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# Independent Auditors' Report

## To the Board of Directors of Piramal Capital & Housing Finance Limited

*(formerly known as Piramal Housing Finance Limited)*

### Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the standalone financial statements of Piramal Capital & Housing Finance Limited *(formerly known as Piramal Housing Finance Limited)* ("the Company"), which comprise the standalone balance sheet as at 31 March 2020, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, and profit, and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

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

### Emphasis of matter

We draw your attention to Note 39 of the Standalone Financial Statements regarding the accounting treatment relating to the scheme of Amalgamation ('Scheme') sanctioned by the NCLT on 6 April 2018, has been accounted under Purchase method of accounting as per Accounting Standard 14 – Accounting for Amalgamation in compliance with the Scheme which is considered to be an override to the relevant provisions of Indian Accounting Standards ('Ind AS') 103.

**Emphasis of matter *(Continued)***

As described in Note 44.3 to the Standalone Financial Statements, pursuant to the Reserve Bank of India ('RBI') directions on 'COVID-19 Regulatory Package – Asset Classification and Provisioning' issued on 17 April 2020, the Company has recognised expected credit loss (including management overlays) on its investments and loans to customers on account of impact of COVID-19 pandemic based on its assessment of the information available and the guidance issued by the Reserve Bank of India on granting of three months moratorium and the resultant asset classification relaxations to accounts classified as standard as on 29 February 2020. Further, the underlying forecasts and assumptions applied by the Company in the determination of ECL provision are subject to uncertainties which are often outside of the Company's control. The extent to which the COVID-19 pandemic will impact the Company's current estimate of expected credit losses is dependent on future developments, which are highly uncertain at this point.

Our opinion is not modified in respect of the above matters.

**Key Audit Matters**

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

| Key audit matter | How the matter was addressed in our audit |
|---|---|
| **Impairment on financial instruments**<br>**Charge to the profit and loss account: INR 117,569 lakhs for year ended 31 March 2020**<br>**Provision in the balance sheet: INR 192,870 lakhs at 31 March 2020**<br>*Refer to the Standalone Financial Statements: "Significant Accounting Policies - Financial instruments", "Note 5 to the Standalone Financial Statements: Loans", "Note 6 to the Standalone Financial Statements: Investments", "Note 19 to the Standalone Financial Statements: Provisions" and "Note 31 to the Standalone Financial Statements: Impairment on financial instruments"* | |
| **Subjective estimate**<br>Recognition and measurement of impairment of loans and advances involve significant management judgement.<br>Under Ind AS 109, allowance for loan losses is based on expected credit loss (ECL) model. The Company's impairment allowance is derived from estimates including the historical default and loss ratios. Management exercises judgement in determining the quantum of loss based on a range of factors. | Our key audit procedures included<br>**Design / controls**<br>• Evaluation of the appropriateness of the impairment principles used by the management based on the requirements of Ind AS 109, our business understanding and industry practice.<br>• Understanding management's processes, systems and controls implemented in relation to Ind AS impairment allowance process, particularly in view of COVID-19 regulatory package. |

## Key Audit Matters *(Continued)*

| Key audit matter | How the matter was addressed in our audit |
|---|---|
| The most significant areas are:<br>- Segmentation of loan book<br>- Loan staging criteria<br>- Calculation of probability of default / Loss given default<br>- Consideration of forward looking macro-economic factors<br><br>There are a number of data inputs required by the ECL model. This increases the risk of completeness and accuracy of the data that has been used to create assumptions in the model. In some cases, data is unavailable and reasonable alternatives have been applied to allow calculations to be performed, for example using internal risk ratings of the customers in assessing the increase in credit risk.<br><br>The Company has evaluated loans for impairment on a collective basis grouping loans by product into homogenous exposure groups. For collective impairment provisions we identified that the key judgment areas which could result in a material misstatement are the determination of probabilities of default ('PDs') and loss given default ('LGD'), the use of management overlays and the periods considered for capturing the underlying data as base to the PD and LGD calculations in calculating the provision. In some cases, where the Company has evaluated loans for impairment on an individual basis, we identified that key judgment areas which could result in a material misstatement are the assessed value of the underlying security, extension in expected timeframe for recovery, expected loss on realization of security.<br><br>*Impact of COVID-19*<br><br>On 11 March 2020, the World Health Organisation declared the Novel Coronavirus (COVID-19) outbreak to be a pandemic.<br><br>We have identified the impact of, and uncertainty related to the COVID 19 pandemic as a key element and consideration for recognition and measurement of impairment of loans and advances on account of:<br>- Short and long term macroeconomic effect on businesses in the country and globally and its consequential first order and cascading negative impact on revenue and employment generation opportunities; | • Assessing the design and implementation of key internal financial controls over loan impairment process used to calculate the impairment charge.<br>• Using our modelling specialists to test the model methodology and reasonableness of assumptions used, including management overlays.<br>• Testing management review controls over model development, governance and measurement of impairment allowances and disclosures in standalone financial statements.<br><br>**Substantive tests**<br>• Assessing the appropriateness of management rationale for determination of criteria for SICR considering both: adverse effects of COVID 19 and mitigants in the form of the RBI / Government financial relief package.<br>• Assessing the appropriateness of changes made in macroeconomic factors and management overlays to calibrate the risks that are not yet fully captured by the existing model.<br>• Corroborate through independent check and enquiries the reasonableness of management's assessment of grading of severity of impact of COVID-19 on segments of its loan portfolio and the resultant impairment provision computed.<br>• Focus on appropriate application of accounting principles, validating completeness and accuracy of the data and reasonableness of assumptions used in the model.<br>• Test of details over of calculation of impairment allowance for assessing the completeness, accuracy and relevance of data.<br>• Model calculations testing through re-performance where possible.<br>• The appropriateness of management's judgments was also independently reconsidered in respect of calculation methodologies, segmentation, economic factors, the period of historical loss rates used and the valuation of recovery assets and collateral.<br>• Assessing the factual accuracy and appropriateness of the additional financial statements disclosures made by the Company regarding impact of COVID-19. |

## Key Audit Matters *(Continued)*

| Key audit matter | How the matter was addressed in our audit |
|---|---|
| - impact of the pandemic on the Company's customers and their ability to repay dues; and<br>- application of regulatory package announced by the Reserve Bank of India (RBI) on asset classification and provisioning. | |
| Management has conducted a qualitative assessment of significant increase in credit risk (SICR) of the loan portfolio with respect to the moratorium benefit to borrowers prescribed by the RBI and considered updated macroeconomic scenarios and the use of management overlays to reflect potential impact of COVID-19 on expected credit losses on its loan portfolio.<br><br>As detailed in accounting policy 2(iv), the determination of loan impairment provisions is inherently judgmental and relies on management's best estimate of a variety of inputs. Given the size of loan book relative to the balance sheet and the impact of impairment provision on the Standalone Financial Statements, we have considered this as a key audit matter. | |
| **Valuation of goodwill**<br><br>*Refer to the Standalone Financial Statements: Significant Accounting Policies – Impairment of non-financial assets" and Note 49 "Impairment of goodwill"* | |
| The Company has recognized goodwill arising from the merger of Piramal Housing Finance Limited with Piramal Finance Limited and Piramal Capital Limited on 31 March 2018 in line with the scheme of arrangement approved by the NCLT.<br><br>Under Ind AS, the Company is required to perform an impairment assessment of the goodwill at each reporting date.<br><br>In performing such impairment assessment, management compared the carrying value of the separately identifiable cash generating unit ("CGU") with its respective value in use based on discounted cash flow forecasts to determine if any impairment loss should be recognised. The preparation of discounted cash flow forecasts for the purpose of assessing potential impairment of goodwill involves estimating future cash flows, growth rates and discount rates which can be inherently uncertain. | Our key audit procedures included:<br><br>• Assessing the management's identification of CGU, the allocation of assets and the methodology adopted by management in its impairment assessment of goodwill with reference to the requirements of the prevailing accounting standards;<br><br>• Evaluating the assumptions adopted in the preparation of the cash flow forecasts for the purpose of the impairment assessments of goodwill, including projected future growth rates for income and expenses with reference to our understanding of the business, historical trends and available industry information and available market data;<br><br>• Obtaining valuation report, considered by the Company for its impairment assessment. |

## Key Audit Matters *(Continued)*

| Key audit matter | How the matter was addressed in our audit |
| --- | --- |
| Further, the prevailing COVID-19 situation, has caused economic stress in various sectors and therefore the operations of the Company may be adversely impacted, resulting in a need for detailed valuation assessment in relation to goodwill.<br><br>We identified the assessment of potential impairment of goodwill as a key audit matter because the year-end goodwill impairment assessments performed by management contain certain judgmental assumptions which could be subject to management bias. | • Engaging internal valuation specialists to assist in the evaluation of assumptions and methodologies used by the Company and its experts.<br><br>• Evaluating management's assessment on consideration of COVID-19 disruptions in determination of impact on cash flows / valuation / impairment. This included assessing the effect of reasonable possible reductions in growth rates and forecast cash flows.<br><br>• Assessing the impact of changes in the key assumptions, including projected profitability and the discount rates, adopted in the discounted cash flow forecasts on the conclusions reached in the impairment assessments and assessing whether there were any indicators of management bias in the selection of these assumptions;<br><br>• Evaluating the adequacy of the standalone financial statement disclosures, including disclosures of key assumptions, judgements and sensitivities. |

**Taxes**

**Provision for tax**

Charge to Profit or loss account – INR 57,139 lakhs for the year ended 31 March 2020

Provision for tax – INR 78 lakhs (Advance tax – INR 52,561 lakhs) as at 31 March 2020

**Deferred tax**

Deferred tax asset: Nil at 31 March 2020 (net of deferred tax liability INR 52,336 lakhs)

*Refer to the Standalone Financial Statements: Significant Accounting Policies - Taxes on income", "Note 8 to the Standalone Financial Statements: Current tax assets (Net)" "Note 9 to the Standalone Financial Statements: Deferred tax"*

| | |
| --- | --- |
| **Evaluation of tax positions**<br><br>The Company has material tax positions which involves significant judgement including the consideration of the tax deductibility of goodwill recognised as part of the merger of Piramal Housing Finance Limited with Piramal Finance Limited and Piramal Capital Limited.<br><br>Based on legal opinions considered by the management, the goodwill recognised at date of merger is claimed under Income Tax by way of depreciation @ 25% under written down value. | Our key audit procedures included:<br><br>• Obtaining an understanding and assessed the design and implementation of controls in respect of the management review processes over the recognition of tax matters.<br><br>• Involving our tax experts to analyse management's assessment of the recognition of provision for tax and the resulting deferred tax impact; considering legal precedence and other rulings in evaluating the Company's tax positions (including the consideration of the external tax advice obtained by the Company). |

## Key Audit Matters *(Continued)*

| Key audit matter | How the matter was addressed in our audit |
|---|---|
| Under Ind AS, goodwill is not subject to amortization and instead the carrying amount of goodwill is subject to impairment testing.<br><br>The above treatment creates a temporary difference which leads to the recognition of a deferred tax liability at each reporting date.<br><br>The Company has availed the option to pay income tax at lower tax rate of 25.168% (inclusive of surcharge and cess) as per newly inserted section 115BAA of the Income Tax Act, 1961, with effect from financial year 2020. The Company has written off accumulated MAT credit as on 31 March 2019. The accumulated deferred tax asset at 31 March 2019 has also been re-measured at 25.168%.<br><br>Given the significance of the matters involved and the inherent judgement associated with tax positions of the Company, we have considered this to be a key audit matter. | • Testing the mathematical accuracy of the computations and considered the appropriateness of disclosures associated with this area in the standalone financial statements. |
| **Going concern** | |
| **Key audit matter description** | **How the matter was addressed in our audit** |
| The standalone financial statements of the Company have been prepared on a Going Concern basis.<br><br>Management's assessment of going concern is based on its evaluation of relevant conditions and events that may raise substantial doubt about the Company's ability to continue as a going concern. The following considerations are covered by management.<br><br>- Current financial condition; including liquidity sources and profitability;<br>- Conditional and unconditional obligations due or anticipated within one year;<br>- Impact of COVID-19 and related uncertainties on the Company's performance.<br><br>The uncertainties related to the COVID 19 pandemic is one of the most significant economic events for the Global and Indian economy and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. | Our key audit procedures included:<br><br>• Evaluating management's assessment of the use of going concern assumption including considering the capital position, credit rating and track record / projections of profitability<br>• Holding discussions with management and understand plans /strategies, the impact of COVID-19 pandemic leading to a revision of plans/strategies and assessed the viability of such revised strategies.<br>• Enquiring whether there was any rejection on borrowings, or any other difficulties faced on drawing down sanctioned lines from financial institutions.<br>• For a selection of contractual repayment dates, verifying that there were no repayment failures noted on repayment of borrowings.<br>• Testing financial covenants in loan documents for breaches and understand the revised forecast in a plausible downside scenario and whether it expects to remain in compliance with the covenants.<br>• Assessing management's liquidity projections over the next 12 months given the current economic environment from existing business together with liquid assets held by the Company as at 31 March 2020 will be sufficient to pay off Company's existing liabilities as well as those arising in the next 12 months. |

**Other Information**

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in Piramal Enterprises Limited's annual report, but does not include the standalone financial statements and our auditors' report thereon. The annual report of Piramal Enterprises Limited is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

**Management's Responsibility for the Standalone Financial Statements**

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act. 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 design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and the Board of Directors are 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.

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

**Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

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

**Independent Auditors' Report *(Continued)***

# Piramal Capital & Housing Finance Limited

*(formerly known as Piramal Housing Finance Limited)*

**Auditor's Responsibilities for the Audit of the Standalone Financial Statements *(Continued)***

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal 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 standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

**Report on Other Legal and Regulatory Requirements**

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

A) 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 standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of cash flows and statement of changes in equity dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016.

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

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 37(a) to the Standalone 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

The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these standalone financial statements since they do not pertain to the financial year ended 31 March 2020.

**Report on Other Legal and Regulatory Requirements**

C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) which are required to be commented upon by us.

For **B S R & Co. LLP**
*Chartered Accountants*
Firm's Registration No: 101248W/W-100022

**Venkataramanan Vishwanath**
*Partner*
Membership No: 113156
ICAI UDIN: 20113156AAAACB5102

Mumbai
11 May 2020

# Piramal Capital & Housing Finance Limited

*(formerly known as Piramal Housing Finance Limited)*

## Annexure A to the Independent Auditor's Report – 31 March 2020

(Referred to in our report of even date on the standalone financial statements)

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

(b) The Company has a programme of physical verification of its fixed assets by which all fixed assets are verified on yearly basis. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has no immovable property.

(ii) The Company is engaged in providing financial services primarily into housing finance. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable to the Company.

(iii) According to the information and explanation given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.

(iv) The Company has neither granted any loans to any director or any person in whom director is interested nor made investment in any company as specified in the provisions of section 185 and 186 of the Act. Accordingly, paragraph 3(iv) of the Order is not applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposits from the public to which the provisions of Section 73 to Section 76 or any other relevant provisions of the Act and the rules framed there under apply. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub section (1) of section 148 of the Act for any of the services rendered by the Company. Accordingly, paragraph 3(vi) of the Order is not applicable.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of accounts in respect of undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and services tax and any other statutory dues have generally been deposited regularly during the year by the Company with the appropriate authorities except in case of provident fund ('PF'), where whilst the Company has demonstrated its ability to pay such amounts, for certain employees, the same have not been accepted by the PF authority on account of delay in linking of aadhar number by such employees of the Company to the provident fund account, and in case of professional tax ('PT') where the Company has applied for registration with PT authorities for new branches opened in two states at the beginning of the year, which were received in the month of August 2019 and at that time PT deducted was deposited with PT authorities. As explained to us, the Company did not have any dues on account of sales tax, custom duty, excise duty, value added tax and cess.

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## Annexure A to the Independent Auditor's Report – 31 March 2020 *(Continued)*

According to the information and explanations given to us no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, goods and services tax and other material statutory dues were in arrears as at 31 March 2020 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues with respect to income tax, sales tax, goods and services tax, value added tax, custom duty, excise duty, which have not been deposited with the appropriate authorities on account of any dispute except as mentioned below:

| Name of the statue | Nature of dues | Amount (Rs. in lakhs) | Period to which the amount relates | Forum where dispute is pending |
|---|---|---|---|---|
| Income Tax Act, 1961 | Income Tax | 34 | AY 2014-15 | Income Tax Appellate Tribunal |
| Income Tax Act, 1961 | Income Tax | 8,258 | AY 2017-18 | Commissioner of Income Tax (Appeal) |
| Income Tax Act, 1961 | Income Tax | 6,783 | AY 2018-19 | Commissioner of Income Tax (Appeal) |
| Income Tax Act, 1961 | Income Tax | 510 | AY 2019-20 | Commissioner of Income Tax (Appeal) |
| Income Tax Act, 1961 | Income Tax | 1,268 | AY 2020-21 | Commissioner of Income Tax (Appeal) |

(viii) According to the information and explanations given to us, the Company availing the moratorium package announced by RBI on the COVID-19 pandemic and based on our examination of the records of the Company, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank, government or debenture holders during the year.

(ix) In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been generally applied for the purpose for which they were raised. In the case of external commercial borrowings ('ECB') of Rs 52,264 lakhs an amount equivalent to the unutilized monies were earmarked in a fixed deposit account with AD Category 1 bank pending creation of qualifying assets for the purpose that the ECB was raised for. The Company has not raised any money by way of initial public offer or further public offer during the year.

# Piramal Capital & Housing Finance Limited
*(formerly known as Piramal Housing Finance Limited)*

## Annexure A to the Independent Auditor's Report – 31 March 2020 *(Continued)*

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid managerial remuneration in accordance with the requisite approvals mandated by the provision of section 197 read with Schedule V to the Act.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with the section 177 and 188 of the Act where applicable and details have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the period under review. Accordingly, paragraph 3(xiv) of the Order is not applicable.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

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

For **B S R & Co. LLP**
*Chartered Accountants*
Firm's Registration No: 101248W/W-100022

V.Venkataraman

**Venkataramanan Vishwanath**
*Partner*
Membership No: 113156
ICAI UDIN: 20113156AAAACB5102

Mumbai
11 May 2020

# Piramal Capital & Housing Finance Limited

*(formerly known as Piramal Housing Finance Limited)*

## Annexure B to the Independent Auditor's Report – 31 March 2020

**Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

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

We have audited the internal financial controls with reference to standalone financial statements of the Company as of 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to standalone financial statements 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 (the "Guidance Note").

### Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. 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 with reference to standalone financial statements were established and maintained and whether 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 with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of such internal financial controls, 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 judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

## Annexure B to the Independent Auditor's Report – 31 March 2020 *(Continued)*

**Meaning of Internal Financial controls with Reference to Standalone Financial Statements**

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements include 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 standalone 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 standalone financial statements.

**Inherent Limitations of Internal Financial controls with Reference to Standalone Financial Statements**

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

For **B S R & Co. LLP**
*Chartered Accountants*
Firm's Registration No: 101248W/W-100022

V. Venkataraman

**Venkataramanan Vishwanath**
*Partner*
Membership No: 113156
ICAI UDIN: 20113156AAAACB5102

Mumbai
11 May 2020

# Piramal Capital & Housing Finance Limited
*(formerly known as Piramal Housing Finance Limited)*

## Standalone Balance Sheet
*as at March 31, 2020*

(Currency : Rs in lakhs)

| | | Note | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|---|---|
| | **ASSETS** | | | |
| 1 | **Financial assets:** | | | |
| (a) | Cash and cash equivalents | 3 | 3,86,460 | 41,231 |
| (b) | Bank balances other than (a) above | 4 | 39,510 | 2,405 |
| (c) | Loans | 5 | 26,83,252 | 30,83,732 |
| (d) | Investments | 6 | 8,06,336 | 9,52,926 |
| (e) | Other financial assets | 7 | 41,204 | 80,537 |
| 2 | **Non- financial assets:** | | | |
| (a) | Current tax assets (net) | 8 | 52,561 | 6,325 |
| (b) | Deferred tax assets (net) | 9 | - | 3,359 |
| (c) | Right-of-use assets | 11 | 5,071 | - |
| (d) | Property, Plant and Equipment | 11 | 3,372 | 3,196 |
| (e) | Intangible assets under development | 11 | 2,803 | 2,330 |
| (f) | Goodwill | 11 | 10,25,681 | 10,25,681 |
| (g) | Other intangible assets | 11 | 79 | 69 |
| (h) | Other non-financial assets | 10 | 32,441 | 10,457 |
| | **Total Assets** | | **50,78,770** | 52,12,248 |
| | **LIABILITIES AND EQUITY** | | | |
| | **Liabilities** | | | |
| 1 | **Financial liabilities:** | | | |
| | **Payables** | | | |
| (a) | Trade payables | | | |
| | (i) Total outstanding dues of micro and small enterprises | 12 | 39 | - |
| | (ii) Total outstanding dues of creditors other than micro and small enterprises | 12 | 14,729 | 8,026 |
| (b) | Debt securities | 13 | 5,59,476 | 5,90,594 |
| (c) | Borrowings (other than debt securities) | 14 | 21,66,926 | 24,40,954 |
| (d) | Deposits | 15 | 1,59,654 | 1,50,000 |
| (e) | Subordinated debt liabilities | 16 | 49,399 | 49,313 |
| (f) | Other financial liabilities | 17 | 11,239 | 5,369 |
| 2 | **Non- financial liabilities:** | | | |
| (a) | Current tax liabilities (net) | 18 | 78 | 78 |
| (b) | Provisions | 19 | 18,788 | 10,271 |
| (c) | Deferred tax liabilities (net) | 9 | 52,336 | - |
| (d) | Other non- financial liabilities | 20 | 951 | 4,557 |
| | **Equity** | | | |
| (a) | Equity share capital | 21 | 19,28,372 | 18,04,452 |
| (b) | Other equity | 22 | 1,16,783 | 1,48,634 |
| | **Total Liabilities and Equity** | | **50,78,770** | 52,12,248 |

Significant accounting policies — *2*

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached.

For **B S R & Co. LLP**
*Chartered Accountants*
Firm's Registration No: 101248W/W-100022

**Venkataramanan Vishwanath**
*Partner*
Membership No: 113156

Mumbai,
Date: May 11, 2020

**For and on behalf of the Board of Directors of Piramal Capital & Housing Finance Limited**

**Khushru Jijina**
*Managing Director*
DIN: 00209953

**Ajay Piramal**
*Director*
DIN: 00028116

**Sachin Deodhar**
*Chief Financial Officer*

**Bipin Singh**
*Company Secretary*

Piramal Capital & Housing Finance Limited
*(formerly known as Piramal Housing Finance Limited)*

## Standalone Statement of Profit and Loss
*for the year ended March 31, 2020*

(Currency : Rs in lakhs)

| | Note | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|---|
| **Revenue from operations** | | | |
| Interest income | 23 | 5,56,954 | 5,46,464 |
| Rental income | | 167 | 74 |
| Fees and commission income | 24 | 2,127 | 4,372 |
| Others | 25 | 1,153 | 2,032 |
| **Total Revenue from operations** | | **5,60,401** | 5,52,942 |
| Other income | 26 | 1,860 | 4,244 |
| **Total Income** | | **5,62,261** | 5,57,186 |
| **Expenses** | | | |
| Finance costs | 27 | 3,15,006 | 2,76,082 |
| Fees and commission expenses | 28 | 17,842 | 7,714 |
| Net loss on fair value changes | 29 | 5,103 | 855 |
| Impairment on financial instruments | 31 | 1,17,569 | 12,978 |
| Employee benefits expenses | 30 | 20,892 | 19,571 |
| Depreciation, amortisation and impairment | - | 3,271 | 681 |
| Other expenses | 32 | 22,391 | 18,116 |
| **Total Expenses** | | **5,02,074** | 3,35,996 |
| **Profit before exceptional items and tax** | | 60,187 | 2,21,191 |
| Exceptional items | | - | - |
| **Profit before tax** | | **60,187** | 2,21,191 |
| **Less: Tax Expenses** | | | |
| Current tax | | - | 50,460 |
| Prior year tax | | 954 | - |
| Tax effect- on account of new tax regime being opted | | 37,286 | - |
| Deferred tax | | 18,899 | 26,473 |
| | | **57,139** | 76,933 |
| **Profit for the year** | | **3,048** | 1,44,258 |
| **Other comprehensive income** | | | |
| *Items that will not be reclassified to profit or loss* | | | |
| Remeasurement of the defined benefit plan | | (5) | (159) |
| Income tax relating to items that will not be reclassified to profit or loss | | 1 | 55 |
| *Items that will be reclassified to profit or loss* | | | |
| Remeasurement gain/(loss) on hedge accounting | | (1,937) | - |
| Income tax relating to items that will be reclassified to profit or loss | | 488 | - |
| **Net other comprehensive income** | | **(1,453)** | (103) |
| **Total comprehensive income for the year** | | **1,595** | 1,44,154 |
| **Earnings per equity share (Basic and Diluted) (Rs.)** | 34 | *0.02* | *0.80* |
| Significant accounting policies | 2 | | |

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached.

**For B S R & Co. LLP**
*Chartered Accountants*
Firm's Registration No: 101248W/W-100022

**For and on behalf of the Board of Directors of Piramal Capital & Housing Finance Limited**

**Venkataraman Vishwanath**
*Partner*
Membership No: 113156

**Khushru Jijina**
*Managing Director*
DIN: 00209953

**Ajay Piramal**
*Director*
DIN: 00028116

**Sachin Deodhar**
*Chief Financial Officer*

**Bipin Singh**
*Company Secretary*

Mumbai,
Date: May 11, 2020

Piramal Capital & Housing Finance Limited
*(formerly known as Piramal Housing Finance Limited)*

## Standalone Statement of changes in equity
*for the year ended March 31, 2020*

(Currency : Rs in lakhs)

**A. Equity Share Capital:**

| Particulars | Amount |
|---|---|
| **Balance as at March 31, 2018** | - |
| Add: Issued during the year | 18,04,452 |
| **Balance as at March 31, 2019** | **18,04,452** |
| Add: Issued during the year | **1,23,920** |
| **Balance as at March 31, 2020** | **19,28,372** |

**B. Other Equity:**

| Particulars | Reserves and Surplus | | | | | Other Comprehensive Income | Total |
|---|---|---|---|---|---|---|---|
| | Equity Share Capital Suspense | Statutory Reserve | Capital Reserve | Securities Premium | Retained Earnings | Cash flow hedging reserve | |
| **Balance as at March 31, 2018** | 18,04,452 | - | 3 | - | 4,476 | - | 18,08,931 |
| Add/(Less): Transfer during the year | (18,04,452) | 28,852 | - | - | - | - | (17,75,600) |
| Add: Profit during the year | - | - | - | - | 1,44,258 | - | 1,44,258 |
| Less: Other Comprehensive Income (net of tax) | - | - | - | - | (104) | - | (104) |
| Less: Transfer to statutory reserve fund | - | - | - | - | (28,852) | - | (28,852) |
| **Balance as at March 31, 2019** | - | **28,852** | **3** | - | **1,19,778** | - | **1,48,633** |
| Add/(Less): Transfer during the year | - | 610 | - | 16,080 | - | (1,449) | 15,240 |
| Add: Reversal of lease equalisation balance | - | | - | - | 144 | - | 144 |
| Add: Profit during the year | - | - | - | - | 3,048 | - | 3,048 |
| Add: Other comprehensive income (net of tax) | - | - | - | - | (4) | - | (4) |
| Less: Dividend paid (including DDT) | - | - | - | - | (49,668) | - | (49,668) |
| Less: Transfer to statutory reserve fund | - | - | - | - | (610) | - | (610) |
| **Balance as at March 31, 2020** | - | **29,462** | **3** | **16,080** | **72,687** | **(1,449)** | **1,16,783** |

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached.

**For B S R & Co. LLP**
*Chartered Accountants*
Firm's Registration No: 101248W/W-100022

**For and on behalf of the Board of Directors of Piramal Capital & Housing Finance Limited**

**Venkataramanan Vishwanath**
*Partner*
Membership No: 113156

**Khushru Jijina**
*Managing Director*
DIN: 00209953

**Ajay Piramal**
*Director*
DIN: 00028116

**Sachin Deodhar**
*Chief Financial Officer*

**Bipin Singh**
*Company Secretary*

Mumbai,
Date: May 11, 2020

Piramal Capital & Housing Finance Limited
*(formerly known as Piramal Housing Finance Limited)*

## Standalone Cash Flow Statement
*for the year ended March 31, 2020*

(Currency : Rs in lakhs)

| | | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|---|
| A. | **Cash flow from operating activities** | | |
| | Profit before tax | 60,187 | 2,21,191 |
| | Short term capital gain on mutual fund | (1,153) | (2,032) |
| | Interest income from fixed deposits | (7,136) | (4,498) |
| | (Gain)/Loss on fair valuation | 5,102 | 855 |
| | Lease rent payment | (2,377) | - |
| | Allowance for expected credit loss on loans and loan commitments | 1,17,569 | 12,977 |
| | Finance cost on lease payment | 629 | - |
| | Provision for lease equalisation reserve | - | 92 |
| | Provision for gratuity and compensated absence | 387 | 447 |
| | Loss on financial assets | 551 | - |
| | Write off of intangible assets under development | 400 | - |
| | Depreciation and amortisation | 3,271 | 681 |
| | **Operating cash flow before working capital changes** | 1,77,430 | 2,29,713 |
| | Decrease / (Increase) in Loans | 3,20,336 | (11,57,078) |
| | Decrease/ (Increase) in Asset held for sale | - | 1,591 |
| | Decrease in Investments | 1,11,639 | 3,08,899 |
| | Decrease / (Increase) in other financials assets | 39,831 | (78,209) |
| | (Increase) in other Non financials assets | (21,984) | (8,344) |
| | Decrease in Trade Payables | 6,742 | 5,586 |
| | Decrease / (Increase) in other financials liabilities | 574 | (1,035) |
| | (Increase) /Decrease in other non financials liabilities | (3,606) | 3,098 |
| | **Cash used in operations** | 6,30,962 | (6,95,779) |
| | Less: Income taxes paid | (47,190) | (55,118) |
| | **Net cash from/ (used in) operating activities (a)** | 5,83,772 | (7,50,897) |
| B | **Cash flow from investing activities** | | |
| | Fixed assets purchased | (2,216.55) | (8,268) |
| | Investments in mutual funds | (43,92,000) | (69,56,301) |
| | Redemptions from mutual funds | 43,93,153 | 69,61,034 |
| | Interest income from fixed deposits | 6,637 | 5,851 |
| | Investment in fixed deposits | (2,69,994) | (2,405) |
| | Redemption from in fixed deposits | 2,32,889 | - |
| | **Net cash flow used in investing activities (b)** | (31,532) | (89) |
| C | **Cash flow from financing activities** | | |
| | Borrowings taken during the year | 32,82,770 | 67,29,784 |
| | Borrowings repaid during the year | (35,80,112) | (60,92,905) |
| | Dividend Paid | (49,669) | - |
| | Issue of equity shares | 1,40,000 | - |
| | **Net cash flow (used in)/from financing activities (c)** | (2,07,011) | 6,36,879 |
| | **Net increase in cash and cash equivalents (a+b+c)** | 3,45,229 | (1,14,107) |
| | Cash and cash equivalents as at beginning of the year | 41,231 | 1,55,338 |
| | Cash and cash equivalents as at end of the year (refer note 3) | 3,86,460 | 41,231 |

The notes referred to above form an integral part of the financial statements.
As per our report of even date attached.

For B S R & Co. LLP
*Chartered Accountants*
Firm's Registration No: 101248W/W-100022

**Venkataramanan Vishwanath**
*Partner*
Membership No: 113156

Mumbai,
Date: May 11, 2020

**For and on behalf of the Board of Directors of Piramal Capital & Housing Finance Limited**

**Khushru Jijina**
*Managing Director*
DIN: 00209953

**Ajay Piramal**
*Director*
DIN: 00028116

**Sachin Deodhar**
*Chief Financial Officer*

**Bipin Singh**
*Company Secretary*

## 1A. GENERAL INFORMATION

Piramal Capital & Housing Finance Limited (formerly known as Piramal Housing Finance Limited) ('the Company') was incorporated under the Companies Act, 2013 on 10 February 2017 with its registered office in Mumbai to carry on the business of housing finance in India.
The Company was registered as a non-deposit taking housing finance company with the National Housing Bank ("NHB") on 28 August 2017.

The Company was converted into a public limited company w.e.f. 17 October 2017 and consequently the name of the Company was changed from Piramal Housing Finance Private Limited to Piramal Housing Finance Limited w.e.f. the date of the certificate of Registrar of Companies ('ROC'), Mumbai.

The Company has acquired Piramal Finance Limited and Piramal Capital Limited with effect from 31 March 2018 being the appointed date. The primary activities of the acquired Companies involve lending / investing.

The name of Company was changed from Piramal Housing Finance Limited to Piramal Capital & Housing Finance Limited w.e.f. 12 Jun 2018.

The Company is a public limited company and its debts are listed on the Bombay Stock Exchange (BSE), India, and/or the National Stock Exchange (NSE), India.

## 1B. Basis of Preparation

**i) Statement of compliance and basis of preparation and presentation of financial statements**

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) and the provisions of the Companies Act, 2013 ('the Act'). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

The 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 certain financial instruments that are measured at fair values at the end of each reporting period 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.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

Company's financial statements are presented in Indian Rupees (INR), which is also its functional currency.

**ii) Basis of Accounting**

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period.

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

**iii) Use of Estimates and Judgements**

The preparation of the financial statements in conformity with Indian Accounting Standards ("Ind AS") requires the management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Accounting estimates could change from period to period. Actual results could differ from those estimates. Revisions to accounting estimates are recognised prospectively. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

Following areas entail a high degree of estimate and judgement or complexity in determining the carrying amount of some assets and liabilities.

1. Impairment of financial assets – Note 44
2. Fair Valuation of financial assets and liabilities - Note 42
3. Measurement of defined benefit obligations; key actuarial assumptions – Note 41 and
4. Impairment of Goodwill – Note 50

B S R & Co. LLP
5th Floor, Lodha Excelus, Apollo Mills Compound, N. M. Joshi Marg, Mahalaxmi, Mumbai-400011. India
Chartered Accountants

## 2. SIGNIFICANT ACCOUNTING POLICIES

### i) Property, plant and equipment

All Property, Plant and Equipment are stated at cost of acquisition, less accumulated depreciation and accumulated impairment losses, if any. Direct costs are capitalised until the assets are ready for use and includes freight, duties, taxes and expenses incidental to acquisition and installation.
The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.
Subsequent expenditures related to an item of Property, Plant and Equipment are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.
Losses arising from the retirement of, and gains or losses arising from disposal of Property, Plant and Equipment are recognised in the Statement of Profit and Loss.

Depreciation is provided on a pro-rata basis on the straight line method ('SLM') over the estimated useful lives of the assets specified in Schedule II of the Companies Act, 2013.
The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

The estimated useful lives of Property, Plant and Equipment are as stated below:

| | |
|---|---|
| Office Equipment | 5 years |
| Furniture and fixtures | 10 years |
| Computers Servers and Network | 6 years |
| Computer - End user device | 3 years |
| Leasehold Improvements | Amortised on SLM over lease tenure |

### ii) Intangible Assets

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any.
Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the disposal proceeds and the carrying amount of the asset and are recognised as income or expense in the Statement of Profit and Loss.
Intangible assets not ready for use on the date of Balance Sheet is disclosed as 'Intangible assets under development'.
Intangible Assets are amortized on a straight line basis over their finite useful lives over the following period:

| | |
|---|---|
| Computer Software | 6 years |

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Individual fixed assets costing less than Rupees five thousand are depreciated fully in the year of purchase or acquisition.
Goodwill on acquisition is included in intangible assets. Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.
Goodwill is carried at cost less accumulated impairment losses.

### iii) Impairment of non financial assets

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. For the purposes of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the Balance Sheet date there is an indication that previously assessed impairment loss no longer exists or may have decreased, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

### iv) Financial instruments

**Recognition and initial measurement**
Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.
Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

**Financial assets**
Classification
Financial assets that meet the following conditions are subsequently measured at amortised cost:
- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at fair value through Other Comprehensive Income (FVTOCI):
- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

B S R & Co. LLP
5th Floor, Lodha Excelus, Apollo Mills Compound, N. M. Joshi Marg, Mahalaxmi, Mumbai-400011. India
Chartered Accountants

## 2. SIGNIFICANT ACCOUNTING POLICIES

### i) Property, plant and equipment

All Property, Plant and Equipment are stated at cost of acquisition, less accumulated depreciation and accumulated impairment losses, if any. Direct costs are capitalised until the assets are ready for use and includes freight, duties, taxes and expenses incidental to acquisition and installation.
The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.
Subsequent expenditures related to an item of Property, Plant and Equipment are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.
Losses arising from the retirement of, and gains or losses arising from disposal of Property, Plant and Equipment are recognised in the Statement of Profit and Loss.

Depreciation is provided on a pro-rata basis on the straight line method ('SLM') over the estimated useful lives of the assets specified in Schedule II of the Companies Act, 2013.
The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

### iv) Financial instruments *(Continued)*

**Financial assets *(Continued)***

By default, all other financial assets are subsequently measured at fair value through profit and loss (FVTPL).

Debt instruments
Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Amortised cost
Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Effective interest rate method
Income is recognised on an effective interest rate basis for financial assets other than those financial assets classified as at FVTPL. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument.
The calculation of the effective interest rate includes transaction costs and fees that are an integral part of the contract. Transaction costs include incremental costs that are directly attributable to the acquisition of financial asset.
If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is recorded as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest income in the statement of profit and loss.
The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

Financial assets at fair value through profit or loss (FVTPL)
Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Changes in the fair value of financial assets at FVTPL are recognised in the statement of profit and loss.

Impairment of financial assets
Wholesale lending:
The Company applies the expected credit loss ("ECL") model for recognising impairment loss on financial assets measured at amortised cost, loan commitments, trade receivables and other contractual rights to receive cash or other financial asset.

The expected credit loss is a product of exposure at default, probability of default and loss given default. The Company has devised an internal model to evaluate the probability of default and loss given default based on the parameters set out in Ind AS 109. The Company has a dedicated Asset Monitoring team which evaluates asset performance on a continued basis to flag of early warning signals. Probability of default have been adjusted with forward looking inputs from anticipated change in future macro-economic conditions to comply with IndAS 109. The forward looking macro-economic conditions based adjustment is driven through a multi linear regression model which forecasts systemic gross non-performing assets under baseline future economic scenarios. Accordingly, the financial instruments are classified into Stage 1 – Standard Assets with zero to thirty days past due (DPD), Stage 2 – Significant Credit Deterioration or overdue between 31 to 90 days and Stage 3 – Default Assets with overdue for more than 90 days. The Company also takes into account the below qualitative parameters in determining the increase in credit risk for the financial assets:

1) Significant negative deviation in the business plan of the borrower
2) Internal rating downgrade for the borrower or the project
3) Current and expected financial performance of the borrower
4) Need for refinance of loan due to change in cash flow of the project
5) Significant decrease in the value of collateral
6) Change in market conditions and industry trends

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## 2. SIGNIFICANT ACCOUNTING POLICIES

### i) Property, plant and equipment

All Property, Plant and Equipment are stated at cost of acquisition, less accumulated depreciation and accumulated impairment losses, if any. Direct costs are capitalised until the assets are ready for use and includes freight, duties, taxes and expenses incidental to acquisition and installation.
The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.
Subsequent expenditures related to an item of Property, Plant and Equipment are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.
Losses arising from the retirement of, and gains or losses arising from disposal of Property, Plant and Equipment are recognised in the Statement of Profit and Loss.

Depreciation is provided on a pro-rata basis on the straight line method ('SLM') over the estimated useful lives of the assets specified in Schedule II of the Companies Act, 2013.
The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

### iv) Financial instruments *(Continued)*

**Financial assets *(Continued)***

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.
Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

Default assets wherein the management does not expect any realistic prospect of recovery are written off to the Statement of Profit and Loss.

Retail lending:
The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, loan commitments, trade receivables and other contractual rights to receive cash or other financial asset.

The Company uses ECL allowance for financial assets measured at amortised cost, which are not individually significant, and comprise of a large number of homogeneous loans that have similar characteristics. The expected credit loss is a product of exposure at default, probability of default and loss given default. The Company has recently started its operations and it's too early to observe actual defaults and corresponding recovery in its portfolio. Accordingly, the Company has used surrogate data from a reputed credit bureau agency for potential credit losses. Further, the estimates from the above sources have been adjusted with forward looking inputs from anticipated change in future macro-economic conditions to comply with IndAS 109. The forward looking macro-economic conditions based adjustment is driven through a multi linear regression model which forecasts systemic gross non-performing assets under baseline future economic scenarios.

The financial instruments are classified into Stage 1 – Standard Assets with zero to sixty days past due (DPD), Stage 2 – Significant Credit Deterioration or overdue for more than sixty days and Stage 3 – Default Assets with overdue for more than 90 days.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk (as represented by days past due status of the individual accounts) since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

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

Default assets wherein the management does not expect any realistic prospect of recovery are written off to the Statement of Profit and Loss.

Derecognition of financial assets
The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.
On derecognition of financial assets in entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable, is recognised in the statement of profit and loss.

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The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.
Subsequent expenditures related to an item of Property, Plant and Equipment are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.
Losses arising from the retirement of, and gains or losses arising from disposal of Property, Plant and Equipment are recognised in the Statement of Profit and Loss.

Depreciation is provided on a pro-rata basis on the straight line method ('SLM') over the estimated useful lives of the assets specified in Schedule II of the Companies Act, 2013.
The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

### iv) Financial instruments *(Continued)*

**Financial liabilities and equity instruments**

Foreign exchange gains and losses
The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. For foreign currency denominated financial assets measured at amortised cost or FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.

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

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

Financial liabilities
All financial liabilities are subsequently measured at amortised cost using the effective interest rate method or at FVTPL.

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the Company does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

Foreign exchange gains and losses
For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in profit and loss.

Derecognition of financial liabilities
The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between the Company and the lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

**Derivatives and hedging activities**

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated.

Embedded derivatives
Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

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The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.
Subsequent expenditures related to an item of Property, Plant and Equipment are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.
Losses arising from the retirement of, and gains or losses arising from disposal of Property, Plant and Equipment are recognised in the Statement of Profit and Loss.

Depreciation is provided on a pro-rata basis on the straight line method ('SLM') over the estimated useful lives of the assets specified in Schedule II of the Companies Act, 2013.
The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

### iv) Financial instruments *(Continued)*

Embedded foreign currency derivatives

Embedded foreign currency derivatives are not separated from the host contract if they are closely related. Such embedded derivatives are closely related to the host contract, if the host contract is not leveraged, does not contain any option feature and requires payments in one of the following currencies:

- the functional currency of any substantial party to that contract,
- the currency in which the price of the related good or service that is acquired or delivered is routinely denominated in commercial transactions around the world,
- a currency that is commonly used in contracts to purchase or sell non-financial items in the economic environment in which the transaction takes place (i.e. relatively liquid and stable currency)

Foreign currency embedded derivatives which do not meet the above criteria are separated and the derivative is accounted for at fair value through profit and loss. The Company currently does not have any such derivatives which are not closely related.

**Hedge accounting**

The Company designates certain hedging instruments, which include derivatives and non-derivatives in respect of foreign currency risk, as either fair value hedges, cash flow hedges, or hedges of net investments in foreign operations. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

### v) Assets held for sale

Assets comprising assets and liabilities are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.
Such assets are generally measured at the lower of their carrying amount and fair value less costs to sell. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in profit or loss.
Once classified as held-for-sale, assets and liabilities are no longer amortised or depreciated.

### vi) Employee Benefits

Employee benefits include provident fund, compensated absences and long term service awards. In case of Provident fund, contributions are made to the Regional Provident Fund Office.

**Defined Contribution Plans**

The Company's contribution to provident fund to the Regional Provident Fund office are considered as defined contribution plans, as the Company does not carry any further obligations apart from the contributions made on a monthly basis and are charged as an expense based on the amount of contribution required to be made.

**Defined Benefit Plans**

The Company contributes to Defined Benefit Plans comprising of Gratuity and Compensated absences.

Gratuity: The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

## 2. SIGNIFICANT ACCOUNTING POLICIES

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Subsequent expenditures related to an item of Property, Plant and Equipment are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.
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The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

### vii) Provisions and Contingent Liabilities

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.
Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

### viii) Revenue recognition

Interest income from a financial asset (including Lease rental discounting assets) is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Loan processing fees income is accounted for on effective interest basis. Arranger fees income is accounted for on accrual basis.

Dividend income from investments is recognised when the Company's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of dividend income can be measured reliably). The gain / loss on account of redemption of units of mutual funds is recognised in the period in which redemption occurs.

### ix) Foreign Currency Transactions

In preparing the financial statement, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

### x) Exceptional Items

When items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such items is disclosed separately as exceptional items.

### xi) Leases

**Operating Leases**

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment.
The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using incremental borrowing rate. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.
The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

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The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.
Subsequent expenditures related to an item of Property, Plant and Equipment are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.
Losses arising from the retirement of, and gains or losses arising from disposal of Property, Plant and Equipment are recognised in the Statement of Profit and Loss.

Depreciation is provided on a pro-rata basis on the straight line method ('SLM') over the estimated useful lives of the assets specified in Schedule II of the Companies Act, 2013.
The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

### xii) Taxes on Income

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.

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

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.
Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

### xiii) Cash and Cash Equivalents

In the cash flow statement, cash and cash equivalents includes cash on hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

### xiv) Borrowing Costs

Borrowing costs directly attributable to acquisition or construction of qualifying assets (i.e. those fixed assets which necessarily take a substantial period of time to get ready for their intended use) are capitalised.
Borrowing costs include interest expense calculated using the EIR method. EIR includes interest, amortization of ancillary cost, incurred in connection with the borrowing of funds. Other borrowing costs are recognised as an expense in the period in which they are incurred.

### xv) Earnings per share

Basic earnings per share
The basic earnings per share is computed by dividing the net profit attributable to the equity shareholders by weighted average number of equity shares outstanding during the reporting year.

Diluted earnings per share
Number of equity shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also weighted average number of equity shares which would have been issued on the conversion of all dilutive potential shares. In computing diluted earnings per share only potential equity shares that are dilutive are included.

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(Currency : Rs in lakhs)

| | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **3 Cash and cash equivalents** | | |
| Cash on hand | 1 | - |
| Balances with banks in current accounts | 1,24,582 | 41,031 |
| Cheques, drafts on hand | 1,56,877 | - |
| Fixed deposits (with maturity less than 3 months) | 1,05,000 | 200 |
| **Total** | **3,86,460** | 41,231 |

| | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **4 Bank balances other than (a) above** | | |
| Earmarked balances with banks* | 39,510 | 2,405 |
| **Total** | **39,510** | 2,405 |

*(Deposits with banks to the extent of Rs.22,105 lakhs held as security against the borrowings and guarantees)

| | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **5 Loans** | | |
| **Loans within India** | | |
| **Term loan to borrowers - at amortised cost** | | |
| - Secured by tangible assets, considered good | 24,49,499 | 30,70,471 |
| Less: Allowance for impairment loss (expected credit loss allowance) | (88,660) | (39,498) |
| **Term loan to borrowers - at FVTPL** | | |
| - Secured by tangible assets, considered good | 59,425 | 29,295 |
| **Term loan to borrowers - at amortised cost to related party** | | |
| - Unsecured, considered good | 1,39,500 | - |
| **Term loan to borrowers - at amortised cost** | | |
| - Unsecured, considered good | 52,834 | - |
| Less: Allowance for impairment loss (expected credit loss allowance) | (2,524) | - |
| **Term loan to borrowers - at amortised cost** | | |
| - Significant increase in Credit Risk | 54,172 | 20,741 |
| Less: Allowance for impairment loss (expected credit loss allowance) | (15,453) | (2,486) |
| **Term loan to borrowers - at amortised cost** | | |
| - Credit impaired | 53,036 | 13,956 |
| Less: Allowance for impairment loss (expected credit loss allowance) | (18,578) | (8,747) |
| **Total** | **26,83,251** | 30,83,732 |

**Note:**
During the current and prior reporting periods, there was no change in the business model under which the Company holds financial assets and therefore no reclassifications were made.

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(Currency : Rs in lakhs)

## 6 Investments

| | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **Investments within India** | | |
| **Measured at Amortised Cost** | | |
| **Quoted Investments (at fully paid)** | | |
| Redeemable Non Convertible Debentures | 53,481 | 72,642 |
| **Total** | **53,481** | 72,642 |
| **Measured at Amortised Cost** | | |
| **Unquoted Investments (at fully paid)** | | |
| Redeemable Non Convertible Debentures | 6,06,101 | 8,80,903 |
| Less: Allowance for impairment loss (expected credit loss allowance) | (50,828) | (15,877) |
| **Total** | **5,55,273** | 8,65,026 |
| **Instruments at Fair Value through Profit & Loss** | | |
| Project Receivables | 1,65,830 | - |
| Redeemable Non Convertible Debentures | 31,753 | 15,258 |
| **Total** | **1,97,583** | 15,258 |
| **Total Investments** | **8,06,337** | 9,52,926 |
| Aggregated book value of quoted investments | **53,481** | 87,900 |
| Aggregated market value of quoted investments | **53,481** | 87,900 |
| Aggregated book value of unquoted investments | **8,03,684** | 8,80,903 |

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(Currency : Rs in lakhs)

| | | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|---|
| **7** | **Other financial assets** | | |
| | Interest receivable | 542 | 43 |
| | Security deposits | 38,865 | 79,809 |
| | Other receivable | - | 667 |
| | Forward Contract Receivable (refer note 45) | 1,784 | - |
| | To related parties | | |
| | *Unsecured, considered good* | | |
| | Piramal Securities Limited | - | 18 |
| | PHL Fininvest Private Limited | 13 | |
| | **Total other financial asset** | **41,204** | 80,537 |
| **8** | **Current tax assets (Net)** | | |
| | Advance Tax (net of Provision of Rs.145,945/-, 31 March 2019 Rs.94,531/-) | 52,561 | 6,325 |
| | **Total current tax assets (net)** | **52,561** | 6,325 |

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| | | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|---|
| 9 | **Deferred tax** | | |
| | Deferred tax assets (net) | - | 3,359 |
| | Deferred tax liabilities (net) | (52,336) | - |
| | | (52,336) | 3,359 |

| Particulars | Opening balance as at March 31, 2019 | Recognised in profit or loss | Recognised in Other Comprehensive Income | Closing balance as at March 31, 2020 |
|---|---|---|---|---|
| **Movement in deferred tax assets:** | | | | |
| Depreciation on property, plant and equipment | 86 | 56 | - | 142 |
| Depreciation on intangible assets | (1,24,204) | (7,442) | - | (1,31,646) |
| Preliminary Expenses | 58 | (30) | - | 28 |
| Provision for compensated absence | 233 | (31) | - | 202 |
| Provision for Gratuity | 318 | (25) | (1) | 292 |
| Provision on loans and investments as per ECL | 25,476 | 22,466 | - | 47,942 |
| Business Loss | 4,998 | (4,998) | - | - |
| Unabsorbed depreciation | 44,672 | (14,026) | - | 30,646 |
| Lease straightlining | 50 | (50) | - | - |
| (Gain)/loss on fair valuation | (43) | 1,328 | - | 1,285 |
| Net fair value changes on foreign currency loan | 0 | 488 | - | 488 |
| Deferrement of interest income due to EIR | 5,566 | (2,172) | - | 3,394 |
| Deferrement of interest expense due to EIR | (4,120) | (1,888) | - | (6,008) |
| Unamortised Processing fees paid to Piramal Enterprises Limited | (1,104) | 641 | - | (463) |
| Stamp duty on Amalgamation allowable u/s 35DD | 914 | (475) | - | 439 |
| MAT Credit Entilement | 50,460 | (50,460) | - | 0 |
| Expenses that are allowed on payment basis | - | 831 | | 831 |
| Lease Liabilites | - | 1,368 | - | 1,368 |
| Right of Use assets | - | (1,276) | - | (1,276) |
| | 3,359 | (55,695) | (1) | (52,336) |

| Particulars | Opening balance as at March 31, 2018 | Recognised in profit or loss | Recognised in Other Comprehensive Income | Closing balance as at March 31, 2019 |
|---|---|---|---|---|
| **Movement in deferred tax assets:** | | | | |
| Depreciation on property, plant and equipment | 16 | 70 | - | 86 |
| Depreciation on intangible assets | (44,500) | (79,704) | - | (1,24,204) |
| Preliminary Expenses | 92 | (34) | - | 58 |
| Provision for compensated absence | 124 | 109 | - | 233 |
| Provision for Gratuity | 207 | 56 | 55 | 318 |
| Provision on loans and investments as per ECL | 20,939 | 4,537 | - | 25,476 |
| Business Loss | 44,550 | (39,552) | - | 4,998 |
| Unabsorbed depreciation | 443 | 44,229 | - | 44,672 |
| Lease straightlining | 13 | 37 | - | 50 |
| Gain on fair valuation | (342) | 299 | - | (43) |
| Net fair value changes on foreign currency loan | (414) | 414 | - | 0 |
| Deferrement of interest income due to EIR | 9,956 | (4,391) | - | 5,566 |
| Deferrement of interest expense due to EIR | (1,308) | (2,813) | - | (4,120) |
| Unamortised Processing fees paid to Piramal Enterprises Limited | - | (1,104) | - | (1,104) |
| Stamp duty on Amalgamation allowable u/s 35DD | - | 914 | - | 914 |
| MAT Credit Entilement | - | 50,460 | - | 50,460 |
| | **29,776** | **(26,473)** | 55 | **3,359** |

| | | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|---|
| 10 | **Other non-financial assets** | | |
| | Capital advance | - | 828 |
| | Cenvat credit receivable | 7,448 | 3,572 |
| | Prepaid expenses | 1,969 | 370 |
| | Advance for expenses | 3,297 | 10 |
| | Advance processing fees paid | 19,727 | 5,677 |
| | **Total other non-financial assets** | **32,441** | 10,457 |

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(Currency : Rs in lakhs)

## 11 Property, plant and equipment, Intangible Assets and Intangibles under development

| Particulars | Cost | | | | Accumulated Depreciation / Amortisation | | | | Net Carrying Amount |
|---|---|---|---|---|---|---|---|---|---|
| | Opening As at April 1, 2019 | Additions during the year | Deduction/ write offs | As at March 31, 2020 (A) | Opening As at April 1, 2019 | Charge for the year | Deduction/ write offs | As at March 31, 2020 (B) | As at March 31, 2020 (A-B) |
| **Tangible Assets** | | | | | | | | | |
| Land & Building | 30 | - | - | 30 | - | - | - | - | 30 |
| Office Equipment | 512 | 168 | - | 680 | 98 | 127 | - | 225 | 455 |
| Computer | 571 | 158 | 16 | 711 | 171 | 237 | 9 | 399 | 312 |
| Computer Server | 298 | 73 | - | 371 | 52 | 60 | - | 112 | 259 |
| Furniture | 297 | 6 | - | 303 | 39 | 30 | - | 69 | 234 |
| Motor Car | 239 | - | - | 239 | 19 | 24 | - | 43 | 197 |
| Leasehold Improvements | 2,007 | 921 | - | 2,929 | 381 | 663 | - | 1,043 | 1,886 |
| Right to Use Assets | - | 8,562 | 1,726 | 6,836 | - | 2,115 | 349 | 1,765 | 5,071 |
| **Total (I)** | 3,956 | 9,887 | 1,742 | 12,099 | 760 | 3,254 | 358 | 3,656 | 8,444 |
| **Intangible Asset** | | | | | | | | | |
| Goodwill on amalgamation | 10,25,681 | | - | 10,25,681 | - | - | - | - | 10,25,681 |
| Computer software | 75 | 26 | - | 101 | 6 | 16 | - | 22 | 79 |
| **Total (II)** | 10,25,755 | 26 | - | 10,25,781 | 6 | 16 | - | 22 | 10,25,760 |
| **Intangibles under development (III)** | 2,330 | 873 | 400 | 2,803 | - | - | - | - | 2,803 |
| **Grand Total (I+II+III)** | 10,32,041 | 10,786 | 2,142 | 10,40,684 | 766 | 3,270 | 358 | 3,678 | 10,37,006 |

| Particulars | Cost | | | | Accumulated Depreciation / Amortisation | | | | Net Carrying Amount |
|---|---|---|---|---|---|---|---|---|---|
| | Opening As at April 1, 2018 | Additions during the year | Deduction/ write offs | As at March 31, 2019 (A) | Opening As at April 1, 2018 | Charge for the year | Deduction/ write offs | As at March 31, 2019 (B) | As at March 31, 2019 (A-B) |
| **Tangible Assets** | | | | | | | | | |
| Land and Building | 30 | - | - | 30 | - | - | - | - | 30 |
| Office Equipment | 180 | 332 | - | 512 | 12 | 86 | - | 98 | 414 |
| Computer | 266 | 316 | 10 | 571 | 28 | 145 | 2 | 171 | 400 |
| Computer Server | 142 | 156 | - | 298 | 10 | 42 | - | 52 | 246 |
| Furniture | 286 | 11 | - | 297 | 10 | 29 | - | 39 | 258 |
| Motor Car | - | 239 | - | 239 | - | 19 | - | 19 | 221 |
| Leasehold Improvements | 560 | 1,447 | - | 2,007 | 26 | 355 | - | 381 | 1,627 |
| Other income | | | | | | | | | |
| **Total (I)** | 1,464 | 2,503 | 10 | 3,956 | 86 | 675 | 2 | 760 | 3,196 |
| **Intangible Asset** | | | | | | | | | |
| Goodwill on amalgamation | 10,21,429 | 4,252 | - | 10,25,681 | - | - | - | - | 10,25,681 |
| Computer software | 29 | 45 | - | 75 | - | 6 | - | 6 | 69 |
| **Total (II)** | 10,21,458 | 4,296 | - | 10,25,755 | - | 6 | - | 6 | 10,25,749 |
| **Intangibles under development (III)** | 1,690 | 640 | - | 2,330 | - | - | - | - | 2,330 |
| **Grand Total (I+II+III)** | 10,24,612 | 7,439 | 10 | 10,32,041 | 86 | 681 | 2 | 766 | 10,31,276 |

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| | | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|---|
| **12** | **Trade payables** | | |
| (i) | Total outstanding dues of micro enterprises and small enterprises | 39 | - |
| (ii) | Total outstanding dues of creditors other than micro enterprises and small enterprises | 10,900 | 2,753 |
| (iii) | Trade payables to related parties (refer note 40) | 3,829 | 5,273 |
| | **Total** | **14,768** | 8,026 |
| **13** | **Debt Securities** | | |
| | **Debt securities in India** | | |
| | **Measured at amortised cost** | | |
| | Redeemable Non Convertible Debentures (secured) | 5,59,476 | 5,90,594 |
| | **Total** | **5,59,476** | 5,90,594 |
| **14** | **Borrowings (Other than Debt Securities)** | | |
| | **Borrowings in India** | | |
| | **Measured at amortised cost** | | |
| | Term Loans (secured) | | |
| | -From banks | 15,41,212 | 16,66,049 |
| | -FCNR Loan | 56,794 | - |
| | -From others | 2,04,525 | 50,074 |
| | **Working capital demand loan/short term borrowings (secured)** | | |
| | -From banks | 2,44,395 | 2,26,103 |
| | -From others | 1,20,000 | - |
| | Commercial Paper (unsecured) | - | 4,98,728 |
| | **Total** | **21,66,926** | 24,40,954 |
| **15** | **Deposits** | | |
| | **Deposits in India** | | |
| | **Measured at amortised cost** | | |
| | Intercorporate deposit from related party (Unsecured) | 1,59,654 | - |
| | Intercorporate deposit from Others (Secured) | - | 1,50,000 |
| | **Total** | **1,59,654** | 1,50,000 |
| **16** | **Subordinated Liabilities** | | |
| | **Subordinated Liabilities in India** | | |
| | **Measured at amortised cost** | | |
| | Redeemable Non Convertible Debentures (unsecured) | 49,399 | 49,313 |
| | **Total** | **49,399** | 49,313 |

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(Currency : Rs in lakhs)

### 13. Borrowings

**A. Redeemable Non Convertible Debentures (secured)**

| Particulars | Nature of Security | Terms of repayment | Principal Outstanding as at March 31, 2020 | Principal Outstanding as at March 31, 2019 | Maturity Due Date | First Instalment payment date |
|---|---|---|---|---|---|---|
| 250 (payable annually) 8.50% Secured , Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each having face value of Rs. 10,00,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCD's are repayable after 1093 days from the date of allotment. | - | 2,500 | 22-Nov-19 | NA |
| 50 (payable annually) 8.95% Secured Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each having face value of Rs. 10,00,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCD's are repayable after 2555 days from the date of allotment. | 500 | 500 | 08-Mar-24 | NA |
| 2,000 (payable on maturity) 8.85% Secured Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each having face value of Rs. 1,000,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCD's are repayable after 1152 days from the date of allotment | 20,000 | 20,000 | 25-May-20 | NA |
| 1,500 (payable annually) 9.05% Secured Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each having face value of Rs. 1,000,000 ; with 50% partly paid and issued | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCD's are repayable after 1093 days from the date of allotment ; with a put option | - | 10,000 | 09-Aug-19 | NA |
| 4400 (payable on maturity) 8.85% Secured, Rated, Listed, redeemable Non Convertible Debentures (NCD's) each having a face value of Rs 1000000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCD's are repayable after 1154 days from the date of allotment | 44,000 | 44,000 | 03-Jun-20 | NA |
| 500 (payable annually) 8.50% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1000000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCD's are repayable after 729 days from the date of allotment | - | 5,000 | 19-Apr-19 | NA |
| 250 (payable annually) 8.75% Secured, Rated, Listed , Redeemable Non Convertible Debentures (NCD's) each having a face value of Rs. 1000000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCD's are repayable after 2556 days from the date of allotment | 2,500 | 2,500 | 03-May-24 | NA |
| 500 (payable annually) 8.50% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1000000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCD's are repayable after 729 days from the date of allotment | - | 5,000 | 07-Jun-19 | NA |
| 500 (payable annually) 8.50% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1000000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCD's are repayable after 729 days from the date of allotment | - | 5,000 | 07-Jun-19 | NA |
| 250 (payable annually) 8.50% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of face value Rs 1000000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCD's are repayable after 729 days from the date of allotment | - | 2,500 | 07-Jun-19 | NA |
| 150 (payable annually) 8.50% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of face value Rs 1000000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCD's are repayable after 729 days from the date of allotment | - | 1,500 | 07-Jun-19 | NA |
| 500 (payable annually) 8.50% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1000000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCDs are repayable after 728 days from the date of allotment | - | 5,000 | 14-Jun-19 | NA |
| 950 (payable annually) 8.35% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1000000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCD's are repayable after three years from the date of allotment | 9,500 | 9,500 | 14-Jul-20 | NA |
| 5250 (payable annually) 9.05% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCDs) each of face value Rs1000000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCD's are repayable after 725 days from the date of allotment | - | 20,000 | 09-Aug-19 | NA |
| 500 (payable annually) 8.35% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1000000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCD's are repayable after three years from the date of allotment | 5,000 | 5,000 | 04-Aug-20 | NA |
| 500 (payable annually) 8.35% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1000000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCD's are repayable after three years from the date of allotment | 5,000 | 5,000 | 04-Aug-20 | NA |

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Piramal Capital & Housing Finance Limited
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**Notes to the Financial Statements (Continued)**
*as at March 31, 2020*

(Currency : Rs in lakhs)

| | | | | | | |
|---|---|---|---|---|---|---|
| 250 (payable annually) 8.35% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1000000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCD's are repayable after three years from the date of allotment | 2,500 | 2,500 | 04-Aug-20 | NA |
| 5000 (payable annually) 8.07% Secured, Rated , Listed, Redeemable Non Convertible Debentures (NCD's) each having a face value of Rs. 1000000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCDs are repayable after 1096 days from the deemed date of allotment | 50,000 | 50,000 | 25-Sep-20 | NA |
| 1250 (payable annually) 8.10% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of face value Rs 1000000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCDs are repayable after 1096 days from the date of allotment | 12,500 | 12,500 | 29-Sep-20 | NA |
| 5000 (payable monthly) 7.96% Secured, Rated , Listed, Redeemable Non Convertible Debentures (NCD's) each having a face value of Rs. 1000000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCDs are redeemable at par in three instalments : 8th year-167 crore; 9th year-167crore; 10th year-166 crore | 50,000 | 50,000 | 20-Sep-27 | 19-Sep-25 |
| 150 (payable annually) 7.96% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1000000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCDs are repayable after 1094 days from the date of allotment | 1,500 | 1,500 | 06-Nov-20 | NA |
| 1000 (payable annually) 7.96% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1000000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCDs are repayable after 1094 days from the date of allotment | 10,000 | 10,000 | 06-Nov-20 | NA |
| 350 (payable annually) 9.25% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1000000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCDs are repayable after 2555 days from the date of allotment | 3,500 | 3,500 | 03-Oct-25 | NA |
| 250 (payable annually) 9.75% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1000000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCDs are repayable after 1826 days from the date of allotment | 2,500 | 2,500 | 02-Nov-23 | NA |
| 5000 (payable annually) 9.27% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1000000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCDs are redeemable at par in three instalments : 8th year-167 crore; 9th year-167crore; 10th year-166 crore | 50,000 | 50,000 | 19-Dec-28 | 18-Dec-26 |
| 6500 (payable annually) 9.50% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1000000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCD's are repayable after three years and three months from the date of allotment | 65,000 | 65,000 | 15-Apr-22 | NA |
| 1000 (payable annually) 9.50% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1000000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCD's are repayable after three years three months and fourteen days from the date of allotment | 5,000 | 10,000 | 29-Apr-22 | NA |
| 500 (payable annually) 9.50% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1000000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCD's are repayable after three years and three months from the date of allotment | - | 5,000 | 21-Apr-22 | NA |

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(Currency : Rs in lakhs)

| | | | | | | |
|---|---|---|---|---|---|---|
| 2000 (payable annually) 9.50% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1000000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCD's are repayable after three years three months and fourteen days from the date of allotment | - | 20,000 | 06-May-22 | NA |
| 5000 (payable annually) 9.51% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1000000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCD's are repayable after eight years from the date of allotment | 50,000 | 50,000 | 11-Mar-27 | NA |
| 5000 (payable annually) 9.51% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1000000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCD's are repayable after Nine years from the date of allotment | 50,000 | 50,000 | 10-Mar-28 | NA |
| 5000 (payable annually) 9.51% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1000000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCD's are repayable after Ten years from the date of allotment | 50,000 | 50,000 | 09-Mar-29 | NA |
| 900 (payable semi annually) 10% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCD's are repayable after 53 months from the date of allotment | 9,000 | - | 08-Nov-23 | NA |
| 900 (payable semi annually) 10% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCD's are repayable after 65 months from the date of allotment | 9,000 | - | 08-Nov-24 | NA |
| 1500 (payable annually) 9.5% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCD's are repayable after 3 years from the date of allotment | 15,000 | - | 16-Sep-22 | NA |
| 1500 (payable annually) 9.5% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCD's are repayable after 3 years from the date of allotment | 15,000 | - | 16-Sep-22 | NA |

The rate of interest for the above loans are in the range of 7.96% to 10% per annum

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*(formerly known as Piramal Housing Finance Limited)*

**Notes to the Financial Statements (Continued)**
*as at March 31, 2020*

(Currency : Rs in lakhs)

**14. Borrowings (Other than Debt Securities)**

**B. 1. Rupee Term Loan from Banks**

| Nature of Security | Terms of repayment | Principal Outstanding as at March 31, 2020 | Principal Outstanding as at March 31, 2019 | Maturity Due Date | First Instalment payment date |
|---|---|---|---|---|---|
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | Repayable quarterly instalments starting after twelve months from initial drawdown date | - | 625 | 31-Jul-19 | 31-Oct-15 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | Repayable quarterly instalments starting after twelve months from initial drawdown date | - | 1,000 | 20-Feb-20 | 20-Feb-19 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | Repayable quarterly instalments starting after twelve months from initial drawdown date | - | 750 | 04-Mar-20 | 04-Jun-19 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | Repayable in ten equal half yearly instalments with moratorium period of one year from drawdown date | 2,500 | 7,500 | 17-Jun-20 | 17-Dec-17 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | Repayable in twelve equal quarterly instalments commencing from 27 month of drawdown date | 18,750 | 25,000 | 15-Mar-22 | 30-Jun-19 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | Repayable in twelve equal monthly instalments after the moratorium period of 24 month from the date of drawdown | - | 25,000 | 26-Mar-20 | 26-Apr-19 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | Repayable in ten equal quarterly instalments commencing from 21st month from date of drawdown | 32,199 | 60,000 | 30-Mar-21 | 31-Dec-18 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | Repayable in three years from drawdown date | - | 20,000 | 06-Mar-20 | NA |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | Repayable in three years from drawdown date | 50,000 | 50,000 | 30-Jun-20 | NA |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | Repayable in twelve quarterly instalments Commencing from 24th month from date of drawdown | 75,000 | 1,25,000 | 09-Mar-22 | 09-Jun-19 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | Repayable in half yearly instalments Commencing from one year from date of drawdown | 5,000 | 8,333 | 26-Apr-21 | 26-Oct-18 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | Repayable in half yearly instalments Commencing from one year from date of drawdown | 2,500 | 4,167 | 26-Apr-21 | 26-Oct-20 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | Repayable in three years from drawdown date | 20,000 | 20,000 | 18-Sep-20 | NA |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | Repayable in eight equal quarterly instalments commencing after the moratorium period of two years from the date of drawdown | 12,500 | 20,000 | 17-Sep-21 | 18-Dec-19 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | Repayable in six equal quarterly instalments commencing from 7 quarter of date of drawdown | 10,000 | 30,000 | 25-Sep-20 | 21-Jun-19 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | Repayable in twelve equal quarterly instalments commencing from 25 months from date of drawdown | 8,333 | 10,000 | 27-Jun-22 | 30-Sep-19 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | Repayable in twelve quarterly instalments Commencing from 24th month of date of drawdown | 25,000 | 25,000 | 09-Mar-22 | 09-Jun-19 |

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**Notes to the Financial Statements (Continued)**
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(Currency : Rs in lakhs)

| | | | | | |
|---|---|---|---|---|---|
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | Repayable in ten equal quarterly instalments commencing from 21st month from date of drawdown | 6,616 | 12,500 | 02-Aug-21 | 02-May-19 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | Repayable in eight equal quarterly instalments commencing from 15th month from date of drawdown | 1,250 | 3,750 | 18-Aug-20 | 16-Nov-18 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | Repayable in sixteen quarterly instalments with a holiday period of 1 year from the drawdown date. | 31,250 | 43,750 | 28-Aug-22 | 28-Mar-19 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | Repayable in twelve equal monthly instalments after the moratorium period of 24 months from the drawdown date | 8,331 | 20,000 | 31-Aug-20 | 31-Aug-19 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | Repayable in ten equal quarterly instalments starting from 21st month from drawdown date | 39,699 | 75,000 | 24-Sep-21 | 26-Jun-19 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | Repayable in eight half yearly instalments commencing after initial moratorium period of 12 months | 11,250 | 13,125 | 30-Sep-22 | 26-Mar-19 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | Repayable in twelve monthly instalments, first 11 of 20.83 crore each and the 12th instalment of 20.87 crore post holiday period of 24 months from drawdown date | 12,500 | 25,000 | 18-Sep-20 | 18-Oct-19 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | Repayable in three years from drawdown date | 10,000 | 10,000 | 18-Sep-20 | NA |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | Repayable in eight half yearly instalments commencing after 12th month from the drawdown date | 3,750 | 4,375 | 30-Sep-22 | 26-Mar-19 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | Repayable in ten quarterly instalments commencing from 21st month from the date of drawdown | 10,940 | 15,000 | 06-Oct-21 | 06-Jul-19 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | Repayable in eight equal quarterly instalments commencing after a moratorium of 2 years from the date of drawdown | 10,000 | 10,000 | 17-Sep-21 | 18-Dec-19 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | Repayable in twelve equal monthly instalments commencing after a moratorium period of 24 months from the date of drawdown | - | 5,000 | 30-Nov-20 | 31-Dec-19 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | Repayable in twelve equal monthly instalments commencing after a moratorium period of 24 months from the date of drawdown | 12,500 | 15,000 | 30-Nov-20 | 31-Dec-19 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | Repayable in ten quarterly instalments commencing from 21st month from the date of drawdown | 4,720 | 7,500 | 21-Dec-21 | 21-Sep-19 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | Repayable in ten quarterly instalments commencing from 21st month from the date of drawdown | 9,440 | 15,000 | 27-Dec-21 | 27-Sep-19 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | Repayable in four equal quarterly instalments commencing from 13th month of drawdown date | - | 18,750 | 28-Dec-19 | 28-Mar-19 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | Repayable in sixteen equal quarterly instalments commencing from 13th month of drawdown date | 37,500 | 46,875 | 28-Dec-22 | 28-Nov-18 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | Repayable in twelve equal monthly instalments commencing after moratorium of 24 months from the date of drawdown | 8,233 | 10,000 | 30-Nov-20 | 31-Dec-19 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | Repayable in ten quarterly instalments commencing from 21st month from the date of drawdown. | 27,349 | 37,500 | 11-Feb-22 | 11-Nov-19 |

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**Notes to the Financial Statements (Continued)**
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(Currency : Rs in lakhs)

| | | | | | |
|---|---|---|---|---|---|
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | Repayable in nineteen quarterly instalments commencing after a moratorium period of 3 months from the date of drawdown | 12,632 | 16,842 | 28-Feb-23 | 31-Aug-18 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | Repayable in six equal half yearly instalments with moratorium period of one year from drawdown date | 25,000 | 30,000 | 31-Mar-22 | 30-Sep-19 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | Repayable in twelve equal monthly instalments commencing post moratorium period of 2 years from the drawdown date | 5,000 | 5,000 | 28-Feb-21 | 31-Mar-20 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | Repayable in eight quarterly instalments commencing after a moratorium period of 12 months from the date of first disbursement | 18,750 | 30,000 | 26-Mar-21 | 28-Jun-19 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | Repayment in equal half yearly instalments | 6,250 | 8,750 | 20-Apr-22 | 20-Oct-18 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | Repayable in two years from drawdown date | 20,000 | 20,000 | 26-Jun-20 | 26-Jun-20 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | Repayable in 18 months from drawdown date | - | 25,000 | 30-Jan-20 | NA |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | Repayable in three years from drawdown date | 30,000 | 30,000 | 10-Aug-21 | NA |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | Repayable in 18 months from drawdown date | - | 10,000 | 21-Mar-20 | NA |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | Repayable in 18 months from drawdown date | - | 10,000 | 25-Mar-20 | NA |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | Repayable in 18 months from drawdown date | - | 10,000 | 27-Mar-20 | NA |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | Repayable in 18 months from drawdown date | - | 7,500 | 24-Mar-20 | NA |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | Repayment of principle to be repaid in 18 quarterly instalment after moratorium period of 6 months from the date of 1st drawdown | 1,66,667 | 2,00,000 | 31-Oct-23 | 31-Jul-19 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | Repayment of principle to be repaid in 12 quarterly instalment of Rs. 41.67 Crs after moratorium period of 6 months from the date of 1st drawdown | 37,499 | 50,000 | 26-May-22 | 26-Aug-19 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | Repayment of principle to be repaid in 16 quarterly instalment of Rs. 6.23 Crs after moratorium period of 3 months from the date of 1st drawdown | 16,250 | 20,000 | 27-Mar-23 | 27-Jun-19 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | Repayable in 10 months from 21 month of each drawdown date | 34,687 | 46,874 | 29-Dec-22 | 29-Jan-19 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | Repayable in 6 equal semi annual instalment after 12 months from drawdown date | 20,000 | 20,000 | 31-Dec-22 | 30-Jun-20 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | Repayable in 18 months from drawdown date | - | 40,500 | 07-Jul-20 | NA |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | Repayable in 35 months from drawdown date | 16,600 | 25,000 | 31-Dec-21 | 29-Feb-20 |

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**Notes to the Financial Statements (Continued)**
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(Currency : Rs in lakhs)

| | | | | | | |
|---|---|---|---|---|---|---|
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | Repayment of principle to be repaid in 47 equal monthly instalment of Rs. 10.41 Crs and Rs. 10.73Crs on 48th instalment after drawdown | 35,729 | 48,958 | 02-Feb-23 | 02-Mar-19 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | Repayable in 18 months from drawdown date | - | 15,900 | 04-Mar-20 | NA |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | Repayable in 24 months from drawdown date | - | 25,000 | 19-Feb-21 | NA |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | Repayable in 15 months from drawdown date | - | 10,000 | 09-Jun-20 | NA |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | Repayable in 15 months from drawdown date | - | 10,000 | 10-Jun-20 | NA |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | Repayable in 15 months from drawdown date | - | 10,000 | 11-Jun-20 | NA |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | Repayment of Principle to be repaid in 12 equal quarter instalment of Rs. 25 Crs after moratorium period of the 2 years from the date of drawdown | 30,000 | 30,000 | 31-Mar-24 | 30-Jun-21 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | Repayable in 4 year from drawdown date | 9,411 | 10,000 | 26-Mar-23 | 26-Sep-20 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | Repayable in 15 months from drawdown date | - | 20,000 | 25-Jun-20 | NA |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | Repayable in 15 months from drawdown date | - | 25,000 | 26-Jun-20 | NA |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | Repayable in 13 months from drawdown date | - | 25,000 | 28-Apr-20 | NA |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | Repayable in 13 months from drawdown date | - | 10,000 | 29-Apr-20 | NA |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | Repayable in 84 months from drawdown date | 67,500 | - | 17-May-26 | 17-Jun-19 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | Repayable in 24 months from drawdown date | 23,000 | - | 28-Jun-21 | NA |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | Repayable in 472 days from drawdown date | 25,000 | - | 05-Oct-20 | NA |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | Repayable in 472 days from drawdown date | 20,000 | - | 05-Oct-20 | NA |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | Repayable in 18 months from drawdown date | 23,000 | - | 08-Jan-21 | NA |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | Repayable in 60 months from drawdown date | 50,000 | - | 24-Sep-24 | 24-Jun-20 |

(Currency : Rs in lakhs)

| | | | | | |
|---|---|---|---|---|---|
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | Repayable in 60 months in 9 equal half yearly installments commencing after initial moratorium of 6 months | 30,000 | - | 19-Sep-24 | 19-Sep-20 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | Repayable in 18 months from drawdown date | 11,500 | - | 28-May-21 | NA |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | Repayable in 60 months from drawdown date | 50,000 | - | 30-Sep-24 | NA |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | Repayable in 60 months from drawdown date | 40,000 | - | 26-Dec-24 | 26-Mar-21 |
| Specific loan cash flows & underlying that are part of the PTC pool | Repayable in 194 months from drawdown date | 18,415 | - | 31-Aug-35 | 11-Oct-19 |
| Specific loan cash flows & underlying that are part of the Assignment pool | Repayable in 362 months from drawdown date | 33,475 | - | 20-Jul-49 | 20-Nov-19 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | Repayable in 85 months from drawdown date | 50,000 | - | 31-Jan-27 | 31-Jan-27 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | Repayable in 18 months from drawdown date | 17,500 | - | 06-Jul-21 | 06-Jul-21 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | Repayable in 24 months from drawdown date | 2,400 | - | 20-Jan-22 | 20-Jan-22 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | Repayable in 18 months from drawdown date | 15,900 | - | 03-Sep-21 | 03-Sep-21 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | Repayable in 24 months from drawdown date | 25,000 | - | 04-Mar-22 | 04-Mar-22 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | Repayable in 60 months from drawdown date | 5,000 | - | 13-Mar-25 | 13-Jun-21 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | Repayable in 18 months from drawdown date | 30,000 | - | 16-Sep-21 | 16-Sep-21 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | Repayable in 85 months from drawdown date | 20,000 | - | 31-Mar-27 | 17-Jun-22 |

The rate of interest for the above loans are in the range of 8.35% to 10.65% per annum

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**Notes to the Financial Statements (Continued)**
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(Currency : Rs in lakhs)

**14. Borrowings (Other than Debt Securities)**

**B.2. Foreign Currency Non Repatriable Loans:**

| Nature of Security | Terms of repayment | Principal Outstanding as at March 31, 2020 | Principal Outstanding as at March 31, 2019 | Maturity Due Date | First Instalment payment date |
|---|---|---|---|---|---|
| First pari-passu charge on the standard assets including receivables present and future | Repayable in 65 months from drawdown date | 26,132 | - | 08-Nov-24 | NA |
| First pari-passu charge on the standard assets including receivables present and future | Repayable in 53 months from drawdown date | 26,132 | - | 08-Nov-23 | NA |

The rate of interest for the above loans is 9.30% per annum

**B.3. Term Loan from others:**

| Nature of Security | Terms of repayment | Principal Outstanding as at March 31, 2020 | Principal Outstanding as at March 31, 2019 | Maturity Due Date | First Instalment payment date |
|---|---|---|---|---|---|
| First pari-passu charge by way of hypothecation created over secured assets | Repayable in five equal quarterly instalments commencing 24 Month from the date of first disbursement | - | 10,000 | 29-Jul-19 | 29-Jul-18 |
| First pari-passu charge by way of hypothecation created over secured assets | Repayable in 378 days from drawdown date | - | 20,000 | 04-Oct-19 | NA |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book | Repayment at end of 10th month Rs. 30 crs, 11th month Rs. 50crs and 12 month Rs. 120 crs | - | 20,000 | 19-Feb-20 | 19-Dec-19 |
| Specific loan cash flows & underlying that are part of the PTC pool | Repayable in 30 months from drawdown date | 1,41,402 | - | 15-Feb-22 | 15-Oct-19 |
| Specific loan cash flows & underlying that are part of the PTC pool | Repayable in 240 months from drawdown date | 57,710 | - | 20-Jun-39 | 20-Nov-19 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book | Repayable in 365 days from drawdown date | 5,000 | - | 30-Jul-20 | NA |

The rate of interest for the above loans are in the range of 8.9% to 10.50% per annum

**B.4. Working Capital Demand Loan/short term borrowings (secured) from bank:**

| Nature of Security | Principal Outstanding as at March 31, 2020 | Principal Outstanding as at March 31, 2019 |
|---|---|---|
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | - | 30,000 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | - | 5,000 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | - | 10,000 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | - | 20,000 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | - | 3,000 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | - | 10,000 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | - | 10,000 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | - | 7,000 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | - | 1,400 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | - | 800 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | - | 10,000 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | - | 1,350 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | - | 15,000 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | - | 1,00,000 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | - | 1,500 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | 20,000 | - |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | 10,000 | - |

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**Notes to the Financial Statements (Continued)**
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(Currency : Rs in lakhs)

| | | |
|---|---|---|
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | 10,000 | - |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | 1,480 | - |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | 7,500 | - |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | 2,417 | - |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | 7,500 | - |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | 5,000 | 5,000 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | 20,000 | - |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | 1,20,000 | - |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | 1,60,000 | - |

The rate of interest for the above loans are in the range of 8.80% to 10.00% per annum

**B.5. Working Capital Demand Loan/short term borrowings (secured)- from others:**

| Nature of Security | Principal Outstanding as at March 31, 2020 | Principal Outstanding as at March 31, 2019 |
|---|---|---|
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts | 1,20,000 | - |

The rate of interest for the above loans is 10.50% per annum

**B.6. Commercial Paper**

| Particulars | Terms of Repayment | Principal Outstanding as at March 31, 2020 | Principal Outstanding as at March 31, 2019 | Maturity Due Date |
|---|---|---|---|---|
| Commercial Paper | Repayable within 365 days from date of disbursement | - | 4,98,728 | Various |

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Piramal Capital & Housing Finance Limited
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## Notes to the Financial Statements (Continued)
*as at March 31, 2020*

(Currency : Rs in lakhs)

### 15. Intercorporate Deposit :
**Intercorporate deposit from related party (Unsecured)**

| Particulars | Terms of Repayment | Principal Outstanding as at March 31, 2020 | Principal Outstanding as at March 31, 2019 | Maturity Due Date | First Instalment payment date |
|---|---|---|---|---|---|
| Intercorporate Deposit | Repayable in Eighteen months from drawdown date | 1,60,000 | - | 30-Sep-21 | NA |

The rate of interest for the above loans is 9.84% per annum

**Intercorporate deposit from Others (Secured)**

| Particulars | Terms of Repayment | Principal Outstanding as at March 31, 2020 | Principal Outstanding as at March 31, 2019 | Maturity Due Date | First Instalment payment date |
|---|---|---|---|---|---|
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | Repayable in 6 months from drawdown date | - | 50,000 | 10-Jun-19 | NA |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | Repayable in 6 months from drawdown date | - | 50,000 | 12-Jun-19 | NA |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | Repayable in 6 months from drawdown date | - | 50,000 | 29-May-19 | NA |

### 16. Subordinated Liabilities :
**Redeemable Non Convertible Debentures (unsecured)**

| Particulars | Terms of Repayment | Principal Outstanding as at March 31, 2020 | Principal Outstanding as at March 31, 2019 | Maturity Due Date | First Instalment payment date |
|---|---|---|---|---|---|
| 5,000 (payable annually) 9.55% Unsecured, Subordinated, Tier II, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each having face value of Rs. 10,00,000 | The NCD's are repayable after 10 years from the date of allotment | 50,000 | 50,000 | 08-Mar-27 | NA |

The rate of interest for the above loans is 9.55% per annum

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# Piramal Capital & Housing Finance Limited
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*Notes to the Standalone Financial Statements (Continued)*
*as at March 31, 2020*

*(Currency : Rs in lakhs)*

| | | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|---|
| **17** | **Other financial liabilities** | | |
| | Lease liability | 5,438 | 142 |
| | Payable to employees | 5,801 | 5,227 |
| | **Total** | **11,239** | 5,369 |
| **18** | **Current tax liabilities** | | |
| | Net provision for tax (net of advance tax of Rs. 3,484/-, 31 March 2019 Rs.3,484/-) | 78 | 78 |
| | **Total** | **78** | 78 |
| **19** | **Provisions** | | |
| | Provision for Employee Benefits | | |
| | Gratuity (refer Note 41) | 1,158 | 911 |
| | Compensated absence | 802 | 667 |
| | Allowance for impairment on commitments (refer note 37 (b) and 44.3(b)) | 16,828 | 8,693 |
| | **Total provisions** | **18,788** | 10,271 |
| **20** | **Other non- financial liabilities** | | |
| | Statutory dues payable | 948 | 2,809 |
| | Advance received | 3 | 1,748 |
| | **Total** | **951** | 4,557 |

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| | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|

## 21 Equity Share Capital

| | | |
|---|---|---|
| **Authorized share capital:** | | |
| Opening balance: '25,000,000,000 (31 March 2019: 25,000,000,000) equity shares of INR 10 each | 25,00,000 | 5,70,200 |
| Additions during the year | - | 19,29,800 |
| **Total** | **25,00,000** | **25,00,000** |

Note- The Company has increased its Authorised Share Capital to Rs. 19,99,800 lakhs w.e.f. May 02, 2018. Thus, w.e.f. the Effective Date, i.e. May 23, 2018, the Authorised Share Capital of the Company shall be Rs 2,500,000 lakhs.

| | | |
|---|---|---|
| **Issued, subscribed and paid up capital:** | | |
| Opening balance | 18,04,452 | - |
| Add: issued during the year | 1,23,920 | 18,04,452 |
| **Total** | 19,28,372 | 18,04,452 |

(i) There is capital infusion by the holding company of Rs. 50,000 lakhs and Rs.90,000 lakhs on 29 July 2019 and 31 March 2020 respectively. The Company has issued 454,545,454 number of equity share of Rs.10 each at a premium of Rs.1 per share, issue price being Rs.11 per share on 29 July 2019. Further, the Company has issued 784,655,623 number of equity share of Rs.10 each at a premium of Rs.1.47 per share, issue price being Rs.11.47 per share on 31 March 2020 for consideration other than cash.
(ii) 18,04,452 equity share of INR 10 each issued as fully paid for consideration other than cash on account of amalgamation. (refer note 39)

**Particulars of shareholder holding more than 5% shares**

| Name of the shareholder | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Piramal Enterprises Limited (100% holding company) | 19,28,372 | 18,04,452 |

**Rights, preferences and restrictions attached to shares**

**Equity shares**
The Company has one class of equity shares having a par value of Rs. 10 per share. Each holder of equity share is entitled for one vote per share. There are no restriction on payment of dividend to equity shareholders. Upon winding up of the company, the holders of equity share will be entitled to receive balance 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.

## 22 Other equity

| | | |
|---|---|---|
| Equity share capital suspense (refer note 22.1) | - | - |
| Capital Reserve (refer note 22.2) | 3 | 3 |
| Securities Premium (refer note 22.3) | 16,080 | - |
| Cash flow hedging reserve (refer note 22.4) | (1,449) | - |
| Statutory reserve fund (refer note 22.5) | 29,461 | 28,852 |
| Retained earnings (refer note 22.6) | 72,688 | 1,19,779 |
| **Total** | **1,16,783** | **1,48,634** |

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(Currency : Rs in lakhs)

| | | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|---|
| | | As at March 31, 2020 | As at March 31, 2019 |
| **22.1** | **Equity share capital suspense** | | |
| | Opening balance | - | 18,04,452 |
| | Addition/(Deduction) during the year (refer note 39) | - | (18,04,452) |
| | **Closing Balance** | - | - |
| **22.2** | **Capital reserve** | | |
| | Opening balance (refer note 39) | 3 | 3 |
| | Addition during the year | - | - |
| | **Closing Balance** | **3** | **3** |
| **22.3** | **Securities Premium** | | |
| | Opening balance | - | - |
| | Addition during the year | 16,080 | - |
| | **Closing Balance** | **16,080** | - |

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.

| | | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|---|
| **22.4** | **Cash flow hedging reserve** | | |
| | Opening Balance | - | - |
| | Addition during the year (refer note 45) | (1,449) | 0 |
| | **Closing Balance** | **(1,449)** | - |

The Company uses hedging instruments as part of its management of foreign currency risk and interest rate risk associated with variable interest rate borrowings as described within note 14. For hedging foreign currency risk, the Company uses foreign currency forward contracts, which are designated as cash flow hedges. For hedging interest rate risk, the Company uses interest rate swaps which is also designated as cash flow hedges. To the extent these hedges are effective, the changes in fair value of the hedging instrument is recognised in the cash flow hedging reserve. Amount recognised in the cash flow hedging reserve is reclassified to profit or loss when the hedged item affects profit or loss (e.g. interest payments).

| | | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|---|
| **22.5** | **Statutory reserve fund** | | |
| | **Reserve fund U/s 29C of the NHB Act, 1987** | | |
| | Opening Balance | 28,852 | |
| | Addition during the year | 610 | 28,852 |
| | **Closing Balance** | **29,461** | **28,852** |

Reserve Fund is required to be maintained u/s 29C of the NHB Act, 1987 for Housing Finance Companies. During the year ended 31 March 2020, the Company has transferred an amount of Rs. 609 lakhs (31 March 2019 Rs. 28,852 lakhs), being 20% of profit after tax.

| | | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|---|
| **22.6** | **Retained earnings** | | |
| | Opening Balance | 1,19,778 | 4,476 |
| | Add: Reversal of lease equalisation balance | 144 | |
| | Net profit for the year | 3,048 | 1,44,258 |
| | Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax | (4) | (104) |
| | Less: Dividend paid (including DDT) | (49,668) | |
| | Less: Transfer to statutory reserve fund | (610) | (28,852) |
| | **Closing Balance** | **72,688** | **1,19,778** |

Retained earnings are the profits that the Company has earned till date, less any transfers to statutory reserve and dividends paid to investors. The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the financial statements of the Company and also considering the requirements of the Companies Act, 2013. Thus, the amounts reported above are not distributable in entirely.

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(Currency : Rs in lakhs)

| | | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|---|
| | **Revenue from operations** | | |
| **23** | **Interest income** | | |
| | Interest income on financial assets measured at amortised cost: | | |
| | - on investments | 1,15,079 | 1,36,130 |
| | - on loans and advances | 4,15,225 | 3,98,771 |
| | Interest income- on investments mandatorily measured at FVTPL | 19,514 | 7,065 |
| | Interest income on Fixed deposits | 7,136 | 4,498 |
| | **Total Interest income** | **5,56,954** | 5,46,464 |
| **24** | **Fees and commission Income** | | |
| | - processing / arranger fees | 2,127 | 4,372 |
| | **Total Fees and commission Income** | **2,127** | 4,372 |
| **25** | **Others** | | |
| | Short term capital gain on mutual fund | 1,153 | 2,032 |
| | **Total others** | **1,153** | 2,032 |
| | **Total** | **5,60,234** | 5,52,868 |
| **26** | **Other income** | | |
| | Other non-operating income | 1,860 | 4,244 |
| | **Total other income** | **1,860** | 4,244 |
| | **Expenses** | | |
| **27** | **Finance cost** | | |
| | Interest expense on financial liabilities measured at amortised cost: | | |
| | Interest on deposits | 20,726 | 21,348 |
| | Interest on borrowings | 2,34,927 | 1,99,037 |
| | Interest on debt securities | 54,565 | 50,845 |
| | Interest on subordinated liabilities | 4,788 | 4,852 |
| | | **3,15,006** | 2,76,082 |
| **28** | **Fees and commission expense** | | |
| | Other borrowing cost | 17,842 | 7,714 |
| | | **17,842** | 7,714 |

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(Currency : Rs in lakhs)

| | | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|---|
| **29** | **Net loss on fair value changes** | | |
| | Loss on loans and investments measured at FVTPL | 5,103 | 855 |
| | | **5,103** | 855 |
| **30** | **Employee benefits expense** | | |
| | Salaries and wages | 19,197 | 18,001 |
| | Contribution to provident and other funds | 716 | 515 |
| | Provision for leave encashment | 197 | 317 |
| | Staff welfare expenses | 485 | 535 |
| | Provision for gratuity | 297 | 203 |
| | | **20,892** | 19,571 |
| **31** | **Impairment on financial instruments** | | |
| | **On Financial instruments measured at Amortised Cost** | | |
| | Loans | 74,483 | 10,698 |
| | Investments | 34,951 | (5,314) |
| | Commitments | 8,135 | 7,594 |
| | | **1,17,569** | 12,978 |
| **32** | **Other expenses** | | |
| | Corporate social responsibility expenses (refer note 49) | 4,600 | 2,610 |
| | Contribution to electoral trust | 1,000 | - |
| | Rent (refer note 35) | 441 | 2,299 |
| | Travelling and conveyance | 793 | 629 |
| | Legal and professional fees | 8,100 | 6,613 |
| | Royalty | 2,286 | 2,419 |
| | Electricity expense | 276 | 199 |
| | Repairs and maintenance | 1,179 | 973 |
| | Business promotion and advertisement expenses | 1,261 | 709 |
| | Postage and communication | 229 | 160 |
| | Printing and stationery | 99 | 153 |
| | Loss on derecognition of financial assets | 198 | - |
| | Other expenses | 1,818 | 1,179 |
| | **Payments to auditors** | | |
| | - as auditor | 57 | 40 |
| | - for other services | 47 | 132 |
| | - for reimbursement of expenses | 7 | 1 |
| | | **22,391** | 18,116 |

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(Currency : Rs in lakhs)

## 33 Income Taxes

**a. Recognised in the statement of profit and loss**

| | **Year ended March 31, 2020** | Year ended March 31, 2019 |
|---|---|---|
| **Current Tax** | | |
| In respect of the current year | - | 50,460 |
| In respect of the previous years | **954** | - |
| **Deferred Tax** | | |
| In respect of the current year | **18,899** | 26,473 |
| Tax effect- on account of new tax regime being opted | **37,286** | - |
| **Total** | **57,139** | 76,933 |

**b. The income tax expense for the year can be reconciled to the accounting profit as follows:**

| | **Year ended March 31, 2020** | Year ended March 31, 2019 | Effective tax rate reconciliation **Year ended March 31, 2020** | Year ended March 31, 2019 |
|---|---|---|---|---|
| Profit before tax from continuing operations | 60,187 | 2,21,191 | | |
| Income tax expense calculated at 25.168% (previous year at 34.944%) | 15,149 | 77,293 | 25.17% | 34.94% |
| Tax effect: | | | | |
| Effect of expenses that are not deductible in determining taxable profit - | | | | |
| Donation | 1,410 | 912.00 | 2.34% | 0.41% |
| -Amalgamation related expenses | - | (1,218.00) | 0.00% | -0.55% |
| Section 43B disallowance of AY 2018-19 | - | (1,008) | 0.00% | -0.46% |
| Effect of Loan book Transfer | - | 954 | 0.00% | 0.43% |
| Effect of difference in amortised cost and carrying amount of loan portfolio | 2,340 | - | 3.89% | 0.00% |
| Tax provision for prior years | 954 | - | 1.59% | 0.00% |
| Effect of change in deferred tax rate on opening balance (at 25.168% from 34.944%) | (13,174) | - | -21.89% | 0.00% |
| MAT credit written off | 50,461 | - | 83.84% | 0.00% |
| **Income tax expense recognised in the statement of profit and loss** | **57,139** | 76,933 | **94.94%** | 34.78% |
| **Effective Tax Rate** | **94.94%** | 34.78% | | |

**Note:**
The tax rate used for the reconciliations above is the corporate tax rate of 25.168% (as per new tax regime) for the year 2019-20 and 34.944% for the year 2018-19 payable by corporate entities in India on taxable profits under tax law in Indian jurisdiction.

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(Currency : Rs in lakhs)

## 34 Earnings per share (EPS)

**Basic and diluted EPS is computed in accordance with Ind AS 33 'Earnings Per Share' specified under section 133 of the Companies Act 2013.**

The computation of earnings per share is set out below:

| Description | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Net profit/ loss attributable to equity shareholders | 3,048 | 1,44,258 |
| Weighted average number of equity shares outstanding during the year for calculation of EPS | 18,35,34,17,273 | 18,04,45,17,320 |
| **Basic and Diluted EPS of face value of INR 10** | **0.02** | 0.80 |

The basic and diluted EPS is same as there are no potential dilutive equity shares.

## 35 Lease disclosure as lessee

Ind AS 116 introduced a single, on balance sheet accounting model for lessees. As a result, the Company, as a lessee, has recognised the right-of-use assets representing its right to use the underlying assets and lease liabilities representing its obligations to make lease payments.

At transition, for leases classified as operating leases under Ind AS 17, lease liabilities were measured at the present value of the outstanding lease payments, discounted at the Company's incremental borrowing rate as at April 01, 2019. The respective right-of-use asset was recognised at an amount equal to the lease liability, adjusted by the amount of any prepaid/advance lease payments or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application.

The Company's significant operating lease arrangements are mainly in respect of office/branch premises. These lease arrangements are for a period exceeding five years and are in most cases renewable by mutual consent, on mutually agreeable terms. Details for the operating lease as lessee are as under:

**Right-of-use assets**

Right-of-use assets related to lease properties

| Particulars | Land & Buildings |
|---|---|
| Balance as at 1 April 2019 | 8,562 |
| Depreciation charge for the year | 2,115 |
| Addition to right-of-use assets | - |
| Derecognition of right-of-use assets | 1,376 |
| **Balance as at 31 March 2020** | **5,071** |

**Amount recognised in statement of profit and loss - Lease under Ind AS - 116**

| | |
|---|---|
| Interest on lease liabilities | 629 |
| Income from sub-leasing right-of-use assets presented in 'Other Revenue' | - |
| Expenses Related to short-term lease | 22 |
| Expenses related to leases of low-value assets, excluding short-term lease of low-value assets | - |

**Amount recognised in the statement of cash flow**

| | |
|---|---|
| Total Cashflow for lease | 2,377 |

(Currency : Rs in lakhs)

## 36 Disclosure under Micro, Small and Medium Enterprises Development Act, 2006

Under the Micro, Small and Medium Enterprises Development Act, 2006, ('MSMED') which came into force from 2 October 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available with company including confirmations sought from suppliers on registration with specified authority under MSMED, the amount of principal and interest outstanding during the year is given below.

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end | 39 | - |
| Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end | 1 | - |
| Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year | 240 | - |
| Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year | - | - |
| Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year | - | - |
| Interest due and payable towards suppliers registered under MSMED Act, for payments already made | 4 | - |
| Further interest remaining due and payable for earlier years | - | - |

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(Currency : Rs in lakhs)

## 37(a) Contingent liabilities

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| **Claim against the Company not acknowledged as debt** | | |
| Dues towards Income Tax for AY 2014-2015 | **34** | 45 |
| Dues towards Income Tax for AY 2015-2016 | **-** | 58 |
| Dues towards Income Tax for AY 2017-2018 | **5,534** | - |
| Dues towards Income Tax for AY 2018-2019 | **511** | - |
| Dues towards Income Tax for AY 2019-2020 | **510** | - |
| Dues towards Income Tax for AY 2020-2021 | **1,268** | - |
| **Letter of Comfort issued by the Company** | **75** | 44,917 |

The Company is of the view that the above demands may not devolve on the Company and hence no provision has been made.

The Company has a process whereby periodically all long term contracts are assessed for material foreseeable losses. At year end the Company has reviewed and ensured that adequate provision as required under any law / accounting standards for material foreseeable losses on such long term contracts has been made in the books of accounts.

The Company has also reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results

The Company has given letter of comfort to unrelated parties in relation to to borrowing from banks. The term of the contract contains a minimum compensation payment to unrelated parties in the event of default.

There are numerous interpretative issues relating to the Supreme Court (SC) judgement dated 28th February, 2019, relating to components/allowances paid that need to be taken into account while computing an employer's contribution of provident fund under the EPF Act. The company is in the process of evaluating the method of computation of its PF contribution prospectively and would record any further effect in its financial statements, on receiving additional clarity on the subject.

## 37(b) Capital commitment

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Undisbursed loan commitments | **1,35,410** | 86,465 |
| **Total** | **1,35,410** | 86,465 |

The undisbursed loan commitments represents the undrawn limits of the facilities sanctioned that are non-cancellable at sole and absolute discretion of the Company.

## 38(a) Segment reporting

The chief operational decision maker monitors its principle business segment i.e. 'financing segment' for the purpose of making decision about resource allocation and performance assessment. The Company is operating in a single reportable and geographical segment in accordance with Ind AS 108 - Operating Segments as notified u/s 133 of the Companies Act, 2013 and accordingly the same is not applicable to the Company.

## 38(b) Significant transactions during the year

(i) During the year, the Company has acquired a portion of lending portfolio comprising of loan portfolio of Rs. 189,708 lakhs (31 March 2019- Rs.220,772 lakhs) from its parent company, Piramal Enterprises Limited and acquired a portion of loan portfolio of Rs 193,788 lakhs (31 March 2019- Rs.Nil lakhs) from its fellow subsidiary PHL Fininvest Private Limited.
Further, the Company has transfered a portion of loan portfolio of Rs 516,430 lakhs (31 March 2019- Rs.941,420 lakhs) to PHL Fininvest Private Limited and of Rs 79,370 lakhs (31 March 2019- Rs.Nil lakhs) to its fellow subsidiary Piramal Fund Management Private Limited.

(ii) During the year, the Company has taken inter-corporate deposit from its holding company Piramal Enterprises Limited of Rs. 90,000 lakhs which has been repaid by way of allotment of 784,655,623 equity shares of Rs 10 each.

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**39 Amalgamation of Piramal Finance Limited and Piramal Capital Limited with Piramal Housing Finance Limited erstwhile Piramal Housing Finance Private Limited**

1 The Board of Directors of Piramal Capital Limited (PCL) and the board of Directors of and Piramal Finance Limited (PFL) had at their respective meetings held on October 12, 2017, had approved the Scheme of Amalgamation ("Scheme") of PFL and PCL (together referred as "Transferor Companies") with Piramal Housing Finance Limited (PHFL) (referred as "Transferee Company") effective from March 31, 2018 ("Appointed date"). The National Company Law Tribunal , Mumbai Bench ("NCLT") at its hearing held on April 06, 2018, have sanctioned the Scheme of Amalgamation of the Transferor Companies PFL and PCL with the Transferee Company PHFL. The certified copy of the NCLT,sanctioning the Scheme was filed with the Registrar of Companies, Maharashtra, Mumbai on May 23, 2018 (the "Effective Date").

**In accordance with the said Scheme and as per the approval of the National Company Law Tribunal :**

a) The amalgamation has been accounted for under the "Purchase Method" as prescribed by AS 14 - Accounting for Amalgamations as specified under section 133 of the Companies Act 2013 and as per the specific provisions of the Scheme. Accordingly, the Scheme has been given effect to in these financial statements. All assets, liabilities, rights and obligations, income and expenditure of the Transferor Companies stand transferred to and vested in the Transferee Company.

b) The purchase consideration of Rs 1,804,452 lakhs for acquisition of Transferor Companies is being discharged by way of issue of 18,044,517,320 equity shares of Rs 10/- each at face value per share to the shareholder of PFL and PCL as per following share exchange ratio (without payment being received in cash).

i) 483 equity shares of face value of Rs. 10 each for every 100 equity shares of face value of Rs. 10 each held in PFL pre amalgamation.

ii) 1 equity shares of face value of Rs. 10 each for every 5 equity shares of face value of Rs. 2 each held in PCL pre amalgamation.

iii) Pending allotment, the face value of such shares has been shown as "Equity Share Suspense". The said shares have been allotted on the Effective Date.

2 Consequent to the Scheme becoming effective, net assets of Transferor Companies aggregating to Rs. 783,027 lakhs as at the Appointed date have been transferred to the Transferee Company at their respective fair values as determined by an independent Valuer. The balance amount of Rs 1,021,428 lakhs has been recorded as goodwill on amalgamation and Rs. 3 lakhs as capital reserve.

3 The Company has increased its Authorised Share Capital to Rs. 19,99,800 lakhs w.e.f. May 02, 2018. Thus, w.e.f. the Effective Date, i.e. May 23, 2018, the Authorised Share Capital of the Company shall be Rs 2,500,000 lakhs.

Break down of the purchase consideration into net assets and goodwill is as under:

(Rs. in Lakhs)

| | Particulars | PFL | PCL | Total |
|---|---|---|---|---|
| I. | **Consideration paid for acquisition** | **18,04,252** | **200** | **18,04,452** |
| II. | **Net assets acquired on Appointed date** | **7,82,824** | **203** | **7,83,027** |
| III. | **Goodwill (I - II)** | **10,21,428** | **(3)** | **10,21,425** |

4 The amalgamation has been accounted under the "Purchase Method" as prescribed by AS 14 - Accounting for Amalgamations as specified under section 133 of the Companies Act 2013 and as per the specific provisions of the Scheme. If the same would have been accounted as per IndAS 103 - Business Combinations, results would have been different.

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(Currency : Rs in lakhs)

**40 Information in accordance with the requirements of Indian Accounting Standard 24 on Related Party Disclosures.**

**List of Related Parties**

**A. Holding companies**

Piramal Enterprises Limited

**B. Fellow subsidiaries**

Piramal Fund Management Private Limited
PHL Fininvest Private Limited
Piramal Securities Limited
Pitamal Investment Advisory Services Private Limited

**C. Other related parties where common control exists**

Aasan Corporate Solutions Private Limited
Brickex Advisors Private Limited
Gopikrishna Piramal Memorial Hospital
Piramal Corporate Services Private Limited
Piramal Foundation for Educational Leadership
Piramal Swasthya Management & Research Institute
Piramal Trusteeship Services Private Limited
Piramal Udgam Data Management Solution

**D. Key Management Personnel**

Mr. Khushru Jijina

**E Non-Executive/Independent Directors**

Mr. Deepak Satwalekar
Mr. Suhail Nathani
Mr. Harish Engineer (upto 31 Dec 2019)
Mr. Gautam Doshi

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## 40 Information in accordance with the requirements of Indian Accounting Standard 24 on Related Party Disclosures. (Continued)

### F. Details of transactions with related parties

| Details of Transactions | Holding Company | | Fellow subsidiaries | | Other Related Parties | | Key Management Personnel | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|
| | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 |
| **Rent paid** | | | | | | | | | | |
| - Piramal Enterprises Limited | 1 | 1 | - | - | | - | - | - | 1 | 1 |
| - Aasan Corporate Solutions Private Limited | - | - | - | - | 1,569 | 1,299 | - | - | 1,569 | 1,299 |
| -Gopikrishna Piramal Memorial Hospital | - | - | - | - | 15 | 22 | - | - | 15 | 22 |
| **TOTAL** | **1** | **1** | - | - | **1,584** | **1,320** | - | - | **1,585** | **1,322** |
| **Commission paid** | | | | | | | | | | |
| - Brickex Advisors Private Limited | - | - | - | - | - | 1,113 | | - | - | 1,113 |
| **TOTAL** | - | - | - | - | - | **1,113** | - | - | - | **1,113** |
| **Roayalty Paid** | | | | | | | | | | |
| - Piramal Corporate Services Limited | - | - | - | - | 2,285 | 2,569 | - | - | 2,285 | 2,569 |
| **TOTAL** | - | - | - | - | **2,285** | **2,569** | - | - | **2,285** | **2,569** |
| **Donation Given** | | | | | | | | | | |
| - Piramal Foundation for Educational Leadership | - | - | - | - | 3,259 | 1,906 | - | - | 3,259 | 1,906 |
| - Piramal Swasthya Management & Research Institute | - | - | - | - | 1,341 | 704 | - | - | 1,341 | 704 |
| - Piramal Udgam Data Management Solution | - | - | - | - | - | 10 | - | - | - | 10 |
| **TOTAL** | - | - | - | - | **4,600** | **2,620** | - | - | **4,600** | **2,620** |
| **Processing Fees Paid** | | | | | | | | | | |
| - Piramal Enterprises Limited | 1,319 | 793 | | | | | | | 1,319 | 793 |
| **TOTAL** | **1,319** | **793** | - | - | - | - | - | - | **1,319** | **793** |
| **Arranger Fees for downselling of Assets** | | | | | | | | | | |
| - Piramal Investment Advisory Services Private Limited | - | - | 109 | - | - | - | - | - | 109 | - |
| **TOTAL** | - | - | **109** | - | - | - | - | - | **109** | - |
| **Fees Paid** | | | | | | | | | | |
| - Piramal Trusteeship Services Pvt. Ltd. | - | - | - | - | 9 | 0 | - | - | 9 | 0 |
| **TOTAL** | - | - | - | - | **9** | **0** | - | - | **9** | **0** |
| **Reimbursement of relocation Expenses by Aasan** | | | | | | | | | | |
| - Aasan Corporate Solutions Private Limited | - | - | - | - | 175 | - | - | - | 175 | - |
| **TOTAL** | - | - | - | - | **175** | - | - | - | **175** | - |
| **Reimbursement of expenses** | | | | | | | | | | |
| - Aasan Corporate Solutions Private Limited | - | - | - | - | 102 | - | - | - | 102 | - |
| - Piramal Corporate Services Limited | - | - | - | - | - | 6 | - | - | - | 6 |
| - Piramal Trusteeship Services Pvt. Ltd. | - | - | - | - | 0 | - | - | - | 0 | - |
| - Brickex Advisors Private Limited | - | - | - | - | 947 | - | - | - | 947 | - |
| - Piramal Enterprises Limited | 35 | 16 | - | - | - | - | - | - | 35 | 16 |
| **TOTAL** | **35** | **16** | - | - | **1,049** | **6** | - | - | **1,084** | **22** |

40 **Information in accordance with the requirements of Indian Accounting Standard 24 on Related Party Disclosures. (Continued)**

F. **Details of transactions with related parties**

| Details of Transactions | Holding Company | | Fellow subsidiaries | | Other Related Parties | | Key Management Personnel | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|
| | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 |
| **Remuneration to KMP** | | | | | | | | | | |
| - Mr. Khushru Jijina | - | - | - | - | - | - | 994 | 1,738 | 994 | 1,738 |
| -Sitting Fees paid to Non-Executive/Independent Directors | - | - | - | - | - | - | 17 | 22 | 17 | 22 |
| TOTAL | - | - | - | - | - | - | 1,011 | 1,760 | 1,011 | 1,760 |
| **Loan to relative of KMP** | | | | | | | | | | |
| - Mrs. Binaifer Khushru Jijina | - | - | - | - | | - | 800 | - | 800 | - |
| TOTAL | - | - | - | - | - | - | 800 | - | 800 | - |
| **Asset Transfer** | | | | | | | | | | |
| - Piramal Securites Limited | - | - | - | 8 | - | - | - | - | - | 8 |
| - Piramal Fund Management Private Limited | - | - | - | 12 | - | - | - | - | - | 12 |
| - PHL Fininvest Pvt. Ltd. | - | - | 9 | - | - | - | - | - | 9 | - |
| TOTAL | - | - | 9 | 20 | - | - | - | - | 9 | 20 |
| **Interest paid** | | | | | | | | | | |
| - Piramal Enterprises Limited | 4,125 | 17,909 | - | - | - | - | - | - | 4,125 | 17,909 |
| - PHL Fininvest Pvt. Ltd. | - | - | - | 100 | - | - | - | - | - | 100 |
| TOTAL | 4,125 | 17,909 | - | 100 | - | - | - | - | 4,125 | 18,009 |
| **Interest Received** | | | | | | | | | | |
| - Piramal Enterprises Limited | 7,240 | 760 | - | - | - | - | - | - | 7,240 | 760 |
| - PHL Fininvest Pvt. Ltd. | - | - | 6,391 | 164 | - | - | - | - | 6,391 | 164 |
| - Mrs. Binaifer Khushru Jijina | - | - | - | - | - | - | 22 | - | 22 | - |
| TOTAL | 7,240 | 760 | 6,391 | 164 | - | - | 22 | - | 13,653 | 923 |
| **Management Fees Received** | | | | | | | | | | |
| - PHL Fininvest Pvt. Ltd. | - | - | - | 272 | | - | | - | - | 272 |
| TOTAL | - | - | - | 272 | - | - | - | - | - | 272 |
| **Interim Dividend paid** | | | | | | | | | | |
| - Piramal Enterprises Limited | 49,669 | - | - | - | | - | | - | 49,669 | - |
| TOTAL | 49,669 | - | - | - | - | - | - | - | 49,669 | - |
| **Lease Rent Income** | | | | | | | | | | |
| - PHL Fininvest Pvt. Ltd. | - | - | 83 | - | - | - | - | - | 83 | - |
| - Piramal Securities Ltd | - | - | 89 | 74 | - | - | - | - | 89 | 74 |
| TOTAL | - | - | 172 | 74 | - | - | - | - | 172 | 74 |

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## 40 Information in accordance with the requirements of Indian Accounting Standard 24 on Related Party Disclosures. (Continued)

### F. Details of transactions with related parties. (Continued)

| Details of Transactions | Holding Company | | Fellow subsidiaries | | Other Related Parties | | Key Management Personnel | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|
| | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 |
| **Equity Infusion** | | | | | | | | | | |
| - Piramal Enterprises Limited | 1,23,920 | - | - | - | - | - | - | - | 1,23,920 | - |
| TOTAL | **1,23,920** | - | - | - | - | - | - | - | **1,23,920** | - |
| **Share Premium on issuance of Share** | | | | | | | | | | |
| - Piramal Enterprises Limited | 16,080 | - | - | - | - | - | - | - | 16,080 | - |
| TOTAL | **16,080** | - | - | - | - | - | - | - | **16,080** | - |
| **ICD repaid** | | | | | | | | | | |
| - Piramal Enterprises Limited | 12,44,500 | 11,96,700 | - | - | - | - | - | - | 12,44,500 | 11,96,700 |
| TOTAL | **12,44,500** | **11,96,700** | - | - | - | - | - | - | **12,44,500** | **11,96,700** |
| **ICD taken** | | | | | | | | | | |
| - Piramal Enterprises Limited | 14,04,500 | 11,21,700 | - | - | - | - | - | - | 14,04,500 | 11,21,700 |
| TOTAL | **14,04,500** | **11,21,700** | - | - | - | - | - | - | **14,04,500** | **11,21,700** |
| **ICD Given** | | | | | | | | | | |
| - Piramal Enterprises Limited | 10,16,750 | 1,32,102 | - | - | - | - | - | - | 10,16,750 | 1,32,102 |
| - PHL Fininvest Pvt. Ltd. | - | - | 6,08,360 | 74,000 | - | - | - | - | 6,08,360 | 74,000 |
| TOTAL | **10,16,750** | **1,32,102** | **6,08,360** | **74,000** | - | - | - | - | **16,25,110** | **2,06,102** |
| **Repayment of ICD Given** | | | | | | | | | | |
| - Piramal Enterprises Limited | 10,16,750 | 1,32,102 | - | - | - | - | - | - | 10,16,750 | 1,32,102 |
| - PHL Fininvest Pvt. Ltd. | - | - | 5,13,060 | 29,800 | - | - | - | - | 5,13,060 | 29,800 |
| TOTAL | **10,16,750** | **1,32,102** | **5,13,060** | **29,800** | - | - | - | - | **15,29,810** | **1,61,902** |
| **Investment in NCD** | | | | | | | | | | |
| - Piramal Enterprises Limited | - | 36,500 | - | - | - | - | - | - | - | 36,500 |
| TOTAL | - | **36,500** | - | - | - | - | - | - | - | **36,500** |
| **Loan portfolio transferred from** | | | | | | | | | | |
| - Piramal Enterprises Limited | 1,89,708 | 2,20,772 | - | - | | - | | - | 1,89,708 | 2,20,772 |
| - PHL Fininvest Pvt. Ltd. | - | - | 1,93,788 | | | | | | 1,93,788 | - |
| TOTAL | **1,89,708** | **2,20,772** | **1,93,788** | - | - | - | - | - | **3,83,496** | **2,20,772** |

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## 40 Information in accordance with the requirements of Indian Accounting Standard 24 on Related Party Disclosures. (Continued)

### F. Details of transactions with related parties. (Continued)

| Details of Transactions | Holding Company | | Fellow subsidiaries | | Other Related Parties | | Key Management Personnel | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|
| | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 |
| **Loan portfolio transferred to** | | | | | | | | | | |
| - PHL Fininvest Pvt. Ltd. | - | - | 5,16,414 | 9,41,420 | - | - | - | - | 5,16,414 | 9,41,420 |
| -Piramal Fund Management Pvt. Ltd. | - | - | 79,370 | - | - | - | - | - | 79,370 | - |
| **TOTAL** | - | - | **5,95,784** | **9,41,420** | - | - | - | - | **5,95,784** | **9,41,420** |
| **Redemption of Investment in NCD - PEL** | | | | | | | | | | |
| - Piramal Enterprises Limited | 36,414 | - | - | - | - | - | - | - | 36,414 | - |
| **TOTAL** | **36,414** | - | - | - | - | - | - | - | **36,414** | - |
| **NCD Byback** | | | | | | | | | | |
| - Piramal Enterprises Limited | - | 1,10,346.80 | - | - | - | - | - | - | - | 1,10,347 |
| - PHL Fininvest Pvt. Ltd. | - | - | - | 15,691 | - | - | - | - | - | 15,691 |
| **TOTAL** | - | **1,10,347** | - | **15,691** | - | - | - | - | - | **1,26,038** |
| **CP Buyback from PEL** | | | | | | | | | | |
| - Piramal Enterprises Limited | 75,000 | - | - | - | - | - | - | - | 75,000 | - |
| **TOTAL** | **75,000** | - | - | - | - | - | - | - | **75,000** | - |
| **Security Deposit Refunded** | | | | | | | | | | |
| - Aasan Corporate Solutions Private Limited | - | - | - | - | 211 | - | - | - | 211 | - |
| **TOTAL** | - | - | - | - | **211** | - | - | - | **211** | - |
| **Security deposit placed** | | | | | | | | | | |
| - Aasan Corporate Solutions Private Limited | - | - | - | - | 185 | 488 | - | - | 185 | 488 |
| **TOTAL** | - | - | - | - | **185** | **488** | - | - | **185** | **488** |
| **Payable** | | | | | | | | | | |
| - Piramal Enterprises Limited | 1,78,706 | 3,905 | - | - | - | - | - | - | 1,78,706 | 3,905 |
| - Aasan Corporate Solutions Private Limited | - | - | - | - | 12 | - | - | - | 12 | - |
| - PHL Fininvest Pvt. Ltd. | - | - | 380 | 702 | - | - | - | - | 380 | 702 |
| - Piramal Corporate Services Limited | - | - | - | - | - | 504 | - | - | - | 504 |
| - Brickex Advisors Private Limited | - | - | - | - | - | 162 | - | - | - | 162 |
| - Piramal Investment Advisory Services Private Limited | - | - | 108 | - | - | - | - | - | 108 | - |
| **TOTAL** | **1,78,706** | **3,905** | **488** | **702** | **12** | **666** | - | - | **1,79,206** | **5,272** |
| **Receivables** | | | | | | | | | | |
| - Piramal Enterprises Limited | - | 38,853 | - | - | - | - | - | - | - | 38,853 |
| - Aasan Corporate Solutions Private Limited | - | - | - | - | 592 | 611 | - | - | 592 | 611 |
| - PHL Fininvest Pvt. Ltd. | - | - | 1,39,500 | 44,519 | - | - | - | - | 1,39,500 | 44,519 |
| - Brickex Advisors Private Limited | - | - | - | - | 153 | - | - | - | 153 | - |
| - Piramal Securities Limited | - | - | - | 18 | - | - | - | - | - | 18 |
| **TOTAL** | - | **38,853** | **1,39,500** | **44,537** | **745** | **611** | - | - | **1,40,245** | **84,001** |

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## 41 Employee Benefits:

**Disclosures for defined benefit plans based on actuarial valuation reports as on March 31, 2020**
The Company has scheme for gratuity as part of post retirement plan. The plan is not funded by assets.

### A. Change in Projected Benefit Obligation

| Particulars | (Non-Funded) Gratuity Year Ended March 31, 2020 | (Non-Funded) Gratuity Year Ended March 31, 2019 |
|---|---|---|
| Present Value of Benefit Obligation as at beginning of the year | 910 | 591 |
| Interest Cost | 70 | 46 |
| Current Service Cost | 224 | 157 |
| Liability transferred in | - | - |
| Benefits paid | (51) | (42) |
| Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions | 82 | 10 |
| Actuarial (Gains)/Losses on Obligations - Due to Experience | (77) | 149 |
| **Present Value of Defined Benefit Obligation as at the end of the year** | 1,158 | 910 |

### B. Amount recognised in the Balance Sheet

| Particulars | (Non-Funded) Gratuity As at March 31, 2020 | (Non-Funded) Gratuity As at March 31, 2019 |
|---|---|---|
| Present Value of Benefit Obligation at the end of the year | (1,158) | (910) |
| Fair Value of Plan Assets at the end of the year | - | - |
| Funded Status (surplus/ (deficit)) | (1,158) | (910) |
| **Net (Liability)/Asset Recognized in the Balance Sheet** | (1,158) | (910) |

### C. Net interest cost for current year

| Particulars | (Non-Funded) Gratuity Year Ended March 31, 2020 | (Non-Funded) Gratuity Year Ended March 31, 2019 |
|---|---|---|
| Present Value of Benefit Obligation at the Beginning of the year | 910 | 591 |
| (Fair Value of Plan Assets at the Beginning of the year) | - | - |
| **Net Liability/(Asset) at the Beginning** | 910 | 591 |
| Interest Cost | 70 | 46 |
| (Interest Income) | - | - |
| **Net Interest Cost for current year** | 70 | 46 |

### D. Expenses recognised in Statement of Profit and Loss

| Particulars | (Non-Funded) Gratuity Year Ended March 31, 2020 | (Non-Funded) Gratuity Year Ended March 31, 2019 |
|---|---|---|
| Current Service Cost | 224 | 157 |
| Interest Cost | 70 | 46 |
| **Total Expenses / (Income) recognised in the Statement of Profit and Loss** | 293 | 203 |

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## 41 Employee Benefits: *(Continued)*

### E. Expenses Recognized in the Other Comprehensive Income (OCI) for current year

| Particulars | (Non-Funded) Gratuity Year Ended March 31, 2020 | (Non-Funded) Gratuity Year Ended March 31, 2019 |
|---|---|---|
| Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions | 82 | 10 |
| Actuarial (Gains)/Losses on Obligations - Due to Experience | (77) | 149 |
| Actuarial (Gains)/Losses on Obligation due to experience | - | - |
| Return on Plan Assets, Excluding Interest Income | - | - |
| Change in Asset Ceiling | - | - |
| **Net (Income)/Expense For the year recognized in OCI** | **5** | 159 |

### F. Total amount recognized in Other Comprehensive Income consists of:

| Particulars | Gratuity Year Ended March 31, 2020 | Gratuity Year Ended March 31, 2019 |
|---|---|---|
| Remeasurement (gains)/losses | - | - |

### G. Principal actuarial assumptions used:

| Particulars | (Non-Funded) Gratuity Year Ended March 31, 2020 | (Non-Funded) Gratuity Year Ended March 31, 2019 |
|---|---|---|
| Rate of discounting | 6.56% | 7.64% |
| Rate of salary increase | 9.00% | 9.00% |
| Rate of employee turnover | 10.00% | 10.00% |
| Mortality rate during employment | Indian Assured Lives Mortality (2006-08) | Indian Assured Lives Mortality (2006-08) |

### H. Balance Sheet Reconciliation

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Opening Net Liability | 910 | 591 |
| Expenses Recognized in Statement of Profit or Loss | 293 | 204 |
| Expenses Recognized in OCI | 5 | 159 |
| Net liability transfer in | - | - |
| Benefit Paid | (51) | (42) |
| **Net Liability/(Asset) Recognized in the Balance Sheet** | **1,158** | 911 |

### I. Other Details

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| No of Active Members | 703 | 867 |
| Per Month Salary For Active Members | 431 | 470 |
| Average Expected Future Service (Years) | 9 | 8 |
| Projected Benefit Obligation (PBO) | 1,158 | 910 |
| Prescribed Contribution For Next Year (12 Months) | - | - |

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(Currency : Rs in lakhs)

## 41 Employee Benefits: *(Continued)*

### J. Net Interest Cost for Next Year

| Particulars | Estimated for the year ended March 31, 2020 | Estimated for the year ended March 31, 2020 |
|---|---|---|
| Present Value of Benefit Obligation at the End of the year | 1,158 | 910 |
| (Fair Value of Plan Assets at the End of the year) | - | - |
| Net Liability/(Asset) at the End of the year | 1,158 | 910 |
| Interest Cost | 76 | 70 |
| (Interest Income) | - | - |
| **Net Interest Cost for Next Year** | 76 | 70 |

### K. Expenses Recognized in the Statement of Profit or Loss for Next Year

| Particulars | Estimated for the year ended March 31, 2020 | Estimated for the year ended March 31, 2020 |
|---|---|---|
| Current Service Cost | 237 | 224 |
| Net Interest Cost | 76 | 70 |
| (Expected Contributions by the Employees) | - | - |
| **Expenses Recognized** | 314 | 294 |

### L. Maturity Analysis of the Benefit Payments: From the Employer

| Projected Benefits Payable in Future Years From the Date of Reporting | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| 1st Following Year | 74 | 82 |
| 2nd Following Year | 78 | 67 |
| 3rd Following Year | 88 | 71 |
| 4th Following Year | 289 | 79 |
| 5th Following Year | 121 | 248 |
| Sum of Years 6 To 10 | 395 | 327 |
| Sum of Years 11 and above | 1,019 | 882 |

### M. Sensitivity Analysis

| Projected Benefits Payable in Future Years From the Date of Reporting | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Projected Benefit Obligation on Current Assumptions | 1,158 | 910 |
| Delta Effect of +1% Change in Rate of Discounting | (77) | (57) |
| Delta Effect of -1% Change in Rate of Discounting | 88 | 64 |
| Delta Effect of +1% Change in Rate of Salary Increase | 85 | 63 |
| Delta Effect of -1% Change in Rate of Salary Increase | (76) | (57) |
| Delta Effect of +1% Change in Rate of Employee Turnover | (21) | (12) |
| Delta Effect of -1% Change in Rate of Employee Turnover | 23 | 12 |

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

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

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

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## 41 Employee Benefits: *(Continued)*

**Notes:**

Gratuity is payable as per company' scheme as detailed in the report.
Actuarial gains/losses are recognized in the period of occurrence under Other Comprehensive Income (OCI). All above reported figures of OCI are gross of taxation.
Salary escalation and attrition rate are in line with the industry practice considering promotion and demand and supply of the employees.
Cash flow projection is done considering future salary, attrition and death in respective year for members as mentioned above.

**These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.**

**Interest rate risk**

A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision.

**Salary Risk**

The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

**Asset Liability Matching Risk**

The plan faces the ALM risk as to the matching cash flow. Company has to manage pay-out based on pay as you go basis from own funds.

**Mortality risk**

Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

(Currency : Rs in lakhs)

## 42 Fair Value Disclosures

a)

| Categories of Financial Instruments: | March 31, 2020 FVTPL | March 31, 2020 Amortised Cost* | March 31, 2019 FVTPL | March 31, 2019 Amortised Cost* |
|---|---|---|---|---|
| **Financial Assets** | | | | |
| Investments | 1,97,583 | 6,08,753 | 15,258 | 9,37,668 |
| Loans | 59,425 | 26,23,827 | 41,818 | 30,41,914 |
| Cash and Bank Balances # | - | 4,25,971 | - | 43,636 |
| Other Financial Assets # | - | 64,228 | - | 86,214 |
| | **2,57,008** | **37,22,779** | 57,076 | 41,09,432 |
| **Financial liabilities** | | | | |
| Borrowings # | - | 29,35,456 | - | 32,30,861 |
| Trade Payables # | - | 14,768 | - | 8,026 |
| Other Financial Liabilities # | - | 11,241 | - | 7,118 |
| | - | **29,61,465** | - | 32,46,004 |

b) **Fair Value Hierarchy and Method of Valuation**

| Financial Instruments | Notes | Carrying Value (March 31, 2020) | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|---|---|
| **Financial Assets** | | | | | | |
| **Measured at FVTPL** | | | | | | |
| **Investments** | | | | | | |
| Redeemable Non-Convertible Debentures | i. | 31,753 | - | - | 31,753 | 31,753 |
| Project Receivables | i. | 1,65,830 | | | 1,65,830 | 1,65,830 |
| **Loans** | i. & ii. | 59,425 | - | - | 59,425 | 59,425 |
| **Measured at Amortised Cost*** | | | | | | |
| **Investments** | | | | | | |
| Redeemable Non-Convertible Debentures | ii. | 6,08,753 | - | - | 7,18,985 | 7,18,985 |
| **Loans** | ii. | 26,23,827 | - | - | 27,61,320 | 27,61,320 |
| **Financial Liabilities** | | | | | | |
| **Measured at Amortised Cost** | | | | | | |
| Borrowings | ii. | 29,35,456 | - | - | 29,56,553 | 29,56,553 |

| Financial Instruments | Notes | Carrying Value (March 31, 2019) | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|---|---|
| **Financial Assets** | | | | | | |
| **Measured at FVTPL** | | | | | | |
| **Investments** | | | | | | |
| Redeemable Non-Convertible Debentures | i. | 15,258 | - | - | 15,258 | 15,258 |
| **Loans** | i. & ii. | 41,818 | - | - | 41,818 | 41,818 |
| **Measured at Amortised Cost*** | | | | | | |
| **Investments** | | | | | | |
| Redeemable Non-Convertible Debentures | ii. | 9,37,668 | - | - | 9,57,992 | 9,57,992 |
| **Loans** | ii. | 30,41,914 | - | - | 30,01,029 | 30,01,029 |
| **Financial Liabilities** | | | | | | |
| **Measured at Amortised Cost** | | | | | | |
| Borrowings | ii. | 32,30,861 | - | - | 32,30,685 | 32,30,685 |

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## 42 Fair Value Disclosures *(Continued)*

**Notes:**

i. Discounted cash flow method has been used to determine the fair value. The yield used for discounting has been determined based on trades, market polls, levels for similar issuer with same maturity, spread over matrices, etc. For instruments where the returns are linked to the share price of the investee company the equity price has been derived using Monte Carlo simulation and local volatility model using the inputs like spot rate, volatility surface, term structures and risk free rates from globally accepted third party vendor for these data.

ii. Discounted cash flow method has been used to determine the fair value. The discounting factor used has been arrived at after adjusting the rate of interest for the financial assets and financial liabilities by the difference in the G-SEC rates from date of initial recognition to the reporting dates.

* The carrying value & fair value of investments & loans at amortised cost is gross of ECL provision amounting to Rs 176,041 (31 March 2019 – Rs 66,607)

# The Company has not disclosed the fair value of cash and bank balances, other financial assets, trade payables and other financial liabilities, because their carrying amounts are a reasonable approximation of fair value.

### c) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the year ended March 31, 2020 and March 31, 2019.

| Particulars | Investments | Debentures | Loans | Total |
|---|---|---|---|---|
| **As at March 31, 2018** | - | 25,666 | 22,938 | 48,604 |
| Transfer Out | - | 13,102 | 15,124 | 28,226 |
| Acquisitions | - | 3,240 | 34,313 | 37,553 |
| (Losses) recognised in profit or loss | - | (546) | (309) | (855) |
| **As at March 31, 2019** | - | **15,258** | **41,818** | **57,076** |
| Transfer Out | - | 14,415 | - | 14,415 |
| Acquisitions | 1,68,423 | 6,249 | 15,947 | 1,90,619 |
| (Losses) recognised in profit or loss | (2,593) | (4,169) | 1,660 | (5,103) |
| **As at March 31, 2020** | **1,65,830** | **31,753** | **59,425** | **2,57,008** |

### d) Sensitivity for FVTPL Instruments

Impact on the Company's profit before tax if discount rates had been 100 basis points higher / lower is given below:

| Method | Nature of Instrument | Significant | Increase / Decrease in the unobservable input | Sensitivity Impact | |
|---|---|---|---|---|---|
| | | | | Yield Increase | Yield Decrease |
| Discounted Cash Flow Model as at March 31, 2020 | NCD | Discount rate | 0.7% | (125) | 127 |
| | Investment | Sale Price | 5.0% | (8,100) | 8,100 |
| | Term Loan | Discount rate | 0.7% | (320) | 329 |
| | Term Loan | Equity | 10.0% | (468) | 1,689 |
| Discounted Cash Flow Model as at March 31, 2019 | NCD | Discount rate | 0.5% | - | - |
| | Term Loan | Discount rate | 0.5% | (1,111) | 1,138 |
| | Term Loan | Equity | 10.0% | (1,021) | 812 |

(Currency : Rs in lakhs)

## 43 Capital Management

The Company manages its capital to ensure that it will be able to continue as going concern while maximizing the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Company consists of net debt (borrowings as detailed in notes 13 offset by cash and bank balances) and total equity of the Company.

The Company being a Non-Deposit taking Housing Finance Company has to maintain a Capital Adequacy Ratio of 12%. The Company determines the amount of capital required on the basis of annual as well as long term operating plans and other strategic investment plans. The funding requirements are met through equity or convertible / non convertible debt securities or other long-term /short-term borrowings. The Company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Company. The Company has complied with all regulatory requirements related capital and capital adequacy ratios as prescribed by NHB.

| The capital components of the Company are as given below: | **March 31, 2020** | March 31, 2019 |
|---|---|---|
| **Total Equity** | 20,45,155 | 19,53,085 |
| Borrowings | 29,35,456 | 32,30,861 |
| **Total Debt** | **29,35,456** | 32,30,861 |
| Cash and Cash equivalents | (3,86,460) | (41,231) |
| Bank balances other than above | (39,510) | (2,405) |
| **Net Debt** | **25,09,485** | 31,87,225 |

## 44 Risk management

Risk Management is an integral part of the **Company's** business strategy. The Risk Management oversight structure includes Committees of the Board and Management Committees. **Company's** risk philosophy is to develop and maintain a healthy portfolio which is within its risk appetite and the regulatory framework. While the Company is exposed to various types of risks, the most important among them are liquidity risk, interest rate risk, credit risk, regulatory risk and fraud and operational risk. The measurement, monitoring and management of risks remain a key focus area for the Company.

The Audit Committee of the Board provides direction to and monitors the quality of the internal audit function and also monitors compliance with NHB and other regulators.

The **Company's** risk management strategy is based on a clear understanding of various risks, disciplined risk assessment and measurement procedures and continuous monitoring. The policies and procedures established for this purpose are continuously benchmarked with market best practices.

The Audit and Risk Management Committee of the Board (**"ARMC"**) reviews compliance with risk policies, monitors risk tolerance limits, reviews and analyse risk exposure and provides oversight of risk across the organization. The ARMC nurtures a healthy and independent risk management function to inculcate a strong risk management culture in the Company and broadly perceives the risk arising from (i) credit risk, (ii) liquidity risk, (iii) interest rate risk and (iv) fraud risk and operational risk (v) regulatory risk

### 44.1 Liquidity Risk

Liquidity Risk refers to insufficiency of funds to meet the financial obligations. Liquidity Risk Management implies maintenance of sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit lines to meet obligations when due.

The Company has formulated an Asset Liability Management Policy in line with NHB guidelines for Housing Finance Companies. The ALCO is responsible for the management of the companies funding and liquidity requirements. The company manages liquidity risk by maintaining unutilised banking facilities, credit lines and by continuously monitoring forecast and actual cash flows, and by assessing the maturity profiles of financial assets and liabilities.

The Company has the following undrawn credit lines available as at the end of the reporting period.

| | **March 31, 2020** | March 31, 2019 |
|---|---|---|
| - Expiring within one year (including bank overdraft) | 4,02,603 | 3,86,000 |
| - Expiring beyond one year | - | - |
| Undrawn credit lines | **4,02,603** | 3,86,000 |

The following tables detail the Company's remaining contractual maturity for its financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the rate applicable as of March 31, 2020 and March 31, 2019 respectively has been considered. The contractual maturity is based on the earliest date on which the Company may be required to pay.

(Currency : Rs in lakhs)

## 44 Risk management *(Continued)*

### 44.1 Liquidity Risk *(Continued)*

| Maturities of Financial Liabilities | March 31, 2020 | | | |
|---|---|---|---|---|
| | Up to 1 year | 1 to 3 years | 3 to 5 years | 5 years and above |
| Borrowings | 14,76,454 | 10,69,783 | 8,46,833 | 2,76,476 |
| Trade Payables | 14,768 | - | - | - |
| Other Financial Liabilities* | 5,804 | 5,438 | - | - |
| | **14,97,026** | **10,75,221** | **8,46,833** | **2,76,476** |

| Maturities of Financial Liabilities | March 31, 2019 | | | |
|---|---|---|---|---|
| | Up to 1 year | 1 to 3 years | 3 to 5 years | 5 years and above |
| Borrowings | 17,52,345 | 14,69,188 | 4,38,661 | 4,20,585 |
| Trade Payables | 8,026 | - | - | - |
| Other Financial Liabilities | 6,976 | 142 | - | - |
| | 17,67,347 | 14,69,330 | 4,38,661 | 4,20,585 |

*This includes lease liabilities

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

| Maturities of Financial Assets | March 31, 2020 | | | |
|---|---|---|---|---|
| | Up to 1 year | 1 to 3 years | 3 to 5 years | 5 years and above |
| Investments | 1,91,757 | 3,64,721 | 7,04,178 | - |
| Loans | 5,73,516 | 15,95,345 | 12,60,593 | 7,99,502 |
| Other Financial Assets | 60,931 | - | - | - |
| | **8,26,204** | **19,60,065** | **19,64,771** | **7,99,502** |

| Maturities of Financial Assets | March 31, 2019 | | | |
|---|---|---|---|---|
| | Up to 1 year | 1 to 3 years | 3 to 5 years | 5 years and above |
| Investments | 3,64,848 | 5,52,794 | 2,36,218 | 85,923 |
| Loans | 8,26,624 | 12,91,513 | 12,60,860 | 10,54,657 |
| Other Financial Assets | 86,214 | - | - | - |
| | 12,77,686 | 18,44,307 | 14,97,078 | 11,40,580 |

For the year ended March 31, 2020, due to outbreak of Covid-19 pandemic, RBI vide circular DOR.No.BP.BC.47/21.04.048/2019-20 dated 27 March 2020 has directed HFC Companies to provide moratorium of 3 months to its customer / borrower on all payments falling due between 1 March 2020 and 31 May 2020 to all eligible borrowers classified as standard.

Accordingly, the Company has followed the direction issued by RBI and has proposed a moratorium of three months on the payment of all principal instalments and/ or interest, as applicable, falling due between 1 March 2020 and 31 May 2020. The Company has also availed moratoriums on their borrowings in line with these directions. Therefore, the maturities of the financial assets and financial liabilities, to the extent applicable have been impacted as a consequence of this RBI direction.

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## 44 Risk management *(Continued)*

### 44.2 Interest Rate Risk

**Retail lending:**
The Company is exposed to minimal interest rate risk as it has assets and liabilities are based on floating interest rates. The Company has an approved Asset and Liability Management Policy which empowers the ALCO assess the interest rate risk run by it and provide appropriate guidelines to the Treasury to manage the risk.

**Wholesale lending:**
The Company is exposed to interest rate risk as it has assets and liabilities based on both fixed and floating interest rates. The Company has an approved Asset and Liability Management Policy which empowers the Asset and Liability Management Committee (ALCO) to assess the interest rate risk run by it and provide appropriate guidelines to the Treasury to manage the risk. The ALCO reviews the interest rate risk on periodic basis and decides on the asset profile and the appropriate funding mix. The ALCO reviews the interest rate gap statement and the interest rate sensitivity analysis.

The sensitivity analysis below have been determined based on the exposure to interest rates for assets and liabilities at the end of the reporting period. For floating rate assets and liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year and the rates are reset as per the applicable reset dates. The basis risk between various benchmarks used to reset the floating rate assets and liabilities has been considered to be insignificant.

The exposure of the Company's borrowings to the interest rate risk at the end of the year for variable rate borrowing is Rs.2,326,580 lakhs (31 March 2019- Rs.2,603,249 lakhs) and fixed rate borrowings are Rs. 608,874 lakhs (31 March 2019- Rs. 621,416 lakhs)

Impact on the Company's profit before tax if interest rates had been 100 basis points higher / lower is given below:

| Sensitivity Analysis on Floating Rate Instruments | For the Year Ended | | | |
|---|---|---|---|---|
| | March 31, 2020 | | March 31, 2019 | |
| | Higher | Lower | Higher | Lower |
| Sensitivity Analysis on Floating Rate Borrowings | (23,295) | 23,295 | (26,032) | 26,032 |
| Sensitivity Analysis on Floating Rate Assets | 21,739 | (21,739) | 26,478 | (26,478) |

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(Currency : Rs in lakhs)

## 44 Risk management *(Continued)*

### 44.3 Credit Risk

The Company is exposed to Credit Risk through its lending activity. Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

**Retail lending:**
For retail lending the credit policy has been reviewed and approved by Risk Team. The Credit Risk management structure includes credit policies and procedures. The Credit Policy defines customer segments, income assessment criteria, underwriting standards, target market definition, appraisal and approval processes, product limits, Delegation of Authority metrics (DoA) and cover risk assessment for product offerings etc. to ensure consistency of credit buying patterns.

**Wholesale lending:**
The Company's Risk management team has developed proprietary internal rating models to evaluate risk return trade-off for the loans and investments made by the Company. The output of traditional credit rating model is an estimate of probability of default. These models are different from the traditional credit rating models as they integrate both probability of default and loss given default into a single model.

The lending exposure includes lending to the below sectors:

| Sectors | Exposure as at | |
|---|---|---|
| | **March 31, 2020** | March 31, 2019 |
| Real Estate | **73.98%** | 66.98% |
| Renewables | **6.50%** | 9.03% |
| Retail | **15.90%** | 12.87% |
| Others | **3.63%** | 11.12% |

**Credit Risk Management**

**For retail lending business, credit risk management is achieved by considering various factors like:**
• Assessment of borrower's capability to pay – detailed assessment of borrower's capability to pay is conducted. The approach to the assessment is uniform across the entire Company and is spelt out in the Credit Policy. For construction finance deals, the underlying project, the financial capability, past track record of repayments of the promoters is assessed by an independent risk team.

• Security cover – this is an assessment of the value of security under stress scenario which is further adjusted for factors like liquidity, enforceability, transparency in valuation, etc of the collateral.

• Geographic region – the Company monitors loan performances in a particular region to assess if there is any stress due to natural calamities, etc impacting the performance of loans in a particular geographic region

**For wholesale lending business, credit risk management is achieved by considering various factors like :**
• Cash flow at risk – This is an assessment of the standalone project or business from which interest servicing and principal repayment is expected to be done.

• Security cover – This is an assessment of the value of the security under stress scenario which is further adjusted for factors like liquidity, enforceability, transparency in valuation etc. of the collateral.

• Promoter strength – This is an assessment of the promoter from financial, management and performance perspective.

• Exit – This is an assessment of the liquidity of the loan or investment.

The output from each of the analysis is converted to a risk weight equivalent. Each of the four components of the risk analysis are assigned a specific weight which differ based on type of investment. The risk weight is then converted into capital requirement. The required capital and the return is combined to create a metric which is used for deal assessment.

Based on the above assessment the risk team categorises the deals in to the below Risk Grades

| Risk Grading | Description |
|---|---|
| I | Extremely good loan |
| II | Good loan |
| III | Moderate loan |
| IV | Weak loan |
| V | Extremely weak loan |

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**Notes to the Standalone Financial Statements *(Continued)***
*for the year ended March 31, 2020*

(Currency : Rs in lakhs)

**44 Risk management *(Continued)***

**44.3 Credit Risk *(Continued)***

Further, a periodic review of the performance of the portfolio is also carried out by the Risk Group. The Risk Group adjusts the stress case considered during the initial approval based on actual performance of the deal, developments in the sector, regulatory changes etc. The deal level output is combined to form a portfolio snapshot. The trends from portfolio are used to provide strategic inputs to the management.

The credit risk on liquid funds and other financial instruments is limited because the counterparties are banks with high credit-ratings assigned credit-rating agencies or mutual funds.

**Provision for Expected Credit Loss**

The Company has assessed the credit risk associated with its financial assets for provision of Expected Credit Loss (ECL) at the reporting dates. For different product categories (Real Estate, Senior debt, Lease Rental Discounting, Loan Against Shares, Mezzanine etc), the Company has developed scorecard that makes use of various reasonable supportive forward looking parameters which are both qualitative as well as quantitative in nature. These scorecards helps in determining the change in credit risk and the probability of default. These parameters have been detailed out in Note No.vi of Significant Accounting Policies. Based on the result yielded by the above assessment the Financial assets are classified into (1) Standard (Performing) Asset, (2) Significant Credit Deteriorated (Under-Performing) Asset (3) Default (Non-Performing) Asset (Credit Impaired).
For the purpose of expected credit loss analysis the Company defines default as any asset with more than 90 days overdues. This is also as per the rebuttable presumption provided by the standard.

The Company provides for expected credit loss based on the following:

| Category - Description | Stage | Basis for Recognition of Expected Credit Loss |
|---|---|---|
| Assets for which credit risk has not significantly increased from initial recognition | Stage 1 | 12 month ECL |
| Assets for which credit risk has increased significantly but not credit impaired | Stage 2 | Life time ECL |
| Assets for which credit risk has increased significantly and credit impaired | Stage 3 | Loss Given Default (LGD) |

For the year ended March 31, 2020 and March 31, 2019 the Company has developed a PD Matrix after considering some parameters as stated below :

The key parameters for various scorecards are highlighted as follows -Real Estate products (Construction Finance, Structured Debt, LRD) - (1) Developer Grade (2) Past Overdue History (3) Tenant profile (4) Status from monthly Asset Monitoring report (5) Stage of the project (6) Geography etc . Some of the Parameters for Non Real Estate products (Senior lending, mezzanine, project finance etc) - (1) Sponsor strength (2) Overdues (3) Average debt service coverage ratio (4) Regulatory Risk (5) Stability of EBITDA (6) Quality of underlying assets etc. Based on these parameters the Company has computed the PD. The Company has also built in model scorecards to determine the internal LGD. However, due to lack of default history to statistically substantiate the internal LGD, the Company has made use of a combination of both internal as well as external LGD. The Company also maintains Expected Credit Loss for undisbursed limits after applying the credit conversion factor (CCF). CCF for these limits is computed based on historical disbursement trends observed across various products.

### Impact of Covid -19 pandemic on the credit risk

The outbreak of COVID-19 pandemic across the globe and in India has contributed to a significant decline and volatility in the global and Indian financial markets and slowdown in the economic activities. Reserve Bank of India (RBI) has issued guidelines relating to COVID-19 Regulatory Package dated 27 March 2020 and 17 April 2020 and in accordance therewith, the Company has proposed a moratorium of three months on the payment of all principal instalments and/ or interest, as applicable, falling due between 1 March 2020 and 31 May 2020 to all eligible borrowers classified as standard, even if overdue as on 29 February, 2020, excluding the collections made already in the month of March 2020. For all such accounts where the moratorium is granted, the asset classification will remain standstill during the moratorium period (i.e. the number of days past due shall exclude the moratorium period for the purposes of asset classification as per the Company's policy)
The Company has portfolios that may face some head winds due to the emerging economic conditions. The exposures to sectors like hotels, auto-ancillaries may face much larger challenges. However, the exposure to these sectors are fairly limited.

Other sectors like residential and commercial real estate, renewables, logistics etc. where the Company has exposure may have direct or indirect impact. Company ran a scenario analysis using proprietary algorithm based risk models on the portfolio. The scenario took into account the current COVID-19 related impact and was built by risk with inputs from the Chief Economist of the Company.

Further, the Company has, based on current available information estimated and applied management overlays based on the policy approved by the board for the purpose of determination of the provision for impairment of financial assets. Given the uncertainty over the potential macro-economic impact, the Company's management has considered internal and external information including credit reports and economic forecasts upto the date of approval of these financial results. Accordingly, the provision for expected credit loss on financial assets as at 31 March 2020 aggregates Rs. 192,870 lakhs (as at 31 March 2019, Rs. 75,301 lakhs) which includes potential impact on account of the pandemic of Rs. 124,912 lakhs. Based on the current indicators of future economic conditions, the Company considers this provision to be adequate.
The extent to which the COVID-19 pandemic will impact the Company's results will depend on future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by the Company. Given the uncertainty over the potential macro-economic condition, the impact of the global health pandemic may be different from that estimated as at the date of approval of these financial results and the Company will continue to closely monitor any material changes to future economic conditions.

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## Notes to the Standalone Financial Statements *(Continued)*
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### 44 Risk management *(Continued)*
### 44.3 Credit Risk *(Continued)*

**Expected Credit Loss as at the Reporting period:**

**As at March 31, 2020**

| Particulars | Asset Group | Exposure at Default | Expected Credit Loss | Net Amount |
|---|---|---|---|---|
| Assets for which credit risk has not significantly increased from initial recognition | Investments | 5,40,670 | 20,884 | 5,19,786 |
| | Loans | 27,99,619 | 91,183 | 27,08,437 |
| Assets for which credit risk has increased significantly but not credit impaired | Investments | 64,530 | 22,375 | 42,155 |
| | Loans | 45,429 | 15,452 | 29,977 |
| Assets for which credit risk has increased significantly and credit impaired | Investments | 20,665 | 7,569 | 13,096 |
| | Loans | 53,032 | 18,578 | 34,454 |
| **Total** | | **35,23,945** | **1,76,041** | **33,47,904** |

**As at March 31, 2019**

| Particulars | Asset Group | Exposure at Default | Expected Credit Loss | Net Amount |
|---|---|---|---|---|
| Assets for which credit risk has not significantly increased from initial recognition | Investments | 8,61,547 | 12,664 | 8,48,883 |
| | Loans | 30,50,688 | 39,496 | 30,11,192 |
| Assets for which credit risk has increased significantly but not credit impaired | Investments | 29,995 | 3,213 | 26,782 |
| | Loans | 19,839 | 2,486 | 17,352 |
| Assets for which credit risk has increased significantly and credit impaired | Investments | | | - |
| | Loans | 14,081 | 8,747 | 5,334 |
| **Total** | | 39,76,150 | 66,607 | 39,09,543 |

**Reconciliation of Loss Allowance**

**For the year ended March 31, 2020**

a)

| Investments and Loans | 12 months ECL | Lifetime ECL not credit impaired | ECL credit impaired |
|---|---|---|---|
| Balance at the beginning of the year | 52,160 | 5,699 | 8,747 |
| Transferred to 12-month ECL | 1,918 | (1,918) | - |
| Transferred to Lifetime ECL not credit impaired | (2,162) | 2,162 | - |
| Transferred to Lifetime ECL credit impaired | (159) | | 159 |
| Transferred from PEL | 2,407 | | |
| Transferred from PHL Fin | 1,562 | | |
| Transferred to PHL Fin | (6,729) | | |
| Transferred to PFMPL | (1,037) | | |
| Bad debts written off | | - | - |
| Charge to Statement of Profit and Loss (refer note 31): | | | |
| On Account of Rate (Reduction)/Increase | 80,102 | 32,083 | 17,241 |
| On Account of Disbursements | 15,331 | - | - |
| On Account of Repayments | (31,326) | (199) | - |
| **Balance at the end of the year** | **1,12,067** | **37,827** | **26,147** |

**For the year ended March 31, 2019**

a)

| Investments and Loans | 12 months ECL | Lifetime ECL not credit impaired | ECL credit impaired |
|---|---|---|---|
| Balance at the beginning of the year | 52,617 | 158 | 8,449 |
| Transferred to 12-month ECL | 158 | (158) | - |
| Transferred to Lifetime ECL not credit impaired | (840) | 840 | - |
| Transferred to Lifetime ECL credit impaired | (65) | - | 65 |
| Transferred from PEL | 3,023 | - | |
| Transferred to PHL Fin | (15,022) | - | |
| Charge to Statement of Profit and Loss (refer note 31): | | | |
| On Account of Rate (Reduction)/Increase | (213) | 4,860 | 234 |
| On Account of Disbursements | 29,755 | - | - |
| On Account of Repayments | (17,254) | - | - |
| **Balance at the end of the year** | 52,160 | 5,699 | 8,747 |

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(Currency : Rs in lakhs)

## 44 Risk management *(Continued)*

### 44.3 Credit Risk *(Continued)*

**b) Expected Credit Loss on undrawn loan commitments and letter of comfort:**

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| ECL on undrawn loan commitments and letter of comfort (refer note 19) | 16,828 | 8,693 |

**c) Description of Collateral held as security and other credit enhancements**

The Group has set benchmarks on appropriate level of security cover for various types of deals. The Group periodically monitors the quality as well as the value of the security to meet the prescribed limits. The collateral held by the Group varies on case to case basis and includes:
i) First / Subservient charge on the Land and / or Building of the project or other projects
ii) First / Subservient charge on the fixed and current assets of the borrower
iii) Hypothecation over receivables from funded project or other projects of the borrower
iv) Pledge on Shares of the borrower or their related parties
v) Guarantees of Promoters / Promoter Undertakings
vi) Post dated / Undated cheques

As at the reporting date, the ratio of value of the collateral held as security for the credit impaired financial assets to the exposure at default for these assets is higher than 1.

**d)** The credit impaired assets as at the reporting dates were secured by charge on land and building and project receivables amounting to:

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Value of Security (at fair value considered for LGD) | 47,550 | 5,334 |

### 44.4 Regulatory Risk:

The Company requires certain statutory and regulatory approvals for conducting business and failure to obtain retain or renew these approvals in a timely manner, may adversely affect operations. Any change in laws or regulations made by the government or a regulatory body that governs the business of the Company may increase the costs of operating the business, reduce the attractiveness of investment and / or change the competitive landscape.

### 44.5 Fraud risk and operational risk:

Fraud risk management committee ('FRMC') comprising of top management representatives is constituted, which shall oversee the matters related to fraud risk, review and approve action against frauds.

FRMC conducts fraud risk assessment, identified fraud prone areas and develop mitigation measures. Status of mitigation measures are reviewed periodically.

The Company's risk management framework considers strategic, operations, financial reporting and external laws and regulations related risks

The Company has an elaborate system of internal audit and concurrent audit commensurate with the size, scale and complexity of its operations and covers funding operations, financial reporting, fraud control and compliance with laws and regulations.

Risks associated with frauds are mitigated through 100% document verification by concurrent auditors and review of all the cases which are entered in the system, including corrective and remedial actions as regards people and processes.

Internal Auditors monitors and evaluates the efficacy and adequacy of internal control systems in the Company, its compliance with laws and regulations, efficacy of its operating systems, adherence to the accounting procedures and policies at all offices of the Company and report directly to Audit and Risk Management Committee of the company.

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Chartered Accountants

(Currency : Rs in lakhs)

## 45 Accounting for cash flow hedge

The Company had taken foreign currency floating rate borrowings which are linked to LIBOR. For managing the foreign currency risk and interest rate risk arising from changes in LIBOR on such borrowings, the company had entered into cross-currency interest rate swap (CCIRS) for the entire loan liability. The Company had designated the CCIRS (hedging instrument) and the borrowing (hedged item) into a hedging relationship and applies hedge accounting.

Under the terms of the CCIRS, the Company pays interest at the fixed rate to the swap counterparty and receives the floating interest payments based on LIBOR. Further, the principal amount of the foreign currency borrowing is hedged by a forward rate. As the critical terms of the hedged item and the hedging instrument (notional, interest periods, underlying and fixed rates) are matched and the interest cash flows are off-setting, an economic relationship exists between the two. This ensures that the hedging instrument and hedged item have values that generally move in the opposite direction.

Hedge Effectiveness Testing is assessed at designation date of the hedging relationship, and on an ongoing basis. The ongoing assessment is performed at a minimum at each reporting date or upon a significant change in circumstances affecting the hedge effectiveness requirements, whichever comes first.

There were no hedging instrument as on March 31, 2019

Following table provides quantitative information regarding the hedging instrument as on March 31, 2020:

| Type of hedge and risks | Nominal value | Carrying amount of hedging instruments (included under "Other financial assets") | Maturity date | Hedge ratio | Average contracted fixed interest rate | Changes in fair value of hedging instrument used as the basis for recognising hedge effectiveness | Changes in the value of hedged item used as the basis for recognising hedge effectiveness |
|---|---|---|---|---|---|---|---|
| | (Liabilities) | (Assets)* | | | | | |
| Cash Flow Hedge | | | | | | | |
| Foreign currency and Interest rate risk | 52,264 | 1,784 | 14-Jun-24 | 1 : 1 | 9.30% | (1,937) | 3,721 |

Following table provides the effects of hedge accounting on financial performance for the year ended March 31, 2020:

| Type of hedge | Changes in the value of hedging instruments recognised in Other comprehensive income | Hedge ineffectiveness recognised in profit or loss | Amount reclassified from cash flow hedge reserve to profit or loss | Line-item affected in statement of profit or loss because of reclassification |
|---|---|---|---|---|
| Cash flow hedge | | | | |
| Interest Rate risk and Foreign Exchange Risk | (1,937) | - | (775) | Finance Cost |
| | | | 4,497 | Foreign Exchange (gain)/loss |

The following table provides a reconciliation by risk category of the components of equity and analysis of OCI items resulting from hedge accounting:

| Particulars | Movement in Cash flow hedge reserve for the years ended |
|---|---|
| | 31-Mar-20 |
| Opening balance | - |
| **Effective portion of changes in fair value:** | |
| a) Interest rate and foreign currency risk risk | 1,784 |
| | |
| **Net amount reclassified to profit or loss:** | |
| a) Interest rate risk | (775) |
| b) Foreign currency risk | 4,497 |
| Tax on movements on reserves during the year | 488 |
| **Closing balance** | (1,449) |

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### 46 Transfer of Financial Assets

**Transferred financial assets that are not derecognised in their entirety**

The following tables provide a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities:

| **Securitisations/ Assignments** | **Year ended March 31, 2020** | Year ended March 31, 2019 |
|---|---|---|
| Carrying amount of transferred assets measured at amortised cost | 4,57,525 | - |
| Carrying amount of associated liabilities measured at amortised cost | 3,57,279 | - |
| Fair value of assets | 3,72,707 | - |
| Fair value of associated liabilities | 2,50,804 | - |
| Net position at Fair value | 1,21,903 | - |

The Company has entered into a securitization transaction with Catalyst Trusteeship Limited (Master Trust 2019 Series - I) (unrelated and unconsolidated entity). The Company does not hold any equity or other interest and does not control this entity. The Company is exposed to first loss amounting to Rs 86,676 lakhs (being 30%) of the amount securitised in addition to credit enhancement provided in the form of deposits is Rs 40,400 lakhs and therefore continues to be exposed to significant risk and rewards relating to the underlying mortgage receivables.
Accordingly, Loan portfolio assets of Rs 288,919 lakhs are not derecognised and proceeds received of Rs 202,243 lakhs is recorded as financial liability under Borrowings (Other than Debt Securities).

The Company has entered into a securitization transaction with IDBI Trusteeship Services Limited (Powerplus Trust Series i) (unrelated and unconsolidated entity). The Company does not hold any equity or other interest and does not control this entity. The Company is exposed to first loss amounting of credit enhancement provided in the form of deposits is Rs 5,206 lakhs and therefore continues to be exposed to significant risk and rewards relating to the underlying mortgage receivables.
Accordingly, Loan portfolio assets of Rs 27,401 lakhs are not derecognised and proceeds received of Rs 27,401 lakhs is recorded as financial liability under Borrowings (Other than Debt Securities).

The Company has entered into a securitization transaction with Catalyst Trusteeship Limited (Marigold Trust 2019) (unrelated and unconsolidated entity). The Company does not hold any equity or other interest and does not control this entity. The Company is exposed to first loss amounting to Rs 13,570 lakhs (being 15%) of the amount securitised in addition to credit enhancement provided in the form of deposits is Rs 9,940 lakhs and therefore continues to be exposed to significant risk and rewards relating to the underlying mortgage receivables.
Accordingly, Loan portfolio assets of Rs 93,510 lakhs are not derecognised and proceeds received of Rs 79,940 lakhs is recorded as financial liability under Borrowings (Other than Debt Securities).

The Company has entered into a assignment transaction with State Bank of India (unrelated and unconsolidated entity). The Company does not hold any equity or other interest and does not control this entity. The Company is exposed to first loss amounting of credit enhancement provided in the form of deposits is Rs 6,800 lakhs and therefore continues to be exposed to significant risk and rewards relating to the underlying mortgage receivables.
Accordingly, Loan portfolio assets of Rs 47,695 lakhs are not derecognised and proceeds received of Rs 47,695 lakhs is recorded as financial liability under Borrowings (Other than Debt Securities).

### 47 Foreign Currency Expenditure

| **Particulars** | **March 31, 2020** | **March 31, 2019** |
|---|---|---|
| Annual License fees | 249 | 382 |
| Borrowing Cost | 15,013 | 36 |
| Business Promotion | 5 | 0 |
| Intangible assets under development | 153 | 597 |
| Professional Fees | 311 | 37 |
| Legal Fees | 125 | - |
| Reimb. Of Expenses/Traveling Expenses | 4 | - |
| Membership & Subscription | 43 | - |

(Currency : Rs in lakhs)

**48 Additional disclosure in terms of RBI circular DOR.No.BP.BC.63/21.04.048/2019-20 dated April, 17, 2020**

| Particulars | March 31, 2020 |
|---|---|
| Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended | 4,215 |
| Respective amount where asset classification benefits is extended | 4,215 |
| Provisions made during the Q4 FY2020 | 211 |
| Provisions adjusted during the respective accounting periods against slippages and the residual provisions | - |

## 49 Impairment of Goodwill

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the cash generating units (CGU) or groups of CGUs, which are benefited from the synergies of the acquisition. Goodwill is reviewed for any impairment at the operating segment level, which is represented through groups of CGUs.

As of March 31, 2020 , the estimated cash flows for a period of 5 years in the for the Company were developed using internal forecasts, and a pre-tax discount rate of 17.50% (31 Mar 2019- 12.50% to 16.00%) respectively. The cash flows beyond 5 years have been extrapolated assuming 5% (31 Mar 2019- 5% to 7%) growth rates, depending on the cash generating unit and the country of operations. The management believes that any possible changes in the key assumptions would not cause the carrying amount to exceed the recoverable amount of cash generating unit.
Based on the above, no impairment was identified as of March 31, 2020 as the recoverable value of the cash generating unit exceeded the carrying values by Rs.66,059 lakhs.

**50 Disclosure in respect of IL&FS entities.**

**Position as on March 31, 2020**

| Name of facility | Amount Outstanding | Of (2), total amount of exposures which are NPAs as per IRAC norms and not classified as NPA. | Provisions required to be made as per IRAC norms. | Provisions actually held |
|---|---|---|---|---|
| (1) | (2) | (3) | (4) | (5) |
| IL&FS Solar Power Limited | 7,500 | - | 30 | 132 |

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Piramal Capital & Housing Finance Limited

*(formerly known as Piramal Housing Finance Limited)*

## Notes to the Standalone Financial Statements *(Continued)*

*for the year ended March 31, 2020*

(Currency : Rs in lakhs)

### 51 Corporate Social Responsibility Expenditure

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Contribution to Piramal Swasthya Management and Research Institute | 1,341 | 704 |
| Contribution to Piramal Foundation for Education Leadership | 3,259 | 1,906 |
| **Total** | **4,600** | **2,610** |
| Amount required to be spent as per Section 135 of the Act | - | - |
| *Amount spent during the year* | | |
| (i) Construction/acquisition of an asset | - | - |
| (i) On purposes other than (i) above | 4,600 | 2,610 |

52 Previous year figures have been regrouped and reclassified wherever necessary to conform to current year's presentation.

As per our report of even date attached.

For **B S R & Co. LLP**
*Chartered Accountants*
Firm's Registration No: 101248W/W-100022

**Venkataramanan Vishwanath**
*Partner*
Membership No: 113156

Mumbai,
Date: May 11, 2020

**For and on behalf of the Board of Directors of**
**Piramal Capital & Housing Finance Limited**

**Khushru Jijina**
*Managing Director*
DIN: 00209953

**Ajay Piramal**
*Director*
DIN: 00028116

**Sachin Deodhar**
*Chief Financial Officer*

**Bipin Singh**
*Company Secretary*