RemunerationPolicy.pdf

6\. **Business Responsibility Report**
   https://www.repcohome.com/pdf_files/corporate_governance/Business%20Respobsibility%20Report%20 2018-19.pdf

7\. **Policy on Determination of Materiality**
   https://www.repcohome.com/pdf_files/corporate_governance/Policy%20on%20Disclosure%20of%20Material%20Events%20and%20Information.pdf

8\. **Archival Policy**
   https://www.repcohome.com/pdf_files/corporate_governance/Archival_Policy.pdf

9\. **Code of Practices & Procedures for Fair Disclosures of UPSI**
   https://www.repcohome.com/pdf_files/corporate_governance/Code%20Of%20Practices.pdf

10\. **Disclosure under Regulation 14 of SEBI (SBEB) Regulations 2014**
   https://www.repcohome.com/pdf_files/corporate_governance/ESOS.pdf

11\. **Dividend Distribution Policy**
   https://www.repcohome.com/pdf_files/corporate_governance/DIVIDEND_DISTRIBUTION_POLICY.pdf

12\. **Details of Stock Options pursuant to SEBI (Share Based Employee Benefits) Regulation, 2014**
   https://www.repcohome.com/corporate_governance.php

13\. **Extracts of the Annual Return (Form MGT-9)**
   https://www.repcohome.com/corporate_governance.php

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF REPCO HOME FINANCE LIMITED

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of Repco Home Finance Limited ("the Company"), which comprise the Balance sheet as at March 31, 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including 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 Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit including other 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 Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS 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 Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2">Provision on Financial Instruments based on expected credit loss models</td></tr>
<tr><td>The Company provides loans to retail customers as part of its operations. Traditionally, the Company has provided for loan losses based on guidelines prescribed by the National Housing Bank Limited, the relevant regulator. As per the expected credit loss ("ECL") model required to be followed under Ind-AS 109 for loan loss provisioning, the Company is required to make consider and make related estimations, on factors including the probability-weighted loss on financial instruments over their life, reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions which could impact the credit quality of the Company's loans and advances. This involves a significant degree of estimates and judgements, including in respect of:
a) Defining the thresholds for significant increase in credit risk and for 'default' definition i.e. the number of days-past-due (DPD) post which a particular loan account will be considered either to have a significant increase in its credit risk or having defaulted.
b) Where relevant, segregating the loan portfolio under homogenous pools whereby the loans grouped in a particular category can be expected to demonstrate similar credit characteristics such that their probability of default can be determined on a collective basis.
c) Determining whether the effect of less frequent past events is to be considered for determining the future probability of default.
d) Management overlay for macro-economic factors which could impact the credit quality of the loans and factor the effect of those in loss estimation process.
As at March 31, 2019, the Company's gross advance exposures amounted to Rs. 11,036.81 crores and the related impairment provisions / write off amounted to Rs. 169.49 crores. The impairment provision policy is presented in the accounting policies, and in Note 3.5 to the financial statements.</td><td>Our audit procedures included the following:
• We gained an understanding of the Company's key credit processes comprising granting, booking, monitoring and provisioning and tested the operating effectiveness of key controls over these processes.
• We read the Company's Ind-AS 109 loan loss provisioning policy and compared it with the requirements of Ind-AS 109 as well as relevant regulatory guidelines and pronouncements.
• We obtained an understanding of the Company's provisioning methodology, the underlying assumptions and the sufficiency of the data used by management.
• We tested on a sample basis, the Exposure at Default used in the ECL calculation.
• We obtained an understanding of the basis and methodology adopted by management to determine 12 month and life-time probability of defaults and the loss given defaults for various homogenous segments and tested the same on a sample basis.
• We performed test of details on a sample basis, over the input data used for determining the Probability of Default and Loss Given Default rates and agreed the data with the underlying books of accounts and records.
• We tested the arithmetical accuracy of computation of ECL provision performed by the Company in spreadsheets.
• We enquired with the management regarding significant judgments and estimates involved in the impairment computation and evaluated the reasonability of such estimates made in accordance with Ind AS 109.
• We performed analytical reviews of disaggregated data.</td></tr>
</table>

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone Ind AS financial statements and our auditor's report thereon. The Annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the IND AS 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 IND AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibilities of Management for the Standalone Ind AS 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 Ind AS 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 accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS 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 Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS 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 Ind AS 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 Ind AS 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 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 management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2019 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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 the Statement of 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 Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
   - (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 with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
   - (g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to 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 has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 35 to the standalone Ind AS financial statements;
     - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
     - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Aniruddh Sankaran
Partner
Membership Number:211107

Place of Signature: Chennai
Date: May 29, 2019

ANNEXURE 1 REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" 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) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment/ fixed assets are held in the name of the Company.

(ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.

(iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the Company.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products of the Company.

(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, sales-tax, service tax, value added tax, goods and service tax, cess and other statutory dues applicable to it. The provisions relating to duty of custom and duty of excise are not applicable to the Company

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, sales-tax, service tax, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us, there are no dues of sales-tax, service tax, value added tax and cess which have not been deposited on account of any dispute. The dues outstanding of income tax on account of a dispute is as follows:

Name of the Statute	Nature of dues	Period of dispute	Amount due Rs. In crores *	Forum where it is pending
Income Tax Act, 1961	Income Tax	FY 2012-13	4.04	Income Tax appellate Tribunal (ITAT)
Income Tax Act, 1961	Income Tax	FY 2013-14	4.33	Commissioner of Income tax appeals

* The Company has paid an aggregate of Rs.1.06 crores in protest against these matters and has filled appeal in both the cases.

(viii)In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders.

(ix)According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments) and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud / material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

xii) In our opinion, the Company is not a nidhi Company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Aniruddh Sankaran
Partner
Membership Number: 211107

Place: Chennai
Date: May 29, 2019

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF REPCO BANK LIMITED

Report on the Internal Financial Controls 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 Repco Home Finance Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 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 with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. 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 with reference to these standalone financial statements 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 over financial reporting with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone financial statements, 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 internal financial controls over financial reporting with reference to these standalone financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

A Company's internal financial control over financial reporting with reference to these standalone financial statements 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 with reference to these standalone financial statements 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 With Reference to these Standalone Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone financial statements, 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 with reference to these standalone financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Aniruddh Sankaran
Partner
Membership Number:211107

Place of Signature: Chennai
Date: May 29, 2019

Repco Home Finance

Balance Sheet
As at March 31, 2019

(All amounts are Rupees in Crores, unless otherwise stated)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
I. Assets				
Financial assets				
Cash and cash equivalents	6	57.50	25.84	20.95
Bank balance other than cash and cash equivalents	7	0.10	0.06	1.54
Loans	8	10,837.93	9,649.17	8,785.54
Other financial assets	9	14.26	8.34	13.34
Investment in associate	10	22.00	15.60	15.60
Non-financial assets				
Property, plant and equipment	11	13.61	12.30	7.08
Other intangible assets	11	1.91	1.20	2.04
Other non-financial assets	12	9.66	18.44	10.38
Total assets		**10,956.97**	**9,730.95**	**8,856.47**
II. Liabilities and equity				
Financial liabilities				
Debt securities	13	825.40	2,134.30	1,133.81
Borrowings (other than debt securities)	14	8,452.01	6,000.01	6,425.43
Other financial liabilities	15	88.21	247.40	136.59
Non-financial liabilities				
Current tax liabilities (Net)	16	-	-	5.44
Provisions	17	11.98	12.75	8.97
Deferred tax liabilities (net)	28	51.99	28.04	23.95
Total liabilities		**9,429.59**	**8,422.50**	**7,734.19**
III. Equity				
Equity share capital	18	62.56	62.56	62.56
Other equity	18.1	1,464.82	1,245.89	1,059.72
Total equity		**1,527.38**	**1,308.45**	**1,122.28**
Total liabilities and equity		**10,956.97**	**9,730.95**	**8,856.47**

Significant Accounting policies & Notes to financials statement 2

The accompanying notes form an integral part of the standalone financial statement

As per our report of even date
For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Aniruddh Sankaran
Partner
Membership No. 211107
Place : Chennai
Date : May 29, 2019

For and on behalf of the Board of Directors of Repco Home Finance Limited

T Karunakaran
Chief Financial Officer
Place : Chennai
Date : May 29, 2019

K Prabhu
Company Secretary
Place : Chennai
Date : May 29, 2019

Yashpal Gupta
Managing Director
Place : Chennai
Date : May 29, 2019

T S KrishnaMurthy
Chairman
Place : Chennai
Date : May 29, 2019

Statement of Profit and Loss

For the year ended March 31, 2019

(All amounts are Rupees in Crores, unless otherwise stated)

Particulars	Note No.	Year ended March 31, 2019	Year ended March 31, 2018
I. Revenue from operations			
Interest income	19	1,163.37	1,085.06
Other loan related income	20	25.88	22.13
Total revenue from operations		**1,189.25**	**1,107.19**
Other income	21	5.92	2.87
Total income		**1,195.17**	**1,110.06**
II. Expenses			
Finance costs	22	719.95	648.91
Employee benefits expenses	23	58.52	49.45
Depreciation, amortisation and impairment	11	5.03	3.09
Others expenses	24	34.87	26.43
Provisions and write - offs	25	16.98	74.83
Total expenses		**835.35**	**802.71**
Profit before tax		359.82	307.35
Tax expense:			
(1) Current tax		101.69	102.38
(2) Deferred tax	28	23.49	3.97
III. Profit for the year		**234.64**	**201.00**
IV. Other comprehensive Income			
A. Items that will not be reclassified to profit or loss			
Remeasurement gain / (loss) on defined benefit plan		1.29	0.35
Income tax impact		(0.45)	(0.12)
Other Comprehensive Income		**0.84**	**0.23**
V. Total comprehensive income (III + IV)		**235.48**	**201.23**
Earnings per equity share			
Basic (INR)		37.51	32.13
Diluted (INR)		37.51	32.13

Significant Accounting policies & Notes to financials statement 2

The accompanying notes form an integral part of the standalone financial statement

As per our report of even date
For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Aniruddh Sankaran
Partner
Membership No. 211107
Place : Chennai
Date : May 29, 2019

For and on behalf of the Board of Directors of Repco Home Finance Limited

T Karunakaran
Chief Financial Officer
Place : Chennai
Date : May 29, 2019

K Prabhu
Company Secretary
Place : Chennai
Date : May 29, 2019

Yashpal Gupta
Managing Director
Place : Chennai
Date : May 29, 2019

T S KrishnaMurthy
Chairman
Place : Chennai
Date : May 29, 2019

Statement of changes in equity

For the year ended March 31, 2019

(All amounts are Rupees in Crores, unless otherwise stated)

A. Equity Share Capital

	Number of shares	Amount
As at April 01, 2017	625,61,362	62.56
Add : Shares issued during the year	-	-
As at March 31, 2018	625,61,362	62.56
Add : Shares issued during the year	-	-
As at March 31, 2019	625,61,362	62.56

B. Other Equity

Particulars	Reserve and Surplus						Items of Other compre-hensive Income	Total
	Special Reserve*	Statutory Reserve*	Capital Redemp-tion Reserve	Securi-ties Premium account*	General reserve*	Retained earnings		
Balance at 01 April 2017	265.21	129.14	-	318.42	125.94	221.01	-	1,059.72
Profit for the year	-	-	-	-	-	201.00	-	201.00
Appropriations to reserve	55.65	41.23	-	-	20.00	(116.88)	-	-
Other comprehensive income	-	-	-	-	-	-	0.23	0.23
Total comprehensive income	**320.86**	**170.37**	**-**	**318.42**	**145.94**	**305.13**	**0.23**	**1,260.95**
Dividend and dividend distribution tax	-	-	-	-	-	(15.06)	-	(15.06)
At 31 March 2018	**320.86**	**170.37**	**-**	**318.42**	**145.94**	**290.07**	**0.23**	**1,245.89**
Profit for the year	-	-	-	-	-	234.64	-	234.64
Appropriations to reserve	55.27	46.93	-	-	-	(102.20)	-	-
Other comprehensive income	-	-	-	-	-	-	0.84	0.84
Total comprehensive income	**376.13**	**217.30**	**-**	**318.42**	**145.94**	**422.51**	**1.07**	**1,481.37**
Dividend and dividend distribution tax	-	-	-	-	-	(16.55)	-	(16.55)
At 31 March 2019	**376.13**	**217.30**	**-**	**318.42**	**145.94**	**405.96**	**1.07**	**1,464.82**

*Refer Note 18.2 for description of nature and purpose of each reserve.

As per our report of even date
For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Aniruddh Sankaran
Partner
Membership No. 211107
Place : Chennai
Date : May 29, 2019

For and on behalf of the Board of Directors of Repco Home Finance Limited

T Karunakaran
Chief Financial Officer
Place : Chennai
Date : May 29, 2019

K Prabhu
Company Secretary
Place : Chennai
Date : May 29, 2019

Yashpal Gupta
Managing Director
Place : Chennai
Date : May 29, 2019

T S KrishnaMurthy
Chairman
Place : Chennai
Date : May 29, 2019

Cash Flow Statement for the year ended March 31, 2019

(All amounts are Rupees in Crores, unless otherwise stated)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
A. Cash Flow from Operating Activities		
Profit before tax	359.82	307.35
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation	5.03	3.09
(Profit)/Loss on Sale of Fixed Assets	(0.09)	(0.02)
Provision for Non-Performing Assets/Standard Assets (including Bad debts written off)	16.98	74.83
Interest Earned on Deposits	(0.03)	(0.10)
Dividend received on Investments	(1.87)	(1.87)
Finance cost on amortization of NCD	1.11	(1.51)
Actuarial Gain/Loss	1.29	0.35
Operating Profit Before Working Capital Changes	**382.24**	**382.12**
Changes in Working Capital		
(Increase)/Decrease in loans and advances	(1.54)	0.89
(Increase)/Decrease in other financial assets	8.78	(8.05)
Increase/(decrease) in provisions	(0.77)	1.75
Increase/(decrease) in financial liabilities	(159.19)	110.81
Operating Profit after Working Capital Changes	**229.52**	**487.52**
(Increase)/Decrease in Housing/other loans	(1,205.76)	(936.47)
Net Cash From Operations	**(976.24)**	**(448.95)**
Direct Taxes Paid	(106.09)	(108.08)
Net Cash flow used in operating activities (A)	**(1,082.33)**	**(557.03)**
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(7.26)	(7.56)
Proceeds from sale of fixed assets	0.30	0.11
(Increase)/Decrease in Capital advances	0.05	4.40
Subscription to Investments	(6.40)	-
Interest received on Deposits	0.03	0.10
Dividend received on Investments	1.87	1.87
Investments/redemption of Deposits Maturing after three months (net)	(0.04)	1.48
Net Cash flow used in Investing Activities (B)	**(11.45)**	**0.40**
C. Cash Flow from Financing Activities		
Term loans received from Banks and financial institutions	3,658.00	3,074.50
Repayment of Term loan from banks and financial Institutions	(1,364.95)	(3,426.76)
Proceeds from Issue of Non convertible Debentures	-	652.00
Redemption of Non convertible Debentures	(510.01)	(100.00)
Proceeds from issue of Commercial paper	1,225.00	2,350.00
Redemption of Commercial Paper	(2,025.00)	(1,900.00)
Proceeds of refinance availed from NHB	300.00	-
Repayment of Refinance availed from National Housing Bank	(338.71)	(227.79)
Increase in Short term Borrowings	197.66	154.63
Dividends Paid(Including Dividend distribution tax)	(16.55)	(15.06)
Net Cash flow from financing activities (C)	**1,125.44**	**561.52**
Net Increase/Decrease in cash and cash equivalent D = (A+B+C)	31.66	4.89
Cash and Cash Equivalents - Opening Balance (E)	25.84	20.95
Cash and Cash Equivalents - Closing Balance (D) + (E)	**57.50**	**25.84**
Components of Cash and Cash Equivalents at the end of the year (Also refer note 7)		
Current account with Banks	54.61	19.19
Unpaid dividend accounts*	0.03	0.01
Short term deposits	0.36	3.03
Cash on Hand	2.50	3.61
Total Cash and Cash Equivalents	**57.50**	**25.84**

As per our report of even date
For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Aniruddh Sankaran
Partner
Membership No. 211107
Place : Chennai
Date : May 29, 2019

For and on behalf of the Board of Directors of Repco Home Finance Limited

T Karunakaran
Chief Financial Officer
Place : Chennai
Date : May 29, 2019

K Prabhu
Company Secretary
Place : Chennai
Date : May 29, 2019

Yashpal Gupta
Managing Director
Place : Chennai
Date : May 29, 2019

T S KrishnaMurthy
Chairman
Place : Chennai
Date : May 29, 2019

Accounting Policies and Notes forming part of the Standalone Financial Statements for the year ended March 31, 2019

1. Corporate information

Repco Home Finance Limited ("the Company" or "RHFL") is a housing finance Company head quartered in Chennai, Tamil Nadu. Incorporated in April 2000, The Company is registered as a housing finance Company with the National Housing Bank (NHB).

2. Basis of preparation

The standalone financial statements ("financial statements") have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 as per Section 133 of the Companies Act, 2013 and relevant amendment rules issued thereafter ("Ind AS") on the historical cost basis except for fair value through other comprehensive income (FVOCI) instruments, all of which have been measured at fair value as explained below, the relevant provisions of the Companies Act, 2013 (the "Act") and the guidelines issued by the National Housing Bank ("NHB") to the extent applicable.

Effective April 1, 2018, the Company has adopted Ind AS and the adoption was carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards, with April 1, 2017 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 as amended ("IGAAP"), which was the previous generally accepted accounting principles.

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

Amounts in the financial statements are presented in Indian Rupees in crore rounded off to two decimal places as permitted by Schedule III to the Act. except when otherwise indicated.

2.1 Presentation of financial statements

The Company presents its balance sheet in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non–current) is presented in Note No.44.4.

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in in the normal course of business, event of default or insolvency or bankruptcy of the Company and/or its counter parties.

3. Significant accounting policies

3.1 Financial instruments – initial recognition

3.1.1 Date of recognition

Financial assets and liabilities, with the exception of loans, debt securities and borrowings are initially recognised on the transaction date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. Loans are recognised on the date when funds are disbursed to the customer. The Company recognises debt securities and borrowings when funds are received by the Company.

3.1.2 Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at their fair value, except in the case of financial assets and financial liabilities recorded at FVTPL, transaction costs are added to, or subtracted from, this amount.

3.1.3 Measurement categories of financial assets and liabilities

The Company classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either Amortised Cost, FVOCI or FVTPL.

Financial liabilities and other than loan commitments are measured at amortised cost or FVTPL when fair value designation is applied.

3.2 Financial assets and liabilities

3.2.1 Bank balances, Loans, Trade receivables and financial investments at amortised cost

The Company measures Bank balances, Loans, Trade receivables and other financial investments at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The details of these conditions are outlined below.

3.2.1.1 Business model assessment

The Company determines its business model at the level that best reflects how it manages group of financial assets to achieve its business objective.

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)
- The expected frequency, value and timing of sales are also important aspects of the Company's assessment

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

3.2.1.2 The SPPI (Sole payment of Principal and Interest) test

As a second step of its classification process the Company assesses the contractual terms of financial to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Company applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

3.2.2 Financial assets or financial liabilities held for trading

The Company classifies financial assets as held for trading when they have been purchased or issued primarily for short-term profit making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there is evidence of a recent pattern of short-term profit taking. Held-for-trading assets and liabilities are recorded and measured in the balance sheet at fair value. Changes in fair value are recognised in net gain on fair value changes. Interest and dividend income or expense is recorded in net gain on fair value changes according to the terms of the contract, or when the right to payment has been established.

Included in this classification are debt securities, equities, and customer loans that have been acquired principally for the purpose of selling or repurchasing in the near term.

3.2.3 Debt securities and other borrowed funds

After initial measurement, debt issued and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the Effective Interest Rate ('EIR').

3.2.4 Financial assets and financial liabilities at fair value through profit or loss

Financial assets and financial liabilities in this category are those that are not held for trading and have been either designated by management upon initial recognition or are mandatorily required to be measured at fair value under Ind AS 109.

Financial assets and financial liabilities at FVTPL are recorded in the balance sheet at fair value. Changes in fair value are recorded in profit and loss with the exception of movements in fair value of liabilities designated at FVTPL due to changes in the Company's own credit risk. Such changes in fair value are recorded in the Own credit reserve through OCI and do not get recycled to the profit or loss. Interest earned or incurred on instruments designated at FVTPL is accrued in interest income or finance cost, respectively, using the EIR, taking into account any discount/ premium and qualifying transaction costs being an integral part of instrument. Interest earned on assets mandatorily required to be measured at FVTPL is recorded using contractual interest rate.

3.2.5 Undrawn loan commitments

Undrawn loan commitments are commitments under which, over the duration of the commitment, the Company is required to provide a loan with pre-specified terms to the customer. Undrawn loan commitments are in the scope of the Expected Credit Loss ('ECL') requirements.

The nominal contractual value of undrawn loan commitments, where the loan agreed to be provided is on market terms, are not recorded in the balance sheet.

3.3 Reclassification of financial assets and liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the

Company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified.

3.4 Derecognition of financial assets and liabilities

3.4.1 Derecognition of financial assets due to substantial modification of terms and conditions

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

When assessing whether or not to derecognise a loan to a customer, amongst others, the Company considers the following factors:

- Change in counterparty
- If the modification is such that the instrument would no longer meet the SPPI criterion
- 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.

3.4.2 Derecognition of financial assets other than due to substantial modification

3.4.2.1 Financial assets

A financial asset is derecognised when the rights to receive cash flows from the financial asset have expired. The Company also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

A transfer only qualifies for derecognition if either the Company has transferred substantially all the risks and rewards of the asset or has neither transferred nor retained substantially all the risks and rewards of the asset,but has transferred control of the asset

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Company has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Company's continuing involvement, in which case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration the Company could be required to pay.

3.4.3 Financial liabilities

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

3.5 Impairment of financial assets

3.5.1 Overview of the ECL principles

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

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

The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both LTECLs and 12mECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

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

Stage 1: When loans are first recognised, the Company recognises an allowance based on 12mECLs. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.

Stage 3: Loans considered credit-impaired. The Company records an allowance for the LTECLs.

3.5.2 The calculation of ECL

The Company calculates ECLs to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

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

EAD The *Exposure at Default* is an estimate of the exposure at a future default date (in case of Stage 1 and Stage 2), taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments. In case of Stage 3 loans EAD represents exposure when the default occurred,.

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

Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value

The mechanics of the ECL method are summarised below:

Stage 1: The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Company calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

Stage 3: For loans considered credit-impaired, the Company recognises the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

Loan commitment: When estimating LTECLs for undrawn loan commitments, the Company estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down. The expected cash shortfalls are discounted at an approximation to the expected EIR on the loan.

For an undrawn commitment, ECLs are calculated and presented together with the loan. For loan commitments, the ECL is recognised along with advances

3.5.3 Forward looking information

In its ECL models, the Company relies on a broad range of forward looking information as economic inputs such as: GDP growth, House price indices

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

3.6 Collateral valuation

To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible. The collateral comes is in the form of Immovable properties. However, the fair value of collateral affects the calculation of ECLs. It is generally assessed, at a minimum, at inception and re-assessed on a specific event. The value of the property at the time of origination will be arrived by obtaining valuation reports from Company's empanelled valuer.

3.7 Collateral repossessed

The Company generally does not use the assets repossessed for the internal operations. These repossessed assets which are intended to be realised by way of sale are considered for staging based on performance of the assets and the ECL allowance is determined based on the estimated net realisable value of the repossessed asset. The Company resorts to regular repossession of collateral provided against loans. Further, in its normal course of business, the Company from time to time, also exercises its right over property through legal procedures which include seizure of the property. As per the Company's accounting policy, collateral repossessed are not recorded on the balance sheet.

3.8 Write-offs

Financial assets are written off either partially or in their entirety only when there are no reasonable certainties in recovery from the financial asset. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to statement of profit and loss.

3.9 Forborne and modified loans

The Company sometimes makes concessions or modifications to the original terms of loans as a response to the borrower's financial difficulties, rather than taking possession or to otherwise enforce collection of collateral. The Company considers a loan forborne when such concessions or modifications are provided as a result of the borrower's present or expected financial difficulties and the Company would not have agreed to them if the borrower had been financially healthy. Indicators of financial difficulties include defaults on covenants, or significant concerns raised by the Credit Risk Department. Forbearance may involve extending the payment arrangements and the agreement of new loan conditions. Once the terms have been renegotiated, any impairment is measured using the original EIR as calculated before the modification of terms. It is the Company's policy to monitor forborne loans to help ensure that future payments continue to be likely to occur. Derecognition decisions and classification between Stage 2 and Stage 3 are determined on a case-by-case basis. If these procedures identify a loss in relation to a loan, it is disclosed and managed as an impaired Stage 3 forborne asset until it is collected or written off.

When the loan has been renegotiated or modified but not derecognised, the Company also reassesses whether there has been a significant increase in credit risk. The Company also considers whether the assets should be classified as Stage 3. Once an asset has been classified as forborne, it will remain forborne for a minimum 12-month probation period. In order for the loan to be reclassified out of the forborne category, the customer has to meet all of the following criteria.

- All of its facilities has to be considered performing
- The probation period of 12 months has passed from the date the forborne contract was considered performing
- Regular payments of more than an insignificant amount of principal or interest have been made during at least half of the probation period

The customer does not have any contract that is more than 30 days past due. If modifications are substantial, the loan is derecognised.

3.10 Determination of fair value

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

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

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

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

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

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

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

- **Level 1 financial instruments** – Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.
- **Level 2 financial instruments** – Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Company will classify the instruments as Level 3.
- **Level 3 financial instruments** – Those that include one or more unobservable input that is significant to the measurement as whole.

3.11 Recognition of interest income

3.11.1 The effective interest rate method

Under Ind AS 109 interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost, debt instrument measured at FVOCI and debt instruments designated at FVTPL. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

3.11.2 Interest income

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets

When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Company calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial assets cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

3.12 Recognition of income and expenses

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found within Ind ASs.

The Company recognises revenue from contracts with customers based on a five step model as set out in Ind 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation

3.12.1 Dividend Income

Dividend income is recognised when the Company's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably. This is generally when the shareholders approve the dividend.

3.12.2 Fee and commission income

Fee and commission income include fees other than those that are an integral part of EIR. The Company recognises the fee and commission income in accordance with the terms of the relevant contracts / agreement and when it is probable that the Company will collect the consideration.

3.12.3 Rental Income

Income from leases is recognised in the statement of profit and loss as per the contractual rentals unless another systematic basis is more representative of the time pattern in which benefits derived from the leased assets.

3.12.4 Other Income

Other Income represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

3.13 Leases

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

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

3.13.1 Company as a lessee

Leases that do not transfer to the Company substantially the entire risks and benefits incidental to ownership of the leased items are operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term, unless the increase is in line with expected general inflation, in which case lease payments are recognised based on contractual terms. Contingent rental payable is recognised as an expense in the period in which they it is incurred.

3.14 Cash and cash equivalents

Cash and cash equivalents comprises of Cash in Hand, demand deposits with other banks and Balances 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.

3.15 Property, plant and equipment

Property plant and equipment is stated at cost excluding the costs of day–to–day servicing, less accumulated depreciation and accumulated impairment in value. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

Depreciation is calculated using the straight–line method to write down the cost of property and equipment to their residual values over their estimated useful lives. Land is not depreciated.

The estimated useful lives are, as follows:

Asset Description	Estimated Useful Life by the management	Estimated Useful Life as per Schedule II
Buildings	60 years	60 years
Computer Equipment	3-6 years	3-6 years
Office Equipment	3-5 years	5 years
Furniture and fittings	5-10 years	10 years
Motor vehicles	8 years	8 years
Electrical installations and equipment	5-10 years	10 years

The Company, based on technical assessment made by technical expert and management estimate, depreciates certain items of building over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate

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

Intangible assets / Amortisation

Intangible assets that are acquired by the Company, which have finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the intangible asset and are amortised over the lower of the estimated useful life/licensed period on the straight-line basis or five years.

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate

3.16 Impairment of non–financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Companys of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations, are recognised in the statement of profit and loss.

For assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

3.17 Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

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

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

  Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year end. Actuarial gains/ losses are immediately taken to the statement of profit and loss and are not deferred.

3.18 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the effect of the time value of money is material, the Company determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

3.19 Taxes

3.19.1 Current tax

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

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

3.19.2 Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3.19.3 Goods and services tax /value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax/value added taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable

- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

3.20 Dividends on ordinary shares

The Company recognises a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of profit and loss.

3.21 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

4. Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, and the accompanying disclosures, as well as the disclosure of contingent liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements are as below:

a. Measurement of Expected Credit Loss

b. Measurement of useful life of Property, Plant & Equipment

c. Estimation of Taxes on Income

d. Estimation of Employee Benefit Expense

e. Effective Interest Rate

f. Provisions and other contingent liabilities

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

4.1 Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility.

4.2 Effective Interest Rate (EIR) method

The Company's EIR methodology recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to India's base rate and other fee income/expense that are integral parts of the instrument.

4.3 Impairment of financial asset

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Company's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a LTECL basis and the qualitative assessment
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL models, including the various formulas and the choice of inputs
- Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EADs and LGDs
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models

It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

4.4 Provisions and other contingent liabilities

The Company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in various litigation, arbitration and regulatory investigations and proceedings in the ordinary course of the Company's business.

When the Company can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Company records a provision against the case. Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

Given the subjectivity and uncertainty of determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

5. Standard issued but not yet effective

Ind AS 116 Leases

Ind AS 116 Leases was notified in March 2018 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

The Company continues to evaluate the available transition methods and its contractual arrangements. The Company has established an implementation team to implement Ind AS 116 related to the recognition of ROU asset and lease liability and it continues to evaluate the changes to accounting system and processes, and additional disclosure requirements that may be necessary. A reliable estimate of the quantitative impact of Ind AS 116 on the financial statements will only be possible once the implementation project has been completed.

Notes to Financial Statements

For the Year Ended March 31, 2019

(All amounts are Rupees in Crores, unless otherwise stated)

Note 6:	March 31, 2019	March 31, 2018	April 1, 2017
Cash and cash equivalents			
Cash on hand	2.50	3.61	5.38
Balances with bank			
a. Current accounts	54.61	19.19	12.41
b. Deposit accounts	0.36	3.03	3.16
c. Unpaid dividend accounts	0.03	0.01	-
Total	**57.50**	**25.84**	**20.95**

Note 7:	March 31, 2019	March 31, 2018	April 1, 2017
Bank Balance other than cash and cash equivalents			
Bank deposit with maturity of less than 12 months	0.10	0.06	1.54
Total	**0.10**	**0.06**	**1.54**

Deposits amounting to Rs. 0.10 crores (March 2018- Rs. 0.06 crores and March 2017 - Rs. 0.17 crores) held jointly by the Company and employee towards security deposit and Rs. Nil (March 2018 -Rs. Nil and March 2017- Rs. 1.36 crores) provided as cash Collateral on which lien noted towards Bank Guarantee issued to NSE by bank.

Note 8:	March 31, 2019	March 31, 2018	April 1, 2017
Financial assets measured at Amortised cost			
Term loans	10,977.96	9,808.00	8,891.05
Impairment loss allowance	(164.43)	(180.12)	(123.15)
Total – Net	**10,813.53**	**9,627.88**	**8,767.90**
Term loans to employees	24.46	21.37	17.69
Impairment loss allowance	(0.06)	(0.08)	(0.05)
Total	**24.40**	**21.29**	**17.64**
Grand total	**10,837.93**	**9,649.17**	**8,785.54**
(a) Secured by tangible assets (equitable mortgage of property)	11,002.42	9,829.37	8,908.74
(b) Unsecured, considered good	-	-	-
Total – Gross	**11,002.42**	**9,829.37**	**8,908.74**
Less: Impairment loss allowance	(164.49)	(180.20)	(123.20)
Total – Net	**10,837.93**	**9,649.17**	**8,785.54**
In India	10,837.93	9,649.17	8,785.54
Outside India	-	-	-

Repco Home Finance

(All amounts are Rupees in Crores, unless otherwise stated)

Note 8.1 Term loans

8.1.1 An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to term loans is, as follows:

Particulars	FY 2018-19					FY 2017-18				
	Stage 1 Collective	Stage 2 Collective	Stage 3 Individual	Stage 3 Collective	Total	Stage 1 Collective	Stage 2 Collective	Stage 3 Individual	Stage 3 Collective	Total
Gross Carrying amount opening balance	7,997.02	1,526.21	105.60	200.54	9,829.37	7,258.29	1,393.73	55.76	200.96	8,908.74
Assets derecognised or repaid	(1,417.08)	(293.91)	(36.58)	(47.20)	(1,794.77)	(1,423.36)	(265.48)	(8.35)	(74.68)	(1,771.87)
New assets originated or purchased	2,908.65	42.61	0.07	16.49	2,967.82	2,586.37	90.90	0.47	14.76	2,692.50
Transfers to Stage 1	376.71	(365.84)	(0.07)	(10.80)	-	285.13	(280.58)	(0.20)	(4.35)	-
Transfers to Stage 2	(533.45)	552.04	(1.76)	(16.83)	-	(678.15)	704.67	(1.61)	(24.91)	-
Transfers to Stage 3	(28.34)	(117.72)	16.56	129.50	-	(31.26)	(117.03)	59.53	88.76	-
Gross carrying amount closing balance	**9,303.51**	**1,343.39**	**83.82**	**271.70**	**11,002.42**	**7,997.02**	**1,526.21**	**105.60**	**200.54**	**9,829.37**

8.1.2 Reconciliation of ECL balance is given below:

Particulars	FY 2018-19					FY 2017-18				
	Stage 1 Collective	Stage 2 Collective	Stage 3 Individual	Stage 3 Collective	Total	Stage 1 Collective	Stage 2 Collective	Stage 3 Individual	Stage 3 Collective	Total
ECL allowance - opening balance	13.25	35.46	106.18	25.31	180.20	11.48	31.69	56.13	23.90	123.20
New assets originated or purchased	4.36	0.75	-	0.12	5.23	4.44	1.88	-	1.17	7.49
Assets derecognised or repaid	(2.80)	(14.50)	(41.87)	(8.10)	(67.27)	(2.14)	(12.02)	(10.84)	(11.71)	(36.71)
Transfers to Stage 1	0.55	(0.54)	-	(0.01)	-	0.42	(0.41)	-	(0.01)	-
Transfers to Stage 2	(0.85)	1.28	(0.06)	(0.37)	-	(1.04)	1.64	(0.03)	(0.57)	-
Transfers to Stage 3	(0.04)	(2.85)	2.20	0.69	-	(0.04)	(2.86)	4.30	(1.40)	-
Changes to models and inputs used for ECL calculations	0.32	12.29	18.03	15.69	46.33	0.13	15.54	56.62	13.93	86.22
ECL allowance - closing balance	**14.79**	**31.89**	**84.48**	**33.33**	**164.49**	**13.25**	**35.46**	**106.18**	**25.31**	**180.20**

Note 8.2 Loan commitment

8.2.1 An analysis of changes in the gross carrying amount is as follows

Particulars	FY 2018-19					FY 2017-18				
	Stage 1 Collective	Stage 2 Collective	Stage 3 Individual	Stage 3 Collective	Total	Stage 1 Collective	Stage 2 Collective	Stage 3 Individual	Stage 3 Collective	Total
Opening balance of outstanding exposure	475.72	10.38	-	0.81	486.91	373.90	6.87	-	0.69	381.46
New exposure	572.71	1.23	-	-	573.94	454.24	2.71	-	0.26	457.21
Exposure derecognised or matured/lapsed (excluding write off)	(421.85)	(4.74)	-	(0.18)	(426.77)	(347.30)	(3.87)	-	(0.59)	(351.76)
Transfers to Stage 1	2.94	(2.89)	-	(0.05)	-	0.46	(0.46)	-	-	-
Transfers to Stage 2	(3.91)	4.02	-	(0.11)	-	(5.41)	5.45	-	(0.04)	-
Transfers to Stage 3	(0.19)	(0.81)	-	1.00	-	(0.17)	(0.32)	-	0.49	-
Gross carrying amount closing balance	**625.42**	**7.19**	**-**	**1.47**	**634.08**	**475.72**	**10.38**	**-**	**0.81**	**486.91**

(All amounts are Rupees in Crores, unless otherwise stated)

Note 9:	March 31, 2019	March 31, 2018	April 1, 2017
Others financial assets			
Financial assets measured at Amortised cost			
Other loans to employees	3.75	3.26	3.45
Advances	1.61	1.04	5.44
Security deposits	4.23	3.77	4.45
Advance tax (net of provision)	4.67	0.27	-
Total	**14.26**	**8.34**	**13.34**

Note 10:	March 31, 2019	March 31, 2018	April 1, 2017
Investment in associate (at amortized cost)			
Equity instruments, unquoted and trade			
2,20,00,000 equity shares of Rs. 10/- each (1,56,00,000 equity shares of Rs. 10/- each in March 2018 and March 2017) fully paid up in Repco Micro Finance Ltd.	22.00	15.60	15.60
Total – Gross	**22.00**	**15.60**	**15.60**
Less: Impairment loss allowance	-	-	-
Total – Net	**22.00**	**15.60**	**15.60**
In India	22.00	15.60	15.60
Outside India	-	-	-

Note 10.1: Internal rating grade				
	March '19			
Grade	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
High grade	22.00	-	-	22.00
Medium grade	-	-	-	-
Low grade	-	-	-	-
Total	**22.00**	**-**	**-**	**22.00**
	March '18			
Grade	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
High grade	15.60	-	-	15.60
Medium grade	-	-	-	-
Low grade	-	-	-	-
Total	**15.60**	**-**	**-**	**15.60**
	March '17			
Grade	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
High grade	15.60	-	-	15.60
Medium grade	-	-	-	-
Low grade	-	-	-	-
Total	**15.60**	**-**	**-**	**15.60**

(All amounts are Rupees in Crores, unless otherwise stated)

Note 10.2: Movement in investments

	March '19			
	Stage 1	Stage 2	Stage 3	Total
Opening balance	15.60	-	-	15.60
New assets purchased	6.40	-	-	6.40
Assets derecognized or written off	-	-	-	-
Transfer to stages	-	-	-	-
Closing balance	**22.00**	-	-	**22.00**
	March '18			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Opening balance	15.60	-	-	15.60
New assets purchased	-	-	-	-
Assets derecognized or written off	-	-	-	-
Transfer to stages	-	-	-	-
Closing balance	**15.60**	-	-	**15.60**

Note 11:

Property, Plant & Equipment (PPE) and Intangible assets

Particulars	Land & Building	Furniture & Fixtures	Motor Vehicles	Computers	Office Equipment	Electrical & installation equipment	Total PPE	Software	Total Intangible Asset
Gross block									
As at April 1, 2017	1.77	1.16	0.66	1.79	1.54	0.16	7.08	2.04	2.04
Add: Additions	4.73	0.91	0.38	1.06	0.45	0.03	7.56	-	-
Less: Disposals	-	0.33	0.06	0.21	0.21	0.03	0.84	-	-
As at March 31, 2018	**6.50**	**1.74**	**0.98**	**2.64**	**1.78**	**0.16**	**13.80**	**2.04**	**2.04**
Add: Additions	-	1.94	0.81	1.29	0.66	0.07	4.77	2.49	2.49
Less: Disposals	-	0.01	0.25	-	0.04	-	0.30	-	-
As at March 31, 2019	**6.50**	**3.67**	**1.54**	**3.93**	**2.40**	**0.23**	**18.27**	**4.53**	**4.53**
Depreciations / Amortisation									
As at April 1, 2017	-	-	-	-	-	-	-	-	-
Add: Charge for the year	0.06	0.76	0.17	0.91	0.32	0.03	2.25	0.84	0.84
Less: Disposals	-	0.33	0.06	0.19	0.15	0.02	0.75	-	-
As at March 31, 2018	**0.06**	**0.43**	**0.11**	**0.72**	**0.17**	**0.01**	**1.50**	**0.84**	**0.84**
Add: Charge for the year	0.11	1.47	0.20	1.06	0.38	0.03	3.25	1.78	1.78
Less: Disposals	-	-	0.08	-	0.01	-	0.09	-	-
As at March 31, 2019	**0.17**	**1.90**	**0.23**	**1.78**	**0.54**	**0.04**	**4.66**	**2.62**	**2.62**
Net block									-
As at March 31, 2019	**6.33**	**1.77**	**1.31**	**2.15**	**1.86**	**0.19**	**13.61**	**1.91**	**1.91**
As at March 31, 2018	**6.44**	**1.31**	**0.87**	**1.92**	**1.61**	**0.15**	**12.30**	**1.20**	**1.20**

* Land and building with a carrying amount of Rs. 11. 74 lakhs (March 31, 2018 - Rs. 12.08 lakhs) are subject to additional charge to secure the Company's redeemable non-convertible debentures.

Note:

The Company has elected the previous GAAP carrying value as deemed cost on the date of transition for property, plant and equipment. Hence, net block as on March 31, 2017 is considered as gross block as on April 1, 2017.

(All amounts are Rupees in Crores, unless otherwise stated)

Note 12:	March 31, 2019	March 31, 2018	April 1, 2017
Other non-financial assets			
Prepaid expenses	9.65	8.70	7.07
Other non financial assets	0.01	9.74	3.31
Total	**9.66**	**18.44**	**10.38**

Note 13:	March 31, 2019	March 31, 2018	April 1, 2017
Debt securities			
(a) Secured			
Redeemable non-convertible debentures (Refer note below)	825.40	1,334.30	783.81
(b) Unsecured			
Commercial paper	-	800.00	350.00
Total	**825.40**	**2,134.30**	**1,133.81**

A. Redeemable Non-convertible debentures are secued by first and exclusive charge on the specific assets by way of hyothecation of book debts and receivables and also by way of mortgage of specific immovable property in favour of debenture trustees.

B. The details regarding repayment and interest is given under Annexure - A

Note 14:	March 31, 2019	March 31, 2018	April 1, 2017
Borrowing other than debt securities **Term loans including Cash Credit and WCDL**			
From related parties (Repco Bank Limited)	798.72	622.68	498.13
From banks and financial institutions	6,749.69	4,435.02	4,757.20
From National Housing Bank (Refer Note A below)	903.60	942.31	1,170.10
Total	**8,452.01**	**6,000.01**	**6,425.43**
Borrowings in India	8,452.01	6,000.01	6,425.43
Borrowings outside India	-	-	-

A. Refinance from National Housing Bank (NHB) and other Term Loans from banks and financial institutions are secured by first and exclusive charge on the specific book debts/receivables of the Company and an irrevocable Power of Attorney (POA) given by the Company in favour of the Banks/NHB for recovery of dues and for creation of mortgage on the properties of the loan borrowers of the Company.

Annexure - A for Note 13 & 14

Maturity Profile of term Loans from National Housing Bank

As at March 31, 2019						
Rate of Interest (%)	Maturities					
	upto 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 10 years	Over 10 years	Total
4.00 to 6.00	13.65	36.40	36.40	33.55	-	120.00
6.01 to 8.00	51.23	80.87	72.63	76.64	-	281.37
8.01 to 9.00	29.61	45.15	37.28	67.70	2.20	181.94
9.01 to 9.55	35.65	79.31	66.36	108.39	30.58	320.29
Total	**130.14**	**241.73**	**212.67**	**286.28**	**32.78**	**903.60**

(All amounts are Rupees in Crores, unless otherwise stated)

Maturity Profile of Term Loans from banks & financial institutions

As at March 31, 2019						
Rate of Interest (%)	Maturities					
	upto 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 10 years	Over 10 years	Total
7.50 to 8.00	23.08	46.15	46.15	34.62	-	150.00
8.01 to 8.14	5.00	10.00	7.85	2.14	-	24.99
8.15 to 8.30	15.38	829.49	30.77	7.69	-	883.33
8.31 to 8.60	401.00	416.05	330.81	73.59	1.50	1,222.95
8.61 to 9.00	701.08	1,045.81	717.95	1,037.56	126.83	3,629.23
9.01 to 9.30	209.29	368.57	268.57	362.37	99.89	1,308.69
9.31 to 9.50	21.05	42.11	42.11	84.14	-	189.41
9.51 to 9.75	5.00	20.00	20.00	40.00	-	85.00
9.76 to 9.95	20.00	34.81	-	-	-	54.81
Total	**1,400.88**	**2,812.99**	**1,464.21**	**1,642.11**	**228.22**	**7,548.41**

Maturity Profile of Non Convertible debentures

As at March 31, 2019						
Rate of Interest (%)	Maturities					
	upto 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 10 years	Over 10 years	Total
8.05	-	179.18	-	271.38	-	450.56
8.20	-	100.03	-	-	-	100.03
8.25	-	100.00	-	-	-	100.00
8.50	99.89	-	-	-	-	99.89
8.78	24.97	-	-	-	-	24.97
8.95	49.95	-	-	-	-	49.95
Total	**174.81**	**379.21**	**-**	**271.38**	**-**	**825.40**

Maturity Profile of term Loans from National Housing Bank

As at March 31, 2018						
Rate of Interest (%)	Maturities					
	upto 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 10 years	Over 10 years	Total
6.01 to 8.00	107.72	118.67	103.67	180.35	29.98	540.39
8.01 to 9.00	61.78	94.41	62.23	108.85	4.44	331.71
9.01 to 9.55	8.51	17.02	17.02	27.66	-	70.21
Total	**178.01**	**230.10**	**182.92**	**316.86**	**34.42**	**942.31**

(All amounts are Rupees in Crores, unless otherwise stated)

Maturity Profile of Term Loans from banks & financial institutions

As at March 31, 2018						
Rate of Interest (%)	Maturities					
	upto 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 10 years	Over 10 years	Total
7.50 to 8.00	6.25	12.50	12.50	18.73	-	49.98
8.01 to 8.14	850.72	351.53	351.53	240.72	-	1,794.50
8.15 to 8.30	507.17	852.72	473.37	268.47	-	2,101.73
8.31 to 8.60	187.25	333.94	284.23	183.57	-	988.99
8.61 to 9.00	5.00	10.00	10.00	5.00	-	30.00
9.01 to 9.30	-	-	-	-	-	-
9.31 to 9.50	2.50	20.00	20.00	50.00	-	92.50
Total	**1,558.89**	**1,580.69**	**1,151.63**	**766.49**	**-**	**5,057.70**

Maturity Profile of Non Convertible debentures

As at March 31, 2018						
Rate of Interest (%)	Maturities					
	upto 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 10 years	Over 10 years	Total
8.05	-	179.10	-	271.04	-	450.14
8.20	-	100.02	-	-	-	100.02
8.25	-	99.97	-	-	-	99.97
8.50	-	99.85	-	-	-	99.85
8.72	149.83	-	-	-	-	149.83
8.78	24.96	24.99	-	-	-	49.95
8.95	34.91	49.98	-	-	-	84.89
9.21	199.73	-	-	-	-	199.73
9.35	99.92	-	-	-	-	99.92
Total	**509.35**	**553.91**	**-**	**271.04**	**-**	**1,334.30**

Maturity Profile of Commercial Paper

As at March 31, 2018						
Rate of Interest (%)	Maturities					
	upto 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 10 years	Over 10 years	Total
7.26 to 8.00	800.00	-	-	-	-	800.00
Total	**800.00**	**-**	**-**	**-**	**-**	**800.00**

Maturity Profile of term Loans from National Housing Bank

As at March 31, 2018						
Rate of Interest (%)	Maturities					
	upto 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 10 years	Over 10 years	Total
6.01 to 8.00	140.50	145.48	80.87	149.27	-	516.12
8.01 to 9.00	65.04	115.38	78.65	160.49	57.55	477.11
9.01 to 9.55	22.24	44.48	40.63	69.52	-	176.87
Total	**227.78**	**305.34**	**200.15**	**379.28**	**57.55**	**1,170.10**

(All amounts are Rupees in Crores, unless otherwise stated)

Maturity Profile of Term Loans from banks & financial institutions

As at March 31, 2017						
Rate of Interest (%)	Maturities					
	upto 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 10 years	Over 10 years	Total
8.15 to 8.30	133.58	255.44	175.19	51.94	-	616.15
8.31 to 8.60	229.16	392.19	309.29	269.58	-	1,200.22
8.61 to 9.00	107.14	152.45	43.02	5.30	-	307.91
9.01 to 9.30	25.00	50.00	50.00	62.50	-	187.50
9.31 to 9.50	728.61	451.45	422.39	522.56	37.31	2,162.32
9.51 to 9.75	124.78	249.67	198.65	205.38	-	778.48
9.76 to 9.95	2.75	-	-	-	-	2.75
Total	**1,351.02**	**1,551.20**	**1,198.54**	**1,117.26**	**37.31**	**5,255.33**

Maturity Profile of Non Convertible debentures

As at March 31, 2017						
Rate of Interest (%)	Maturities					
	upto 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 10 years	Over 10 years	Total
8.50	-	99.82	-	-	-	99.82
8.72	-	149.78	-	-	-	149.78
8.78	-	49.93	-	-	-	49.93
8.95	-	84.84	-	-	-	84.84
9.21	-	199.69	-	-	-	199.69
9.35	-	99.85	-	-	-	99.85
9.55	99.90	-	-	-	-	99.90
Total	**99.90**	**683.91**	**-**	**-**	**-**	**783.81**

Maturity Profile of Commercial Paper

As at March 31, 2017						
Rate of Interest (%)	Maturities					
	upto 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 10 years	Over 10 years	Total
7.10 to 7.25	350.00	-	-	-	-	350.00
Total	**350.00**	**-**	**-**	**-**	**-**	**350.00**

Note 15:	**March 31, 2019**	**March 31, 2018**	**April 1, 2017**
Other financial liabilities at amortised cost			
Interest accrued	71.33	138.64	85.16
Unpaid dividend	0.03	0.01	-
Statutory dues	2.19	1.59	1.36
Book overdraft	4.06	97.71	42.92
Others	10.60	9.45	7.15
Total	**88.21**	**247.40**	**136.59**

(All amounts are Rupees in Crores, unless otherwise stated)

Note 16:	March 31, 2019	March 31, 2018	April 1, 2017
Current tax liabilities (Net)			
Income tax (net of advance tax paid)	-	-	5.44
Total	-	-	5.44

Note 17:	March 31, 2019	March 31, 2018	April 1, 2017
Provisions			
Provision for employee benefits			
Provision for Gratuity (Refer Note no. 31)	0.15	0.82	0.61
Provision for compensated absences (Refer Note no. 31.3)	5.09	4.27	3.26
Others	6.33	5.04	4.54
Total	**11.57**	**10.13**	**8.41**
Others	**0.41**	**2.62**	**0.56**
Total	**11.98**	**12.75**	**8.97**

Movement of provisions other than employee benefit

The movement in provisions during 2018-19 and 2017-18 is, as follows:

	March 31, 2019	March 31, 2018
Opening balance	2.62	0.56
Arising during the year	0.40	2.06
Utilised	(2.61)	-
Closing balance	**0.41**	**2.62**

Note 18:	March 31, 2019	March 31, 2018	April 1, 2017
Issued Capital and Reserves			
Authorised			
10,00,00,000 (March 31, 2018 and March 2017 - 10,00,00,000) Equity shares of Rs. 10/- each	100.00	100.00	100.00
Issued, Subscribed & paid up capital			
6,25,61,362 (March 31, 2018 and March 2017 -6,25,61,362) Ordinary shares of Rs. 10/- each	62.56	62.56	62.56
Total	**62.56**	**62.56**	**62.56**

a) Reconciliation of shares outstanding at the beginning and at the end of the year

	No. of shares	Amount
At 1 April 2017	625,61,362	62.56
Issued during the year	-	-
At 1 April 2018	625,61,362	62.56
Issued during the year	-	-
At 31 March 2019	625,61,362	62.56

(All amounts are Rupees in Crores, unless otherwise stated)

b) Shareholding holding more than 5% shares

	31st March 2019		31st March 2018		1st April 2017	
	No's	% of holding	No's	% of holding	No's	% of holding
Repco Bank Limited	232,30,606	37.13	232,30,606	37.13	232,30,606	37.13
Aditya Birla Sunlife Trustee Private Limited	41,36,059	6.61	44,83,513	7.17	39,50,118	6.31
Franklin Templeton Mutual Fund	38,64,616	6.18	45,03,550	7.20	42,28,956	6.76
HDFC Trustee Company Ltd.	45,30,653	7.24	-	-	-	-
India Capital Fund Limited	34,44,750	5.51	-	-	-	-
DSP Blackrock Mutual Fund	-	-	38,79,502	6.20	36,21,692	5.79

c) Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Note 18.1 : Other Equity

	Particulars	March 31, 2019	March 31, 2018
i)	**Securities Premium account (Refer Note 18.2.1)**		
	Opening balance	318.42	318.42
	Add : Additions during the year	-	-
	Less : Utilized during the year	-	-
	Closing balance	**318.42**	**318.42**
ii)	**Special Reserve (Refer Note 18.2.2)**		
	Opening balance	320.86	265.21
	Add : Additions during the year	55.27	55.65
	Less : Utilized during the year	-	-
	Closing balance	**376.13**	**320.86**
iii)	**Statutory Reserve (Refer Note 18.2.3)**		
	Opening balance	170.37	129.14
	Add : Additions during the year	46.93	41.23
	Less : Utilized during the year	-	-
	Closing balance	**217.30**	**170.37**
iv)	**General reserve (Refer Note 18.2.4)**		
	Opening balance	145.94	125.94
	Add: Additions during the year	-	20.00
	Less: Utilized during the year	-	-
	Closing balance	**145.94**	**145.94**

(All amounts are Rupees in Crores, unless otherwise stated)

	Particulars	March 31, 2019	March 31, 2018
v)	**Retained earnings**		
	Opening balance	290.07	221.01
	Add : Profit for the year	234.64	201.00
	Less: Appropriation		
	i) General Reserve	-	(20.00)
	ii) Statutory Reserve	(46.93)	(41.23)
	iii) Special Reserve	(55.27)	(55.65)
	iv) Dividend for previous years (including dividend distribution tax)	(16.55)	(15.06)
	Closing balance	**405.96**	**290.07**
vi)	**Other comprehensive Income**		
	Opening balance	0.23	-
	Add : Additions during the year	0.84	0.23
	Less: Utilized during the year	-	-
	Closing balance	**1.07**	**0.23**
	Grand Total	**1,464.82**	**1,245.89**

18.2 Nature and purpose of reserve

18.2.1 Securities premium reserve

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

18.2.2 Special Reserve

As per Section 29C of the National Housing Bank Act, 1987, the Company is required to transfer at least 20% of its net profit 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. The Company has transferred an amount of Rs. 55.27 Crores (Previous year Rs. 55.65 Crores) to Special Reserve in terms of Section 36(1) (viii) of the Income Tax Act, 1961.

18.2.3 Statutory reserve

The Company has transferred an amount of Rs. 46.93 Crore during the year (Previous year Rs.41.23 Crore) to Statutory Reserve u/s 29C of the National Housing Bank Act, 1987.

18.2.4 General reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

(All amounts are Rupees in Crores, unless otherwise stated)

Note 19:	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest income		
Financial assets measured at Amortised cost		
Interest on Loans		
Loans and advances to customers	1,163.37	1,085.06
Total	**1,163.37**	**1,085.06**

Note 20:	For the year ended March 31, 2019	For the year ended March 31, 2018
Other loan related income		
Insurance Income	0.25	-
Other operating income	25.63	22.13
Total	**25.88**	**22.13**

Note 21:	For the year ended March 31, 2019	For the year ended March 31, 2018
Other income		
Dividend income	1.87	1.87
Profit on sale of assets	0.09	0.02
Other income	3.96	0.98
Total	**5.92**	**2.87**

Note 22:	For the year ended March 31, 2019	For the year ended March 31, 2018
Finance Cost		
On Financial liabilities measured at Amortised Cost		
Debt Securities	92.01	112.71
Borrowings (Other than debt securities)	544.43	422.25
Interest on refinance from national housing bank	55.77	79.93
Interest on commercial papers	25.61	32.61
Other borrowing costs	2.13	1.41
Total	**719.95**	**648.91**

Note 23:	For the year ended March 31, 2019	For the year ended March 31, 2018
Employee benefit expenses		
Salaries and wages	46.80	39.04
Contribution to provident and other funds	3.26	2.77
Gratuity expense (Refer note 31)	1.26	1.17
Staff welfare expenses	7.20	6.47
Total	**58.52**	**49.45**

(All amounts are Rupees in Crores, unless otherwise stated)

Note 24:	For the year ended March 31, 2019	For the year ended March 31, 2018
Other expenses		
Advertisement & business promotion	5.17	2.91
Legal fees	5.07	4.50
Communication expenses	1.31	1.35
Professional & consultancy fee	3.81	2.76
Remuneration to auditors (Refer note 24.1 below)	0.32	0.28
Electricity expenses	1.22	1.05
Directors' sitting fee (Refer 32.14)	0.38	0.24
Miscellaneous expenses	1.71	1.11
Insurance expenses	0.20	0.14
Printing and stationery	0.76	0.56
Rates & taxes	2.17	0.78
Rent	8.44	7.62
Repairs & maintenance - others	0.78	0.64
Travelling & conveyance	2.40	1.86
Training expenses	0.26	0.21
Vehicle maintenance	0.30	0.25
Contributions towards CSR activities (Refer 26)	0.55	0.14
Donations	0.02	0.01
Total	**34.87**	**26.43**

Note 24.1:	For the year ended March 31, 2019	For the year ended March 31, 2018
Audit fees		
As auditor		
Statutory Audit fees including Limited review	0.28	0.23
Certification fees	0.04	0.06
Total	**0.32**	**0.28**

Note 25:	For the year ended March 31, 2019	For the year ended March 31, 2018
Provisions And Write-Offs		
Impairment loss allowance on term loans	16.98	72.78
Contingency provisions	-	2.05
Total	**16.98**	**74.83**

Note 26:	For the year ended March 31, 2019	For the year ended March 31, 2018
Details of CSR expenditure:		
a) Gross amount required to be spent by the Company during the year	5.39	4.53
b) Amount spent during the year		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	0.55	0.14

(All amounts are Rupees in Crores, unless otherwise stated)

Note 27:	For the year ended March 31, 2019	For the year ended March 31, 2018
Income Tax		
The components of income tax expense for the years ended 31 March 2019 and 2018 are:		
Current tax	101.69	102.38
Deferred tax relating to origination and reversal of temporary differences	23.49	3.97
Total tax charge	**125.18**	**106.35**

Note 27.1:

Reconciliation of the total tax charge

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

	For the year ended March 31, 2019	For the year ended March 31, 2018
Accounting profit before tax	359.82	307.35
At India's statutory income tax rate of 34.608% (2018: 34.608%)	124.53	106.37
Adjustment in respect of income tax are as below		
CSR expenses	(0.20)	(0.05)
Dividend exempt under Sec 10(34)	0.65	0.65
Others	-	(0.62)
Due to rate change	0.20	-
Income tax expense reported in the statement of profit and loss	**125.18**	**106.35**

The effective income tax rate for 31 March 2019 is 34.789% (31 March 2018: 34.602%)

Note 28:

Deferred tax

Particulars	March 31, 2019		2018-19	
	Deferred Tax Assets	Deferred Tax Liabilities	Income Statement	OCI
Amortization of processing fees	23.77	-	(4.95)	-
Impact due to fair valuation of Employee staff loans	2.97	3.03	(0.03)	-
Impact due to fair valuation of Security deposits	0.26	0.24	-	-
NCD - Amortisation of Transaction cost	0.72	0.56	0.39	-
Provision	2.20	-	(0.49)	-
ECL impact on advances (net)	54.06	-	1.64	-
Depreciation	-	0.12	0.34	-
Remeasurement of actuarial gain or loss	-	0.58	-	(0.45)
Special Reserve U/s 36(1) (viii) of the Income Tax Act, 1961	-	131.44	(20.39)	-
Total	**83.98**	**135.97**	**(23.49)**	**(0.45)**

(All amounts are Rupees in Crores, unless otherwise stated)

Particulars	March 31, 2018		2017-18	
	Deferred Tax Assets	Deferred Tax Liabilities	Income Statement	OCI
Amortization of processing fees	28.72	-	(1.07)	-
Impact due to fair valuation of Employee staff loans	2.71	2.74	(0.01)	-
Impact due to fair valuation of Security deposits	0.27	0.25	-	-
NCD - Amortisation of Transaction cost	0.72	0.94	0.19	-
Provision	2.69	-	1.25	-
ECL impact on advances (net)	52.41	-	14.66	-
Remeasurement of actuarial gain or loss	-	0.12	-	(0.12)
Special Reserve U/s 36(1) (viii) of the Income Tax Act, 1961	-	111.04	(19.26)	-
Total	**87.52**	**115.56**	**(3.97)**	**(0.12)**

Particulars	April 1, 2017	
	Deferred Tax Assets	Deferred Tax Liabilities
Amortization of processing fees	29.78	-
Impact due to fair valuation of Employee staff loans	2.17	2.19
Impact due to fair valuation of Security deposits	0.27	0.26
NCD - Amortisation of Transaction cost	-	0.41
Provision	1.45	-
ECL impact on advances (net)	37.75	-
Special Reserve U/s 36(1) (viii) of the Income Tax Act, 1961	-	91.77
Total	**71.42**	**95.37**

Note 29:
Earnings per share

The following table shows the income and share data used in the basic and diluted EPS calculations:

Particulars	2018-19	2017-18
Net profit attributable to equity holders of the Company	234.64	201.00
Weighted average number of ordinary shares outstanding during the year for basic earnings per share	6.26	6.26
Weighted average number of ordinary shares outstanding during the year for diluted earning per share	6.26	6.26
Earning Per Share:		
Basic earnings per share	37.51	32.13
Diluted earnings per share	37.51	32.13
Nominal Value per equity share	10	10

Note 30:
Segment information

The Company operates under the principal business segment viz."Providing loans for construction or purchase of residential property ". Further, the Company is operating in a single geographical segment. The Chief Operating Decision Maker (CODM) views and monitors the operating results of its single business segment for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profits or losses and is measured consistently with operating profits or losses in the financial statements. Accordingly, disclosures relating to primary and secondary business segments under the Indian Accounting Standard on 'Segment Reporting' (Ind AS 108) are not applicable to the Company.

(All amounts are Rupees in Crores, unless otherwise stated)

Note 31:

Retirement benefit plan

31.1 Defined contribution plan

A Contribution towards PF is determined under the Employees' Provident Funds & Miscellaneous Provisions Act,1952 and charged to the Statement of Profit and Loss during the period of incurrence when the services are rendered by the employees

The expense charged in statement of profit and loss amounting to Rs. 3.26 crores (2018: Rs.2.77 crores) represents contributions payable to these plans by the Company at rates specified in the rules of the plan.

31.2 Defined benefit plan

The Company has a defined benefit gratuity plan in India (funded). The Company's defined benefit gratuity plan is a final salary plan for India employees, which requires contributions to be made to a separately administered fund. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The fund has the form of a trust and it is governed by the Board of Trustees.

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

	Particulars	2018-19	2017-18
A.	**Reconciliation of opening and closing balance of present value of defined benefit obligation**		
	Liability as at the beginning of the period	5.46	4.78
	Add Interest Cost:	0.44	0.36
	Add Current Service Cost:	1.19	1.13
	Less Benefits Paid directly from the Assets:	(0.28)	(0.41)
	Actuarial (gain) / loss (Experience)	(1.17)	(0.40)
	Liability as at the end of the period	**5.64**	**5.46**
B.	**Reconcilaition of opening and closing balances of fair value of plan assets**		
	Value of Assets as at the beginning of the Period:	4.65	4.18
	Add Adjustments to the Opening Balance:	-	-
	Add Expected Return on Assets:	0.37	0.30
	Add Contributions made:	0.74	0.61
	Less Benefits Paid out of the Assets:	(0.28)	(0.41)
	Return on Plan Assets excluding Expected income:	0.02	(0.03)
	Value of Assets as at the end of the period:	**5.50**	**4.65**
C.	**Expenses recognized in Other comprehensive Income**		
	Actuarial gain/(loss) in inter-valuation. Period (Experience): -- Obligation:	(1.17)	(0.40)
	Actuarial gain/(loss) in inter-valuation. Period (Change in parameters): Obligation:	-	-
	Actuarial (gain)/loss in inter-valuation Period: -- (Demographic) Obligation:	-	-
	Less Excess Return on Plan Assets over expected returns:	(0.02)	0.05
	Actuarial gain/loss in inter-valuation Period recognized in OCI:	**(1.19)**	**(0.35)**
D.	**Reconciliation of present value of defined benefit obligation and fair value of plan assets to the assets and liability**		
	Present value of obligation on the accounting date:	(5.65)	(5.47)
	Fair Value of Plan Assets on the accounting date:	5.50	4.65
	Effect of Asset Ceiling	-	-
	Net Asset / (liability) recognised in Balance Sheet	**(0.15)**	**(0.82)**

(All amounts are Rupees in Crores, unless otherwise stated)

	Particulars	2018-19	2017-18
E	**Expenses Recognised in statement of profit and loss**		
	Net Interest Cost	0.07	0.06
	Current Service Cost	1.19	1.11
	Past Service Cost	-	-
	Curtailment Cost (Credit)	-	-
	Settlement Cost (Credit)	-	-
	Expense to be recognized in statement of profit or loss	**1.26**	**1.17**
F.	**Reconcialition**		
	Net Liability as at the beginning of the accounting period:	0.82	0.61
	Expenses recognized in P/L a/c	1.26	1.19
	Transferred to Other Comprehensive Income	(1.19)	(0.37)
	less Adjustments to last valuation Closing Balance:	-	-
	less Benefits paid directly by the Company	-	-
	less Contributions made to the fund	(0.74)	(0.61)
	Liability recognized in the Balance Sheet as on the accounting date:	**0.15**	**0.82**
G.	**Actual return on plan assets**		
	Expected return on Plan Assets	0.37	0.30
	Actuarial gain (loss) on Plan Assets	0.02	(0.03)
	Actual return on Plan Assets	**0.39**	**0.27**
H.	**Actuarial assumption**		
	Discount Rate	7.46%	7.60%
	Interest Rate (Rate of Return on Assets)	8.09%	8.05%
	Salary escalation Rate (per annum)	5.00%	7.00%
	Resignations Rate (per annum)	8.50%	10.00%
	Mortality	IALM (2012-14)	IALM (2006-08)
I.	**Expected payment for future years from Gratuity trust fund**		
	Within the next 12 months (next annual reporting period)	0.03	0.03
	Between 1 and 2 years	-	0.03
	Between 2 and 3 years	0.01	-
	Between 3 and 4 years	0.03	0.01
	Between 4 and 5 years	0.07	0.03
	Between 5 and 10 years	6.38	15.52
	Total expected payments	**6.52**	**15.62**

The Company expects to contribute Rs. 1.26 crores (March 2018: 1.19 crores) to the fund in the next financial year.

J.	**Sensitivity analysis**	2018-19		2017-18	
	Sensitivity Level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
	Impact on defined benefit obligation (increase/(decrease) by) due to changes in				
	- Discount rate	(0.22)	0.23	(0.20)	0.21
	- Salary escalation	0.23	(0.22)	0.21	(0.20)
	- Resignation rate	0.04	(0.04)	(0.00)	0.00

(All amounts are Rupees in Crores, unless otherwise stated)

31.3 Leave encashment/Compensated Absenses:

Salary and wages includes Rs. 1.95 crore (PY Rs. 1.77 crore) towards provision made as per actuarial valuation in respect of accumulated leave salary encashable on retirement / resignation.

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and amounts recognised in the balance sheet:

	Particulars	2018-19	2017-18
A.	**Reconciliation of opening and closing balance of present value of defined benefit obligation**		
	Liability as at the beginning of the period	4.27	3.26
	Add Interest Cost:	0.29	0.39
	Add Current Service Cost:	1.66	1.57
	Less Benefits Paid directly from the Assets:	(1.02)	(0.95)
	Actuarial (gain) / loss (Experience)	(0.10)	-
	Liability as at the end of the period	**5.10**	**4.27**
B.	**Expenses recognized in Other comprehensive Income**		
	Actuarial gain/(loss) in inter-valuation. Period (Experience): -- Obligation:	0.10	-
	Actuarial gain/(loss) in inter-valuation. Period (Change in parameters): Obligation:	-	-
	Actuarial gain/loss in inter-valuation Period recognized in OCI	**0.10**	**-**
C.	**The Amounts to be Recognized in the Balance Sheet**		
	Present value of obligation on the accounting date:	5.09	4.27
	Fair Value of Plan Assets on the accounting date:	-	-
	Net Asset / (liability) recognised in Balance Sheet	**5.09**	**4.27**
D.	**Expenses Recognised in statement of profit and loss**		
	Net Interest Cost	0.29	0.20
	Current Service Cost	1.66	1.57
	Expense to be recognized in statement of profit or loss	**1.95**	**1.77**
E.	**Reconcialition**		
	Net Liability as at the beginning of the accounting period:	4.27	3.26
	Expenses recognized in P/L a/c	1.95	1.96
	Transferred to Other Comprehensive Income	(0.10)	-
	less Adjustments to last valuation Closing Balance:	-	-
	less Benefits paid directly by the Company	(1.03)	(0.95)
	Liability recognized in the Balance Sheet as on the accounting date:	**5.09**	**4.27**
F.	**Actuarial assumption**		
	Discount Rate	7.46%	7.60%
	Interest Rate (Rate of Return on Assets)	0.00%	0.00%
	Salary escalation Rate (per annum)	5.00%	7.00%
	Resignations Rate (per annum)	8.50%	10.00%
	Mortality	IALM(2012-14)	IALM(2006-08)

Note 32:

The following disclosures have been given in terms of National Housing Bank's notification no. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 and in terms of the circular no. NHB/ND/DRS/Pol-No.35/2010-11 dated October 11, 2010. Further, the disclosures which are for regulatory and supervisory purpose, have been made so as to comply with NHB's Policy Circular No. NHB(ND)/DRS/Policy Circular No. 89/2017-18 dated June 14, 2018 which requires Housing Finance Companies to continue to follow the extent provisions of National Housing Bank Act, 1987 and Housing Finance Companies (NHB) Directions 2010 including framework on prudential norms and other related circulars issued in this regards by NHB from time to time and the same have been prepared in accordance with Accounting Standards prescribed under section 133 of the Companies Act, read with the Companies (Accounting Standards) Rules, 2006, as amended (Indian GAAP).

(All amounts are Rupees in Crores, unless otherwise stated)

	Particulars	2018-19	2017-18
32.1	**Reserve Fund U/s 29C of NHB Act, 1987**		
	Balance at the beginning of the year		
a)	Statutory Reserve u/s 29c of the National Housing Bank Act, 1987	170.37	129.14
b)	Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purpose of Statutory Reserve under Section 29C of the NHB Act, 1987	320.86	265.21
c)	**Total**	**491.23**	**394.35**
	Addition/Appropriation/Withdrawal during the year		
	Add:		
a)	Amount transferred u/s 29C of the NHB Act, 1987*	46.93	41.23
b)	Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	55.27	55.65
	Less:		
a)	Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
b)	Amount withdrawn from the Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 which has been taken into account for the purpose of provision u/s 29 C of the NHB Act, 1987	-	-
	Balance at the end of the year		
a)	Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	217.30	170.37
b)	Amount of Special reserve u/s 36(1)(viii) of Income Tax Act, 1961taken into account for the purpose of Statutory Reserve under Section 29C of the NHB Act, 1987	376.13	320.86
c)	**Total**	**593.43**	**491.23**
	* Company has transferred Rs. 46.93 crores to statutory reserve as per 29C of the NHB Act, 1987 for the year ended March 2019 on profit computed based on Ind AS financials		
32.2	**Investments**		
	Value of Investments		
	(i) Gross value of Investments		
	(a) In India	22.00	15.60
	(b) Outside India	-	-
	(ii) Provisions for Depreciation		
	(a) In India	-	-
	(b) Outside India	-	-
	(iii) Net value of Investments		
	(a) In India	22.00	15.60
	(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 back of excess provisions during the year	-	-
	(iv) Closing balance	-	-
32.3	**Derivatives**		
	Forward rate agreement (FRA) / Interest rate swaps (IRS)	NIL	NIL
	Exchange traded interest rate (IR) Dreivative	NIL	NIL
	Disclosure on Risk exposure in Derivatives	NA	NA
32.4	**Securitisaion**		
	Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction	NA	NA
	Details of non-performing financial assets purchased / sold	NA	NA
	Details of Assignment transactions undertaken by HFCs is given below:		
	i) No. of accounts	1,013	-
	ii) Aggregate value (net of provision) of accounts assigned	36.42	-
	iii) Aggregate consideration	36.54	-
	iv) Additional consideration realized in respect of accounts transferred in earlier years	NA	-
	v) Aggregate gain / loss over net book value	-	-

(All amounts are Rupees in Crores, unless otherwise stated)

32.5 Maturity pattern of certain items of Assets and Labilities (as per contracted cash flows)

As on March 31, 2019	< 1 month	Over one month to 2 months	Over 2 months to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 to 5 years	Over 5 to 7 years	Over 7 to 10 years	Over 10 years	Total
Liabilities											
Deposits	-	-	-	-	-	-	-	-	-	-	**-**
Borrowings from bank (including NHB)	47.81	112.40	245.41	401.76	723.64	3,054.72	1,676.88	1,194.79	733.60	261.00	**8,452.01**
Market borrowings	-	-	-	75.00	100.00	380.00	-	272.00	-	-	**827.00**
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	**-**
Assets											
Advances	101.62	55.37	55.65	169.31	349.93	1,540.24	1,724.40	1,798.97	2,270.83	2,970.49	**11,036.81**
Investments	-	-	-	-	-	-	-	-	-	22.00	**22.00**
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	**-**
As on March 31, 2018	**< 1 month**	**Over one month to 2 months**	**Over 2 months to 3 months**	**Over 3 to 6 months**	**Over 6 months to 1 year**	**Over 1 year to 3 years**	**Over 3 to 5 years**	**Over 5 to 7 years**	**Over 7 to 10 years**	**Over 10 years**	**Total**
Liabilities											
Deposits	-	-	-	-	-	-	-	-	-	-	**-**
Borrowings from bank (including NHB)	811.79	10.42	52.23	320.22	542.24	1,810.79	1,334.55	716.05	367.30	34.42	**6,000.01**
Market borrowings	-	400.00	500.00	350.00	60.00	555.00	-	272.00	-	-	**2,137.00**
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	**-**
Assets											
Advances	94.01	51.07	51.46	156.58	323.36	1,429.99	1,621.38	1,726.47	2,189.64	2,212.82	**9,856.78**
Investments	-	-	-	-	-	-	-	-	-	15.60	**15.60**
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	**-**

(All amounts are Rupees in Crores, unless otherwise stated)

	Particulars	2018-19	2017-18
32.6	**Exposure to Real Estate Sector**		
	Category		
a)	**Direct Exposure**		
	(i) Residential Mortgages -		
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented;	10,337.54	9,291.41
	(i) Out of the above Individual Housing Loans up to Rs. 15.00 lakh	5,187.76	3,546.72
	(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;	699.27	565.37
	(iii) Investments in Mortgage Backed Securities (MBS) and other securities exposures -		
	a. Residential	-	-
	b. Commercial Real Estate	-	-
b)	**Indirect Exposure**		
	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-
32.7	**Exposure to Capital Market**		
(i)	Direct investment in equity shares,convertible bonds,convertible debentures and units of equity - oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	22.00	15.60
(ii)	Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs /ESOPs), convertible bonds,convertible debentures, and units of equity-oriented mutual funds;	-	-
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	-	-
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi)	Loans sanctioned to corporates against the security of shares/ bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii)	Bridge loans to companies against expected equity flows / issues;	-	-
(viii)	All exposures to Venture Capital Funds (both registered and unregistered)	-	-
	Total Exposure to Capital Market	**22.00**	**15.60**

32.8 Details of financing of parent Company products : NIL

32.9 Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL):

The Company has not exceeded limit prescribed by National Housing Bank for Single Borrower Limit (SGL) and Group Borrower Limit (GBL).

32.10 Unsecured Advances:

The Company has not financed against intangible securities such as rights, licenses, authority etc as collateral security.

32.11 Registration obtained from other financial sector regulators :

Registration of Company as Composite Corporate Agent with Insurance Regulatory & Development Authority has been obtained.

(All amounts are Rupees in Crores, unless otherwise stated)

		2018-19	2017-18
32.12	**Regulatory capital**		
	(i) CRAR (%)	24.08%	23.04%
	(ii) CRAR - Tier I Capital	24.08%	23.04%
	(iii) CRAR - Tier II Capital	-	-
	(iv) Amount of subordinated debt raised as Tier- II Capital	-	-
	(v) Amount raised by issue of perpetual Debt instruments	-	-

32.13 Rating assigned by credit Rating Agencies and migration of rating during the year:

a. Rating assigned by credit rating agenices as follows:

Instrument	March 31, 2019		March 31, 2018	
	ICRA	CARE	ICRA	CARE
NCD	-	AA	AA-	AA
Term Loans	AA-	AA	AA-	AA
Commercial Papers	A1+	A1+	A1+	A1+

b. Migration of rating during the year : NIL

32.14 Remuneration of Directors:

The transactions of the non-executive directors vis-à-vis the Company is as below.

Name of the director	Nature of transaction	2018-19	2017-18
Mr.T.S.Krishnamurthy	Payment of sitting fees	0.05	0.03
Mr. K.Sridhar	Payment of sitting fees	0.10	0.03
Mr.L. Munishwar Ganesan	Payment of sitting fees	0.02	0.02
Mr.V.Nadanasabapathy	Payment of sitting fees	0.11	0.07
Mr.G.R.Sundaravadivel	Payment of sitting fees	0.10	0.06
Mr.Thomas Paul Diamond	Payment of sitting fees	-	0.03

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

During the year,

(a) no prior period items occurred which has impact on Statement of Profit and loss,

(b) no change in Accounting policy,

(c) there were no circumstances (other than income recognition on Non performing advances) in which revenue recognition has been postponed pending resolution of significant uncertainty except implementation of Ind- AS required by Ministry of Company affairs. and

(d) there is no withdrawal from reserve fund.

32.16 Revenue Recognition

There are no circumstances in which revenue recognition has been postponed by the Company pending the resolution of significant uncertainties.

32.17 Consolidated Financial Statements (CFS)

RHFL has no subsidiary Company, hence requirement of CFS involving subsidiary Company is not applicable. However financial statement of associate is consolidated and reported.

32.18 Disclosure of Penalities imposed by NHB and other regulators

During the FY 2018-19, there were no penalities imposed by NHB or any other regulations. In previous year, Rs. 35000/- and GST theron was levied as penalty by NHB.

32.19 As per the Accounting Standard on 'Related Party Disclosures', details of the related parties, nature of the relationship with whom Company has entered transactions, remuneration of directors and balances in related party account at the year end, are given in Note no. 33. There were no material transaction with related parties and all these transactions with related parties were carried out in ordinary course of business at arm's length price.

(All amounts are Rupees in Crores, unless otherwise stated)

32.20 Break up of Provisions and Contingencies shown under the head expenditure in Statement of Profit and Loss

Particulars	2018-19	2017-18
1. Provisions for depreciation on Investment	-	-
2. Provision made towards Income tax	106.36	102.38
3. Provision towards NPA	50.09	47.07
4. Provision for Standard Assets		
Housing loans to individuals	(3.51)	1.71
Mortgage / other loans	0.18	(0.21)
Commercial loan	4.94	0.61
Commercial Real Estate - Residential Housing	-	
5. Other Provision and Contingencies (relating Sundry debtors and staff advances)	0.41	2.05

Break up of Loan & Advances and Provisions thereon (Excluding personal loans / advances extended to employees)

Particulars	Housing		Non-Housing	
	2018-19	2017-18	2018-19	2017-18
Standard Assets				
a) Total Outstanding Amount	8,805.14	7,869.04	1,942.03	1,747.00
b) Provisions made	32.31	32.35	11.63	9.98
Sub-Standard Assets				
a) Total Outstanding Amount	105.71	105.41	52.97	53.16
b) Provisions made	21.14	26.23	10.59	25.80
c) Provision required	15.86	21.08	7.95	10.63
Doubtful Assets – Category-I				
a) Total Outstanding Amount	65.99	63.09	29.00	22.53
b) Provisions made	49.49	48.78	21.75	17.90
c) Provision required	16.50	15.77	7.25	5.63
Doubtful Assets – Category-II				
a) Total Outstanding Amount	47.24	24.74	17.62	13.72
b) Provisions made	47.24	24.74	17.62	13.72
c) Provision required	18.90	9.89	7.05	5.49
Doubtful Assets – Category-III				
a) Total Outstanding Amount	5.93	-	1.29	-
b) Provisions made	5.93	-	1.29	-
c) Provision required	5.93	-	1.29	-
Loss Assets				
a) Total Outstanding Amount	-	-	-	-
b) Provisions made	-	-	-	-
Total				
a) Total Outstanding Amount	9,030.01	8,062.28	2,042.91	1,836.41
b) Provisions made	156.11	132.10	62.88	67.40

Note:

1. The Company's policy is to provide provisions towards NPA as per NHB guidelines based on estwhile accounting policies followed by the Company
2. The total outstanding amount mean principal + accrued interest + other charges pertaining to loans
3. The Category of Doubtful Assets will be as under:

(All amounts are Rupees in Crores, unless otherwise stated)

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

32.21 Draw Down from Reserves

Not applicable since the Company has not drawn down any amount from reserves in the current year as well as previous year.

Concentration of Public Deposits, Advances, Exposures and NPAs.

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

Not applicable, since the Company has not accepted any deposits from the public.

	Particulars	March 31, 2019	March 31, 2018
32.23	**Concentration of Loan & Advances**		
	Total Loans & Advances to twenty largest borrowers	102.65	111.28
	Percentage of Loans & Advances to twenty largest borrowers to total advances of the HFC	0.93	1.13
32.24	**Concentration of all exposure(including off-balance sheet exposure)**		
	Total exposure to twenty largest borrowers/customers	103.93	111.28
	Percentage of Loans & Advances to twenty largest borrowers /customers to total exposure of the HFC on borrowers/customers	0.89	1.13
32.25	**Concentration of NPAs**		
	Total Exposure to top ten NPA accounts	22.21	31.95
32.26	**Sector-wise NPA (Percentage of NPA to total advances in that sector)**		
	A. Housing Loans:		
	1. Individuals	2.50	2.41
	2. Builders/Project Loans	-	-
	3. Corporates	-	-
	4. Others (specify)	-	-
	B. Non-Housing Loans:		
	1. Individuals	4.96	4.90
	2. Builders/Project Loans	-	-
	3. Corporates	-	-
	4. Others (specify)	-	-
32.27	**Movement of NPAs**		
	(I) Net NPAs to Net Advances (%)	1.38%	1.29%
	(II) Movement of NPAs (Gross)		
	a) Opening Balance	282.64	232.84
	b) Additions during the year	143.23	148.02
	c) Reductions during the year	100.12	98.22
	d) Closing Balances	**325.75**	**282.64**
	(III) Movement of Net NPAs		
	a) Opening Balance	125.47	122.73
	b) Additions during the year	124.61	99.40
	c) Reductions during the year	99.39	96.66
	d) **Closing Balances**	**150.69**	**125.47**
	(IV) Movement of provisions for NPAs (excluding provision on standard assets)		
	a) Opening Balance	157.17	110.11
	b) Additions during the year	85.42	97.19
	c) Reductions during the year	67.54	50.12
	d) **Closing Balances**	**175.05**	**157.18**

(All amounts are Rupees in Crores, unless otherwise stated)

32.28 Overseas Assets : The Company does not have any overseas assets.

32.29 Off-balance sheet SPVs sponsored (which are required to be consolidated as per accounting norms):

The Company does not have any off balance sheet Special Purpose Vehicle (SPV) which requires to be consolidated as per accounting norms.

32.30 Customers Complaints

	March 31, 2019	March 31, 2018
a) No. of complaints pending at the beginning of the year	2	-
b) No. of complaints received during the year	42	33
c) No. of complaints redressed during the year	40	31
d) No. of complaints pending at the end of the year	4	2

32.31 There are no Micro, Small and Medium Enterprises (MSME) to whom the Company owes dues, which are outstanding for more than 45 days as at 31-03-2019. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis at information available with the Company.

32.32 Expenditure incurred in foreign currency: Towards Travelling Expenses - Rs.Nil (March 31, 2018 -Rs.0.004 crore) and towards other borrowing costs - Rs.0.03 crores (March 31, 2018 -Rs. 2.82 crore). There are no Earnings in foreign currency during the current year as well as in the previous year.

32.33 There are no amounts to be reflected under payable to Investor Protection Fund.

Note 33:

Related party disclosures

(a) Disclosures in terms of Indian Accounting Standard 24 "Related Party Disclosure" (Ind AS 24) are given below:

33.1 List of related parties:

Repco Bank Ltd.,	Promoter
Repco Micro Finance Ltd.,	Associates

33.2 Key Management Personnel

Shri R. Varadarajan	Managing Director (upto 31st December 2018)
Shri Yashpal Gupta	Managing Director (from 3rd January 2019)
Shri V. Raghu	Executive Director (upto 31.05.2017)
Shri K. Ashok	Executive Director (upto 31.10.2017)
Shri T.S. Krishnamurthy	Director
Shri K.Sridhar	Director
Shri L.Munishwar Ganesan	Director
Shri V.Nadanasabapathy	Director
Shri G.R.Sundaravadivel	Director
Shri. Dinesh Ponraj Oliver, IAS	Director
Smt.R.S.Isabella	Director
Shri Thomas Paul Diamond	Director (upto 21.09.2017)
Shri T. Karunakaran	Chief Financial Officer
Shri K. Prabhu	Company Secretary and Compliance Officer

33.3 The Company's related party balances and transactions are summarized as follows:
Remuneration paid to Key Management Personnel:

Name of Key Management Personnel	Remuneration Paid Salary including performance incentive and other perquisites#	
	2018-19	2017-18
Shri R.Varadarajan	0.75	0.58
Shri Yashpal Gupta	0.13	-
Shri V.Raghu	-	0.18
Shri K.Ashok	-	0.43
Shri T.Karunakaran	0.23	0.22
Shri K.Prabhu	0.19	0.19

The above remuneration excludes contribution to Gratuity fund and provision for leave liability as they are determined on an actuarial basis for the Company as a whole.

(All amounts are Rupees in Crores, unless otherwise stated)

Compensation of Key management personnel of the Company

	2018-19	2017-18
Short-term employee benefits	1.23	1.54
Post-employment benefit (defined contribution)	0.07	0.06
Termination benefits	-	-

Related party transactions

Nature of Transaction	Nature of Relationship	2018-19	2017-18
Dividend Received on Investments	Key Management Personnel	-	-
	Repco Bank Ltd.,	-	-
	Repco Micro Finance Ltd.,	1.87	1.87
Dividend paid to shareholders	Key Management Personnel	-	-
	Repco Bank Ltd.,	5.11	4.64
	Repco Micro Finance Ltd.,	-	-
Loans advanced during the year	Key Management Personnel	0.11	0.02
	Repco Bank Ltd.,	-	-
	Repco Micro Finance Ltd.,	-	-
Loan repaid during the Year	Key Management Personnel	0.12	0.07
	Repco Bank Ltd.,	-	-
	Repco Micro Finance Ltd.,	-	-
Interest received on loans given	Key Management Personnel	0.04	0.05
	Repco Bank Ltd.,	-	-
	Repco Micro Finance Ltd.,	-	-
Rent paid	Key Management Personnel	-	-
	Repco Bank Ltd.,	0.17	0.43
	Repco Micro Finance Ltd.,	-	-
Rent received	Key Management Personnel	-	-
	Repco Bank Ltd.,	0.04	0.03
	Repco Micro Finance Ltd.,	-	-
Interest paid on borrowings	Key Management Personnel	-	-
	Repco Bank Ltd.,	51.80	43.24
	Repco Micro Finance Ltd.,	-	-
Interest earned on deposits	Key Management Personnel	-	-
	Repco Bank Ltd.,	0.03	0.07
	Repco Micro Finance Ltd.,	-	-
Investments made during the year	Key Management Personnel	-	-
	Repco Bank Ltd.,	-	-
	Repco Micro Finance Ltd.,	6.40	-
Reimbursement - administrative expenses	Key Management Personnel	-	-
	Repco Bank Ltd.,	0.12	0.05
	Repco Micro Finance Ltd.,	-	-
Sitting fees received during the year	Key Management Personnel	-	-
	Repco Bank Ltd.,	-	-
	Repco Micro Finance Ltd.,	0.01	0.01

(All amounts are Rupees in Crores, unless otherwise stated)

Related party outstanding balance

Nature of Transaction	Nature of Relationship	March 31, 2019	March 31, 2018	April 1, 2017
Equity share capital (Paid-up outstanding)	Key Management Personnel	0.01	0.07	0.07
	Repco Bank Ltd.,	23.23	23.23	23.23
	Repco Micro Finance Ltd.,	-	-	-
Working capital loan outstanding	Key Management Personnel	-	-	-
	Repco Bank Ltd.,	798.72	622.68	498.13
	Repco Micro Finance Ltd.,	-	-	-
Loans outstanding as at the end of the year	Key Management Personnel	0.42	0.53	0.60
	Repco Bank Ltd.,	-	-	-
	Repco Micro Finance Ltd.,	-	-	-
Investments outstanding as at the end of the year	Key Management Personnel	-	-	-
	Repco Bank Ltd.,	-	-	-
	Repco Micro Finance Ltd.,	22.00	15.60	15.60
Balances in deposits account	Key Management Personnel	-	-	-
	Repco Bank Ltd.,	0.36	3.03	3.16
	Repco Micro Finance Ltd.,	-	-	-

Note 34:

Change in liabilities arising from financing activities

	01-Apr-18	Cash flows	Other	31-Mar-19
Debt securities	2,134.30	(1,310.00)	1.10	825.40
Borrowings other than debt securities	6,138.65	2,266.52	118.17	8,523.34
Total liabilities from financing activities	**8,272.95**	**956.52**	**119.27**	**9,348.74**
	01-Apr-17	**Cash flows**	**Other**	**31-Mar-18**
Debt securities	1,133.81	1,002.00	(1.51)	2,134.30
Borrowings other than debt securities	6,510.58	(550.55)	178.62	6,138.65
Total liabilities from financing activities	**7,644.39**	**451.45**	**177.11**	**8,272.95**

The "others" above includes interest accrued, amortization of transaction cost incurred in connection with Non-convertible debentures and other bank charges incurred towards various services rendered by bank

		March 31, 2019	March 31, 2018	April 1, 2017
35	**Contingent liabilities and commitments**			
	i) Claims against the Company not acknowledged as debts	0.21	0.21	0.21
	ii) Disputed Income tax Liability	9.04	7.33	5.48
	iii) Commitment towards sanction pending disbursement including part disbursement	634.08	486.91	381.46
	iv) Pending capital commitment	0.12	0.55	0.25
36	**Particulars of dividend paid to Non-resident shareholders:**			
	No of Shareholders	2,598	1,873	830
	No of Shares held	194,18,976	150,37,916	177,24,151
	Year for Which Dividend is Paid	2017-2018	2016-2017	2015-2016
	Gross amount of Dividend (Rupees in Crores)	4.27	3.01	3.19
37	**Amount of dividend proposed to be distributed to the equity shares holders for the year ended**			
	Dividend %	25.00%	22.00%	20.00%
	Dividend per share	2.50	2.20	2.00
	Total Amount of dividend proposed to be distributed	15.64	13.76	12.51

Note 38: (All amounts are Rupees in Crores, unless otherwise stated)

Leases

The Company has taken retail office premises under operating lease / leave and license agreement for a period ranging upto 120 months. These are generally cancellable and have no specific obligation for renewal. The total lease payments for current year amounts to Rs. 8.44 crores (31 March 2018 - Rs. 7.62 crores) which is recognized in the statement of profit and loss under "Rent Expenses" under Note- 24.The Company does not have any operating lease which has minimum lock-in period clause during the tenor of the rental agreement and hence there are no minimum lease payments under non-cancellabale operating lease at the end of the year.

Note 39:

Events after reporting date

There have been no events after the reporting date that require disclosure in these financial statements.

Note 40:

Revenue from contracts with customers

	2018-19	2017-18
Total Revenue from contracts with customers	25.88	22.13
Timing of revenue recognition		
Services transferred at a point in time	25.88	22.13
Services transferred over time	-	-
Geographical markets		
In India	25.88	22.13
Outside India	-	-

Note 41:

Fair value measurement

This note describes the fair value measurement of both financial and non-financial instruments and is structured as follows:"

41.1 Valuation principles
41.2 Valuation governance
41.3 Valuation methodologies of financial instruments not measured at fair value
41.3.1 Fair value of financial instruments not measured at fair value

41.1 Valuation principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

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

41.2 Valuation governance

The Company's fair value methodology and the governance over its models includes a number of controls and other procedures to ensure appropriate safeguards are in place to ensure its quality and adequacy. All new product initiatives (including their valuation methodologies) are subject to approvals by various functions of the Company including the risk and finance functions. The responsibility of ongoing measurement resides with the business units.

Once submitted, fair value estimates are also reviewed and challenged by the Risk and Finance functions.

41.3 Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the below tables

Loans and advances to customers

The fair values of loans and receivables are estimated by discounted cash flow models that incorporate assumptions for credit risks, probability of default and loss given default estimates. Where such information is not available, the Company uses historical experience and other information used in its collective impairment models.

Fair values of lending portfolios are calculated using a portfolio-based approach. The Company then calculates and extrapolates the fair value to the entire portfolio, using discounted cash flow models that incorporate interest rate estimates considering all significant characteristics of the loans. The credit risk is applied as a top-side adjustment based on the collective impairment model incorporating probability of defaults and loss given defaults.

(All amounts are Rupees in Crores, unless otherwise stated)

41.3.1 Fair value of financial instruments not measured at fair value

Set out below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non–financial assets and non–financial liabilities

March 31, 2019	Carrying value	Fair Value measurement using			
		Level 1	Level 2	Level 3	Total
Financial assets					
Cash and cash equivalents	57.50	57.50	-	-	57.50
Bank balance other than cash and cash equivalents	0.10	0.10	-	-	0.10
Loans	10,837.93	-	-	11,082.45	11,082.45
Other financial assets	14.26			14.26	14.26
Investment in associate	22.00	-	-	51.16	51.16
Total Financial asset	**10,931.79**	**57.60**	**-**	**11,147.87**	**11,205.47**
Financial liabilities					
Debt securities	825.40	825.40	-	-	825.40
Borrowings (other than debt securities)	8,452.01	-	-	8,452.01	8,452.01
Other financial liabilities	88.21	-	-	88.21	88.21
Total Financial liabilities	**9,365.62**	**825.40**	**-**	**8,540.22**	**9,365.62**
March 31, 2018	**Carrying value**	**Fair Value measurement using**			
		Level 1	**Level 2**	**Level 3**	**Total**
Financial assets					
Cash and cash equivalents	25.84	25.84	-	-	25.84
Bank balance other than cash and cash equivalents	0.06	0.06	-	-	0.06
Loans	9,649.17	-	-	10,087.61	10,087.61
Other financial assets	8.34	-	-	8.34	8.34
Investment in associate	15.60	-	-	32.56	32.56
Total Financial asset	**9,699.01**	**25.90**	**-**	**10,128.51**	**10,154.41**
Financial liabilities					
Debt securities	2,134.30	2,134.30	-	-	2,134.30
Borrowings (other than debt securities)	6,000.01	-	-	6,000.01	6,000.01
Other financial liabilities	247.40	-	-	247.40	247.40
Total Financial liabilities	**8,381.71**	**2,134.30**	**-**	**6,247.41**	**8,381.71**
April 1, 2017	**Carrying value**	**Fair Value measurement using**			
		Level 1	**Level 2**	**Level 3**	**Total**
Financial assets					
Cash and cash equivalents	20.95	20.95	-	-	20.95
Bank balance other than cash and cash equivalents	1.54	1.54	-	-	1.54
Loans	8,785.54	-	-	8,869.23	8,869.23
Other financial assets	13.34	-	-	13.34	13.34
Investment in associate	15.60	-	-	25.52	25.52
Total Financial asset	**8,836.97**	**22.49**	**-**	**8,908.09**	**8,930.58**
Financial liabilities					
Debt securities	1,133.81	1,133.81	-	-	1,133.81
Borrowings (other than debt securities)	6,425.43	-	-	6,425.43	6,425.43
Other financial liabilities	136.59	-	-	136.59	136.59
Total Financial liabilities	**7,695.83**	**1,133.81**	**-**	**6,562.02**	**7,695.83**

Note 42:

Risk management

42.1 Introduction and risk profile

Company has operations in India. As the Company is in financial sector, the risks associated with this type of business is integral part of the management. The Company deals with large number of customers and is involved in long term lending. Hence, the risks to this type of business is unique and requires focused attention. Further, the management of risk is continuous and on going process and needs to be dynamic. The Company is aware that risk is proportionate to the expected returns but should have limitations in exposing itself to the risks. This process of risk management is critical to the Company's continuing profitability and reputation in the market. The Company is generally exposed to credit risk,market risk,operational risk,compliance risk and competition risk.

42.1.1 Risk management structure

The Company has in place a Risk Management Policy duly approved by the Board covering various aspects of the risk management. Board of Directors are responsible for effective risk management. It oversees and reviews the overall functioning of the risk management and provide necessary directions in this regard.

The Management and Risk Management Committee of the Board (MRMC) is Board level committee entrusted with overseeing implementation of the Risk Management Policy / strategy approved by the Board. The committee reviews the functioning of the risk management framework at periodical intervals. It reviews the reports and directs for taking mitigating steps. The committee reports the status of the risk management of the Company to the Board at periodical intervals through minutes of the meeting of the committee. The minutes of the committee are placed before the Board.

Credit and Operational Risk Management Committee (CORMC) is an executive committee consisting of Managing Director (MD) as Chairman of the Committee,Chief Development Officer (CDO), all the General Managers and Chief Technology Officer (CTO) which is responsible for laying down the operational guidelines and monitor and mitigate the risks the Company is facing. The committee shall prescribe Risk Appetite for the Company taking into account the inherent strengths and weakness. The Committee reviews and recommends the Management & Risk Management Committee or the Board of Directors, the amendments to Risk Management Policy, as and when considered necessary. The minutes of the committee is placed before Management & Risk Management Committee of the Board. Besides this, Assets and Liabilities Management Committee (ALCO) addresses the market and liquidity risks.

The 'Risk Management Department' in Corporate Office of the Company is responsible for Identification, measurement, monitoring and taking steps for mitigation of operational, credit and compliance risk and reporting to top management and the committees concerned.

The Chief Financial Officer (CFO) is designated as 'Risk Manager' of the Company who is responsible for coordination, overseeing and implementation of the requirements identified in the Risk Management Policy.

42.1.2 Risk Identification

The Company has identified risk issues in various functions such as branches, departments in Corporate Office, Regional Offices, Central Depository, etc. and prepared a Risk Register. The register contains more than one thousand risk issues relating to various types of risks. This register is dynamic as it gets updated by additions and deletions as and when new guidelines are issued. Further, each risk is categoirised as 'Operational Risk", "Credit Risk", "Market Risk", "Compliance Risk or 'Competition Risk".

42.1.3 Risk measurement

The risk issues identified and recorded in the Risk Register are measured based on the impact it may have on the business if the Company is exposed to such risks. Based on the velocity of impact each risk is categorised as 'High', 'Medium' and 'Low' risk. This is done to decide the quantum of focus required in respect of each risk issue. Weightage is given for each risk issue to enable the Company to measure the risk. The Company gives focus on 'High' risk issues for better management.

42.1.4 Risk Monitoring

The frequency for monitoring each risk issue is prescribed. Accordingly, the risk issues are grouped as 'Quarterly", "Half-yearly" and 'Annual". Such grouped issues are taken up for assessment at the prescribed intervals.

42.1.5 Risk Assessment methodology

The risk is assessed based on self assessment by the owners of risk at the prescribed intervals. Each risk issue has to be assessed by the owners of the risk and provide a certification. The certificate is subject to verification by Risk Management Department and by Internal Auditors. Accordingly, each branch assesses the level of compliance in respect of each risk issue and provides a certificate. For this purpose, a software utility has been provided to each branch, departments in Corporate Office (CO), regional offices and Central depository (CDR). This exercise is done every quarter.

42.1.6 Measurement of Risk

Based on the Self -assessment certifications from various riks owners, the quantum of risk that are reported by the owners are calculated for various categories of risks such as credit risk, operational risk, compliance risk and competition risk. Risk is also measured in terms of high, medium and low. This would help us to arrive at the direction of risk.

42.1.7 Credit risk

The Company is primarily in the business of lending and hence is exposed to credit risk. Various credit risk mitigations are provided in the Credit Policy of the Company such as profiling each customer based on various factors of the borrower and linking pricing to the same. The internal rating of each borrower is done as a part of appraisal to arrive at the risk. The Credit risk issues are identified by the Risk Management Department and provided to the branches and Credit Department for assessment. Mitigation steps are taken immediately to manage the risk. Immediate action is initiated by way of SARFAESI, OTS, etc to recover the impaired credit.

42.1.7.1 The Company's internal grading

The Company's independent Credit Risk Department operates its internal rating models. The Company runs separate models for its key portfolios in which its customers are categorised as high, medium and low grade. The models incorporate both qualitative and quantitative information and, in addition to information specific to the borrower, utilise supplemental external information that could affect the borrower's behaviour. Loan assets are graded based on repayment behaviour of the customer of last 12 months.

42.1.7.2 Impairment - Expected credit loss (ECL)

The application of Ind AS 109 has necessitated fundamental changes to the accounting for expected default risk (risk provisioning). Specifically, the incurred loss model has been replaced by the Expected Credit Loss model (ECL). Consequent to this change, the Expected Credit losses on financial instruments are classified under three stages.

Stage 1: Every financial asset is classified as stage 1, upon initial recognition. In addition, stage 1 contains all transactions with limited default risk.

Stage 2: Financial assets whose default risk has risen significantly since initial recognition and which are not classified as cases with limited default risk.

Stage 3: Financial assets that display objective evidence of impairment at the reporting date.

The accounting standard, Ind AS 109 does not specifically prescribe any methodology for computing ECL. However, entities are required to adopt sound and market acceptable methodologies which are in line with the size, complexity and risk-profile of the financial entity for computing the ECL. The Company uses three main components to measure ECL. These are, Exposure at default (EAD), Probability of Default (PD) and Loss Given Default (LGD).

Exposure at default (EAD) is defined as the sum of Principal outstanding and interest accrued at the reporting date.

PD is defined as the probability of borrowers defaulting on their obligations.

LGD represents the economic loss. Company uses historical loss data for identified homogenous pools for the purpose of calculating LGD. For individual cases where there as been a significant deterioration in recovery, the LGD is considered to be 100%.

Accordingly, loan assets are categorised under three different stages, as under:

Stage 1: Where installments are Current and 1-30 days overdue

Stage 2: Where installments are 31 days – 90 days overdue and

Stage 3: Where installments are overdue beyond 90 days

The Company is required to provide 12-month Expected Credit Loss (12-month ECL) for stage 1 assets and the Life Time Expected Credit Loss (LECL) for stage 2 & stage 3 assets

12-month ECL is the expected credit loss that results from default events that are possible within 12 months after the reporting date. LECL represents the expected credit loss from default events over the expected life of a financial asset.

As prescribed under para 5.5 in Ind AS 109, 12-months PD is required to be computed for financial instruments which are in stage 1, and life time PD for those in stage 2 & 3. 12-months PD is the likelihood of the borrower defaulting in the 12 months following the reporting date while life time PD is the likelihood of the borrower defaulting during the residual tenor.

The PD model has been developed for all the major asset classes using a statistical and iterative approach. The design and construction of the model involves identification of various credit parameters and variables that have a strong and direct correlation to propensity of default. The PD model reflects to the probability of default, taking into consideration the inherent credit quality of the borrower and the residual tenor of each contract. The PD for stage 3 contracts is considered at 100%. Where a customer has one contract in stage 3 and one or more contracts in stage 1 / stage 2, the PD for all the contracts is considered at 100%.

LGD represents the economic loss, adjusted for cure rate, as a percentage of exposure at the time of default. Economic loss is the estimated shortfall in realisation of dues, in the event of default. Contracts that have turned delinquent do not necessarily involve ultimate losses, since many of them are

(All amounts are Rupees in Crores, unless otherwise stated)

resolved through corrective actions. The cure rate is the probability of a 'non performing' (i.e. defaulted) contract reverting to a 'performing' (i.e. non-default) status in a year. For individual cases where there as been a significant deterioration in recovery, the LGD is considered to be 100% for those cases.

42.1.8 Operational Risk

Operational Risk is constantly monitored as it is prevalent in every branch and department. Systetamic improvements are made wherever required.

42.1.9 Compliance Risk

Based on the guidelines received from regulatory and statutory authorities and also based on the policy requirements, the compliance risks issues are identified, assessed and monitored for compliance.

42.1.10 Market Risk

The Company does not accept deposits from public. The resources are mobilized from banks and market. The Company has a specific committee named Assets and Liabilities Committee (ALCO) which meets at frequent intervals to manage the liquidity, interest rates, spread etc. The Committee also prescribes Minimum Lending Rate(MLR).

Sensitivity analysis on Net Interest

Particulars	As at March 2019		As at March 2018	
	Increase by 25bps	Decrease by 25bps	Increase by 25bps	Decrease by 25bps
Impact on profit before tax-Gain/ (Loss)	15.55	(15.55)	14.42	(14.42)

Note 43:
Analysis of risk concentration

The Company concentrations of risk (for financial assets other than loans and advances) are managed by industry sector. The following table shows the risk concentration by industry for the financial assets of the Company :

Industry analysis

March 31, 2019	Financial services	Government	Retail	Services	Total
Financial Assets					
Cash and cash equivalents	57.50	-	-	-	57.50
Bank balance other than cash and cash equivalents	0.10	-	-	-	0.10
Loans	-	-	10,837.93	-	10,837.93
Other financial assets	-	4.67	3.75	5.84	14.26
Investment in associate	22.00	-	-	-	22.00
Total Financial asset	**79.60**	**4.67**	**10,841.68**	**5.84**	**10,931.79**
Financial liabilities					
Debt securities	825.40	-	-	-	825.40
Borrowings (other than debt securities)	8,452.01	-	-	-	8,452.01
Other financial liabilities	78.68	2.19	0.32	7.02	88.21
Total Financial liabilities	**9,356.09**	**2.19**	**0.32**	**7.02**	**9,365.62**
March 31, 2018	**Financial services**	**Government**	**Retail**	**Services**	**Total**
Financial assets					
Cash and cash equivalents	25.84	-	-	-	25.84
Bank balance other than cash and cash equivalents	0.06	-	-	-	0.06
Loans	-	-	9,649.17	-	9,649.17
Other financial assets	-	0.27	3.26	4.81	8.34
Investment in associate	15.60	-	-	-	15.60
Total Financial asset	**41.50**	**0.27**	**9,652.43**	**4.81**	**9699.01**
Financial liabilities					
Debt securities	2,134.30	-	-	-	2,134.30
Borrowings (other than debt securities)	6,000.01	-	-	-	6,000.01
Other financial liabilities	237.76	1.59	0.22	7.83	247.40
Total Financial liabilities	**8,372.07**	**1.59**	**0.22**	**7.83**	**8,381.71**

(All amounts are Rupees in Crores, unless otherwise stated)

April 1, 2017	Financial services	Government	Retail	Services	Total
Financial assets					
Cash and cash equivalents	20.95	-	-	-	20.95
Bank balance other than cash and cash equivalents	1.54	-	-	-	1.54
Loans	-	-	8,785.54	-	8,785.54
Other financial assets	-	-	3.45	9.89	13.34
Investment in associate	15.60	-	-	-	15.60
Total Financial asset	**38.09**	**-**	**8,788.99**	**9.89**	**8,836.97**
Financial liabilities					
Debt securities	1,133.81	-	-	-	1,133.81
Borrowings (other than debt securities)	6,425.43	-	-	-	6,425.43
Other financial liabilities	130.73	1.36	0.77	3.73	136.59
Total Financial liabilities	**7,689.97**	**1.36**	**0.77**	**3.73**	**7,695.83**

43.1 Collateral and other credit enhancements

Although collateral can be an important mitigation of credit risk, it is the Company's practice to lend on the basis of the customer's ability to meet the obligations out of cash flow resources other than placing primary reliance on collateral and other credit risk enhancements. The Company obtains first and exclusive charge on all collateral that it obtains for the loans given. Home loans/ home equity loans are secured by collateral at the time of origination. In case of Home loans/ home equity loans, the value of the property at the time of origination will be arrived by obtaining valuation reports from Company's empaneled valuer. Immovable Property is the collateral for Home loans/ Home Equity loans. Security Interest in favour of the Company is created by Mortgage through deposit of title deed which is registered wherever required by law. Any surplus remaining after settlement of outstanding debt by way of sale of collateral is returned to the customer / borrower.

Note 44:
Liquidity risk and funding management

Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances. Such scenarios could occur when funding needed for illiquid asset positions is not available to the Company on acceptable terms. To limit this risk, management has arranged for diversified funding sources and adopted a policy of managing assets with liquidity in mind and monitoring future cash flows and liquidity on a daily basis. The Company has developed internal control processes and contingency plans for managing liquidity risk.

The Company maintains diverse assets that are assumed to be easily liquidated in the event of an unforeseen interruption in cash flow. The Company also has lines of credit that it can access to meet liquidity needs. In accordance with the Company's policy, the liquidity position is assessed under a variety of scenarios, giving due consideration to stress factors relating to both the market in general and specifically to the Company. Net liquid assets consist of cash and cash equivalents,balances other than cash and cash equivalents available for immediate use, less securities issued and borrowings due to mature within the next month. The ratios during the year were, as follows.

44.1 Liquidity Ratios

Advances to borrowings ratios				
Year	**Year end**	**Maximum**	**Minimum**	**Average**
2019	84.07%	84.07%	82.41%	83.13%
2018	82.80%	84.69%	82.73%	83.59%

Borrowings from banks and financial institutions and issue of debentures / commercial papers are considered as important sources of funds to finance lending to customers. They are monitored using the advances to borrowings ratio, which compares loans and advances to customers as a percentage of secured and unsecured borrowings.

(All amounts are Rupees in Crores, unless otherwise stated)

44.2 Following are the contractual maturities of financial liability / financial assets at the reporting date. Loans, debt securities and borrowings include estimated interest receipts / payments.

As on March 31, 2019	< 1 month	Over one month to 2 months	Over 2 months to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 to 5 years	Over 5 to 7 years	Over 7 to 10 years	Over 10 years	Total
Financial Assets											
Cash and cash equivalents	57.14	-	-	-	0.36	-	-	-	-	-	**57.50**
Bank Balance other than Cash and cash equivalents	-	0.02	0.01	0.03	0.04	-	-	-	-	-	**0.10**
Loans	257.40	156.35	156.09	467.29	930.64	3,643.28	3,438.88	3,099.21	3,518.52	4,151.96	**19,819.62**
Other financial assets	2.65	0.13	0.21	0.53	5.57	2.86	2.11	0.12	0.07	0.01	**14.26**
Investments	-	-	-	-	-	-	-	-	-	22.00	**22.00**
Financial Liabilities											
Debt Securities	-	10.95	8.25	110.47	119.67	453.92	43.79	282.33	-	-	**1,029.38**
Borrowings	106.99	160.23	293.32	555.55	1,009.96	3,939.49	2,209.58	1,471.22	872.60	319.57	**10,938.50**
Other financial liabilities	88.21	-	-	-	-	-	-	-	-	-	**88.21**
As on March 31, 2018	**< 1 month**	**Over one month to 2 months**	**Over 2 months to 3 months**	**Over 3 to 6 months**	**Over 6 months to 1 year**	**Over 1 year to 3 years**	**Over 3 to 5 years**	**Over 5 to 7 years**	**Over 7 to 10 years**	**Over 10 years**	**Total**
Financial Assets											
Cash and cash equivalents	25.84	-	-	-	-	-	-	-	-	-	**25.84**
Bank Balance other than Cash and cash equivalents	-	-	-	0.03	0.03	-	-	-	-	-	**0.06**
Loans	236.82	141.97	141.85	424.67	845.34	3,313.53	3,139.43	2,845.52	3,183.99	2,817.55	**17,090.67**
Other financial assets	0.98	0.09	0.11	0.33	1.72	3.16	1.39	0.52	0.04	-	**8.34**
Investments	-	-	-	-	-	-	-	-	-	15.60	**15.60**
Financial Liabilities											
Debt Securities	-	410.95	516.72	450.36	86.15	681.23	43.79	303.89	-	-	**2,493.09**
Borrowings	864.75	40.28	82.03	424.23	732.76	2,375.10	1,631.72	841.46	405.75	37.63	**7,435.70**
Other financial liabilities	247.40	-	-	-	-	-	-	-	-	-	**247.40**
As on April 1, 2017	**< 1 month**	**Over one month to 2 months**	**Over 2 months to 3 months**	**Over 3 to 6 months**	**Over 6 months to 1 year**	**Over 1 year to 3 years**	**Over 3 to 5 years**	**Over 5 to 7 years**	**Over 7 to 10 years**	**Over 10 years**	**Total**
Financial Assets											
Cash and cash equivalents	20.95	-	-	-	-	-	-	-	-	-	**20.95**
Bank Balance other than Cash and cash equivalents	0.01	1.38	0.01	0.02	0.12	-	-	-	-	-	**1.54**
Loans	223.39	133.70	133.61	400.08	796.52	3,113.21	2,962.68	2,698.69	3,032.60	2,381.46	**15,875.94**
Other financial assets	5.38	1.44	0.13	0.28	0.33	3.84	1.49	0.38	0.07	-	**13.34**
Investments	-	-	-	-	-	-	-	-	-	15.60	**15.60**
Financial Liabilities											
Debt Securities	-	350.00	-	13.80	135.68	822.88	-	-	-	-	**1,322.36**
Borrowings	737.41	47.34	121.80	426.92	731.41	2,559.40	1,814.52	1,158.67	610.19	107.49	**8,315.15**
Other financial liabilities	136.59	-	-	-	-	-	-	-	-	-	**136.59**

(All amounts are Rupees in Crores, unless otherwise stated)

44.3 The table below shows the contractual expiry by maturity of the Company's contingent liabilities and commitments. Each undrawn loan commitment is included in the time band containing the earliest date it can be drawn down. For issued financial guarantee contracts, the maximum amount of the guarantee is allocated to the earliest period in which the guarantee could be called.

Other undrawn commitments to lend:

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
March 31, 2019	-	394.92	210.72	28.45	-	634.08
March 31, 2018	-	303.26	161.81	21.85	-	486.91
April 1, 2017	-	237.58	126.77	17.11	-	381.46

The Company expects that not all of the contingent liabilities or commitments will be drawn before expiry of the commitments

44.4 The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. With regard to loans and advances to customers, the Company uses the same basis of expected repayment behaviour as used for estimating the EIR.

Assets	March 31, 2019			March 31, 2018			April 1, 2017		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial Assets									
Cash and cash equivalents	57.50	-	57.50	25.84	-	25.84	20.95	-	20.95
Bank Balance other than above	0.10	-	0.10	0.06	-	0.06	1.54	-	1.54
Loans	2,078.37	8,759.56	10,837.93	1,904.24	7,744.93	9,649.17	1,631.73	7,153.81	8,785.54
Other financial assets	9.09	5.17	14.26	3.23	5.11	8.34	7.56	5.78	13.34
Investments	-	22.00	22.00	-	15.60	15.60	-	15.60	15.60
Non-financial Assets									
Property, Plant and Equipment	-	13.61	13.61	-	12.30	12.30	-	7.08	7.08
Other Intangible assets	-	1.91	1.91	-	1.20	1.20	-	2.04	2.04
Other non-financial assets	0.97	8.69	9.66	10.43	8.01	18.44	3.88	6.50	10.38
Total Assets	**2,146.03**	**8,810.94**	**10,956.97**	**1,943.80**	**7,787.15**	**9,730.95**	**1,665.66**	**7,190.81**	**8,856.47**
Financial Liabilities									
Debt Securities	174.84	650.56	825.40	1,309.35	824.95	2,134.30	449.90	683.91	1,133.81
Borrowings (Other than debt securities)	1,531.02	6,920.99	8,452.01	1,736.90	4,263.11	6,000.01	1,578.80	4,846.63	6,425.43
Other financial liabilities	88.21	-	88.21	247.40	-	247.40	136.59	-	136.59
Non-Financial Liabilities									
Current tax liabilities (Net)	-	-	-	-	-	-	5.44	-	5.44
Provisions	6.99	4.99	11.98	6.33	6.42	12.75	5.25	3.72	8.97
Deferred tax liabilities (Net)	51.99	-	51.99	28.04	-	28.04	-	23.95	23.95
Total Liabilities	**1,853.05**	**7,576.54**	**9,429.59**	**3,328.02**	**5,094.48**	**8,422.50**	**2,175.98**	**5,558.21**	**7,734.19**

(All amounts are Rupees in Crores, unless otherwise stated)

Note 45:

First time adoption of Ind AS

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

The Company has prepared its financial statements as per Ind AS for the year ended March 31, 2019 with April 1, 2017 being the date of transition. The comparative figures in the Balance Sheet as at March 31, 2018 and April 1, 2017 and Statement of Profit and Loss and Statement of Cash Flow for the year ended March 31, 2018 have been restated accordingly. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements.

Pursuant to adoption of Ind AS by HFCs (Housing Finance Company), the NHB is yet to provide clarification on the basis / manner of computation of these regulatory disclosures as per the extant regulations which require presentation of various information in the notes to the Company's financial statements. Pending clarification from NHB, the Company has prepared the disclosures contained in Notes 32 to Note 32.30 to these standalone financial statements by making material / significant adjustments necessary to the Standalone Ind AS Financial Statements for the year ended March 31, 2019 to comply with the requirements of the Master Directions for Housing Finance Companies issued by NHB including framework on prudential norms, related circulars and clarifications issued by the NHB from time to time and interpretations thereon."

45.1 Optional Exemptions from retrospective application

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

Ind AS 16 Property, Plant and equipment/Ind AS 38 Intangible asset - The Company has elected to continue with the carrying amount for all of its PPE, intangible asset measured as per Previous GAAP and use that as deemed cost as at the date of transition. The Company does not have any decommissioning liability as on transition date.

Ind AS 17 - Leases requires an entity to assess whether a contract or arrangement contains a lease, and this assessment should be carried out at the inception of the contract or arrangement. However the Company has used Ind AS 101 exemption and assessed all arrangements based for embedded leases based on conditions in place as at the date of transition.

45.2 Mandatory Exceptions from retrospective application

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

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

ii) **Classification and measurement of financial assets -** The classification of financial assets to be measured at amortised cost or fair value through other comprehensive income is made on the basis of the facts and circumstances that existed on the date of transition to Ind AS.

45.3 The principal adjustments made by the Company in restating its Indian GAAP financial statements are as below:

A. Reconciliation of cash flows for the year ended March 31 2018

There were no signification reconciliation items between cash flow prepared under GAAP and those prepared GAAP and those prepared under Ind AS.

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

Particulars	Note Reference	March 31, 2018	April 1, 2017
Total Networth as per IGAAP		1,265.72	1,074.67
Impact on Effective interest rate (EIR) on processing fees	1	(82.97)	(86.06)
Fair valuation of Staff housing loan	2	0.08	0.05
Fair valuation of Rental deposit	3	(0.05)	(0.05)
Finance cost on amortization of NCD	4	0.63	1.18
(Provision) /Reversal of expected credit loss	5	19.30	27.13
Interest income recognised as per Ind AS 109		21.50	22.82
Actuarial gain / loss on employee benefits plans recognised under Other Comprehensive Income	6	(0.36)	-
Defferred tax impact		22.04	19.98
Total Net Worth under Ind AS (Total comprehensive income)		**1,245.89**	**1,059.72**

(All amounts are Rupees in Crores, unless otherwise stated)

C. Profit Reconciliation for the year ended March 31, 2018

Particulars	Note Reference	March 31, 2018
Profit as per IGAAP		206.13
Impact on Effective interest rate (EIR) on processing fees	1	3.09
Fair valuation of Staff housing loan	2	0.04
Fair valuation of Rental deposit	3	-
Finance cost on amortization of NCD	4	(0.56)
(Provision) / Reversal of expected credit loss	5	(7.83)
Interest income recognised as per Ind AS 109		(1.32)
Actuarial gain / loss on employee benefits plans recognised under Other Comprehensive Income	6	(0.36)
Defferred tax impact		1.81
Net Profit after tax as per Ind-AS		**201.00**
Other Comprehensive income as per Ind-AS		0.35
Tax effect on the above adjustments		(0.12)
Total Comprehensive Income as per Ind-AS		**201.23**

Notes:

1. **Impact on Effective interest rate (EIR) on processing fees**

   Under previous GAAP, processing fees collected in connection with loans and advances are recognised as and when collected. Under Ind AS, these transactions are included in initial recognised amount of financial assets and charged to profit and loss using effective interest rate.

2. **Fair valuation of Staff housing loan**

   Under previous GAAP, concessional rate loans are accounted at transaction cost on intial recognition and subsequently measured based on contractual cash flow, Under Ind AS, these concessional rate loans are fair valued on initial recognition and subsequently measured at amortised cost.

3. **Fair valuation of Rental deposit**

   Under previous GAAP, interest free deposits are recorded at transaction cost. Under IND AS, Interest - free security deposits have been discounted using market rates of interest and recorded at amortised cost.

4. **Finance cost on amortization of NCD**

   Under previous GAAP, transaction cost incurred in connection with Non-convertible debentures are amortized over the period of the borrowing under straight line basis. Under Ind AS, these transactions costs are included in initial recognised amount of financial liability and charged to profit and loss using effective interest rate.

5. **Provision for NPA under ECL and interest recognition**

   Under previous GAAP, the Company has provided for loans based on the income recognition and classification norms as prescribed by NHB. Under IND AS, the Company has provided for impairment of the financial instruments based on the expected credit loss model by the Company based on probability of default, loss given default and exposure at default. The interest is recognised net of ECL on Stage 3 assets as required by IND AS 109.

6. **Remeasurements of acturial gains or losses**

   Under Indian GAAP, actuarial gains/losses on defined benefit plans is recognized in the income statement. Under Ind AS, the Company has recognized the actuarial gains/losses relating to retirement benefit plans in other comprehensive income.

Note 46:

Previous year figures

Figures under previous GAAP have been regrouped/ reclassified for Ind AS purpose wherever applicable.

As per our report of even date
For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Aniruddh Sankaran
Partner
Membership No. 211107
Place : Chennai
Date : May 29, 2019

For and on behalf of the Board of Directors of Repco Home Finance Limited

T Karunakaran
Chief Financial Officer
Place : Chennai
Date : May 29, 2019

K Prabhu
Company Secretary
Place : Chennai
Date : May 29, 2019

Yashpal Gupta
Managing Director
Place : Chennai
Date : May 29, 2019

T S KrishnaMurthy
Chairman
Place : Chennai
Date : May 29, 2019

CONSOLIDATED FINANCIAL STATEMENT 2018 - 2019

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF REPCO HOME FINANCE LIMITED

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of Repco Home Finance Limited (hereinafter referred to as "the Holding Company"), its associate comprising of the consolidated Balance sheet as at March 31, 2019, 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 notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the associates, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate as at March 31, 2019, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS 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 Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Provision on Financial Instruments based on expected credit loss models	
The Company provides loans to retail customers as part of its operations. Traditionally, the Company has provided for loan losses based on guidelines prescribed by the National Housing Bank Limited, the relevant regulator. As per the expected credit loss ("ECL") model required to be followed under Ind-AS 109 for loan loss provisioning, the Company is required to make consider and make related estimations, on factors including the probability-weighted loss on financial instruments over their life, reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions which could impact the credit quality of the Company's loans and advances. This involves a significant degree of estimates and judgements, including in respect of: a) Defining the thresholds for significant increase in credit risk and for 'default' definition i.e. the number of days-past-due (DPD) post which a particular loan account will be considered either to have a significant increase in its credit risk or having defaulted. b) Where relevant, segregating the loan portfolio under homogenous pools whereby the loans grouped in a particular category can be expected to demonstrate similar credit characteristics such that their probability of default can be determined on a collective basis. c) Determining whether the effect of less frequent past events is to be considered for determining the future probability of default. d) Management overlay for macro-economic factors which could impact the credit quality of the loans and factor the effect of those in loss estimation process. As at March 31, 2019, the Company's gross advance exposures amounted to Rs 11,036.81 crores and the related impairment provisions / write off amounted to Rs. 164.49 crores. The impairment provision policy is presented in the accounting policies, and in Note 3.5 to the financial statements.	Our audit procedures included the following: • We gained an understanding of the Company's key credit processes comprising granting, booking, monitoring and provisioning and tested the operating effectiveness of key controls over these processes. • We read the Company's Ind-AS 109 loan loss provisioning policy and compared it with the requirements of Ind-AS 109 as well as relevant regulatory guidelines and pronouncements. • We obtained an understanding of the Company's provisioning methodology, the underlying assumptions and the sufficiency of the data used by management. • We tested on a sample basis, the Exposure at Default used in the ECL calculation. • We obtained an understanding of the basis and methodology adopted by management to determine 12 month and life-time probability of defaults and the loss given defaults for various homogenous segments and tested the same on a sample basis. • We performed test of details on a sample basis, over the input data used for determining the Probability of Default and Loss Given Default rates and agreed the data with the underlying books of accounts and records. • We tested the arithmetical accuracy of computation of ECL provision performed by the Company in spreadsheets. • We enquired with the management regarding significant judgments and estimates involved in the impairment computation and evaluated the reasonability of such estimates made in accordance with Ind AS 109. • We performed analytical reviews of disaggregated data

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated Ind AS financial statements and our auditor's report thereon. The Annual report is expected to be made available to us after the date of this auditor's report.

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

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

Responsibilities of Management for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associate 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 the 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 consolidated Ind AS 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 Ind AS 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 and of its associate are responsible for assessing the ability of the Group and of its associate 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 Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance of the companies included in the Group and of its associate are also responsible for overseeing the financial reporting process of the Group and of its associate.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS 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 Ind AS 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 Ind AS 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 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 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 and its associate 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 consolidated Ind AS 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 and its associate to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS 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 and its associate of which we are the independent auditors, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by 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.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS 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 Ind AS financial statements for the financial year ended March 31, 2019 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 Matter

The consolidated Ind AS financial statements include the Group's share of net profit of Rs. 14.42 crores for the year ended March 31, 2019, as considered in the consolidated Ind AS financial statements, in respect of one associate, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management.

Our opinion on the 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 financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of associate, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

(a) We/the other auditors whose report we have relied upon 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 Ind AS financial statements;

(b) In our opinion, proper as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(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 Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its associate companies, none of the directors of the Group's companies and its associate incorporated in India 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 and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its associate incorporated in India, refer to our separate Report in "Annexure 2" to this report;

(g) In our opinion and based on the consideration of reports of other statutory auditors of the associate incorporated in India, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Holding Company and its associate incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to 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 and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the associate, as noted in the 'Other matter' paragraph:

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and its associate in its consolidated Ind AS financial statements – Refer Note 35 to the consolidated Ind AS financial statements;

ii. The Group and its associate did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2019; and

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its associate incorporated in India during the year ended March 31, 2019.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Aniruddh Sankaran
Partner
Membership Number:211107

Place of Signature: Chennai
Date: May 29, 2019

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF REPCO HOME FINANCE LIMTED

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

In conjunction with our audit of the consolidated financial statements of Repco Home Finance Limited as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of Repco Home Finance Limited (hereinafter referred to as the "Holding Company") and, its associate Company, which is a Company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the of the Holding Company, its associate Company, which is incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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 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 Act.

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor 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.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Holding Company, its associate Company, which is incorporated in India, have, maintained in all material respects, an adequate internal financial controls system over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Holding 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.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding Company, in sofar as it relates to the associate Company, which is incorporated in India, is based on the corresponding reports of the auditor of such associate Company incorporated in India.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Aniruddh Sankaran
Partner
Membership Number: 211107

Place: Chennai
Date: May 29, 2019

Repco Home Finance

Consolidated Balance Sheet

As at March 31, 2019

(All amounts are Rupees in Crores, unless otherwise stated)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
I. Assets				
Financial assets				
Cash and cash equivalents	6	57.50	25.84	20.95
Bank balance other than cash and cash equivalents	7	0.10	0.06	1.54
Loans	8	10,837.93	9,649.17	8,785.54
Other financial assets	9	14.26	8.34	13.34
Investment in associate	10	51.68	33.13	26.09
Non-financial assets				
Property, plant and equipment	11	13.61	12.30	7.08
Other intangible assets	11	1.91	1.20	2.04
Other non-financial assets	12	9.66	18.44	10.38
Total assets		**10,986.65**	**9,748.48**	**8,866.96**
II. Liabilities and equity				
Financial liabilities				
Debt securities	13	825.40	2,134.30	1,133.81
Borrowings (other than debt securities)	14	8,452.01	6,000.01	6,425.43
Other financial liabilities	15	88.21	247.40	136.59
Non-financial liabilities				
Current tax liabilities (Net)	16	-	-	5.44
Provisions	17	11.98	12.75	8.97
Deferred tax liabilities (net)	28	51.99	28.04	23.95
Total liabilities		**9,429.59**	**8,422.50**	**7,734.19**
III. Equity				
Equity share capital	18	62.56	62.56	62.56
Other equity	18.1	1,494.50	1,263.42	1,070.21
Total equity		**1,557.06**	**1,325.98**	**1,132.77**
Total liabilities and equity		**10,986.65**	**9,748.48**	**8,866.96**

Significant Accounting policies & Notes to financials statement 2

The accompanying notes form an integral part of the consolidated financial statement

As per our report of even date
For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Aniruddh Sankaran
Partner
Membership No. 211107
Place : Chennai
Date : May 29, 2019

For and on behalf of the Board of Directors of Repco Home Finance Limited

T Karunakaran
Chief Financial Officer
Place : Chennai
Date : May 29, 2019

K Prabhu
Company Secretary
Place : Chennai
Date : May 29, 2019

Yashpal Gupta
Managing Director
Place : Chennai
Date : May 29, 2019

T S KrishnaMurthy
Chairman
Place : Chennai
Date : May 29, 2019

Consolidated Statement of Profit and Loss

For the year ended March 31, 2019

(All amounts are Rupees in Crores, unless otherwise stated)

Particulars	Note No.	Year ended March 31, 2019	Year ended March 31, 2018
I. Revenue from operations			
Interest income	19	1,163.37	1,085.06
Other loan related income	20	25.88	22.13
Total revenue from operations		**1,189.25**	**1,107.19**
Other income	21	5.92	2.87
Total income		**1,195.17**	**1,110.06**
II. Expenses			
Finance costs	22	719.95	648.91
Employee benefits expenses	23	58.52	49.45
Depreciation, amortisation and impairment	11	5.03	3.09
Others expenses	24	34.87	26.43
Provisions and write - offs	25	16.98	74.83
Total expenses		**835.35**	**802.71**
Profit before tax		359.82	307.35
Tax expense:			
(1) Current tax		101.69	102.38
(2) Deferred tax	28	23.49	3.97
III. Profit for the year		**234.64**	**201.00**
IV. Share of profit/(Loss) of associate (Net)		**14.42**	**9.29**
V. Other comprehensive Income			
A. Items that will not be reclassified to profit or loss			
Remeasurement gain / (loss) on defined benefit plan		1.29	0.35
Income tax impact		(0.45)	(0.12)
Other Comprehensive Income		**0.84**	**0.23**
VI. Total comprehensive income (III + IV + V)		**249.90**	**210.52**
Earnings per equity share			
Basic (INR)		39.81	33.61
Diluted (INR)		39.81	33.61

Significant Accounting policies & Notes to financials statement 2

The accompanying notes form an integral part of the consolidated financial statement

As per our report of even date
For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Aniruddh Sankaran
Partner
Membership No. 211107
Place : Chennai
Date : May 29, 2019

For and on behalf of the Board of Directors of Repco Home Finance Limited

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Place : Chennai
Date : May 29, 2019

T S KrishnaMurthy
Chairman
Place : Chennai
Date : May 29, 2019

Consolidated Statement of changes in equity

For the year ended March 31, 2019

(All amounts are Rupees in Crores, unless otherwise stated)

A. Equity Share Capital

	Number of shares	Amount
As at April 01, 2017	625,61,362	62.56
Add : Shares issued during the year	-	-
As at March 31, 2018	625,61,362	62.56
Add : Shares issued during the year	-	-
As at March 31, 2019	625,61,362	62.56

B. Other Equity

Particulars	Reserve and Surplus						Items of Other comprehensive Income	Total
	Special Reserve*	Statutory Reserve*	Capital Redemption Reserve	Securities Premium account*	General reserve*	Retained earnings		
Balance at 01 April 2017	265.21	129.14	-	318.42	125.94	231.50	-	1,070.21
Profit for the year	-	-	-	-	-	210.29	-	210.29
Less: Dividend received from associate credited to carrying value of investment (including DDT)	-	-	-	-	-	(2.25)	-	(2.25)
Appropriations to reserve	55.65	41.23	-	-	20.00	(116.88)	-	-
Other comprehensive income	-	-	-	-	-	-	0.23	0.23
Total comprehensive income	**320.86**	**170.37**	**-**	**318.42**	**145.94**	**322.66**	**0.23**	**1,278.48**
Dividend and dividend distribution tax	-	-	-	-	-	(15.06)	-	(15.06)
At 31 March 2018	**320.86**	**170.37**	**-**	**318.42**	**145.94**	**307.60**	**0.23**	**1,263.42**
Profit for the year	-	-	-	-	-	249.06	-	249.06
Less: Dividend received from associate credited to carrying value of investment (including DDT)	-	-	-	-	-	(2.27)	-	(2.27)
Appropriations to reserve	55.27	46.93	-	-	-	(102.20)	-	-
Other comprehensive income	-	-	-	-	-	-	0.84	0.84
Total comprehensive income	**376.13**	**217.30**	**-**	**318.42**	**145.94**	**452.19**	**1.07**	**1,511.05**
Dividend and dividend distribution tax	-	-	-	-	-	(16.55)	-	(16.55)
At 31 March 2019	**376.13**	**217.30**	**-**	**318.42**	**145.94**	**435.64**	**1.07**	**1,494.50**

*Refer Note 18.2 for description of nature and purpose of each reserve.

As per our report of even date
For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Aniruddh Sankaran
Partner
Membership No. 211107
Place : Chennai
Date : May 29, 2019

For and on behalf of the Board of Directors of Repco Home Finance Limited

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Managing Director
Place : Chennai
Date : May 29, 2019

T S KrishnaMurthy
Chairman
Place : Chennai
Date : May 29, 2019

Consolidated Cash Flow Statement for the year ended March 31, 2019

(All amounts are Rupees in Crores, unless otherwise stated)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
A. Cash Flow From Operating Activities		
Profit before tax	359.82	307.35
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation	5.03	3.09
(Profit)/Loss on Sale of Fixed Assets	(0.09)	(0.02)
Provision for Non-Performing Assets/Standard Assets (including Bad debts written off)	16.98	74.83
Interest Earned on Deposits	(0.03)	(0.10)
Dividend received on Investments	(1.87)	(1.87)
Finance cost on amortization of NCD	1.11	(1.51)
Actuarial Gain/Loss	1.29	0.35
Operating Profit Before Working Capital Changes	**382.24**	**382.12**
Changes in Working Capital		
(Increase)/Decrease in loans and advances	(1.54)	0.89
(Increase)/Decrease in other financial assets	8.78	(8.05)
Increase/(decrease) in provisions	(0.77)	1.75
Increase/(decrease) in financial liabilities	(159.19)	110.81
Operating Profit after Working Capital Changes	**229.52**	**487.52**
(Increase)/Decrease in Housing/other loans	(1,205.76)	(936.47)
Net Cash From Operations	**(976.24)**	**(448.95)**
Direct Taxes Paid	(106.09)	(108.08)
Net Cash flow used in operating activities (A)	**(1,082.33)**	**(557.03)**
B. Cash Flow From Investing Activities		
Purchase of Fixed Assets	(7.26)	(7.56)
Proceeds from sale of fixed assets	0.30	0.11
(Increase)/Decrease in Capital advances	0.05	4.40
Subscription to Investments	(6.40)	-
Interest received on Deposits	0.03	0.10
Dividend received on Investments	1.87	1.87
Investments/redemption of Deposits Maturing after three months (net)	(0.04)	1.48
Net Cash flow used in Investing Activities (B)	**(11.45)**	**0.40**
C. Cash Flow From Financing Activities		
Term loans received from Banks and financial institutions	3,658.00	3,074.50
Repayment of Term loan from banks and financial Institutions	(1,364.95)	(3,426.76)
Proceeds from Issue of Non convertible Debentures	-	652.00
Redemption of Non convertible Debentures	(510.01)	(100.00)
Proceeds from issue of Commercial paper	1,225.00	2,350.00
Redemption of Commercial Paper	(2,025.00)	(1,900.00)
Proceeds of refinance availed from NHB	300.00	-
Repayment of Refinance availed from National Housing Bank	(338.71)	(227.79)
Increase in Short term Borrowings	197.66	154.63
Dividends Paid(Including Dividend distribution tax)	(16.55)	(15.06)
Net Cash flow from financing activities (C)	**1,125.44**	**561.52**
Net Increase/Decrease in cash and cash equivalent D = (A+B+C)	31.66	4.89
Cash and Cash Equivalents - Opening Balance (E)	25.84	20.95
Cash and Cash Equivalents - Closing Balance (D) + (E)	**57.50**	**25.84**
Components of Cash and Cash Equivalents at the end of the year (Also refer note 7)		
Current account with Banks	54.61	19.19
Unpaid dividend accounts*	0.03	0.01
Short term deposits	0.36	3.03
Cash on Hand	2.50	3.61
Total Cash and Cash Equivalents	**57.50**	**25.84**

* The Company can utilise this balance only towards settlement of the unpaid dividend

As per our report of even date
For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Aniruddh Sankaran
Partner
Membership No. 211107
Place : Chennai
Date : May 29, 2019

For and on behalf of the Board of Directors of Repco Home Finance Limited

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Managing Director
Place : Chennai
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Chairman
Place : Chennai
Date : May 29, 2019

Accounting Policies and Notes forming part of the Standalone Financial Statements for the year ended March 31, 2019

1. Corporate information

Repco Home Finance Limited ("the Company" or "RHFL") is a housing finance Company head quartered in Chennai, Tamil Nadu. Incorporated in April 2000, The Company is registered as a housing finance Company with the National Housing Bank (NHB).

2. Basis of preparation

The Consolidated financial statements comprise the financial statements of Repco Home Finance Limited and its associates Repco Micro Finance Limited (the Company and its associates is referred to as the "Group")

The consolidated financial statements ("financial statements") have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 as per Section 133 of the Companies Act, 2013 and relevant amendment rules issued thereafter ("Ind AS") on the historical cost basis except for fair value through other comprehensive income (FVOCI) instruments, all of which have been measured at fair value as explained below, the relevant provisions of the Companies Act, 2013 (the "Act") and the guidelines issued by the National Housing Bank ("NHB") to the extent applicable.

Effective April 1, 2018, the Group has adopted Ind AS and the adoption was carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards, with April 1, 2017 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 as amended ("IGAAP"), which was the previous generally accepted accounting principles.

The Consolidated financial statements comprising Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity are prepared and presented in the format prescribed in the Division III of Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows".

Amounts in the consolidated financial statements are presented in Indian Rupees in crore rounded off to two decimal places as permitted by Schedule III to the Act except when otherwise indicated.

2.1 Presentation of financial statements

The Group presents its balance sheet in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non–current) is presented in Note No. 44.4

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in in the normal course of business, event of default or insolvency or bankruptcy of the Group and/ or its counter parties.

2.2 Principles of consolidation

Associates are entities over which the Company has significant influence but not control or joint control. Investment in associates is accounted for using the equity method of accounting, after initially being recognised at cost.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of post-acquisition profit or loss of the investee in the Consolidated Statement of Profit or Loss and the Group's share of Other Comprehensive Income of the investee in other Comprehensive Income.

Dividend received or receivable in associate is recognised as a reduction in the carrying amount of the investment.

The carrying amount of equity accounted investments is tested for impairment

3. Significant accounting policies

3.1 Financial instruments – initial recognition

3.1.1 Date of recognition

Financial assets and liabilities, with the exception of loans, debt securities and borrowings are initially recognised on the transaction date, i.e., the date that the Group becomes a party to the contractual provisions of the instrument. Loans are recognised on the date when funds are disbursed to the customer. The Group recognises debt securities and borrowings when funds are received by the Group.

3.1.2 Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at their fair value, except in the case of financial assets and financial liabilities recorded at FVTPL, transaction costs are added to, or subtracted from, this amount.

3.1.3 Measurement categories of financial assets and liabilities

The Group classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at Amortised Cost, FVOCI or FVTPL.

Financial liabilities and other than loan commitments are measured at amortised cost or FVTPL when fair value designation is applied.

3.2 Financial assets and liabilities

3.2.1 Bank balances, Loans, Trade receivables and financial investments at amortised cost

The Group measures Bank balances, Loans, Trade receivables and other financial investments at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The details of these conditions are outlined below.

3.2.1.1 Business model assessment

The Group determines its business model at the level that best reflects how it manages group of financial assets to achieve its business objective.

The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)
- The expected frequency, value and timing of sales are also important aspects of the Group's assessment

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Group's original expectations, the Group does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

3.2.1.2 The SPPI (Sole payment of Principal and Interest) test

As a second step of its classification process the Group assesses the contractual terms of financial to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Group applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

3.2.2 Financial assets or financial liabilities held for trading

The Group classifies financial assets as held for trading when they have been purchased or issued primarily for short-term profit making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there is evidence of a recent pattern of short-term profit taking. Held-for-trading assets and liabilities are recorded and measured in the balance sheet at fair value. Changes in fair value are recognised in net gain on fair value changes. Interest and dividend income or expense is recorded in net gain on fair value changes according to the terms of the contract, or when the right to payment has been established.

Included in this classification are debt securities, equities, and customer loans that have been acquired principally for the purpose of selling or repurchasing in the near term.

3.2.3 Debt securities and other borrowed funds

After initial measurement, debt issued and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the Effective Interest Rate ('EIR').

3.2.4 Financial assets and financial liabilities at fair value through profit or loss

Financial assets and financial liabilities in this category are those that are not held for trading and have been either designated by management upon initial recognition or are mandatorily required to be measured at fair value under Ind AS 109.

Financial assets and financial liabilities at FVTPL are recorded in the balance sheet at fair value. Changes in fair value are recorded in profit and loss with the exception of movements in fair value of liabilities designated at FVTPL due to changes in the Company's own credit risk. Such changes in fair value are recorded in the own credit reserve through OCI and do not get recycled to the profit or loss. Interest earned or incurred on instruments designated at FVTPL is accrued in interest income or finance cost, respectively, using the EIR, taking into account any discount/ premium and qualifying transaction costs being an integral part of instrument. Interest earned on assets mandatorily required to be measured at FVTPL is recorded using contractual interest rate.

3.2.5 Undrawn loan commitments

Undrawn loan commitments are commitments under which, over the duration of the commitment, the Group is required to provide a loan with pre-specified terms to the customer. Undrawn loan commitments are in the scope of the Expected Credit Loss ('ECL') requirements.

The nominal contractual value of undrawn loan commitments, where the loan agreed to be provided is on market terms, are not recorded in the balance sheet.

3.3 Reclassification of financial assets and liabilities

The Group does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Group acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified.

3.4 Derecognition of financial assets and liabilities

3.4.1 Derecognition of financial assets due to substantial modification of terms and conditions

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

When assessing whether or not to derecognise a loan to a customer, amongst others, the Group considers the following factors:

- Change in counterparty
- If the modification is such that the instrument would no longer meet the SPPI criterion
- 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.

3.4.2 Derecognition of financial assets other than due to substantial modification

3.4.2.1 Financial assets

A financial asset is derecognised when the rights to receive cash flows from the financial asset have expired. The Group also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

A transfer only qualifies for derecognition if either the Group has transferred substantially all the risks and rewards of the asset or has neither transferred nor retained substantially all the risks and rewards of the asset,but has transferred control of the asset.

The Group considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Group has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Group's continuing involvement, in which case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration the Group could be required to pay.

3.4.3 Financial liabilities

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

3.5 Impairment of financial assets

3.5.1 Overview of the ECL principles

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

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

The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both LTECLs and 12mECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

The Group has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

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

Stage 1: When loans are first recognised, the Group recognises an allowance based on 12mECLs. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.

Stage 3: Loans considered credit-impaired. The Group records an allowance for the LTECLs.

3.5.2 The calculation of ECL

The Group calculates ECLs to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

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

EAD The Exposure at Default is an estimate of the exposure at a future default date (in case of Stage 1 and Stage 2), taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments. In case of Stage 3 loans EAD represents exposure when the default occurred,.

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

Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value

The mechanics of the ECL method are summarised below:

Stage 1: The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Group calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

Stage 3: For loans considered credit-impaired, the Group recognises the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

Loan commitment When estimating LTECLs for undrawn loan commitments, the Group estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down. The expected cash shortfalls are discounted at an approximation to the expected EIR on the loan.

For an undrawn commitment, ECLs are calculated and presented together with the loan. For loan commitments, the ECL is recognised along with advances

3.5.3 Forward looking information

In its ECL models, the Group relies on a broad range of forward looking information as economic inputs such as: GDP growth, House price indices

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

3.6 Collateral valuation

To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible. The collateral comes is in the form of Immovable properties. However, the fair value of collateral affects the calculation of ECLs. It is generally assessed, at a minimum, at inception and re-assessed on a specific event. The value of the property at the time of origination will be arrived by obtaining valuation reports from Company's empanelled valuer.

3.7 Collateral repossessed

The Company generally does not use the assets repossessed for the internal operations. These repossessed assets which are intended to be realised by way of sale are considered for staging based on performance of the assets and the ECL allowance is determined based on the estimated net realisable value of the repossessed asset. The Company resorts to regular repossession of collateral provided against loans. Further, in its normal course of business, the Company from time to time, also exercises its right over property through legal procedures which include seizure of the property. As per the Company's accounting policy, collateral repossessed are not recorded on the balance sheet.

3.8 Write-offs

Financial assets are written off either partially or in their entirety only when there are no reasonable certainties in recovery from the financial asset. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to consolidated statement of profit and loss.

3.9 Forborne and modified loans

The Company sometimes makes concessions or modifications to the original terms of loans as a response to the borrower's financial difficulties, rather than taking possession or to otherwise enforce collection of collateral. The Company considers a loan forborne when such concessions or modifications are provided as a result of the borrower's present or expected financial difficulties and the Company would not have agreed to them if the borrower had been financially healthy. Indicators of financial difficulties include defaults on covenants, or significant concerns raised by the Credit Risk Department. Forbearance may involve extending the payment arrangements and the agreement of new loan conditions. Once the terms have been renegotiated, any impairment is measured using the original EIR as calculated before the modification of terms. It is the Company's policy to monitor forborne loans to help ensure that future payments continue to be likely to occur. Derecognition decisions and classification between Stage 2 and Stag 3 are determined on a case-by-case basis. If these procedures identify a loss in relation to a loan, it is disclosed and managed as an impaired Stage 3 forborne asset until it is collected or written off.

When the loan has been renegotiated or modified but not derecognised, the Company also reassesses whether there has been a significant increase in credit risk. The Company also considers whether the assets should be classified as Stage 3. Once an asset has been classified as forborne, it will remain forborne for a minimum 12-month probation period. In order for the loan to be reclassified out of the forborne category, the customer has to meet all of the following criteria.

- All of its facilities has to be considered performing
- The probation period of 12 months has passed from the date the forborne contract was considered performing
- Regular payments of more than an insignificant amount of principal or interest have been made during at least half of the probation period

The customer does not have any contract that is more than 30 days past due. If modifications are substantial, the loan is derecognised.

3.10 Determination of fair value

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

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

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

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

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

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

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

- **Level 1 financial instruments** – Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Group has access to at the measurement date. The Group considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.
- **Level 2 financial instruments** – Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Group will classify the instruments as Level 3.
- **Level 3 financial instruments** – Those that include one or more unobservable input that is significant to the measurement as whole.

3.11 Recognition of interest income

3.11.1 The effective interest rate method

Under Ind AS 109 interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost, debt instrument measured at FVOCI and debt instruments designated at FVTPL. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

3.11.2 Interest income

The Group calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets

When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Group calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial assets cures and is no longer credit-impaired, the Group reverts to calculating interest income on a gross basis.

3.12 Recognition of income and expenses

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found within Ind ASs.

The Group recognises revenue from contracts with customers based on a five step model as set out in Ind 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Group satisfies a performance obligation

3.12.1 Dividend Income

Dividend income is recognised when the Group's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably. This is generally when the shareholders approve the dividend.

3.12.2 Fee and commission income

Fee and commission income include fees other than those that are an integral part of EIR. The Group recognises the fee and commission income in accordance with the terms of the relevant contracts / agreement and when it is probable that the Group will collect the consideration.

3.12.3 Rental Income

Income from leases is recognised in the consolidated statement of profit and loss as per the contractual rentals unless another systematic basis is more representative of the time pattern in which benefits derived from the leased assets.

3.12.4 Other Income

Other Income represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

3.13 Leases

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

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

3.13.1 Group as a lessee

Leases that do not transfer to the Group substantially the entire risks and benefits incidental to ownership of the leased items are operating leases. Operating lease payments are recognised as an expense in the consolidated statement of profit and loss on a straight-line basis over the lease term, unless the increase is in line with expected general inflation, in which case lease payments are recognised based on contractual terms. Contingent rental payable is recognised as an expense in the period in which they it is incurred.

3.14 Cash and cash equivalents

Cash and cash equivalents comprise of Cash in Hand, demand deposits with other banks and Balances 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.

3.15 Property, plant and equipment

Property plant and equipment is stated at cost excluding the costs of day–to–day servicing, less accumulated depreciation and accumulated impairment in value. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

Depreciation is calculated using the straight–line method to write down the cost of property and equipment to their residual values over their estimated useful lives. Land is not depreciated.

The estimated useful lives are, as follows:

Asset Description	Estimated Useful Life by the management	Estimated Useful Life as per Schedule II
Buildings	60 years	60 years
Computer Equipment	3-6 years	3-6 years
Office Equipment	3-5 years	5 years
Furniture and fittings	5-10 years	10 years
Motor vehicles	8 years	8 years
Electrical installations and equipment	5-10 years	10 years

The Group, based on technical assessment made by technical expert and management estimate, depreciates certain items of building over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate

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

Intangible assets / Amortisation

Intangible assets that are acquired by the Group, which have finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the intangible asset and are amortised over the lower of the estimated useful life/licensed period on the straight-line basis or five years.

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate

3.16 Impairment of non–financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations, are recognised in the consolidated statement of profit and loss.

For assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

3.17 Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The Group operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

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

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and

- Net interest expense or income

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year end. Actuarial gains/losses are immediately taken to the consolidated statement of profit and loss and are not deferred.

3.18 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the effect of the time value of money is material, the Group determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the consolidated statement of profit and loss net of any reimbursement.

3.19 Taxes

3.19.1 Current tax

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

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

3.19.2 Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3.19.3 Goods and services tax /value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax/value added taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

3.20 Dividends on ordinary shares

The Group recognises a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the consolidated statement of profit and loss.

3.21 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

4. Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, and the accompanying disclosures, as well as the disclosure of contingent liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements are as below:

a. Measurement of Expected Credit Loss
b. Measurement of useful life of Property, Plant & Equipment
c. Estimation of Taxes on Income
d. Estimation of Employee Benefit Expense
e. Effective Interest Rate
f. Provisions and other contingent liabilities

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

4.1 Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility.

4.2 Effective Interest Rate (EIR) method

The Group's EIR methodology recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to India's base rate and other fee income/expense that are integral parts of the instrument.

4.3 Impairment of financial asset

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Group's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- The Group's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a LTECL basis and the qualitative assessment
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL models, including the various formulas and the choice of inputs
- Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EADs and LGDs
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models

It has been the Group's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

4.4 Provisions and other contingent liabilities

The Group operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in various litigation, arbitration and regulatory investigations and proceedings in the ordinary course of the Group's business.

When the Group can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Group records a provision against the case. Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

Given the subjectivity and uncertainty of determining the probability and amount of losses, the Group takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

5. Standard issued but not yet effective

Ind AS 116 Leases

Ind AS 116 Leases was notified in March 2018 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

The Group continues to evaluate the available transition methods and its contractual arrangements. The Group has established an implementation team to implement Ind AS 116 related to the recognition of ROU asset and lease liability and it continues to evaluate the changes to accounting system and processes, and additional disclosure requirements that may be necessary. A reliable estimate of the quantitative impact of Ind AS 116 on the financial statements will only be possible once the implementation project has been completed.

Notes to Financial Statements

For the Year Ended March 31, 2019

(All amounts are Rupees in Crores, unless otherwise stated)

Note 6:	March 31, 2019	March 31, 2018	April 1, 2017
Cash and cash equivalents			
Cash on hand	2.50	3.61	5.38
Balances with bank			
a. Current accounts	54.61	19.19	12.41
b. Deposit accounts	0.36	3.03	3.16
c. Unpaid dividend accounts	0.03	0.01	-
Total	**57.50**	**25.84**	**20.95**

Note 7:	March 31, 2019	March 31, 2018	April 1, 2017
Bank Balance other than cash and cash equivalents			
Bank deposit with maturity of less than 12 months	0.10	0.06	1.54
Total	**0.10**	**0.06**	**1.54**

Deposits amounting to Rs. 0.10 crores (March 2018- Rs. 0.06 crores and March 2017 - Rs. 0.17 crores) held jointly by the Company and employee towards security deposit and Rs. Nil (March 2018 -Rs. Nil and March 2017- Rs. 1.36 crores) provided as cash Collateral on which lien noted towards Bank Guarantee issued to NSE by bank.

Note 8:	March 31, 2019	March 31, 2018	April 1, 2017
Financial assets measured at Amortised cost			
Term loans	10,977.96	9,808.00	8,891.05
Impairment loss allowance	(164.43)	(180.12)	(123.15)
Total – Net	**10,813.53**	**9,627.88**	**8,767.90**
Term loans to employees	24.46	21.37	17.69
Impairment loss allowance	(0.06)	(0.08)	(0.05)
Total	**24.40**	**21.29**	**17.64**
Grand total	**10,837.93**	**9,649.17**	**8,785.54**
(a) Secured by tangible assets (equitable mortgage of property)	11,002.42	9,829.37	8,908.74
(b) Unsecured, considered good	-	-	-
Total – Gross	**11,002.42**	**9,829.37**	**8,908.74**
Less: Impairment loss allowance	(164.49)	(180.20)	(123.20)
Total – Net	**10,837.93**	**9,649.17**	**8,785.54**
In India	10,837.93	9,649.17	8,785.54
Outside India	-	-	-

Note 8.1 Term loans

(All amounts are Rupees in Crores, unless otherwise stated)

8.1.1 An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to term loans is, as follows:

Particulars	FY 2018-19					FY 2017-18				
	Stage 1 Collective	Stage 2 Collective	Stage 3 Individual	Stage 3 Collective	Total	Stage 1 Collective	Stage 2 Collective	Stage 3 Individual	Stage 3 Collective	Total
Gross Carrying amount opening balance	7,997.02	1,526.21	105.60	200.54	9,829.37	7,258.29	1,393.73	55.76	200.96	8,908.74
Assets derecognised or repaid	(1,417.08)	(293.91)	(36.58)	(47.20)	(1,794.77)	(1,423.36)	(265.48)	(8.35)	(74.68)	(1,771.87)
New assets originated or purchased	2,908.65	42.61	0.07	16.49	2,967.82	2,586.37	90.90	0.47	14.76	2,692.50
Transfers to Stage 1	376.71	(365.84)	(0.07)	(10.80)	-	285.13	(280.58)	(0.20)	(4.35)	-
Transfers to Stage 2	(533.45)	552.04	(1.76)	(16.83)	-	(678.15)	704.67	(1.61)	(24.91)	-
Transfers to Stage 3	(28.34)	(117.72)	16.56	129.50	-	(31.26)	(117.03)	59.53	88.76	-
Gross carrying amount closing balance	**9,303.51**	**1,343.39**	**83.82**	**271.70**	**11,002.42**	**7,997.02**	**1,526.21**	**105.60**	**200.54**	**9,829.37**

8.1.2 Reconciliation of ECL balance is given below:

Particulars	FY 2018-19					FY 2017-18				
	Stage 1 Collective	Stage 2 Collective	Stage 3 Individual	Stage 3 Collective	Total	Stage 1 Collective	Stage 2 Collective	Stage 3 Individual	Stage 3 Collective	Total
ECL allowance - opening balance	13.25	35.46	106.18	25.31	180.20	11.48	31.69	56.13	23.90	123.20
New assets originated or purchased	4.36	0.75	-	0.12	5.23	4.44	1.88	-	1.17	7.49
Assets derecognised or repaid	(2.80)	(14.50)	(41.87)	(8.10)	(67.27)	(2.14)	(12.02)	(10.84)	(11.71)	(36.71)
Transfers to Stage 1	0.55	(0.54)	-	(0.01)	-	0.42	(0.41)	-	(0.01)	-
Transfers to Stage 2	(0.85)	1.28	(0.06)	(0.37)	-	(1.04)	1.64	(0.03)	(0.57)	-
Transfers to Stage 3	(0.04)	(2.85)	2.20	0.69	-	(0.04)	(2.86)	4.30	(1.40)	-
Changes to models and inputs used for ECL calculations	0.32	12.29	18.03	15.69	46.33	0.13	15.54	56.62	13.93	86.22
ECL allowance - closing balance	**14.79**	**31.89**	**84.48**	**33.33**	**164.49**	**13.25**	**35.46**	**106.18**	**25.31**	**180.20**

Note 8.2 Loan commitment

8.2.1 An analysis of changes in the gross carrying amount is as follows

Particulars	FY 2018-19					FY 2017-18				
	Stage 1 Collective	Stage 2 Collective	Stage 3 Individual	Stage 3 Collective	Total	Stage 1 Collective	Stage 2 Collective	Stage 3 Individual	Stage 3 Collective	Total
Opening balance of outstanding exposure	475.72	10.38	-	0.81	486.91	373.90	6.87	-	0.69	381.46
New exposure	572.71	1.23	-	-	573.94	454.24	2.71	-	0.26	457.21
Exposure derecognised or matured/lapsed (excluding write off)	(421.85)	(4.74)	-	(0.18)	(426.77)	(347.30)	(3.87)	-	(0.59)	(351.76)
Transfers to Stage 1	2.94	(2.89)	-	(0.05)	-	0.46	(0.46)	-	-	-
Transfers to Stage 2	(3.91)	4.02	-	(0.11)	-	(5.41)	5.45	-	(0.04)	-
Transfers to Stage 3	(0.19)	(0.81)	-	1.00	-	(0.17)	(0.32)	-	0.49	-
Gross carrying amount closing balance	625.42	7.19	-	1.47	634.08	475.72	10.38	-	0.81	486.91

(All amounts are Rupees in Crores, unless otherwise stated)

Note 9:	March 31, 2019	March 31, 2018	April 1, 2017
Others financial assets			
Financial assets measured at Amortised cost			
Other loans to employees	3.75	3.26	3.45
Advances	1.61	1.04	5.44
Security deposits	4.23	3.77	4.45
Advance tax (net of provision)	4.67	0.27	-
Total	**14.26**	**8.34**	**13.34**

Note 10:	March 31, 2019	March 31, 2018	April 1, 2017
Investment in associate (at amortized cost)			
Equity instruments, unquoted and trade			
2,20,00,000 equity shares of Rs. 10/- each (1,56,00,000 equity shares of Rs. 10/- each in March 2018 and March 2017) fully paid up in Repco Micro Finance Ltd.	22.00	15.60	15.60
Share of profit	29.68	17.53	10.49
Total – Gross	**51.68**	**33.13**	**26.09**
Less: Impairment loss allowance	-	-	-
Total – Net	**51.68**	**33.13**	**26.09**
In India	51.68	33.13	26.09
Outside India	-	-	-

Note 10.1: Internal rating grade				
	March '19			
Grade	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
High grade	51.68	-	-	51.68
Medium grade	-	-	-	-
Low grade	-	-	-	-
Total	**51.68**	**-**	**-**	**51.68**
	March '18			
Grade	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
High grade	33.13	-	-	33.13
Medium grade	-	-	-	-
Low grade	-	-	-	-
Total	**33.13**	**-**	**-**	**33.13**
	March '17			
Grade	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
High grade	26.09	-	-	26.09
Medium grade	-	-	-	-
Low grade	-	-	-	-
Total	**26.09**	**-**	**-**	**26.09**

(All amounts are Rupees in Crores, unless otherwise stated)

Note 10.2: Movement in investments

	March '19			
	Stage 1	Stage 2	Stage 3	Total
Opening balance	33.13	-	-	33.13
New assets purchased	6.40	-	-	6.40
Share of profit	12.15			12.15
Assets derecognized or written off	-	-	-	-
Transfer to stages	-	-	-	-
Closing balance	**51.68**	**-**	**-**	**51.68**
	March '18			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Opening balance	26.09	-	-	26.09
New assets purchased	-	-	-	-
Share of profit	7.04			7.04
Assets derecognized or written off	-	-	-	-
Transfer to stages	-	-	-	-
Closing balance	**33.13**	**-**	**-**	**33.13**

Note 11:

Property, Plant & Equipment (PPE) and Intangible assets

Particulars	Land & Building	Furniture & Fixtures	Motor Vehicles	Computers	Office Equipment	Electrical & installation equipment	Total PPE	Software	Total Intangible Asset
Gross block									
As at April 1, 2017	1.77	1.16	0.66	1.79	1.54	0.16	7.08	2.04	2.04
Add: Additions	4.73	0.91	0.38	1.06	0.45	0.03	7.56	-	-
Less: Disposals	-	0.33	0.06	0.21	0.21	0.03	0.84	-	-
As at March 31, 2018	**6.50**	**1.74**	**0.98**	**2.64**	**1.78**	**0.16**	**13.80**	**2.04**	**2.04**
Add: Additions	-	1.94	0.81	1.29	0.66	0.07	4.77	2.49	2.49
Less: Disposals	-	0.01	0.25	-	0.04	-	0.30	-	-
As at March 31, 2019	**6.50**	**3.67**	**1.54**	**3.93**	**2.40**	**0.23**	**18.27**	**4.53**	**4.53**
Depreciations / Amortisation									
As at April 1, 2017	-	-	-	-	-	-	-	-	-
Add: Charge for the year	0.06	0.76	0.17	0.91	0.32	0.03	2.25	0.84	0.84
Less: Disposals	-	0.33	0.06	0.19	0.15	0.02	0.75	-	-
As at March 31, 2018	**0.06**	**0.43**	**0.11**	**0.72**	**0.17**	**0.01**	**1.50**	**0.84**	**0.84**
Add: Charge for the year	0.11	1.47	0.20	1.06	0.38	0.03	3.25	1.78	1.78
Less: Disposals	-	-	0.08	-	0.01	-	0.09	-	-
As at March 31, 2019	**0.17**	**1.90**	**0.23**	**1.78**	**0.54**	**0.04**	**4.66**	**2.62**	**2.62**
Net block									
As at March 31, 2019	**6.33**	**1.77**	**1.31**	**2.15**	**1.86**	**0.19**	**13.61**	**1.91**	**1.91**
As at March 31, 2018	**6.44**	**1.31**	**0.87**	**1.92**	**1.61**	**0.15**	**12.30**	**1.20**	**1.20**

* Land and building with a carrying amount of Rs. 11.74 lakhs (March 31, 2018 - Rs. 12.08 lakhs) are subject to additional charge to secure the Company's redeemable non-convertible debentures.

Note: The Company has elected the previous GAAP carrying value as deemed cost on the date of transition for property, plant and equipment. Hence, net block as on March 31, 2017 is considered as gross block as on April 1, 2017.

(All amounts are Rupees in Crores, unless otherwise stated)

Note 12:	March 31, 2019	March 31, 2018	April 1, 2017
Other non-financial assets			
Prepaid expenses	9.65	8.70	7.07
Other non financial assets	0.01	9.74	3.31
Total	**9.66**	**18.44**	**10.38**

Note 13:	March 31, 2019	March 31, 2018	April 1, 2017
Debt securities			
(a) Secured			
Redeemable non-convertible debentures (Refer note below)	825.40	1,334.30	783.81
(b) Unsecured			
Commercial paper	-	800.00	350.00
Total	**825.40**	**2,134.30**	**1,133.81**

A. Redeemable Non-convertible debentures are secured by first and exclusive charge on the specific assets by way of hypothecation of book debts and receivables and also by way of mortgage of specific immovable property in favour of debenture trustees

B. The details regarding repayment and interest is given under Annexure -A.

Note 14:	March 31, 2019	March 31, 2018	April 1, 2017
Borrowing other than debt securities **Term loans including Cash Credit and WCDL**			
From related parties (Repco Bank Limited)	798.72	622.68	498.13
From banks and Financial institutions	6,749.69	4,435.02	4,757.20
From National Housing Bank (Refer Note A below)	903.60	942.31	1,170.10
Total	**8,452.01**	**6,000.01**	**6,425.43**
Borrowings in India	8,452.01	6,000.01	6,425.43
Borrowings outside India	-	-	-

A. Refinance from National Housing Bank (NHB) and other Term Loans from banks and financial institutions are secured by first and exclusive charge on the specific book debts/receivables of the Company and an irrevocable Power of Attorney (POA) given by the Company in favour of the Banks/NHB for recovery of dues and for creation of mortgage on the properties of the loan borrowers of the Company.

Annexure - A for Note 13 & 14

Maturity Profile of term Loans from National Housing Bank

As at March 31, 2019

Rate of Interest (%)	Maturities					
	upto 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 10 years	Over 10 years	Total
4.00 to 6.00	13.65	36.40	36.40	33.55	-	120.00
6.01 to 8.00	51.23	80.87	72.63	76.64	-	281.37
8.01 to 9.00	29.61	45.15	37.28	67.70	2.20	181.94
9.01 to 9.55	35.65	79.31	66.36	108.39	30.58	320.29
Total	**130.14**	**241.73**	**212.67**	**286.28**	**32.78**	**903.60**

(All amounts are Rupees in Crores, unless otherwise stated)

Maturity Profile of Term Loans from banks & financial institutions

As at March 31, 2019						
Rate of Interest (%)	Maturities					
	upto 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 10 years	Over 10 years	Total
7.50 to 8.00	23.08	46.15	46.15	34.62	-	150.00
8.01 to 8.14	5.00	10.00	7.85	2.14	-	24.99
8.15 to 8.30	15.38	829.49	30.77	7.69	-	883.33
8.31 to 8.60	401.00	416.05	330.81	73.59	1.50	1,222.95
8.61 to 9.00	701.08	1,045.81	717.95	1,037.56	126.83	3,629.23
9.01 to 9.30	209.29	368.57	268.57	362.37	99.89	1,308.69
9.31 to 9.50	21.05	42.11	42.11	84.14	-	189.41
9.51 to 9.75	5.00	20.00	20.00	40.00	-	85.00
9.76 to 9.95	20.00	34.81	-	-	-	54.81
Total	**1,400.88**	**2,812.99**	**1,464.21**	**1,642.11**	**228.22**	**7,548.41**

Maturity Profile of Non Convertible debentures

As at March 31, 2019						
Rate of Interest (%)	Maturities					
	upto 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 10 years	Over 10 years	Total
8.05	-	179.18	-	271.38	-	450.56
8.20	-	100.03	-	-	-	100.03
8.25	-	100.00	-	-	-	100.00
8.50	99.89	-	-	-	-	99.89
8.78	24.97	-	-	-	-	24.97
8.95	49.95	-	-	-	-	49.95
Total	**174.81**	**379.21**	**-**	**271.38**	**-**	**825.40**

Maturity Profile of term Loans from National Housing Bank

As at March 31, 2018						
Rate of Interest (%)	Maturities					
	upto 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 10 years	Over 10 years	Total
6.01 to 8.00	107.72	118.67	103.67	180.35	29.98	540.39
8.01 to 9.00	61.78	94.41	62.23	108.85	4.44	331.71
9.01 to 9.55	8.51	17.02	17.02	27.66	-	70.21
Total	**178.01**	**230.10**	**182.92**	**316.86**	**34.42**	**942.31**

(All amounts are Rupees in Crores, unless otherwise stated)

Maturity Profile of Term Loans from banks & financial institutions

As at March 31, 2018						
Rate of Interest (%)	Maturities					
	upto 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 10 years	Over 10 years	Total
7.50 to 8.00	6.25	12.50	12.50	18.73	-	49.98
8.01 to 8.14	850.72	351.53	351.53	240.72	-	1,794.50
8.15 to 8.30	507.17	852.72	473.37	268.47	-	2,101.73
8.31 to 8.60	187.25	333.94	284.23	183.57	-	988.99
8.61 to 9.00	5.00	10.00	10.00	5.00	-	30.00
9.01 to 9.30	-	-	-	-	-	-
9.31 to 9.50	2.50	20.00	20.00	50.00	-	92.50
Total	**1,558.89**	**1,580.69**	**1,151.63**	**766.49**	**-**	**5,057.70**

Maturity Profile of Non Convertible debentures

As at March 31, 2018						
Rate of Interest (%)	Maturities					
	upto 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 10 years	Over 10 years	Total
8.05	-	179.10	-	271.04	-	450.14
8.20	-	100.02	-	-	-	100.02
8.25	-	99.97	-	-	-	99.97
8.50	-	99.85	-	-	-	99.85
8.72	149.83	-	-	-	-	149.83
8.78	24.96	24.99	-	-	-	49.95
8.95	34.91	49.98	-	-	-	84.89
9.21	199.73	-	-	-	-	199.73
9.35	99.92	-	-	-	-	99.92
Total	**509.35**	**553.91**	**-**	**271.04**	**-**	**1,334.30**

Maturity Profile of Commercial Paper

As at March 31, 2018						
Rate of Interest (%)	Maturities					
	upto 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 10 years	Over 10 years	Total
7.26 to 8.00	800.00	-	-	-	-	800.00
Total	**800.00**	**-**	**-**	**-**	**-**	**800.00**

Maturity Profile of term Loans from National Housing Bank

As at March 31, 2018						
Rate of Interest (%)	Maturities					
	upto 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 10 years	Over 10 years	Total
6.01 to 8.00	140.50	145.48	80.87	149.27	-	516.12
8.01 to 9.00	65.04	115.38	78.65	160.49	57.55	477.11
9.01 to 9.55	22.24	44.48	40.63	69.52	-	176.87
Total	**227.78**	**305.34**	**200.15**	**379.28**	**57.55**	**1,170.10**

(All amounts are Rupees in Crores, unless otherwise stated)

Maturity Profile of Term Loans from banks & financial institutions

As at March 31, 2017						
Rate of Interest (%)	Maturities					
	upto 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 10 years	Over 10 years	Total
8.15 to 8.30	133.58	255.44	175.19	51.94	-	616.15
8.31 to 8.60	229.16	392.19	309.29	269.58	-	1,200.22
8.61 to 9.00	107.14	152.45	43.02	5.30	-	307.91
9.01 to 9.30	25.00	50.00	50.00	62.50	-	187.50
9.31 to 9.50	728.61	451.45	422.39	522.56	37.31	2,162.32
9.51 to 9.75	124.78	249.67	198.65	205.38	-	778.48
9.76 to 9.95	2.75	-	-	-	-	2.75
Total	**1,351.02**	**1,551.20**	**1,198.54**	**1,117.26**	**37.31**	**5,255.33**

Maturity Profile of Non Convertible debentures

As at March 31, 2017						
Rate of Interest (%)	Maturities					
	upto 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 10 years	Over 10 years	Total
8.50	-	99.82	-	-	-	99.82
8.72	-	149.78	-	-	-	149.78
8.78	-	49.93	-	-	-	49.93
8.95	-	84.84	-	-	-	84.84
9.21	-	199.69	-	-	-	199.69
9.35	-	99.85	-	-	-	99.85
9.55	99.90	-	-	-	-	99.90
Total	**99.90**	**683.91**	**-**	**-**	**-**	**783.81**

Maturity Profile of Commercial Paper

As at March 31, 2017						
Rate of Interest (%)	Maturities					
	upto 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 10 years	Over 10 years	Total
7.10 to 7.25	350.00	-	-	-	-	350.00
Total	**350.00**	**-**	**-**	**-**	**-**	**350.00**

Note 15:	March 31, 2019	March 31, 2018	April 1, 2017
Other financial liabilities at amortised cost			
Interest accrued	71.33	138.64	85.16
Unpaid dividend	0.03	0.01	-
Statutory dues	2.19	1.59	1.36
Book overdraft	4.06	97.71	42.92
Others	10.60	9.45	7.15
Total	**88.21**	**247.40**	**136.59**

(All amounts are Rupees in Crores, unless otherwise stated)

Note 16:	March 31, 2019	March 31, 2018	April 1, 2017
Current tax liabilities (Net)			
Income tax (net of advance tax paid)	-	-	5.44
Total	**-**	**-**	**5.44**

Note 17:	March 31, 2019	March 31, 2018	April 1, 2017
Provisions			
Provision for employee benefits			
Provision for Gratuity (Refer Note no. 31)	0.15	0.82	0.61
Provision for compensated absences (Refer Note no. 31.3)	5.09	4.27	3.26
Others	6.33	5.04	4.54
Total	**11.57**	**10.13**	**8.41**
Others	0.41	2.62	0.56
Total	**11.98**	**12.75**	**8.97**

Movement of provisions other than employee benefit

The movement in provisions during 2018-19 and 2017-18 is, as follows:

	March 31, 2019	March 31, 2018
Opening balance	2.62	0.56
Arising during the year	0.40	2.06
Utilised	(2.61)	-
Closing balance	**0.41**	**2.62**

Note 18:	March 31, 2019	March 31, 2018	April 1, 2017
Issued Capital and Reserves			
Authorised			
10,00,00,000 (March 31, 2018 and March 2017 - 10,00,00,000) Equity shares of Rs.10/-each	100.00	100.00	100.00
Issued, Subscribed & paid up capital			
6,25,61,362 (March 31, 2018 and March 2017 -6,25,61,362) Ordinary shares of Rs. 10/- each	62.56	62.56	62.56
Total	**62.56**	**62.56**	**62.56**

a) Reconciliation of shares outstanding at the beginning and at the end of the year

	No. of shares	Amount
At 1 April 2017	625,61,362	62.56
Issued during the year	-	-
At 1 April 2018	625,61,362	62.56
Issued during the year	-	-
At 31 March 2019	**625,61,362**	**62.56**

(All amounts are Rupees in Crores, unless otherwise stated)

b) Shareholding holding more than 5% shares

	31st March 2019		31st March 2018		1st April 2017	
	No's	% of holding	No's	% of holding	No's	% of holding
Repco Bank Limited	232,30,606	37.13	232,30,606	37.13	232,30,606	37.13
Aditya Birla Sunlife Trustee Private Limited	41,36,059	6.61	44,83,513	7.17	39,50,118	6.31
Franklin Templeton Mutual Fund	38,64,616	6.18	45,03,550	7.20	42,28,956	6.76
HDFC Trustee Company Ltd.	45,30,653	7.24	-	-	-	-
India Capital Fund Limited	34,44,750	5.51	-	-	-	-
DSP Blackrock Mutual Fund	-	-	38,79,502	6.20	36,21,692	5.79

c) Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Note 18.1 : Other Equity

	Particulars	March 31, 2019	March 31, 2018
i)	**Securities Premium account (Refer Note 18.2.1)**		
	Opening balance	318.42	318.42
	Add : Additions during the year	-	-
	Less : Utilized during the year	-	-
	Closing balance	**318.42**	**318.42**
ii)	**Special Reserve (Refer Note 18.2.2)**		
	Opening balance	320.86	265.21
	Add : Additions during the year	55.27	55.65
	Less : Utilized during the year	-	-
	Closing balance	**376.13**	**320.86**
iii)	**Statutory Reserve (Refer Note 18.2.3)**		
	Opening balance	170 .37	129.14
	Add : Additions during the year	46.93	41.23
	Less : Utilized during the year	-	-
	Closing balance	**217.30**	**170.37**
iv)	**General reserve (Refer Note 18.2.4)**		
	Opening balance	145.94	125.94
	Add : Additions during the year	-	20.00
	Less : Utilized during the year	-	-
	Closing balance	**145.94**	**145.94**

(All amounts are Rupees in Crores, unless otherwise stated)

	Particulars	March 31, 2019	March 31, 2018
v)	**Retained earnings**		
	Opening balance	309.85	231.50
	Add : Profit for the year	249.06	210.29
	Less : Appropriation		
	i) General Reserve	-	(20.00)
	ii) Statutory Reserve	(46.93)	(41.23)
	iii) Special Reserve	(55.27)	(55.65)
	iv) Dividend for previous years (including dividend distribution tax)	(16.55)	(15.06)
	Closing balance	**440.16**	**309.85**
vi)	**Other comprehensive Income**		
	Opening balance	0.23	-
	Add : Additions during the year	0.84	0.23
	Less : Utilized during the year	-	-
	Closing balance	**1.07**	**0.23**
	Grand Total	**1,499.02**	**1,265.67**

18.2 Nature and purpose of reserve

18.2.1 Securities premium reserve

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

18.2.2 Special Reserve

As per Section 29C of the National Housing Bank Act, 1987, the Company is required to transfer at least 20% of its net profit 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. The Company has transferred an amount of Rs.55.27 Crores (Previous year Rs.55.65 Crores) to Special Reserve in terms of Section 36(1) (viii) of the Income Tax Act, 1961.

18.2.3 Statutory reserve

The Company has transferred an amount of Rs. 46.93 Crore during the year (Previous year Rs.41.23 Crore) to Statutory Reserve u/s 29C of the National Housing Bank Act, 1987.

18.2.4 General reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

(All amounts are Rupees in Crores, unless otherwise stated)

Note 19:	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest income		
Financial assets measured at Amortised cost		
Interest on Loans		
Loans and advances to customers	1,163.37	1,085.06
Total	**1,163.37**	**1,085.06**

Note 20:	For the year ended March 31, 2019	For the year ended March 31, 2018
Other loan related income		
Insurance Income	0.25	-
Other operating income	25.63	22.13
Total	**25.88**	**22.13**

Note 21:	For the year ended March 31, 2019	For the year ended March 31, 2018
Other income		
Dividend income	1.87	1.87
Profit on sale of assets	0.09	0.02
Other income	3.96	0.98
Total	**5.92**	**2.87**

Note 22:	For the year ended March 31, 2019	For the year ended March 31, 2018
Finance Cost		
On Financial liabilities measured at Amortised Cost		
Debt Securities	92.01	112.71
Borrowings (Other than debt securities)	544.43	422.25
Interest on refinance from national housing bank	55.77	79.93
Interest on commercial papers	25.61	32.61
Other borrowing costs	2.13	1.41
Total	**719.95**	**648.91**

Note 23:	For the year ended March 31, 2019	For the year ended March 31, 2018
Employee benefit expenses		
Salaries and wages	46.80	39.04
Contribution to provident and other funds	3.26	2.77
Gratuity expense (Refer note 31)	1.26	1.17
Staff welfare expenses	7.20	6.47
Total	**58.52**	**49.45**

(All amounts are Rupees in Crores, unless otherwise stated)

Note 24:	For the year ended March 31, 2019	For the year ended March 31, 2018
Other expenses		
Advertisement & business promotion	5.17	2.91
Legal fees	5.07	4.50
Communication expenses	1.31	1.35
Professional & consultancy fee	3.81	2.76
Remuneration to auditors (Refer note 24.1 below)	0.32	0.28
Electricity expenses	1.22	1.05
Directors' sitting fee (Refer 32.14)	0.38	0.24
Miscellaneous expenses	1.71	1.11
Insurance expenses	0.20	0.14
Printing and stationery	0.76	0.56
Rates & taxes	2.17	0.78
Rent	8.44	7.62
Repairs & maintenance - others	0.78	0.64
Travelling & conveyance	2.40	1.86
Training expenses	0.26	0.21
Vehicle maintenance	0.30	0.25
Contributions towards CSR activities (Refer 26)	0.55	0.14
Donations	0.02	0.01
Total	**34.87**	**26.43**

Note 24.1:	For the year ended March 31, 2019	For the year ended March 31, 2018
Audit fees		
As auditor		
Statutory Audit fees including Limited review	0.28	0.23
Certification fees	0.04	0.06
Total	**0.32**	**0.28**

Note 25:	For the year ended March 31, 2019	For the year ended March 31, 2018
Provisions And Write-Offs		
Impairment loss allowance on term loans	16.98	72.78
Contingency provisions	-	2.05
Total	**16.98**	**74.83**

Note 26:	For the year ended March 31, 2019	For the year ended March 31, 2018
Details of CSR expenditure:		
a) Gross amount required to be spent by the Company during the year	5.39	4.53
b) Amount spent during the year		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	0.55	0.14

(All amounts are Rupees in Crores, unless otherwise stated)

Note 27:	For the year ended March 31, 2019	For the year ended March 31, 2018
Income Tax		
The components of income tax expense for the years ended 31 March 2019 and 2018 are:		
Current tax	101.69	102.38
Deferred tax relating to origination and reversal of temporary differences	23.49	3.97
Total tax charge	**125.18**	**106.35**

Note 27.1:

Reconciliation of the total tax charge

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

	For the year ended March 31, 2019	For the year ended March 31, 2018
Accounting profit before tax	359.82	307.35
At India's statutory income tax rate of 34.608% (2018: 34.608%)	124.53	106.37
Adjustment in respect of income tax are as below		
CSR expenses	(0.20)	(0.05)
Dividend exempt under Sec 10(34)	0.65	0.65
Others	-	(0.62)
Due to rate change	0.20	-
Income tax expense reported in the statement of profit and loss	**125.18**	**106.35**

The effective income tax rate for 31 March 2019 is 34.789% (31 March 2018: 34.602%).

Note 28:

Deferred tax

Particulars	March 31, 2019		2018-19	
	Deferred Tax Assets	Deferred Tax Liabilities	Income Statement	OCI
Amortization of processing fees	23.77	-	(4.95)	-
Impact due to fair valuation of Employee staff loans	2.97	3.03	(0.03)	-
Impact due to fair valuation of Secuirty deposits	0.26	0.24	-	-
NCD - Amortisation of Transaction cost	0.72	0.56	0.39	-
Provision	2.20	-	(0.49)	-
ECL impact on advances (net)	54.06	-	1.64	-
Depreciation	-	0.12	0.34	-
Remeasurement of actuarial gain or loss	-	0.58	-	(0.45)
Special Reserve U/s 36(1) (viii) of the Income Tax Act, 1961	-	131.44	(20.39)	-
Total	**83.98**	**135.97**	**(23.49)**	**(0.45)**

(All amounts are Rupees in Crores, unless otherwise stated)

Particulars	March 31, 2018		2017-18	
	Deferred Tax Assets	Deferred Tax Liabilities	Income Statement	OCI
Amortization of processing fees	28.72	-	(1.07)	-
Impact due to fair valuation of Employee staff loans	2.71	2.74	(0.01)	-
Impact due to fair valuation of Secuirty deposits	0.27	0.25	-	-
NCD - Amortisation of Transaction cost	0.72	0.94	0.19	-
Provision	2.69	-	1.25	-
ECL impact on advances (net)	52.41	-	14.66	-
Remeasurement of actuarial gain or loss	-	0.12	-	(0.12)
Special Reserve U/s 36(1) (viii) of the Income Tax Act, 1961	-	111.04	(19.26)	-
Total	**87.52**	**115.56**	**(3.97)**	**(0.12)**

Particulars	April 1, 2017	
	Deferred Tax Assets	Deferred Tax Liabilities
Amortization of processing fees	29.78	-
Impact due to fair valuation of Employee staff loans	2.17	2.19
Impact due to fair valuation of Secuirty deposits	0.27	0.26
NCD - Amortisation of Transaction cost	-	0.41
Provision	1.45	-
ECL impact on advances (net)	37.75	-
Special Reserve U/s 36(1) (viii) of the Income Tax Act, 1961	-	91.77
Total	**71.42**	**95.37**

Note 29:

Earnings per share

The following table shows the income and share data used in the basic and diluted EPS calculations:

Particulars	2018-19	2017-18
Net profit attributable to equity holders of the Company	249.06	210.29
Weighted average number of ordinary shares outstanding during the year for basic earnings per share	6.26	6.26
Weighted average number of ordinary shares outstanding during the year for diluted earning per share	6.26	6.26
Earning per share:		
Basic earnings per share	39.81	33.61
Diluted earnings per share	39.81	33.61
Nominal Value per equity share	10	10

Note 30:

Segment information

The Company operates under the principal business segment viz." Providing loans for construction or purchase of residencial property". Further, the Company is operating in a single geographical segment. The Chief Operating Decision Maker (CODM) views and monitors the operating results of its single business segment for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profits or losses and is measured consistently with operating profits or losses in the financial statements. Accordingly, disclosures relating to primary and secondary business segments under the Indian Accounting Standard on 'Segment Reporting' (Ind AS 108) are not applicable to the Company.

(All amounts are Rupees in Crores, unless otherwise stated)

Note 31:
Retirement benefit plan

31.1 Defined contribution plan

A Contribution towards PF is determined under the Employees' Provident Funds & Miscellaneous Provisions Act,1952 and charged to the Statement of Profit and Loss during the period of incurrence when the services are rendered by the employees.

The expense charged in statement of profit and loss amounting to Rs. 3.26 crores (2018: Rs.2.77 crores) represents contributions payable to these plans by the Company at rates specified in the rules of the plan.

31.2 Defined benefit plan

The Company has a defined benefit gratuity plan in India (funded). The Company's defined benefit gratuity plan is a final salary plan for India employees, which requires contributions to be made to a separately administered fund. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The fund has the form of a trust and it is governed by the Board of Trustees.

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

	Particulars	2018-19	2017-18
A.	**Reconciliation of opening and closing balance of present value of defined benefit obligation**		
	Liability as at the beginning of the period	5.46	4.78
	Add Interest Cost:	0.44	0.36
	Add Current Service Cost:	1.19	1.13
	Less Benefits Paid directly from the Assets:	(0.28)	(0.41)
	Actuarial (gain) / loss (Experience)	(1.17)	(0.40)
	Liability as at the end of the period	**5.64**	**5.46**
B.	**Reconcilaition of opening and closing balances of fair value of plan assets**		
	Value of Assets as at the beginning of the Period:	4.65	4.18
	Add Adjustments to the Opening Balance:	-	-
	Add Expected Return on Assets:	0.37	0.30
	Add Contributions made:	0.74	0.61
	Less Benefits Paid out of the Assets:	(0.28)	(0.41)
	Return on Plan Assets excluding Expected income:	0.02	(0.03)
	Value of Assets as at the end of the period:	**5.50**	**4.65**
C.	**Expenses recognized in Other comprehensive Income**		
	Actuarial gain/(loss) in inter-valuation. Period (Experience): - Obligation:	(1.17)	(0.40)
	Actuarial gain/(loss) in inter-valuation. Period (Change in parameters): - Obligation:	-	-
	Actuarial (gain)/loss in inter-valuation Period: - (Demographic) Obligation:	-	-
	Less Excess Return on Plan Assets over expected returns:	(0.02)	0.05
	Actuarial gain/loss in inter-valuation Period recognized in OCI:	**(1.19)**	**(0.35)**
D.	**Reconciliation of present value of defined benefit obligation and fair value of plan assets to the assets and liability**		
	Present value of obligation on the accounting date:	(5.65)	(5.47)
	Fair Value of Plan Assets on the accounting date:	5.50	4.65
	Effect of Asset Ceiling	-	-
	Net Asset / (liability) recognised in Balance Sheet	**(0.15)**	**(0.82)**

(All amounts are Rupees in Crores, unless otherwise stated)

	Particulars	2018-19	2017-18
E.	**Expenses Recognised in statement of profit and loss**		
	Net Interest Cost	0.07	0.06
	Current Service Cost	1.19	1.11
	Past Service Cost	-	-
	Curtailment Cost (Credit)	-	-
	Settlement Cost (Credit)	-	-
	Expense to be recognized in statement of profit or loss	**1.26**	**1.17**
F.	**Reconcilalition**		
	Net Liability as at the beginning of the accounting period:	0.82	0.61
	Expenses recognized in P/L a/c	1.26	1.19
	Transferred to Other Comprehensive Income	(1.19)	(0.37)
	less Adjustments to last valuation Closing Balance:	-	-
	less Benefits paid directly by the Company	-	-
	less Contributions made to the fund	(0.74)	(0.61)
	Liability recognized in the Balance Sheet as on the accounting date:	**0.15**	**0.82**
G.	**Actual return on plan assets**		
	Expected return on Plan Assets	0.37	0.30
	Actuarial gain (loss) on Plan Assets	0.02	(0.03)
	Actual return on Plan Assets	**0.39**	**0.27**
H.	**Actuarial assumption**		
	Discount Rate	7.46%	7.60%
	Interest Rate (Rate of Return on Assets)	8.09%	8.05%
	Salary escalation Rate (per annum)	5.00%	7.00%
	Resignations Rate (per annum)	8.50%	10.00%
	Mortality	IALM (2012-14)	IALM (2006-08)
I.	**Expected payment for future years from Gratuity trust fund**		
	Within the next 12 months (next annual reporting period)	0.03	0.03
	Between 1 and 2 years	-	0.03
	Between 2 and 3 years	0.01	-
	Between 3 and 4 years	0.03	0.01
	Between 4 and 5 years	0.07	0.03
	Between 5 and 10 years	6.38	15.52
	Total expected payments	**6.52**	**15.62**

The Company expects to contribute Rs. 1.26 crores (March 2018: 1.19 crores) to the fund in the next financial year.

J.	**Sensitivity analysis**	**2018-19**		**2017-18**	
	Sensitivity Level	**0.5% increase**	**0.5% decrease**	**0.5% increase**	**0.5% decrease**
	Impact on defined benefit obligation (increase/(decrease) by) due to changes in				
	- Discount rate	(0.22)	0.23	(0.20)	0.21
	- Salary escalation	0.23	(0.22)	0.21	(0.20)
	- Resignation rate	0.04	(0.04)	(0.00)	0.00

31.3 Leave encashment /Compensated Absenses:

Salary and wages includes Rs. 1.95 crore (PY Rs. 1.77 crore) towards provision made as per actuarial valuation in respect of accumulated leave salary encashable on retirement / resignation

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and amounts recognised in the balance sheet:

	Particulars	2018-19	2017-18
A.	**Reconciliation of opening and closing balance of present value of defined benefit obligation**		
	Liability as at the beginning of the period	4.27	3.26
	Add Interest Cost:	0.29	0.39
	Add Current Service Cost:	1.66	1.57
	Less Benefits Paid directly from the Assets:	(1.02)	(0.95)
	Actuarial (gain) / loss (Experience)	(0.10)	-
	Liability as at the end of the period	**5.10**	**4.27**
B.	**Expenses recognized in Other comprehensive Income**		
	Actuarial gain/(loss) in inter-valuation. Period (Experience): - Obligation:	0.10	-
	Actuarial gain/(loss) in inter-valuation. Period (Change in parameters): - Obligation:	-	-
	Actuarial gain/loss in inter-valuation Period recognized in OCI	**0.10**	**-**
C.	**The Amounts to be Recognized in the Balance Sheet**		
	Present value of obligation on the accounting date:	5.09	4.27
	Fair Value of Plan Assets on the accounting date:	-	-
	Net Asset / (liability) recognised in Balance Sheet	**5.09**	**4.27**
D.	**Expenses Recognised in statement of profit and loss**		
	Net Interest Cost	0.29	0.20
	Current Service Cost	1.66	1.57
	Expense to be recognized in statement of profit or loss	**1.95**	**1.77**
E.	**Reconcialition**		
	Net Liability as at the beginning of the accounting period:	4.27	3.26
	Expenses recognized in P/L a/c	1.95	1.96
	Transferred to Other Comprehensive Income	(0.10)	-
	Less: Adjustments to last valuation Closing Balance:	-	-
	Less: Benefits paid directly by the Company	(1.03)	(0.95)
	Liability recognized in the Balance Sheet as on the accounting date:	**5.09**	**4.27**
F.	**Actuarial assumption**		
	Discount Rate	7.46%	7.60%
	Interest Rate (Rate of Return on Assets)	0.00%	0.00%
	Salary escalation Rate (per annum)	5.00%	7.00%
	Resignations Rate (per annum)	8.50%	10.00%
	Mortality	IALM(2012-14)	IALM(2006-08)

Note 32:

The following disclosures have been given in terms of National Housing Bank's notification no. NHB.HFC.CG-DIR.1/MD & CEO/2016 dated February 9, 2017 and in terms of the circular no. NHB/ND/DRS/Pol-No.35/2010-11 dated October 11, 2010. Further, the disclosures which are for regulatory and supervisory purpose, have been made so as to comply with NHB's Policy Circular No. NHB(ND)/DRS/Policy Circular No. 89/2017-18 dated June 14, 2018 which requires Housing Finance Companies to continue to follow the extent provisions of National Housing Bank Act, 1987 and Housing Finance Companies (NHB) Directions 2010 including framework on prudential norms and other related circulars issued in this regards by NHB from time to time and the same have been prepared in accordance with Accounting Standards prescribed under section 133 of the Companies Act, read with the Companies (Accounting Standards) Rules, 2006, as amended (Indian GAAP).

(All amounts are Rupees in Crores, unless otherwise stated)

	Particulars	2018-19	2017-18
32.1	**Reserve Fund U/s 29C of NHB Act, 1987**		
	Balance at the beginning of the year		
a)	Statutory Reserve u/s 29c of the National Housing Bank Act, 1987	170.37	129.14
b)	Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purpose of Statutory Reserve under Section 29C of the NHB Act, 1987	320.86	265.21
c)	**Total**	**491.23**	**394.35**
	Addition/Appropriation/Withdrawal during the year		
	Add:		
a)	Amount transferred u/s 29C of the NHB Act, 1987*	46.93	41.23
b)	Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	55.27	55.65
	Less:		
a)	Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
b)	Amount withdrawn from the Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 which has been taken into account for the purpose of provision u/s 29 C of the NHB Act, 1987	-	-
	Balance at the end of the year		
a)	Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	217.30	170.37
b)	Amount of Special reserve u/s 36(1)(viii) of Income Tax Act, 1961taken into account for the purpose of Statutory Reserve under Section 29C of the NHB Act, 1987	376.13	320.86
c)	**Total**	**593.43**	**491.23**
	* Company has transferred Rs. 46.93 crores to statutory reserve as per 29C of the NHB Act, 1987 for the year ended March 2019 on profit computed based on Ind AS financials		
32.2	**Investments**		
	Value of Investments		
	(i) Gross value of Investments		
	(a) In India	22.00	15.60
	(b) Outside India	-	-
	(ii) Provisions for Depreciation		
	(a) In India	-	-
	(b) Outside India	-	-
	(iii) Net value of Investments		
	(a) In India	22.00	15.60
	(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 back of excess provisions during the year	-	-
	(iv) Closing balance	-	-
32.3	**Derivatives**		
	Forward rate agreement (FRA) / Interest rate swaps (IRS)	NIL	NIL
	Exchange traded interest rate (IR) Dreivative	NIL	NIL
	Disclosure on Risk exposure in Derivatives	NA	NA
32.4	**Securitisaion**		
	Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction	NA	NA
	Details of non-performing financial assets purchased / sold	NA	NA
	Details of Assignment transactions undertaken by HFCs is given below:		
	i) No. of accounts	1,013	-
	ii) Aggregate value (net of provision) of accounts assigned	36.42	-
	iii) Aggregate consideration	36.54	-
	iv) Additional consideration realized in respect of accounts transferred in earlier years	NA	-
	v) Aggregate gain / loss over net book value	-	-

(All amounts are Rupees in Crores, unless otherwise stated)

32.5 Maturity pattern of certain items of Assets and Labilities (as per contracted cash flows)

As on March 31, 2019	< 1 month	Over one month to 2 months	Over 2 months to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 to 5 years	Over 5 to 7 years	Over 7 to 10 years	Over 10 years	Total
Liabilities											
Deposits	-	-	-	-	-	-	-	-	-	-	-
Borrowings from bank (including NHB)	47.81	112.40	245.41	401.76	723.64	3,054.72	1,676.88	1,194.79	733.60	261.00	8,452.01
Market borrowings	-	-	-	75.00	100.00	380.00	-	272.00	-	-	827.00
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-
Assets											
Advances	101.62	55.37	55.65	169.31	349.93	1,540.24	1,724.40	1,798.97	2,270.83	2,970.49	11,036.81
Investments	-	-	-	-	-	-	-	-	-	22.00	22.00
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-

As on March 31, 2018	< 1 month	Over one month to 2 months	Over 2 months to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 to 5 years	Over 5 to 7 years	Over 7 to 10 years	Over 10 years	Total
Liabilities											
Deposits	-	-	-	-	-	-	-	-	-	-	-
Borrowings from bank (including NHB)	811.79	10.42	52.23	320.22	542.24	1,810.79	1,334.55	716.05	367.30	34.42	6,000.01
Market borrowings	-	400.00	500.00	350.00	60.00	555.00	-	272.00	-	-	2,137.00
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-
Assets											
Advances	94.01	51.07	51.46	156.58	323.36	1,429.99	1,621.38	1,726.47	2,189.64	2,212.82	9,856.78
Investments	-	-	-	-	-	-	-	-	-	15.60	15.60
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-

(All amounts are Rupees in Crores, unless otherwise stated)

	Particulars	2018-19	2017-18
32.6	**Exposure to Real Estate Sector**		
	Category		
a)	**Direct Exposure**		
	(i) Residential Mortgages -		
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented;	10,337.54	9,291.41
	(i) Out of the above Individual Housing Loans up to Rs. 15.00 lakh	5,187.76	3,546.72
	(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;	699.27	565.37
	(iii) Investments in Mortgage Backed Securities (MBS) and other securities exposures -		
	a. Residential	-	-
	b. Commercial Real Estate	-	-
b)	**Indirect Exposure**		
	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-
32.7	**Exposure to Capital Market**		
(i)	direct investment in equity shares,convertible bonds,convertible debentures and units of equity- oriented mutual funds the corpus of which is not exclusively invested in corporate debt;"	-	-
(ii)	advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs /ESOPs), convertible bonds,convertible debentures, and units of equity-oriented mutual funds;	-	-
(iii)	advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
(iv)	advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	-	-
(v)	secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi)	loans sanctioned to corporates against the security of shares/ bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii)	bridge loans to companies against expected equity flows / issues;	-	-
(viii)	All exposures to Venture Capital Funds (both registered and unregistered)		
	Total Exposure to Capital Market	**22.00**	**15.60**

32.8 **Details of financing of parent Company products :** NIL

32.9 **Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL):**
The Company has not exceeded limit prescribed by National Housing Bank for Single Borrower Limit (SGL) and Group Borrower Limit (GBL).

32.10 **Unsecured Advances:**
The Company has not financed against intangible securities such as rights, licenses, authority etc as collateral security.

32.11 **Registration obtained from other financial sector regulators :**
Registration of Company as Composite Corporate Agent with Insurance Regulatory & Development Authority has been obtained.

(All amounts are Rupees in Crores, unless otherwise stated)

		2018-19	2017-18
32.12	**Regulatory capital**		
	(i) CRAR (%)	24.08%	23.04%
	(ii) CRAR - Tier I Capital	24.08%	23.04%
	(iii) CRAR - Tier II Capital	-	-
	(iv) Amount of subordinated debt raised as Tier- II Capital	-	-
	(v) Amount raised by issue of perpetual Debt instruments	-	-

32.13 Rating assigned by credit Rating Agencies and migration of rating during the year:

a. Rating assigned by credit rating agencies as follows:

Instrument	March 31, 2019		March 31, 2018	
	ICRA	CARE	ICRA	CARE
NCD	-	AA	AA-	AA
Term Loans	AA-	AA	AA-	AA
Commercial Papers	A1+	A1+	A1+	A1+

b. Migration of rating during the year : NIL

32.14 Remuneration of Directors:

The transactions of the non-executive directors vis-à-vis the Company is as below.

Name of the director	Nature of transaction	2018-19	2017-18
Mr.T.S.Krishnamurthy	Payment of sitting fees	0.05	0.03
Mr. K.Sridhar	Payment of sitting fees	0.10	0.03
Mr.L. Munishwar Ganesan	Payment of sitting fees	0.02	0.02
Mr.V.Nadanasabapathy	Payment of sitting fees	0.11	0.07
Mr.G.R.Sundaravadivel	Payment of sitting fees	0.10	0.06
Mr.Thomas Paul Diamond	Payment of sitting fees	-	0.03

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

During the year,

(a) no prior period items occurred which has impact on Statement of Profit and loss,

(b) no change in Accounting policy,

(c) there were no circumstances (other than income recognition on Non performing advances) in which revenue recognition has been postponed pending resolution of significant uncertainty except implementation of Ind- AS required by Ministry of Company affairs. and

(d) there is no withdrawal from reserve fund."

32.16 Revenue Recognition

There are no circumstances in which revenue recognition has been postponed by the Company pending the resolution of significant uncertainties.

32.17 Consolidated Financial Statements (CFS)

RHFL has no subsidiary Company, hence requirement of CFS involving subsidiary Company is not applicable. However financial statement of associate is consolidated and reported.

32.18 Disclosure of Penalties imposed by NHB and other regulators

During the FY 2018-19, there were no penalties imposed by NHB or any other regulations. In previous year, Rs. 35000/- and GST theron was levied as penalty by NHB.

32.19 As per the Accounting Standard on 'Related Party Disclosures', details of the related parties, nature of the relationship with whom Company has entered transactions, remuneration of directors and balances in related party account at the year end, are given in Note no. 33. There were no material transaction with related parties and all these transactions with related parties were carried out in ordinary course of business at arm's length price

(All amounts are Rupees in Crores, unless otherwise stated)

32.20 Break up of Provisions and Contingencies shown under the head expenditure in Statement of Profit and Loss

Particulars	2018-19	2017-18
1. Provisions for depreciation on Investment	-	-
2. Provision made towards Income tax	106.36	102.38
3. Provision towards NPA	50.09	47.07
4. Provision for Standard Assets		
Housing loans to individuals	(3.51)	1.71
Mortgage / other loans	0.18	(0.21)
Commercial loan	4.94	0.61
Commercial Real Estate - Residential Housing	-	
5. Other Provision and Contingencies (relating Sundry debtors and staff advances)	0.41	2.05

Break up of Loan & Advances and Provisions thereon (Excluding personal loans / advances extended to employees)

Particulars	Housing		Non-Housing	
	2018-19	2017-18	2018-19	2017-18
Standard Assets				
a) Total Outstanding Amount	8,805.14	7,869.04	1,942.03	1,747.00
b) Provisions made	32.31	32.35	11.63	9.98
Sub-Standard Assets				
a) Total Outstanding Amount	105.71	105.41	52.97	53.16
b) Provisions made	21.14	26.23	10.59	25.80
c) Provision required	15.86	21.08	7.95	10.63
Doubtful Assets – Category-I				
a) Total Outstanding Amount	65.99	63.09	29.00	22.53
b) Provisions made	49.49	48.78	21.75	17.90
c) Provision required	16.50	15.77	7.25	5.63
Doubtful Assets – Category-II				
a) Total Outstanding Amount	47.24	24.74	17.62	13.72
b) Provisions made	47.24	24.74	17.62	13.72
c) Provision required	18.90	9.89	7.05	5.49
Doubtful Assets – Category-III				
a) Total Outstanding Amount	5.93	-	1.29	-
b) Provisions made	5.93	-	1.29	-
c) Provision required	5.93	-	1.29	-
Loss Assets				
a) Total Outstanding Amount	-	-	-	-
b) Provisions made	-	-	-	-
Total				
a) Total Outstanding Amount	9,030.01	8,062.28	2,042.91	1,836.41
b) Provisions made	156.11	132.10	62.88	67.40

Note:

1. The Company's policy is to provide provisions towards NPA as per NHB guidelines based on estwhile accounting policies followed by the Company
2. The total outstanding amount mean principal + accrued interest + other charges pertaining to loans
3. The Category of Doubtful Assets will be as under:

(All amounts are Rupees in Crores, unless otherwise stated)

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

32.21 Draw Down from Reserves

Not applicable since the Company has not drawn down any amount from reserves in the current year as well as previous year.

Concentration of Public Deposits, Advances, Exposures and NPAs.

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

Not applicable, since the Company has not accepted any deposits from the public.

	Particulars	March 31, 2019	March 31, 2018
32.23	**Concentration of Loan & Advances**		
	Total Loans & Advances to twenty largest borrowers	102.65	111.28
	Percentage of Loans & Advances to twenty largest borrowers to total advances of the HFC	0.93	1.13
32.24	**Concentration of all exposure(including off-balance sheet exposure)**		
	Total exposure to twenty largest borrowers/customers	103.93	111.28
	Percentage of Loans & Advances to twenty largest borrowers /customers to total exposure of the HFC on borrowers/customers	0.89	1.13
32.25	**Concentration of NPAs**		
	Total Exposure to top ten NPA accounts	22.21	31.95
32.26	**Sector-wise NPA (Percentage of NPA to total advances in that sector)**		
	A. Housing Loans:		
	1. Individuals	2.50	2.41
	2. Builders/Project Loans	-	-
	3. Corporates	-	-
	4. Others (specify)	-	-
	B. Non-Housing Loans:		
	1. Individuals	4.96	4.90
	2. Builders/Project Loans	-	-
	3. Corporates	-	-
	4. Others (specify)	-	-
32.27	**Movement of NPAs**		
	(I) Net NPAs to Net Advances (%)	1.38%	1.29%
	(II) Movement of NPAs (Gross)		
	a) Opening Balance	282.64	232.84
	b) Additions during the year	143.23	148.02
	c) Reductions during the year	100.12	98.22
	d) Closing Balances	**325.75**	**282.64**
	(III) Movement of Net NPAs		
	a) Opening Balance	125.47	122.73
	b) Additions during the year	124.61	99.40
	c) Reductions during the year	99.39	96.66
	d) Closing Balances	**150.69**	**125.47**
	(IV) Movement of provisions for NPAs (excluding provision on standard assets)		
	a) Opening Balance	157.17	110.11
	b) Additions during the year	85.42	97.19
	c) Reductions during the year	67.54	50.12
	d) Closing Balances	**175.05**	**157.18**

(All amounts are Rupees in Crores, unless otherwise stated)

32.28 Overseas Assets : The Company does not have any overseas assets.

32.29 Off-balance sheet SPVs sponsord (which are required to be consolidated as per accounting norms) :

The Company does not have any off balance sheet Special Purpose Vehicle (SPV) which requires to be consolidated as per accounting norms.

32.30 Customers Complaints

	March 31, 2019	March 31, 2018
a) No. of complaints pending at the beginning of the year	2	-
b) No. of complaints received during the year	42	33
c) No. of complaints redressed during the year	40	31
d) No. of complaints pending at the end of the year	4	2

32.31 There are no Micro, Small and Medium Enterprises (MSME) to whom the Company owes dues, which are outstanding for more than 45 days as at 31-03-2019. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis at information available with the Company.

32.32 Expenditure incurred in foreign currency: Towards Travelling Expenses - Rs.Nil (March 31, 2018 -Rs.0.004 crore) and towards other borrowing costs - Rs.0.03 crores (March 31, 2018 -Rs. 2.82 crore) . There are no Earnings in foreign currency during the current year as well as in the previous year.

32.33 There are no amounts to be reflected under payable to Investor Protection Fund.

Note 33:

Related party disclosures

(a) Disclosures in terms of Indian Accounting Standard 24 "Related Party Disclosure" (Ind AS 24) are given below:

33.1 List of related parties:

Repco Bank Ltd.,	Promoter
Repco Micro Finance Ltd.,	Associates

33.2 Key Management Personnel

Shri R. Varadarajan	Managing Director (upto 31st December 2018)
Shri Yashpal Gupta	Managing Director (from 3rd January 2019)
Shri V. Raghu	Executive Director (upto 31.05.2017)
Shri K. Ashok	Executive Director (upto 31.10.2017)
Shri T.S. Krishnamurthy	Director
Shri K.Sridhar	Director
Shri L.Munishwar Ganesan	Director
Shri V.Nadanasabapathy	Director
Shri G.R.Sundaravadivel	Director
Shri. Dinesh Ponraj Oliver, IAS	Director
Smt.R.S.Isabella	Director
Shri Thomas Paul Diamond	Director (upto 21.09.2017)
Shri T. Karunakaran	Chief Financial Officer
Shri K. Prabhu	Company Secretary and Compliance Officer

33.3 The Company's related party balances and transactions are summarized as follows:
Remuneration paid to Key Management Personnel:

Name of Key Management Personnel	Remuneration Paid Salary including performance incentive and other perquisites#	
	2018-19	2017-18
Shri R.Varadarajan	0.75	0.58
Shri Yashpal Gupta	0.13	-
Shri V.Raghu	-	0.18
Shri K.Ashok	-	0.43
Shri T.Karunakaran	0.23	0.22
Shri K.Prabhu	0.19	0.19

The above remuneration excludes contribution to Gratuity fund and provision for leave liability as they are determined on an actuarial basis for the Company as a whole.

(All amounts are Rupees in Crores, unless otherwise stated)

Compensation of Key management personnel of the Company

	2018-19	2017-18
Short-term employee benefits	1.23	1.54
Post-employment benefitd (defined contribution)	0.07	0.06
Termination benefits	-	-

Related party transactions

Nature of Transaction	Nature of Relationship	2018-19	2017-18
Dividend Received on Investments	Key Management Personnel	-	-
	Repco Bank Ltd.,	-	-
	Repco Micro Finance Ltd.,	1.87	1.87
Dividend paid to shareholders	Key Management Personnel	-	-
	Repco Bank Ltd.,	5.11	4.64
	Repco Micro Finance Ltd.,	-	-
Loans advanced during the year	Key Management Personnel	0.11	0.02
	Repco Bank Ltd.,	-	-
	Repco Micro Finance Ltd.,	-	-
Loan repaid during the year	Key Management Personnel	0.12	0.07
	Repco Bank Ltd.,	-	-
	Repco Micro Finance Ltd.,	-	-
Interest received on loans given	Key Management Personnel	0.04	0.05
	Repco Bank Ltd.,	-	-
	Repco Micro Finance Ltd.,	-	-
Rent paid	Key Management Personnel	-	-
	Repco Bank Ltd.,	0.17	0.43
	Repco Micro Finance Ltd.,	-	-
Rent received	Key Management Personnel	-	-
	Repco Bank Ltd.,	0.04	0.03
	Repco Micro Finance Ltd.,	-	-
Interest paid on borrowings	Key Management Personnel	-	-
	Repco Bank Ltd.,	51.80	43.24
	Repco Micro Finance Ltd.,	-	-
Interest earned on deposits	Key Management Personnel	-	-
	Repco Bank Ltd.,	0.03	0.07
	Repco Micro Finance Ltd.,	-	-
Investments made during the year	Key Management Personnel	-	-
	Repco Bank Ltd.,	-	-
	Repco Micro Finance Ltd.,	6.40	-
Reimbursement - administrative expenses	Key Management Personnel	-	-
	Repco Bank Ltd.,	0.12	0.05
	Repco Micro Finance Ltd.,	-	-
Sitting fees received during the year	Key Management Personnel	-	-
	Repco Bank Ltd.,	-	-
	Repco Micro Finance Ltd.,	0.01	0.01

(All amounts are Rupees in Crores, unless otherwise stated)

Related party outstanding balance

Nature of Transaction	Nature of Relationship	March 31, 2019	March 31, 2018	April 1, 2017
Equity share capital (Paid-up outstanding)	Key Management Personnel	0.01	0.07	0.07
	Repco Bank Ltd.,	23.23	23.23	23.23
	Repco Micro Finance Ltd.,	-	-	-
Working capital loan outstanding	Key Management Personnel	-	-	-
	Repco Bank Ltd.,	798.72	622.68	498.13
	Repco Micro Finance Ltd.,	-	-	-
Loans outstanding as at the end of the year	Key Management Personnel	0.42	0.53	0.60
	Repco Bank Ltd.,	-	-	-
	Repco Micro Finance Ltd.,	-	-	-
Investments outstanding as at the end of the year	Key Management Personnel	-	-	-
	Repco Bank Ltd.,	-	-	-
	Repco Micro Finance Ltd.,	22.00	15.60	15.60
Balances in deposits account	Key Management Personnel	-	-	-
	Repco Bank Ltd.,	0.36	3.03	3.16
	Repco Micro Finance Ltd.,	-	-	-

Note 34:

Change in liabilities arising from financing activities

	01-Apr-18	Cash flows	Other	31-Mar-19
Debt securities	2,134.30	(1,310.00)	1.10	825.40
Borrowings other than debt securities	6,138.65	2,266.52	118.17	8,523.34
Total liabilities from financing activities	**8,272.95**	**956.52**	**119.27**	**9,348.74**
	01-Apr-17	**Cash flows**	**Other**	**31-Mar-18**
Debt securities	1,133.81	1,002.00	(1.51)	2,134.30
Borrowings other than debt securities	6,510.58	(550.55)	178.62	6,138.65
Total liabilities from financing activities	**7,644.39**	**451.45**	**177.11**	**8,272.95**

The "others" above includes interest accrued, amortization of transaction cost incurred in connection with Non-convertible debentures and other bank charges incurred towards various services rendered by bank

		March 31, 2019	March 31, 2018	April 1, 2017
35	**Contingent liabilities and commitments**			
	i) Claims against the Company not acknowledged as debts	0.21	0.21	0.21
	ii) Disputed Income tax Liability	9.04	7.33	5.48
	iii) Commitment towards sanction pending disbursement including part disbursement	634.08	486.91	381.46
	iv) Pending capital commitment	0.12	0.55	0.25
36	**Particulars of dividend paid to Non-resident shareholders:**			
	No of Shareholders	2,598	1,873	830
	No of Shares held	194,18,976	150,37,916	177,24,151
	Year for Which Dividend is Paid	2017-2018	2016-2017	2015-2016
	Gross amount of Dividend (Rupees in Crores)	4.27	3.01	3.19
37	**Amount of dividend proposed to be distributed to the equity shares holders for the year ended**			
	Dividend %	25.00%	22.00%	20.00%
	Dividend per share	2.50	2.20	2.00
	Total Amount of dividend Proposed to be distributed	15.64	13.76	12.51

Note 38: (All amounts are Rupees in Crores, unless otherwise stated)

Leases

The Company has taken retail office premises under operating lease / leave and license agreement for a period ranging upto 120 months. These are generally cancellable and have no specific obligation for renewal. The total lease payments for current year amounts to Rs. 8.44 crores (31 March 2018 - Rs. 7.62 crores) which is recognized in the statement of profit and loss under "Rent Expenses" under Note- 24. The Company does not have any operating lease which has minimum lock-in period clause during the tenor of the rental agreement and hence there are no minimum lease payments under non-cancellable operating lease at the end of the year.

Note 39:

Events after reporting date

There have been no events after the reporting date that require disclosure in these financial statements.

Note 40:

Revenue from contracts with customers

	March 31, 2019	March 31, 2018
Total Revenue from contracts with customers	25.88	22.13
Timing of revenue recognition		
Services recognised at a point in time	25.88	22.13
Services recognised over a period of time	-	-
Geographical markets		
In India	25.88	22.13
Outside India	-	-

Note 41:

Fair value measurement

This note describes the fair value measurement of both financial and non-financial instruments and is structured as follows:

41.1 Valuation principles

41.2 Valuation governance

41.3 Valuation methodologies of financial instruments not measured at fair value

41.3.1 Fair value of financial instruments not measured at fair value

41.1 Valuation principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

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

41.2 Valuation governance

The Company's fair value methodology and the governance over its models includes a number of controls and other procedures to ensure appropriate safeguards are in place to ensure its quality and adequacy. All new product initiatives (including their valuation methodologies) are subject to approvals by various functions of the Company including the risk and finance functions. The responsibility of ongoing measurement resides with the business units

Once submitted, fair value estimates are also reviewed and challenged by the Risk and Finance functions.

41.3 Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the below tables

Loans and advances to customers

"The fair values of loans and receivables are estimated by discounted cash flow models that incorporate assumptions for credit risks, probability of default and loss given default estimates. Where such information is not available, the Company uses historical experience and other information used in its collective impairment models.

Fair values of lending portfolios are calculated using a portfolio-based approach. The Company then calculates and extrapolates the fair value to the entire portfolio, using discounted cash flow models that incorporate interest rate estimates considering all significant characteristics of the loans. The credit risk is applied as a top-side adjustment based on the collective impairment model incorporating probability of defaults and loss given defaults.

(All amounts are Rupees in Crores, unless otherwise stated)

41.3.1 Fair value of financial instruments not measured at fair value

Set out below is a comparison, by class, of the carrying amounts and fair values of the Group's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non–financial assets and non–financial liabilities

March 31, 2019	Carrying value	Fair Value measurement using			
		Level 1	Level 2	Level 3	Total
Financial assets					
Cash and cash equivalents	57.50	57.50	-	-	57.50
Bank balance other than cash and cash equivalents	0.10	0.10	-	-	0.10
Loans	10,837.93	-	-	11,082.45	11,082.45
Other financial assets	14.26			14.26	14.26
Investment in associate	51.68	-	-	51.16	51.16
Total Financial asset	**10,961.47**	**57.60**	**-**	**11,147.87**	**11,205.47**
Financial Liabilities					
Debt securities	825.40	825.40	-	-	825.40
Borrowings (other than debt securities)	8,452.01	-	-	8,452.01	8,452.01
Other financial liabilities	88.21	-	-	88.21	88.21
Total Financial liabilities	**9,365.62**	**825.40**	**-**	**8,540.22**	**9,365.62**
March 31, 2018	**Carrying value**	**Fair Value measurement using**			
		Level 1	**Level 2**	**Level 3**	**Total**
Financial assets					
Cash and cash equivalents	25.84	25.84	-	-	25.84
Bank balance other than cash and cash equivalents	0.06	0.06	-	-	0.06
Loans	9,649.17	-	-	10,087.61	10,087.61
Other financial assets	8.34	-	-	8.34	8.34
Investment in associate	33.13	-	-	32.56	32.56
Total Financial asset	**9,716.54**	**25.90**	**-**	**10,128.51**	**10,154.41**
Financial liabilities					
Debt securities	2,134.30	2,134.30	-	-	2,134.30
Borrowings (other than debt securities)	6,000.01	-	-	6,000.01	6,000.01
Other financial liabilities	247.40	-	-	247.40	247.40
Total Financial liabilities	**8,381.71**	**2,134.30**	**-**	**6,247.41**	**8,381.71**
April 1, 2017	**Carrying value**	**Fair Value measurement using**			
		Level 1	**Level 2**	**Level 3**	**Total**
Financial assets					
Cash and cash equivalents	20.95	20.95	-	-	20.95
Bank balance other than cash and cash equivalents	1.54	1.54	-	-	1.54
Loans	8,785.54	-	-	8,869.23	8,869.23
Other financial assets	13.34	-	-	13.34	13.34
Investment in associate	26.09	-	-	25.52	25.52
Total Financial asset	**8,847.46**	**22.49**	**-**	**8,908.09**	**8,930.58**
Financial liabilities					
Debt securities	1,133.81	1,133.81	-	-	1,133.81
Borrowings (other than debt securities)	6,425.43	-	-	6,425.43	6,425.43
Other financial liabilities	136.59	-	-	136.59	136.59
Total Financial liabilities	**7,695.83**	**1,133.81**	**-**	**6,562.02**	**7,695.83**

Note 42:

Risk management

42.1 Introduction and risk profile

Group has operations in India. As the Group is in financial sector, the risks associated with this type of business is integral part of the management. The Group deals with large number of customers and is involved in long term lending. Hence, the risks to this type of business is unique and requires focused attention. Further, the management of risk is continuous and on going process and needs to be dynamic. The Group is aware that risk is proportionate to the expected returns but should have limitations in exposing itself to the risks. This process of risk management is critical to the Group's continuing profitability and reputation in the market. The Group is generally exposed to credit risk,market risk,operational risk,compliance risk and competition risk.

42.1.1 Risk management structure

The Group has in place a Risk Management Policy duly approved by the Board covering various aspects of the risk management. Board of Directors are responsible for effective risk management. It oversees and reviews the overall functioning of the risk management and provide necessary directions in this regard.

The Management and Risk Management Committee of the Board (MRMC) is Board level committee entrusted with overseeing implementation of the Risk Management Policy / strategy approved by the Board. The committee reviews the functioning of the risk management framework at periodical intervals. It reviews the reports and directs for taking mitigating steps. The committee reports the status of the risk management of the Group to the Board at periodical intervals through minutes of the meeting of the committee. The minutes of the committee are placed before the Board.

Credit and Operational Risk Management Committee (CORMC) is an executive committee consisting of Managing Director (MD) as Chairman of the Committee,Chief Development Officer (CDO), all the General Managers and Chief Technology Officer (CTO) which is responsible for laying down the operational guidelines and monitor and mitigate the risks the Group is facing. The committee shall prescribe Risk Appetite for the Group taking into account the inherent strengths and weakness. The Committee reviews and recommends the Management & Risk Management Committee or the Board of Directors the amendments to Risk Management Policy, as and when considered necessary. The minutes of the committee is placed before Management & Risk Management Committee of the Board. Besides this, Assets and Liabilities Management Committee (ALCO) addresses the market and liquidity risks.

The 'Risk Management Department' in Corporate Office of the Group is responsible for Identification, measurement, monitoring and taking steps for mitigation of operational, credit and compliance risk and reporting to top management and the committees concerned.

The Chief Financial Officer (CFO) is designated as 'Risk Manager' of the Group who is responsible for coordination, overseeing and implementation of the requirements identified in the Risk Management Policy.

42.1.2 Risk Identification

The Group has identified risk issues in various functions such as branches, departments in Corporate Office, Regional Offices, Central Depository, etc. and prepared a Risk Register. The register contains more than one thousand risk issues relating to various types of risks. This register is dynamic as it gets updated by additions and deletions as and when new guidelines are issued. Further, each risk is categorised as 'Operational Risk", "Credit Risk", "Market Risk", "Compliance Risk or 'Competition Risk".

42.1.3 Risk measurement

The risk issues identified and recorded in the Risk Register are measured based on the impact it may have on the business if the Group is exposed to such risks. Based on the velocity of impact each risk is categorised as 'High', 'Medium' and 'Low' risk. This is done to decide the quantum of focus required in respect of each risk issue. Weightage is given for each risk issue to enable the Group to measure the risk. The Group gives focus on 'High' risk issues for better management.

42.1.4 Risk Monitoring

The frequency for monitoring each risk issue is prescribed. Accordingly, the risk issues are grouped as 'Quarterly", "Half-yearly" and 'Annual". Such grouped issues are taken up for assessment at the prescribed intervals.

42.1.5 Risk Assessment methodology

The risk is assessed based on self assessment by the owners of risk at the prescribed intervals. Each risk issue has to be assessed by the owners of the risk and provide a certification. The certificate is subject to verification by Risk Management Department and by Internal Auditors. Accordingly, each branch assesses the level of compliance in respect of each risk issue and provides a certificate. For this purpose, a software utility has been provided to each branch, departments in Corporate Office (CO), regional offices and Central depository (CDR). This exercise is done every quarter.

42.1.6 Measurement of Risk

Based on the Self-assessment certifications from various risk owners, the quantum of risk that are reported by the owners are calculated for various categories of risks such as credit risk, operational risk, compliance risk and competition risk. Risk is also measured in terms of high, medium and low. This would help us to arrive at the direction of risk.

42.1.7 Credit risk

The Group is primarily in the business of lending and hence is exposed to credit risk. Various credit risk mitigations are provided in the Credit Policy of the Group such as profiling each customer based on various factors of the borrower and linking pricing to the same. The internal rating of each borrower is done as a part of appraisal to arrive at the risk. The Credit risk issues are identified by the Risk Management Department and provided to the branches and Credit Department for assessment. Mitigation steps are taken immediately to manage the risk. Immediate action is initiated by way of SARFAESI, OTS, etc to recover the impaired credit.

42.1.7.1 The Group's internal grading

The Group's independent Credit Risk Department operates its internal rating models. The Group runs separate models for its key portfolios in which its customers are categorised as high, medium and low grade. The models incorporate both qualitative and quantitative information and, in addition to information specific to the borrower, utilise supplemental external information that could affect the borrower's behaviour. Loan assets are graded based on repayment behaviour of the customer of last 12 months.

42.1.7.2 Impairment - Expected credit loss (ECL)

The application of Ind AS 109 has necessitated fundamental changes to the accounting for expected default risk (risk provisioning). Specifically, the incurred loss model has been replaced by the Expected Credit Loss model (ECL). Consequent to this change, the Expected Credit losses on financial instruments are classified under three stages.

Stage 1: Every financial asset is classified as stage 1, upon initial recognition. In addition, stage 1 contains all transactions with limited default risk.

Stage 2: Financial assets whose default risk has risen significantly since initial recognition and which are not classified as cases with limited default risk.

Stage 3: Financial assets that display objective evidence of impairment at the reporting date.

The accounting standard, Ind AS 109 does not specifically prescribe any methodology for computing ECL. However, entities are required to adopt sound and market acceptable methodologies which are in line with the size, complexity and risk-profile of the financial entity for computing the ECL. The Group uses three main components to measure ECL. These are, Exposure at default (EAD), Probability of Default (PD) and Loss Given Default (LGD).

Exposure at default (EAD) is defined as the sum of Principal outstanding and interest accrued at the reporting date.

PD is defined as the probability of borrowers defaulting on their obligations.

LGD represents the economic loss. Group uses historical loss data for identified homogenous pools for the purpose of calculating LGD. For individual cases where there as been a significant deterioration in recovery, the LGD is considered to be 100%.

Accordingly, loan assets are categorised under three different stages, as under:

Stage 1: Where installments are Current and 1-30 days overdue

Stage 2: Where installments are 31 days – 90 days overdue and

Stage 3: Where installments are overdue beyond 90 days

The Group is required to provide 12-month Expected Credit Loss (12-month ECL) for stage 1 assets and the Life Time Expected Credit Loss (LECL) for stage 2 & stage 3 assets

12-month ECL is the expected credit loss that results from default events that are possible within 12 months after the reporting date. LECL represents the expected credit loss from default events over the expected life of a financial asset.

As prescribed under para 5.5 in Ind AS 109, 12-months PD is required to be computed for financial instruments which are in stage 1, and life time PD for those in stage 2 & 3. 12-months PD is the likelihood of the borrower defaulting in the 12 months following the reporting date while life time PD is the likelihood of the borrower defaulting during the residual tenor.

The PD model has been developed for all the major asset classes using a statistical and iterative approach. The design and construction of the model involves identification of various credit parameters and variables that have a strong and direct correlation to propensity of default. The PD model reflects to the probability of default, taking into consideration the inherent credit quality of the borrower and the residual tenor of each contract. The PD for stage 3 contracts is considered at 100%. Where a customer has one contract in stage 3 and one or more contracts in stage 1 / stage 2, the PD for all the contracts is considered at 100%.

LGD represents the economic loss, adjusted for cure rate, as a percentage of exposure at the time of default. Economic loss is the estimated shortfall in realisation of dues, in the event of default. Contracts that have turned delinquent do not necessarily involve ultimate losses, since many of them are resolved through corrective actions. The cure rate is the probability of a 'non performing' (i.e. defaulted)

(All amounts are Rupees in Crores, unless otherwise stated)

contract reverting to a 'performing' (i.e. non-default) status in a year. For individual cases where there as been a significant deterioration in recovery, the LGD is considered to be 100% for those cases.

42.1.8 Operational Risk

Operational Risk is constantly monitored as it is prevalent in every branch and department. Systematic improvements are made wherever required.

42.1.9 Compliance Risk

Based on the guidelines received from regulatory and statutory authorities and also based on the policy requirements, the compliance risks issues are identified, assessed and monitored for compliance.

42.1.10 Market Risk

The Group does not accept deposits from public. The resources are mobilized from banks and market. The Group has a specific committee named Assets and Liabilities Committee (ALCO) which meets at frequent intervals to manage the liquidity, interest rates, spread etc. The Committee also prescribes Minimum Lending Rate (MLR).

Sensitivity analysis on Net Interest

Particulars	As at March 2019		As at March 2018	
	Increase by 25 bps	Decrease by 25 bps	Increase by 25 bps	Decrease by 25 bps
Impact on profit before tax - Gain/ (Loss)	15.55	(15.55)	14.42	(14.42)

Note 43:
Analysis of risk concentration

The Group's concentrations of risk (for financial assets other than loans and advances) are managed by industry sector. The following table shows the risk concentration by industry for the financial assets of the Group:

Industry analysis

March 31, 2019	Financial services	Government	Retail	Services	Total
Financial Assets					
Cash and cash equivalents	57.50	-	-	-	57.50
Bank balance other than cash and cash equivalents	0.10	-	-	-	0.10
Loans	-	-	10,837.93	-	10,837.93
Other financial assets	-	4.67	3.75	5.84	14.26
Investment in associate	51.68	-	-	-	51.68
Total Financial asset	**109.28**	**4.67**	**10,841.68**	**5.84**	**10,961.47**
Financial liabilities					
Debt securities	825.40	-	-	-	825.40
Borrowings (other than debt securities)	8,452.01	-	-	-	8,452.01
Other financial liabilities	78.68	2.19	0.32	7.02	88.21
Total Financial liabilities	**9,356.09**	**2.19**	**0.32**	**7.02**	**9,365.62**
March 31, 2018	**Financial services**	**Government**	**Retail**	**Services**	**Total**
Financial assets					
Cash and cash equivalents	25.84	-	-	-	25.84
Bank balance other than cash and cash equivalents	0.06	-	-	-	0.06
Loans	-	-	9,649.17	-	9,649.17
Other financial assets	-	0.27	3.26	4.81	8.34
Investment in associate	33.13	-	-	-	33.13
Total Financial asset	**59.03**	**0.27**	**9,652.43**	**4.81**	**9,716.54**
Financial liabilities					
Debt securities	2,134.30	-	-	-	2,134.30
Borrowings (other than debt securities)	6,000.01	-	-	-	6,000.01
Other financial liabilities	237.76	1.59	0.22	7.83	247.40
Total Financial liabilities	**8,372.07**	**1.59**	**0.22**	**7.83**	**8,381.71**

(All amounts are Rupees in Crores, unless otherwise stated)

April 1, 2017	Financial services	Government	Retail	Services	Total
Financial assets					
Cash and cash equivalents	20.95	-	-	-	20.95
Bank balance other than cash and cash equivalents	1.54	-	-	-	1.54
Loans	-	-	8,785.54	-	8,785.54
Other financial assets	-	-	3.45	9.89	13.34
Investment in associate	26.09	-	-	-	26.09
Total Financial asset	**48.58**	**-**	**8,788.99**	**9.89**	**8,847.46**
Financial liabilities					
Debt securities	1,133.81	-	-	-	1,133.81
Borrowings (other than debt securities)	6,425.43	-	-	-	6,425.43
Other financial liabilities	130.73	1.36	0.77	3.73	136.59
Total Financial liabilities	**7,689.97**	**1.36**	**0.77**	**3.73**	**7,695.83**

43.1 Collateral and other credit enhancements

Although collateral can be an important mitigation of credit risk, it is the Company's practice to lend on the basis of the customer's ability to meet the obligations out of cash flow resources other than placing primary reliance on collateral and other credit risk enhancements. The Company obtains first and exclusive charge on all collateral that it obtains for the loans given. Home loans/ home equity loans are secured by collateral at the time of origination. In case of Home loans/ home equity loans, the value of the property at the time of origination will be arrived by obtaining valuation reports from Company's empanelled valuer. Immovable Property is the collateral for Home loans/ Home Equity loans. Security Interest in favour of the Company is created by Mortgage through deposit of title deed which is registered wherever required by law. Any surplus remaining after settlement of outstanding debt by way of sale of collateral is returned to the customer / borrower.

Note 44:
Liquidity risk and funding management

Liquidity risk is defined as the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Group might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances. Such scenarios could occur when funding needed for illiquid asset positions is not available to the Group on acceptable terms. To limit this risk, management has arranged for diversified funding sources and adopted a policy of managing assets with liquidity in mind and monitoring future cash flows and liquidity on a daily basis. The Group has developed internal control processes and contingency plans for managing liquidity risk.

The Group maintains diverse assets that are assumed to be easily liquidated in the event of an unforeseen interruption in cash flow. The Group also has lines of credit that it can access to meet liquidity needs. In accordance with the Group's policy, the liquidity position is assessed under a variety of scenarios, giving due consideration to stress factors relating to both the market in general and specifically to the Group. Net liquid assets consist of cash and cash equivalents,balances other than cash and cash equivalents available for immediate use, less securities issued and borrowings due to mature within the next month. The ratios during the year were, as follows

44.1 Liquidity Ratios

Advances to borrowings ratios				
Year	**Year end**	**Maximum**	**Minimum**	**Average**
2019	84.07%	84.07%	82.41%	83.13%
2018	82.80%	84.69%	82.73%	83.59%

Borrowings from banks and financial institutions and issue of debentures/comercial papers are considered as important sources of funds to finance lending to customers. They are monitored using the advances to borrowings ratio, which compares loans and advances to customers as a percentage of secured and unsecured borrowings.

(All amounts are Rupees in Crores, unless otherwise stated)

44.2 Following are the contractual maturities of financial liability/financial assets at the reporting date. Loans, debt securities and borrowings include estimated interest receipts / payments.

As on March 31, 2019	< 1 month	Over one month to 2 months	Over 2 months to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 to 5 years	Over 5 to 7 years	Over 7 to 10 years	Over 10 years	Total
Financial Assets											
Cash and cash equivalents	57.14	-	-	-	0.36	-	-	-	-	-	57.50
Bank Balance other than Cash and cash equivalents	-	0.02	0.01	0.03	0.04	-	-	-	-	-	0.10
Loans	257.40	156.35	156.09	467.29	930.64	3,643.28	3,438.88	3,099.21	3,518.52	4,151.96	19,819.62
Other financial assets	2.65	0.13	0.21	0.53	5.57	2.86	2.11	0.12	0.07	0.01	14.26
Investments	-	-	-	-	-	-	-	-	-	51.68	51.68
Financial Liabilities											
Debt Securities	-	10.95	8.25	110.47	119.67	453.92	43.79	282.33	-	-	1,029.38
Borrowings	106.99	160.23	293.32	555.55	1,009.96	3,939.49	2,209.58	1,471.22	872.60	319.57	10,938.50
Other financial liabilities	88.21	-	-	-	-	-	-	-	-	-	88.21
As on March 31, 2018	**< 1 month**	**Over one month to 2 months**	**Over 2 months to 3 months**	**Over 3 to 6 months**	**Over 6 months to 1 year**	**Over 1 year to 3 years**	**Over 3 to 5 years**	**Over 5 to 7 years**	**Over 7 to 10 years**	**Over 10 years**	**Total**
Financial Assets											
Cash and cash equivalents	25.84	-	-	-	-	-	-	-	-	-	25.84
Bank Balance other than Cash and cash equivalents	-	-	-	0.03	0.03	-	-	-	-	-	0.06
Loans	236.82	141.97	141.85	424.67	845.34	3,313.53	3,139.43	2,845.52	3,183.99	2,817.55	17,090.67
Other financial assets	0.98	0.09	0.11	0.33	1.72	3.16	1.39	0.52	0.04	-	8.34
Investments	-	-	-	-	-	-	-	-	-	33.13	33.13
Financial Liabilities											
Debt Securities	-	410.95	516.72	450.36	86.15	681.23	43.79	303.89	-	-	2,493.09
Borrowings	864.75	40.28	82.03	424.23	732.76	2,375.10	1,631.72	841.46	405.75	37.63	7,435.70
Other financial liabilities	247.40	-	-	-	-	-	-	-	-	-	247.40
As on April 1, 2017	**< 1 month**	**Over one month to 2 months**	**Over 2 months to 3 months**	**Over 3 to 6 months**	**Over 6 months to 1 year**	**Over 1 year to 3 years**	**Over 3 to 5 years**	**Over 5 to 7 years**	**Over 7 to 10 years**	**Over 10 years**	**Total**
Financial Assets											
Cash and cash equivalents	20.95	-	-	-	-	-	-	-	-	-	20.95
Bank Balance other than Cash and cash equivalents	0.01	1.38	0.01	0.02	0.12	-	-	-	-	-	1.54
Loans	223.39	133.70	133.61	400.08	796.52	3,113.21	2,962.68	2,698.69	3,032.60	2,381.46	15,875.94
Other financial assets	5.38	1.44	0.13	0.28	0.33	3.84	1.49	0.38	0.07	-	13.34
Investments	-	-	-	-	-	-	-	-	-	26.09	26.09
Financial Liabilities											
Debt Securities	-	350.00	-	13.80	135.68	822.88	-	-	-	-	1,322.36
Borrowings	737.41	47.34	121.80	426.92	731.41	2,559.40	1,814.52	1,158.67	610.19	107.49	8,315.15
Other financial liabilities	136.59	-	-	-	-	-	-	-	-	-	136.59

(All amounts are Rupees in Crores, unless otherwise stated)

44.3 The table below shows the contractual expiry by maturity of the Company's contingent liabilities and commitments. Each undrawn loan commitment is included in the time band containing the earliest date it can be drawn down. For issued financial guarantee contracts, the maximum amount of the guarantee is allocated to the earliest period in which the guarantee could be called.

Other undrawn commitments to lend :

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
March 31, 2019	-	394.92	210.72	28.45	-	634.08
March 31, 2018	-	303.26	161.81	21.85	-	486.91
April 1, 2017	-	237.58	126.77	17.11	-	381.46

The Company expects that not all of the contingent liabilities or commitments will be drawn before expiry of the commitments

44.4 Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. With regard to loans and advances to customers, the Group uses the same basis of expected repayment behaviour as used for estimating the EIR.

Assets	March 31, 2019			March 31, 2018			April 1, 2017		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial Assets									
Cash and cash equivalents	57.50	-	57.50	25.84	-	25.84	20.95	-	20.95
Bank Balance other than above	0.10	-	0.10	0.06	-	0.06	1.54	-	1.54
Loans	2,078.37	8,759.56	10,837.93	1,904.24	7,744.93	9,649.17	1,631.73	7,153.81	8,785.54
Other financial assets	9.09	5.17	14.26	3.23	5.11	8.34	7.56	5.78	13.34
Investments	-	51.68	51.68	-	33.13	33.13	-	26.09	26.09
Non-financial Assets									
Property, Plant and Equipment	-	13.61	13.61	-	12.30	12.30	-	7.08	7.08
Other Intangible assets	-	1.91	1.91	-	1.20	1.20	-	2.04	2.04
Other non-financial assets	0.97	8.69	9.66	10.43	8.01	18.44	3.88	6.50	10.38
Total Assets	**2,146.03**	**8,840.62**	**10,986.65**	**1,943.80**	**7,804.68**	**9,748.48**	**1,665.66**	**7,201.30**	**8,866.96**
Financial Liabilities									
Debt Securities	174.84	650.56	825.40	1,309.35	824.95	2,134.30	449.90	683.91	1,133.81
Borrowings (Other than debt securities)	1,531.02	6,920.99	8,452.01	1,736.90	4,263.11	6,000.01	1,578.80	4,846.63	6,425.43
Other financial liabilities	88.21	-	88.21	247.40	-	247.40	136.59	-	136.59
Non-Financial Liabilities									
Current tax liabilities (Net)	-	-	-	-	-	-	5.44	-	5.44
Provisions	6.99	4.99	11.98	6.33	6.42	12.75	5.25	3.72	8.97
Deferred tax liabilities (Net)	51.99	-	51.99	28.04	-	28.04	-	23.95	23.95
Total Liabilities	**1,853.05**	**7,576.54**	**9,429.59**	**3,328.02**	**5,094.48**	**8,422.50**	**2,175.98**	**5,558.21**	**7,734.19**

(All amounts are Rupees in Crores, unless otherwise stated)

Note 45:

First time adoption of Ind AS

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

The Company has prepared its financial statements as per Ind AS for the year ended March 31, 2019 with April 1, 2017 being the date of transition. The comparative figures in the Balance Sheet as at March 31, 2018 and April 1, 2017 and Statement of Profit and Loss and Statement of Cash Flow for the year ended March 31, 2018 have been restated accordingly. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements.

Pursuant to adoption of Ind AS by HFCs (Housing Finance Company), the NHB is yet to provide clarification on the basis / manner of computation of these regulatory disclosures as per the extant regulations which require presentation of various information in the notes to the Company's financial statements. Pending clarification from NHB, the Company has prepared the disclosures contained in Notes 32 to Note 32.30 to these standalone financial statements by making material / significant adjustments necessary to the Standalone Ind AS Financial Statements for the year ended March 31, 2019 to comply with the requirements of the Master Directions for Housing Finance Companies issued by NHB including framework on prudential norms, related circulars and clarifications issued by the NHB from time to time and interpretations thereon."

45.1 Optional Exemptions from retrospective application

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

Ind AS 16 Property, Plant and equipment/Ind AS 38 Intangible asset - The Company has elected to continue with the carrying amount for all of its PPE, intangible asset measured as per Previous GAAP and use that as deemed cost as at the date of transition. The Company does not have any decommissioning liability as on transition date.

Ind AS 17 - Leases requires an entity to assess whether a contract or arrangement contains a lease, and this assessment should be carried out at the inception of the contract or arrangement. However the Company has used Ind AS 101 exemption and assessed all arrangements based for embedded leases based on conditions in place as at the date of transition.

45.2 Mandatory Exceptions from retrospective application

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

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

ii) **Classification and measurement of financial assets -** The classification of financial assets to be measured at amortised cost or fair value through other comprehensive income is made on the basis of the facts and circumstances that existed on the date of transition to Ind AS.

45.3 The principal adjustments made by the Company in restating its Indian GAAP financial statements are as below:

A. Reconciliation of cash flows for the year ended March 31 2018

There were no signification reconciliation items between cash flow prepared under GAAP and those prepared GAAP and those prepared under Ind AS.

Particulars	Note Reference	March 31, 2018	April 1, 2017
Total Networth as per IGAAP		1,284.99	1,086.99
Impact on Effective interest rate (EIR) on processing fees	1	(82.97)	(86.06)
Fair valuation of Staff housing loan	2	0.08	0.05
Fair valuation of Rental deposit	3	(0.05)	(0.05)
Finance cost on amortization of NCD	4	0.63	1.18
(Provision) /Reversal of expected credit loss	5	19.30	27.13
Interest income recognised as per Ind AS 109		21.50	22.82
Actuarial gain / loss on employee benefits plans recognised under Other Comprehensive Income	6	(0.36)	-
Defferred tax impact		22.04	19.98
Share of profit from Associate		(1.74)	(1.83)
Total Net Worth under Ind AS (Total comprehensive income)		**1,263.42**	**1,070.21**

(All amounts are Rupees in Crores, unless otherwise stated)

C. Profit Reconciliation for the year ended March 31, 2018

Particulars	Note Reference	March 31, 2018
Profit as per IGAAP		215.33
Impact on Effective interest rate (EIR) on processing fees	1	3.09
Fair valuation of Staff housing loan	2	0.04
Fair valuation of Rental deposit	3	-
Finance cost on amortization of NCD	4	(0.56)
(Provision) /Reversal of expected credit loss	5	(7.83)
Interest income recognised as per Ind AS 109		(1.32)
Actuarial gain / loss on employee benefits plans recognised under Other Comprehensive Income	6	(0.36)
Share of profit from Associate		0.09
Defferred tax impact		1.81
Net Profit after tax as per Ind-AS		**210.29**
Other Comprehensive income as per Ind-AS		0.35
Tax effect on the above adjustments		(0.12)
Total Comprehensive Income as per Ind-AS		**210.52**

Notes:

1. Impact on Effective interest rate (EIR) on processing fees

Under previous GAAP, processing fees collected in connection with loans and advances are recognised as and when collected. Under Ind AS, these transactions are included in initial recognised amount of financial assets and charged to profit and loss using effective interest rate

2. Fair valuation of Staff housing loan

Under previous GAAP, concessional rate loans are accounted at transaction cost on intial recognition and subsequently measured based on contractual cash flow, Under Ind AS, these concessional rate loans are fair valued on initial recognition and subsequently measured at amortised cost

3. Fair valuation of Rental deposit

Under previous GAAP, interest free deposits are recorded at transaction cost. Under IND AS, Interest - free security deposits have been discounted using market rates of interest and recorded at amortised cost.

4. Finance cost on amortization of NCD

Under previous GAAP, transaction cost incurred in connection with Non- convertible debentures are amortized over the period of the borrowing under straight line basis. Under Ind AS, these transactions costs are included in initial recognised amount of financial liability and charged to profit and loss using effective interest rate

5. Provision for NPA under ECL and interest recognition

Under previous GAAP, the Company has provided for loans based on the income recognition and classification norms as prescribed by NHB. Under IND AS, the Company has provided for impairment of the financial instruments based on the expected credit loss model by the Company based on probability of default, loss given default and exposure at default. The interest is recognised net of ECL on Stage 3 assets as required by IND AS 109.

6. Remeasurements of acturial gains or losses

Under Indian GAAP, actuarial gains/losses on defined benefit plans is recognized in the income statement. Under Ind AS, the Company has recognized the actuarial gains/losses relating to retirement benefit plans in other comprehensive income.

Note 46:

Previous year figures

Figures under previous GAAP have been regrouped/ reclassified for Ind AS purpose wherever applicable

As per our report of even date
For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Aniruddh Sankaran
Partner
Membership No. 211107
Place : Chennai
Date : May 29, 2019

For and on behalf of the Board of Directors of Repco Home Finance Limited

T Karunakaran
Chief Financial Officer
Place : Chennai
Date : May 29, 2019

K Prabhu
Company Secretary
Place : Chennai
Date : May 29, 2019

Yashpal Gupta
Managing Director
Place : Chennai
Date : May 29, 2019

T S KrishnaMurthy
Chairman
Place : Chennai
Date : May 29, 2019

REPCO HOME FINANCE LIMITED

CIN- L65922TN2000PLC044655

Registered Office: Repco Tower, No. 33, North Usman Road, T. Nagar, Chennai 600 017

Corporate Office: Third Floor, Alexander Square, Old No. 34 & 35, New No. 2, Sardar Patel Road, Guindy, Chennai 600032

Ph: (044) - 42106650 Fax: (044) – 42106651; E-mail: cs@repcohome.com

Website: www.repcohome.com

NOTICE OF THE 19TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the 19th Annual General Meeting of the members of Repco Home Finance Limited will be held on September 27, 2019 at 10.15 A.M, at Sri Dakshinamurthy Auditorium, PS Higher Sec School, No. 215, Ramakrishna Mutt Road, Mylapore, Chennai-600004, to transact the following business:

ORDINARY BUSINESS

1. Adoption of accounts

   To receive, consider and adopt:

   (a) The Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2019 and the Reports of the Board of Directors and Statutory Auditors thereon.

   (b) The Audited Consolidated Financial Statements for the Financial Year ended March 31, 2019, together with the Report of Statutory Auditors thereon.

2. Declaration of dividend

   To declare a dividend of Rs.2.50 per equity share for the financial year ended March 31, 2019.

3. Re-appointment of Shri.Dinesh Ponraj Oliver, I.A.S.

   To appoint a Director in place of Shri.Dinesh Ponraj Oliver, I.A.S, (DIN 05297355), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

4. Appointment of Smt.Sumithra Ravichandran as an Independent Director of the Company:

   To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary resolution:

   "RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, consent of the members be and is hereby given to the appointment of Smt. Sumithra Ravichandran, (DIN 08430816), appointed as Additional Director with effect from April 01, 2019 and who holds office upto the ensuing Annual General Meeting in terms of Section 161 of the Companies Act, 2013 and being qualified for appointment as Independent Director and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Independent Director to hold office for 5 consecutive years for a term from April 01, 2019 up to March 31, 2024"

5. Approval for Related Party Transactions with Repco Bank

   To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary resolution:

   "RESOLVED THAT pursuant to Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the applicable provisions of the Companies Act, 2013 and the rules framed thereunder, including any statutory modification(s) or re enactment thereof for the time being in force, approval of the members of the Company is accorded to enter into any contracts or arrangements with the Repco Bank, the Promoter of the Company with respect to the material related party transactions to be entered into with respect to availing of Term Loans, Overdraft facilities, making payment of interest, placing short term/long term deposits, and collecting / recovering interest thereon, occupy any business premises of the Bank on rent, let any business premises to the bank on rent, for an amount not exceeding Rs.1200 Crore (Rupees Thousand Two hundred Crore) only."

"RESOLVED FURTHER that the Board of Directors of the Company and/or Audit Committee is hereby authorised to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise in relation to the above and to settle all matters arising out of and incidental thereto and to do all acts, deeds, things as may be necessary proper or expedient to give effect to these resolutions."

6. Offer or invite subscription for Non-Convertible Debentures (NCD) and Commercial Paper (CP) aggregating to Rs. 4000 Crore and Rs.1000 Crore respectively on private placement.

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special resolution:

"RESOLVED that subject to the provisions of Section 42 and all other applicable provisions, if any, of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, SEBI (Issue and Listing of Debt Securities) Rules, 2008, Directions/ Guidelines issued by the National Housing Bank/Regulators or any other statutory authorities from time to time, including any amendment, modification, variation or re-enactment thereof, the approval of the Members of the Company is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee thereof) and the Board is authorized to offer or invite/issue subscription for Redeemable Non-Convertible Debentures (NCDs) upto an amount of Rs.4000 crore and Commercial Paper upto an amount of Rs.1000 crore only, on private placement basis, in one or more tranches, during the period of one year commencing from the date of this meeting until the conclusion of the next Annual General Meeting."

"RESOLVED FURTHER that the Board of Directors of the Company are hereby authorised to take decision(s) about the timing of the issue(s) of such securities including the above said Non-Convertible Debentures, number of tranche(s), number of securities to be issued under each such tranche, tenure, coupon rate(s), pricing of the issue, date(s) of opening and closing of the offers/invitations for subscription of such securities, securities for the issue, if any, deemed date(s) of allotment, exercise 'PUT' and 'CALL' option, redemption and all other terms and conditions relating to the issue of the said securities on private placement basis or delegate the above powers to committee(s) of the Board or such other Committee(s) duly constituted for the purpose."

"RESOLVED FURTHER that for the purpose of giving effect to this resolution, the Board is hereby authorised to do all such acts, deeds, matters and things and execute all such deeds, documents, instruments and writings as it may in its sole and absolute discretion deem necessary in relation thereto."

"RESOLVED FURTHER that these borrowings will be within the overall borrowing limit of Rs 15000 Crores as approved by the members vide postal ballot dated December 26, 2015 and also subject to the NHB prescribed ceiling of borrowings as prescribed in the Directions /Guidelines of National Housing Bank."

"RESOLVED FURTHER that the Board is hereby authorised to delegate all or any of the powers herein conferred to any director(s)/Committees and/or officers(s) of the Company, to give effect to the resolution(s)."

By the order of the Board

Place: Chennai | **K. Prabhu**
Date: August 14, 2019 | Company Secretary

NOTE:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy/ proxies to attend and vote instead of him/her. Such a proxy/ proxies need not be a member of the Company.

   A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.

2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the special business set out in the notice wherever applicable, is attached herewith.

3. Pursuant to the provisions of Section 91 of the Companies Act, 2013, and Regulations 42, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Register of Members and Share Transfer Books of the Company will remain closed from September 21, 2019 to September 27, 2019 (both days inclusive) for determining the entitlement of the shareholders to the payment of dividend.

4. Subject to provisions of Section 126 of the Companies Act, 2013, dividend as recommended by the Board, if declared at the meeting, will be dispatched/remitted on or before October 27, 2019 (30 days of AGM Date)

5. Members are requested to encash their dividend warrants as Dividend remaining unclaimed for seven years are required to be transferred to the Investor Education and Protection Fund, established by the Central Government under Section 124(6) of the Companies Act 2013. Once unclaimed dividends are transferred to this fund, members will not be entitled to claim these dividends from the Company.

6. Member who have not received or encashed their dividend warrants for the financial years 2012-13, 2013-14, 2014-15, 2015-16, 2016-17 and 2017-18 are requested to write to the Company, mentioning the relevant Folio number or DP ID and Client ID, for issuance of duplicate/revalidated dividend warrants.

7. Members holding shares in physical form are requested to notify in writing any changes in their address/bank account details to the Secretarial Department of the Company at Repco Home Finance Ltd, Third Floor, Alexander Square, Old No.34 & 35, New No.2, Sardar Patel Road, Guindy, Chennai – 600032 or to the Registrar & Transfer Agent. Members holding shares in electronic form are requested to notify the changes in the above particulars directly to their Depository Participants (DP).

8. In accordance with the provisions of Section 101 of the Companies Act 2013, Rule 18 of the Companies (Management and Administration) Rules, 2014 and Regulation 36 of SEBI (LODR) Regulations, 2015, this notice and the Annual Report of the Company are being sent to those members whose email address are available with the Company (in respect of shares held in electronic form) and made available to the Company by the Depositaries.

   The Company requests those members who have not registered their email address, to register the same with their DP in case shares are held in electric form and to the Company in case shares are held in physical form

   Members who register their names with the Company or the Registrar and Share Transfer Agent would receive their notice(s)/document(s) through email instead of physical copy.

9. The annual report of the Company circulated to the members of the Company, and is also available on the Company's website at www.repcohome.com.

10. Members desirous of getting any information about the accounts of the Company are requested to write to the Company at least seven days before the date of the Meeting to enable the Company to keep the information ready at the Meeting.

11. All the documents referred to in the Notice and Explanatory Statement will be available for inspection by the Members at the Registered/ Corporate Office of the Company between 10.30 a.m. and 12.30 p.m. on all working days from the date hereof upto the date of the Meeting.

12. For security reasons and for proper conduct of AGM, entry to the place of AGM will be regulated by the Attendance slip, which is annexed to this notice. The Members/proxies are requested to bring their attendance slip duly completed and hand it over at the entrance of the venue. The route map to the AGM venue is also annexed to this notice.

13. E-Voting

   a) In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements)

Regulations, 2015, the Company is pleased to provide to its members facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting').

b) The facility for voting through ballot paper shall be made available at the Annual General Meeting and the members attending the Meeting who have not cast their vote by remote e-voting shall be able to vote at the Meeting through ballot paper.

c) The members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.

d) The Company has engaged the services of M/s. Karvy Fintech Private Limited ("KARVY") as the Agency to provide e-voting facility.

e) Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member / beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. September 20, 2019

f) The Company has appointed Shri. G. Ramachandran of M/s.G Ramachandran & Associates, Company Secretaries (Membership No. FCS No.9687) as Scrutinizer to scrutinize the voting at AGM and remote e-voting process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for same purpose.

g) The remote e-voting facility will be available during the following period:
   - Commencement of remote e-voting: From 9.00 a.m. (IST) on September 24, 2019
   - End of remote e-voting: Up to 5.00 p.m. (IST) on September 26,2019
   - The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting Module shall be disabled by KARVY upon expiry of aforesaid period.

h) The instructions for shareholders voting electronically are as under:

   (i) The voting period begins on September 24, 2019 at 9.00 a.m and ends on September 26, 2019 at 5 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of September 20, 2019 may cast their vote electronically. The e-voting module shall be disabled by KARVY for voting thereafter.

The instructions for e-voting are as follows:

A. In case a Member receives an email from Karvy [for members whose email IDs are registered with the Company / Depository Participants (s)]:

i. Launch internet browser by typing the URL: https://evoting.karvy.com.

ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN number followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.

iii. After entering these details appropriately, click on "LOGIN".

iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

v. You need to login again with the new credentials.

vi. On successful login, the system will prompt you to select the "EVENT" i.e., Repco Home Finance Limited.

vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR / AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR / AGAINST" taken together not exceeding your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the shareholder does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

viii. Shareholders holding multiple folios / demat accounts shall choose the voting process separately for each folio / demat accounts.

ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.

x. You may then cast your vote by selecting an appropriate option and click on "Submit".

xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution(s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).

xii. Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI etc.,) are also required to send scanned certified true copy (PDF Format) of the Board Resolution / Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email gr@gramcsfirm.com with a copy marked to evoting@karvy.com.

xiii. The Portal will be open for voting from: From 9.00 a.m. (IST) on September 24, 2019 to 5.00 p.m. (IST) on September 26, 2019.

xiv. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting User Manual for shareholders available at the download section of http://evoting.karvy.com or contact Karvy Fintech Pvt. Ltd at Tel No. 1800 345 4001 (toll free).

B. In case of Members receiving physical copy of Notice [for members whose email IDs are not registered with the Company / Depository Participants (s)]

(i) E-Voting Event Number – (EVEN), User ID and Password is provided with the AGM notice.

(ii) Please follow all steps from Sl. No. (i) to (xiv) above to cast your vote by electronic means.

Information As Required Under Regulation 36(3) of SEBI (LODR) Reguations, 2015 In Respect of Director Being Appointed/Re-Appointed:

1. **Shri. Dinesh Ponraj Oliver, I.A.S (DIN 05297355)**

Shri. Dinesh Ponraj Oliver, I.A.S is a Non-Executive & Non Independent Director of our Company. He is currently the Director of Rehabilitation, Government of Tamil Nadu. He has 14 years of service in the field of public administration. He has been on the Board since 13 November 2017.

Disclosure of relationships between Directors inter-se: NIL

Other Directorships:

- Tamilnadu Textile Corporation Limited
- The Tamilnadu Tea Plantation Corporation Limited
- Arasu Rubber Corporation Limited
- Overseas Manpower Corporation Limited
- Repco Bank

Shareholding in the Company: NIL

2. **Smt. Sumithra Ravichandran (DIN- 08430816)**

Smt. Sumithra Ravichandran is a Non-Executive & Independent Director of our Company. She is a Member of The Institute of Chartered Accountants of India and has 24 years of Experience as Practicing Chartered Accountant. She is a Partner in M/s. N.C. Rajagopal & Co. She has been a Director on the Board of our Company since April 01, 2019.

Disclosure of relationships between Directors inter-se: NIL

Other Directorships: NIL

Shareholding in the Company: NIL

Explanatory Statement Pursuant to Section 102(2) of The Companies Act, 2013:

Item No.4

The Board of Directors of the Company had appointed Smt. Sumithra Ravichandran, as an Additional Director of the Company with effect from 01 April 2019. In accordance with the provisions of Section 161 of the Companies Act, 2013. Smt. Sumithra Ravichandran shall hold office up to the date of the forthcoming annual general meeting and is eligible to be appointed as a Director.

Your Directors recommend the passing of the resolution proposed at Item No.4 of the Notice.

None of the Directors other than Smt. Sumithra Ravichandran or any key managerial personnel or the relatives of the directors or key managerial personnel are in any way concerned or interested, financially or otherwise, in the said resolution.

Item No. 5

In terms of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all material Related Party Transactions (transactions exceeding ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company) shall require approval of the shareholders. The related parties shall not vote to approve the relevant transaction.

The Company has been entering into contracts and arrangements with the promoter bank viz., Repco Bank since incorporation, in the ordinary course of business. The Company has been availing Term Loans, Overdraft facilities, making payment of interest, placing short term/long term deposits, and collecting / recovering interest thereon, occupy any business premises of the Bank on rent, let any business premises to the bank on rent etc.

The liabilities of the Company with Repco Bank as on 30 June 2019 was around Rs. 758.25 Crore. The Company proposes to continue entering into contracts and arrangements (incur liabilities) with Repco Bank upto an aggregate extent of Rs.1200 Crore. Since, the proposed related party transaction is a material transaction, approval of the members is sought by way of ordinary resolution.

Hence approval of the shareholders of the Company is requested for the material related party transactions which would be entered into by the Company with Repco Bank for an amount not exceeding Rs.1200 Crore (Rupees Thousand Two Hundred Crore) only.

The transactions entered into with Repco Bank are in ordinary course of business and are at arms' length.

Your Directors recommend the passing of the resolution proposed at Item No.5 of the Notice.

Smt. R.S. Isabella, Shri.Dinesh Ponraj Oliver and Shri. L. Munishwar Ganesan are Directors of Repco Bank. None of the other Directors or any key managerial personnel or the relatives of the directors or key managerial personnel are in any way concerned or interested, financially or otherwise, in the said resolution.

Item No.6

In terms of Section 42 and all other applicable provisions, if any, of the Companies Act, 2013, a Company may, subject to the provisions of that section, make an offer or invitation for subscription of securities including non-convertible debentures, commercial papers or any other debt securities by way of private placement.

Further, in terms of Rule 14(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and all other applicable provisions, if any, of the said Act, Directions/Guidelines by the Regulators or any other statutory authorities issued from time to time, a Company shall not make a private placement of its securities unless the proposed offer of securities or invitation to subscribe to securities has been previously approved by the shareholders of the Company by a Special Resolution, for each of the offers or invitations. In case of an offer or invitation for subscription to the Non-Convertible Debentures (NCD), it shall be sufficient if the Company passes a previous Special Resolution only once in a year for all the offers or invitation for such debentures during the year.

Keeping in view the increasing volume of business of the Company, the need to diversify the sources of funding and the cost of each of the sources your Company intends to offer or invite subscription to Non-convertible Debentures upto an amount of Rs 4000 Crore (Rupees Four thousand Crore only) and Commercial paper upto an amount of Rs 1000 Crore (Rupees Thousand Crore only) on private placement basis for a period of one year from the conclusion of this Meeting until the conclusion of the next Annual General Meeting in one or more tranches, subject to the condition that the amount accepted in the form of the said Non-Convertible Debentures and Commercial paper together with the existing borrowings and future borrowings would be within the limits specified by the members under section 180(1) (c) of "the Act".

The terms of issue of the above Non-Convertible Debentures would depend upon the requirement of the funds, time of issue, market conditions and alternative sources of funds available to the Company and would be decided by the Company in consultation with the merchant bankers / arrangers, if any appointed by the Company for the purpose. All the required details/ disclosures relating to the issue would be made available in the respective information memorandum.

In order to issue Non-Convertible Debentures by way of an offer or invitation for subscription on private placement and in terms of the above mentioned provisions of "the Act" and rules, subject to Directions/ Guidelines by the Regulators or any other statutory authorities issued from time to time, the prior consent of the members is sought by way of a Special Resolution.

Your Directors recommend the passing of the resolution proposed at Item No.6 of the Notice.

None of the Directors or any key managerial personnel or the relatives of the directors or key managerial personnel are in any way concerned or interested, financially or otherwise, in the said resolution.

By the order of the Board

Place: Chennai **K. Prabhu**

Date: August 14, 2019 Company Secretary

Route map to the venue of the AGM

19th Annual General Meeting

Day : Friday

Date : September 27, 2019

Time : 10.15 AM

Venue : Sri Dakshinamurthy Auditorium,
PS Higher Secondary School, No. 215,
Ramakrishna Mutt Road, Mylapore,
Chennai 600004

Repco Home Finance

REPCO HOME FINANCE LIMITED

CIN- L65922TN2000PLC044655
Registered Office: Repco Tower, No. 33, North Usman Road, T. Nagar, Chennai 600 017
Corporate Office: Third Floor, Alexander Square, Old No.34 & 35, New No.2,
Sardar Patel Road, Guindy, Chennai – 600032
Ph: (044) - 42106650 Fax: (044) – 42106651; E-mail: cs@repcohome.com
Website: www.repcohome.com

ATTENDANCE SLIP: 19th ANNUAL GENERAL MEETING

I/We hereby record my/our presence at the 19th Annual General Meeting of the Company held on September 27, 2019 at 10.15 A.M, at Sri Dakshinamurthy Auditorium, PS Higher Sec School,No.215, Ramakrishna Mutt Road, Mylapore, Chennai-600004

Name of the Shareholder(s) ....
(In Capital Letters)

Name of the Proxy or Company Representative ....
(In Capital Letters)

Signature of Shareholder(s) OR ....
Proxy or Company's Representative

Notes:

1. A Proxy attending on behalf of Shareholder(s) should write the name of the Shareholder(s) from whom he holds Proxy.
2. Members are requested to bring their copy of the Annual Report to the Meeting as additional Copies of the same will not be made available at the Meeting.

Reg. Folio No. ....

* Client ID No. ....

* DPID No. ....

No. of shares held..

*Applicable for members holding shares in electronic form.

REPCO HOME FINANCE LIMITED

CIN- L65922TN2000PLC044655

Registered Office: Repco Tower, No. 33, North Usman Road, T. Nagar, Chennai 600 017

Ph: (044) - 42106650 Fax: (044) – 42106651; E-mail: cs@repcohome.com Website: www.repcohome.com

FORM No. MGT-11
PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Company : **REPCO HOME FINANCE LIMITED**

Registered Office : Repco Tower, No. 33, North Usman Road, T. Nagar, Chennai 600 017

Name of the Member(s) :

Registered Address :

E-mail Id :

Folio No/ Client Id :

DP ID :

I / We, being the member(s) of .... share of the above named Company hereby appoint.

1. Name : .... E-mail ID: ....

   Address:.. Signature: ....

Or failing him/her

2. Name : .... E-mail ID: ....

   Address:.. Signature: ....

Or failing him/her

3. Name : .... E-mail ID: ....

   Address:.. Signature: ....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 19th Annual General Meeting of the Company held on September 27, 2019 at 10.15 A.M, at Sri Dakshinamurthy Auditorium, PS Higher Sec School, No. 215, Ramakrishna Mutt Road, Mylapore, Chennai - 600 004 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	Vote	
		For	Against
Ordinary Business			
1	Adoption of accounts		
2	Declaration of dividend		
3	Re-appointment of Shri. Dinesh Ponraj Oliver, I.A.S.		
Special Business			
4	Appointment of Smt. Sumithra Ravichandran as an Independent Director of the Company		
5	Approval for Related Party Transactions with Repco Bank		
6	Offer or invite subscription for Non-Convertible Debentures (NCD) and Commercial Paper (CP) aggregating to Rs.4000 Crore and Rs.1000 Crore respectively on private placement.		

Signed this ………….......................... day of ………….......................... 2019

Signature of Shareholder(s): ....

Signature of Proxy holder(s) ....

AFFIX
(Re. 1/-)
REVENUE
STAMP

Notes:

(a) A member entitled to attend the meeting and vote thereat is entitled to appoint a proxy

(b) A proxy can vote on behalf of the member only on a poll but shall not have the right to speak.

(c) A proxy need not be a member of the Company.

(d) A person can act as a proxy on behalf of members not exceeding 50 and aggregate holding of not more than 10% of the total share capital of the Company.

(e) A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

(f) It is optional for the member to indicate preference of Votes in the proxy form. If the member leaves the 'for' or 'against' column blank against any or all resolutions, the proxy will be entitled to vote in the manner as he/she may deem appropriate.

(g) Proxies (this form) in order to be valid must be deposited at the Company's registered office not less than 48 hours before the time fixed for the meeting or holding the adjourned meeting in relation to which the proxy is given.

LIST OF BRANCHES

Sl.No	Branch	State
1	ANANTAPUR	Andhra Pradesh
2	GUNTUR	Andhra Pradesh
3	KADAPA	Andhra Pradesh
4	KAKINADA	Andhra Pradesh
5	KURNOOL	Andhra Pradesh
6	NELLORE	Andhra Pradesh
7	ONGOLE	Andhra Pradesh
8	RAJHAMUNDRY	Andhra Pradesh
9	TENALI	Andhra Pradesh
10	THIRUPATHI	Andhra Pradesh
11	VIJAYAWADA	Andhra Pradesh
12	VIZAG	Andhra Pradesh
13	VIZIANAGARAM	Andhra Pradesh
14	AHMEDABAD	Gujarat
15	BHAVNAGAR	Gujarat
16	JAMNAGAR	Gujarat
17	RAJKOT	Gujarat
18	SURAT	Gujarat
19	VADODARA	Gujarat
20	RANCHI	Jharkhand
21	BANASHANKARI	Karnatakka
22	BANGALORE	Karnatakka
23	BASAVESHWARANAGAR	Karnatakka
24	BELGAUM	Karnatakka
25	BELLARY	Karnatakka
26	DAVANGERE	Karnatakka
27	ELECTRONIC CITY	Karnatakka
28	GULBARGA	Karnatakka
29	HASSAN	Karnatakka
30	HOODI	Karnatakka
31	HUBLI	Karnatakka
32	KENGERI	Karnatakka
33	MANGALORE	Karnatakka
34	MYSORE	Karnatakka
35	PEENYA	Karnatakka
36	SHIMOGA	Karnatakka
37	TUMKUR	Karnatakka
38	YELAHANKA	Karnatakka
39	Bannarghatta	Karnatakka
40	ERNAKULAM	Kerala
41	KOLLAM	Kerala
42	KOTTAYAM	Kerala
43	PALAKKAD	Kerala

Sl.No	Branch	State
44	PUNALUR	Kerala
45	THRISSUR	Kerala
46	TRIVANDRUM	Kerala
47	INDORE	Madhya Pradesh
48	Bhopal	Madhya Pradesh
49	Jabalpur	Madhya Pradesh
50	Chandrapur	Maharashtra
51	AHMEDNAGAR	Maharastra
52	AMRAVATI	Maharastra
53	AURANGABAD	Maharastra
54	BORIVALI	Maharastra
55	CHAKAN	Maharastra
56	DOMBIVLI	Maharastra
57	NAGPUR	Maharastra
58	NANDED	Maharastra
59	NASIK	Maharastra
60	PANVEL	Maharastra
61	PIMPRI	Maharastra
62	PUNE	Maharastra
63	SANGLI	Maharastra
64	WAGHOLI	Maharastra
65	Jalgaon	Maharastra
66	Kolhapur	Maharastra
67	BHUBANESWAR	Orissa
68	CUTTACK	Orissa
69	PONDICHERRY	Pondicherry
70	ADAYAR	Tamil Nadu
71	ANNA NAGAR	Tamil Nadu
72	ARANTHANGI	Tamil Nadu
73	ARIYALUR	Tamil Nadu
74	ASHOK NAGAR	Tamil Nadu
75	CHENGALPATTU	Tamil Nadu
76	CHIDAMBARAM	Tamil Nadu
77	CUDDALORE	Tamil Nadu
78	DHARMAPURI	Tamil Nadu
79	HOSUR	Tamil Nadu
80	KANCHEEPURAM	Tamil Nadu
81	KELAMBAKKAM	Tamil Nadu
82	KUMBAKONAM	Tamil Nadu
83	MADURAI	Tamil Nadu
84	MADURAI NORTH VELI	Tamil Nadu
85	MANNARGUDI	Tamil Nadu
86	MAYILADUTHURAI	Tamil Nadu

Sl.No	Branch	State
87	MUSIRI	Tamil Nadu
88	NAGAPATTINAM	Tamil Nadu
89	PATTUKOTTAI	Tamil Nadu
90	PERAMBALUR	Tamil Nadu
91	PORUR	Tamil Nadu
92	PUDUKOTTAI	Tamil Nadu
93	PURASAIWAKKAM	Tamil Nadu
94	RAMANATHAPURAM	Tamil Nadu
95	RANIPET	Tamil Nadu
96	SIVAGANGAI	Tamil Nadu
97	TAMBARAM	Tamil Nadu
98	TENKASI	Tamil Nadu
99	THANJAVUR	Tamil Nadu
100	THENI	Tamil Nadu
101	THIRUKOILUR	Tamil Nadu
102	THIRUVALLUR	Tamil Nadu
103	THIRUVANNAMALAI	Tamil Nadu
104	THIRUVARUR	Tamil Nadu
105	THIRUVERUMBUR	Tamil Nadu
106	TIRUNELVELI	Tamil Nadu
107	TIRUPPUR	Tamil Nadu
108	TRICHY	Tamil Nadu
109	TUTICORIN	Tamil Nadu
110	VELLORE	Tamil Nadu
111	VILLUPURAM	Tamil Nadu
112	VIRUDHUNAGAR	Tamil Nadu
113	VYASARPADI	Tamil Nadu
114	AVINASHI	Tamil Nadu
115	COIMBATORE	Tamil Nadu

Sl.No	Branch	State
116	COONOOR	Tamil Nadu
117	DINDIGUL	Tamil Nadu
118	ERODE	Tamil Nadu
119	GOBICHETTIPALAYAM	Tamil Nadu
120	KARUR	Tamil Nadu
121	MARTHANDAM	Tamil Nadu
122	METTUPALAYAM	Tamil Nadu
123	NAGERCOIL	Tamil Nadu
124	NAMAKKAL	Tamil Nadu
125	PALANI	Tamil Nadu
126	PARAMATHI VELUR	Tamil Nadu
127	PERUNDURAI	Tamil Nadu
128	POLLACHI	Tamil Nadu
129	SAI BABA COLONY	Tamil Nadu
130	SALEM	Tamil Nadu
131	SARAVANAMPATTI	Tamil Nadu
132	SULUR	Tamil Nadu
133	TIRUCHENGODE	Tamil Nadu
134	UDUMALPET	Tamil Nadu
135	Vellakoil	Tamil Nadu
136	HABSIGUDA	Telangana
137	HYDERABAD	Telangana
138	KARIMNAGAR	Telangana
139	KHAMMAM	Telangana
140	NIZAMABAD	Telangana
141	PATANCHERU	Telangana
142	WARANGAL	Telangana
143	DURGAPUR	West Bengal
144	KOLKATA	West Bengal

LIST OF SAT CENTRES

S. No	Sat Centres	Nodal Branch
1	Alappuzha	Kottayam
2	Anand	Ahmedabad
3	Attingal	Trivandrum
4	Batlangundu	Dindigul
5	Chitradurga	Davangere
6	Cumbum	Theni
7	Dharapuram	Tiruppur
8	Eluru	Vijayawada
9	Hospet	Bellary
10	Jamkhambalia	Jamnagar
11	Karaikudi	Pudukottai
12	Kovilpatti	Tuticorin
13	Krishnagiri	Hosur

S. No	Sat Centres	Nodal Branch
14	Morbi	Rajkot
15	Nandyal	Kurnool
16	Nanjangud	Mysore
17	Rajapalayam	Virudhunagar
18	Rasipuram	Namakkal
19	Sathya mangalam	Gobichettipalayam
20	Sriperumpudur	Kancheepuram
21	Thirumangalam	Madurai
22	Thirupattur	Vellore
23	Virudhachalam	Chidambaram
24	Sri City	Nellore
25	Valliyoor	Tirunelveli
26	Palladam	Sulur

Grand Opening Ceremony of Regional Office - Madurai by Shri R Varadarajan, former Managing Director

Strengthening business relationships through Real Estate Builders' Meet

Adding feathers to the Cap by entering Corporate Agency agreement with Kotak Mahindra General Insurance company Ltd. & Kotal Mahindra Life Insurance Company Ltd.