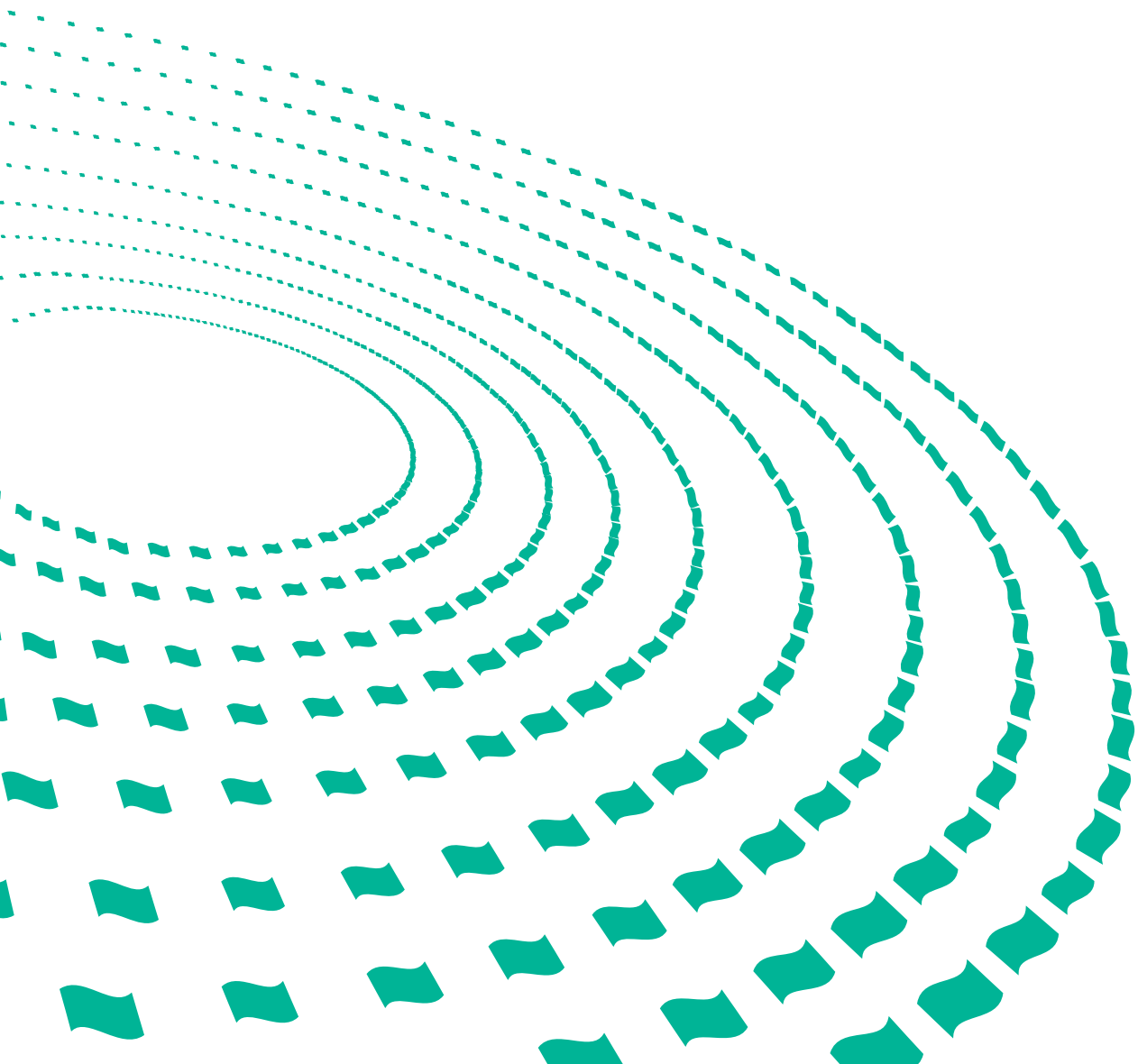


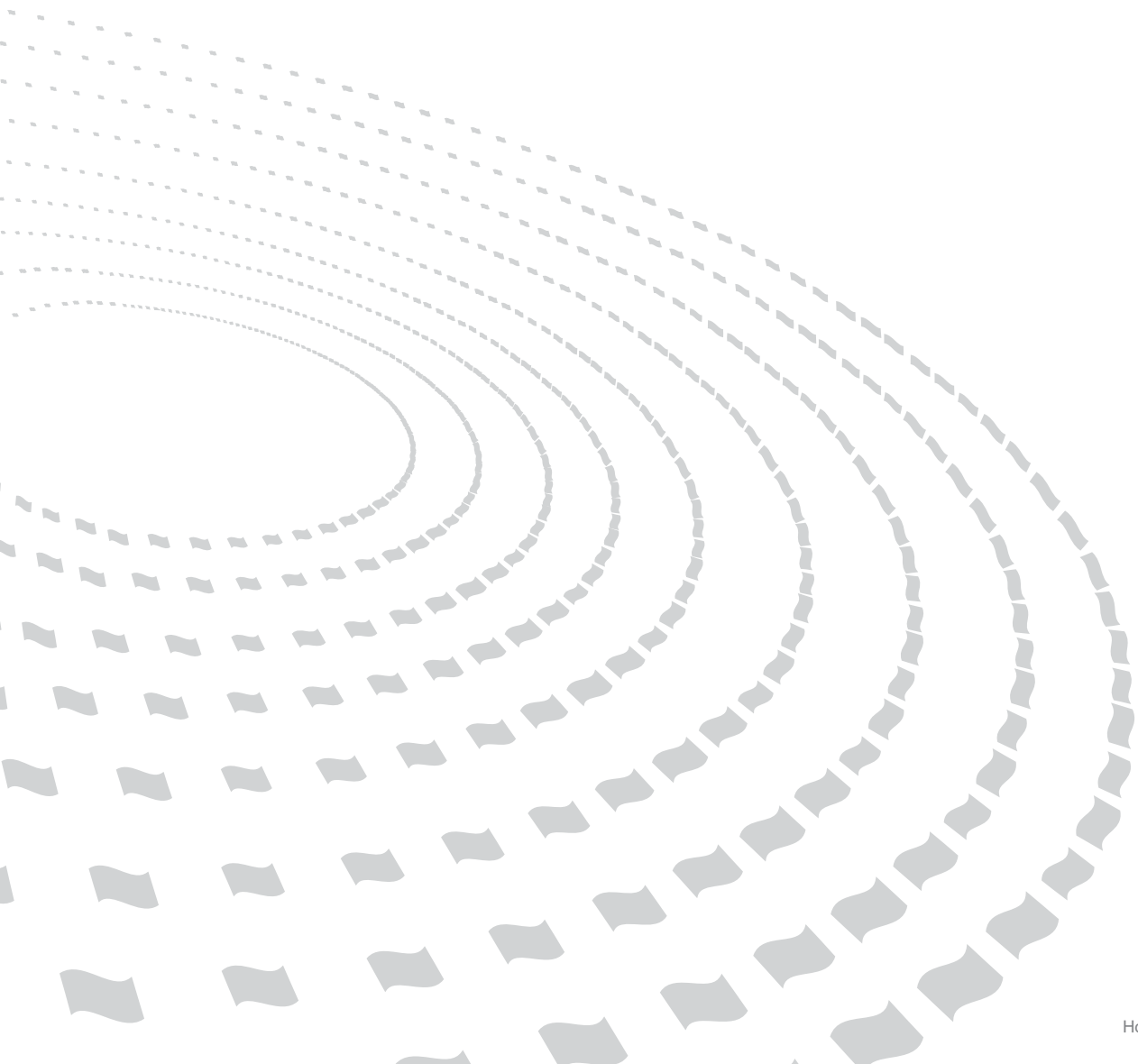


**ANNUAL
REPORT**

2018-19



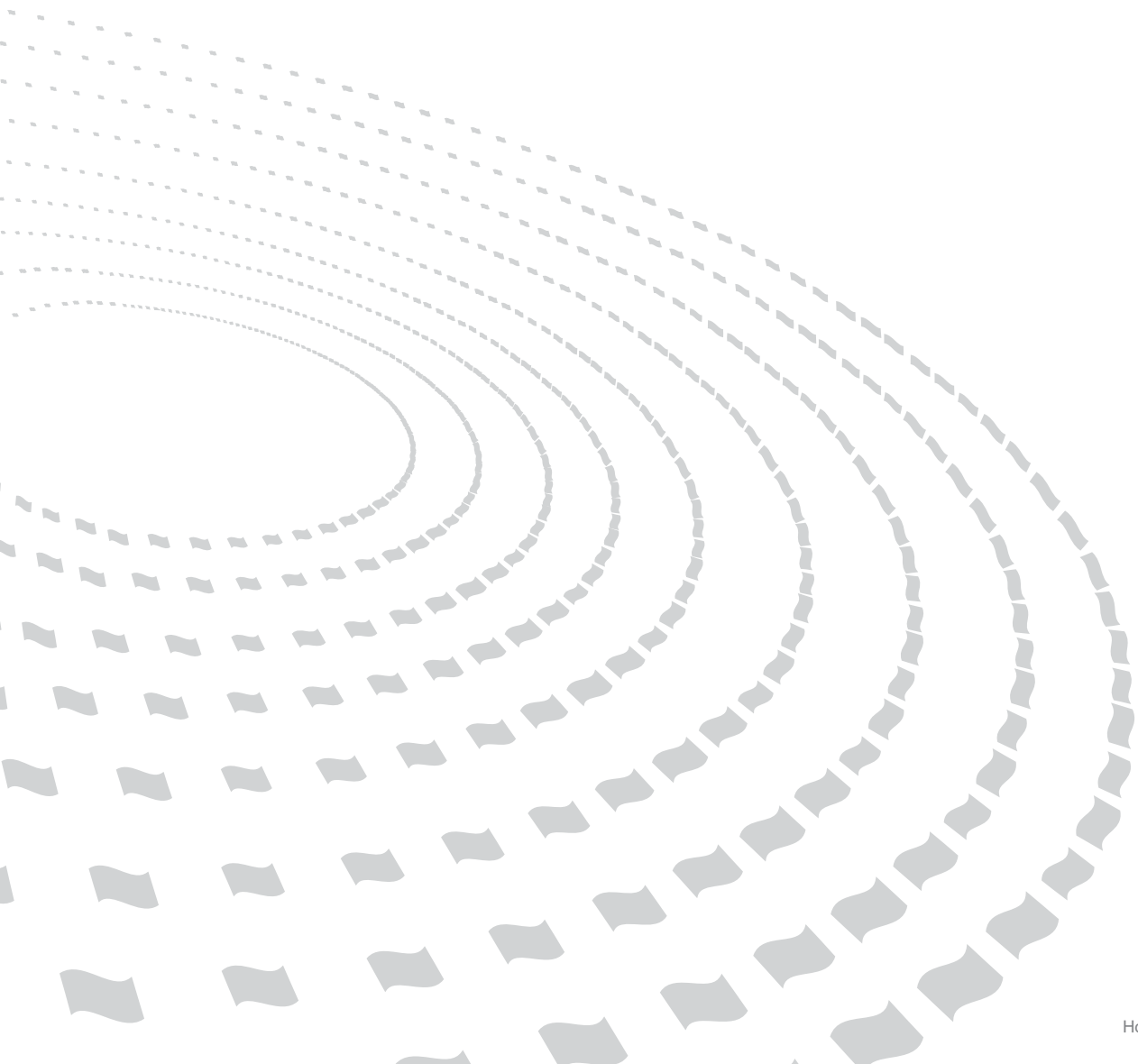
2018 2019



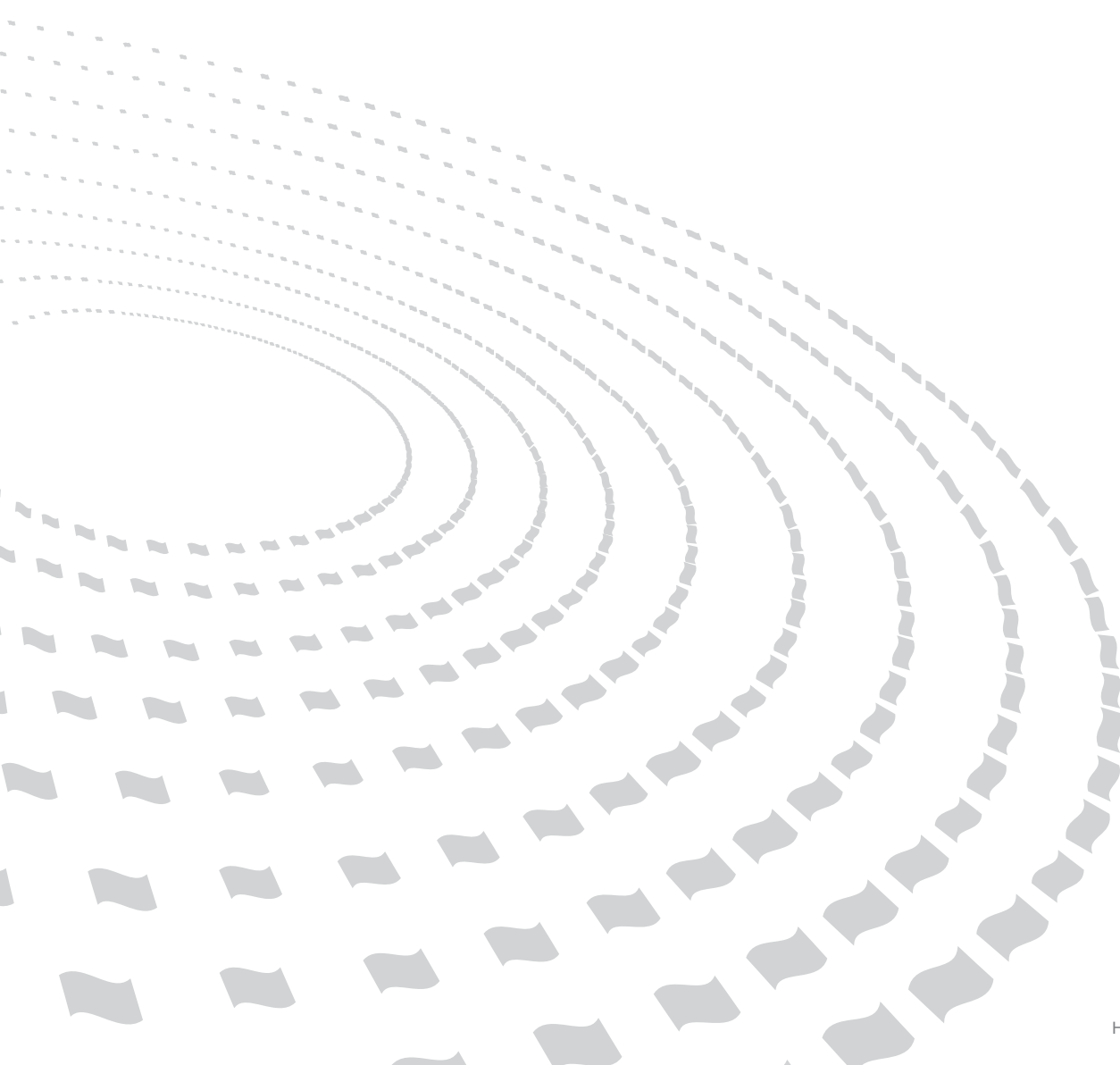
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2018 2019



Our Board of Directors & Partners



Board of Directors

Mr. Sakti Prasad Ghosh

Independent Director

DIN: 00183802

Ms. Sujatha Venkatramanan

Independent Director

DIN: 05340759

Mr. Rajagopalan Santhanam

Nominee Director

DIN: 00025669

Mr. Vishal Vijay Gupta

Nominee Director

DIN: 01913013

Mr. Divya Sehgal

Nominee Director

DIN: 01775308

Mr. Maninder Singh Juneja

Nominee Director

DIN: 02680016

Mr. Manoj Viswanathan

Director & CEO

DIN: 01741612

Our Partners

STATUTORY AUDITORS

Walker Chandiok & Co LLP

Mumbai

INTERNAL AUDITORS

P Chandrasekar LLP

Bangalore

BANKERS

National Housing Bank

Central Bank of India

State Bank of India

HDFC Bank Limited

IDBI Bank Limited

Vijaya Bank (now Bank of Baroda)

Bank of India

Union Bank of India

Federal Bank

DCB Bank Limited

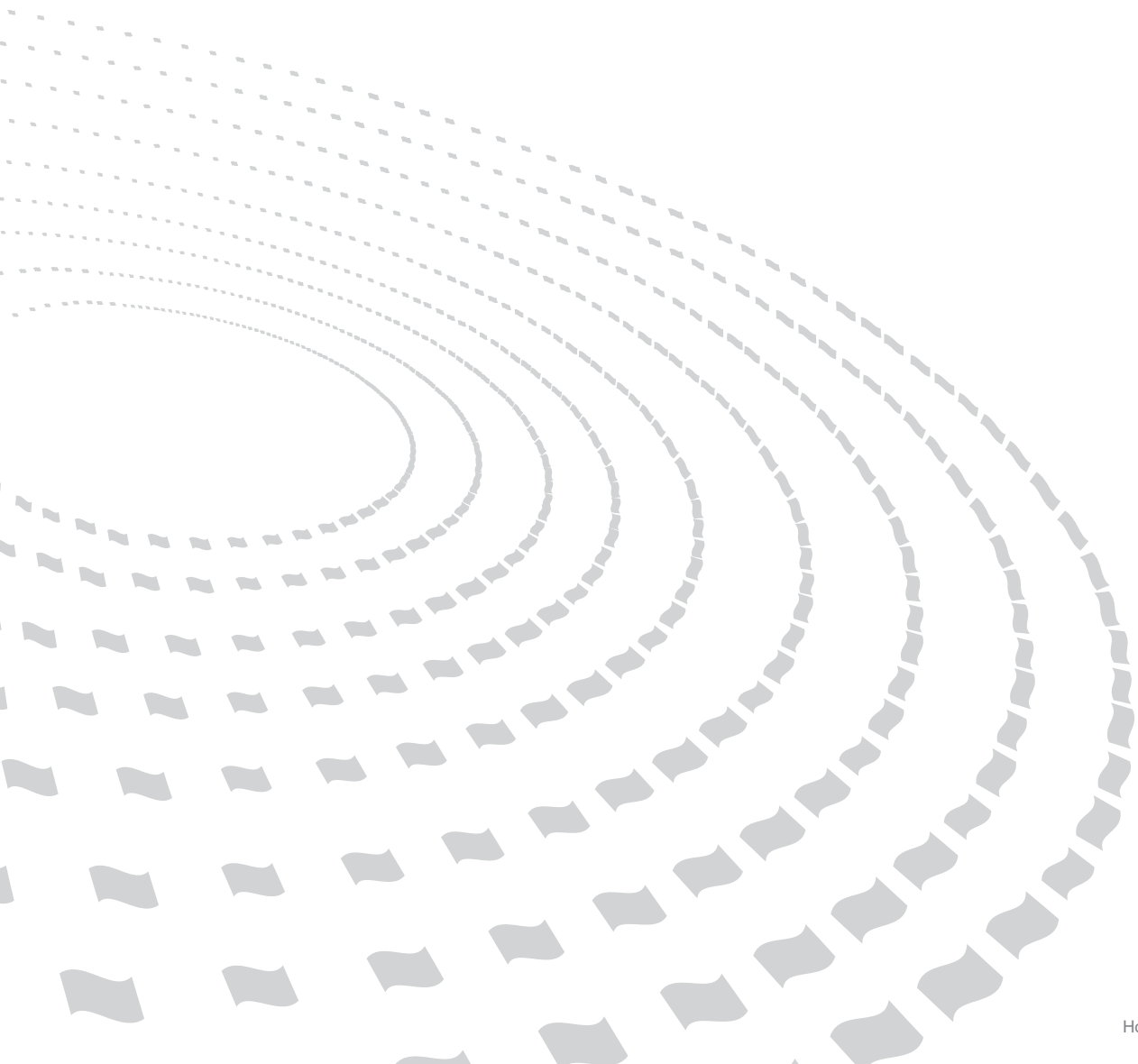
The Catholic Syrian Bank Limited (now CSB Bank Limited)

ICICI Bank Limited

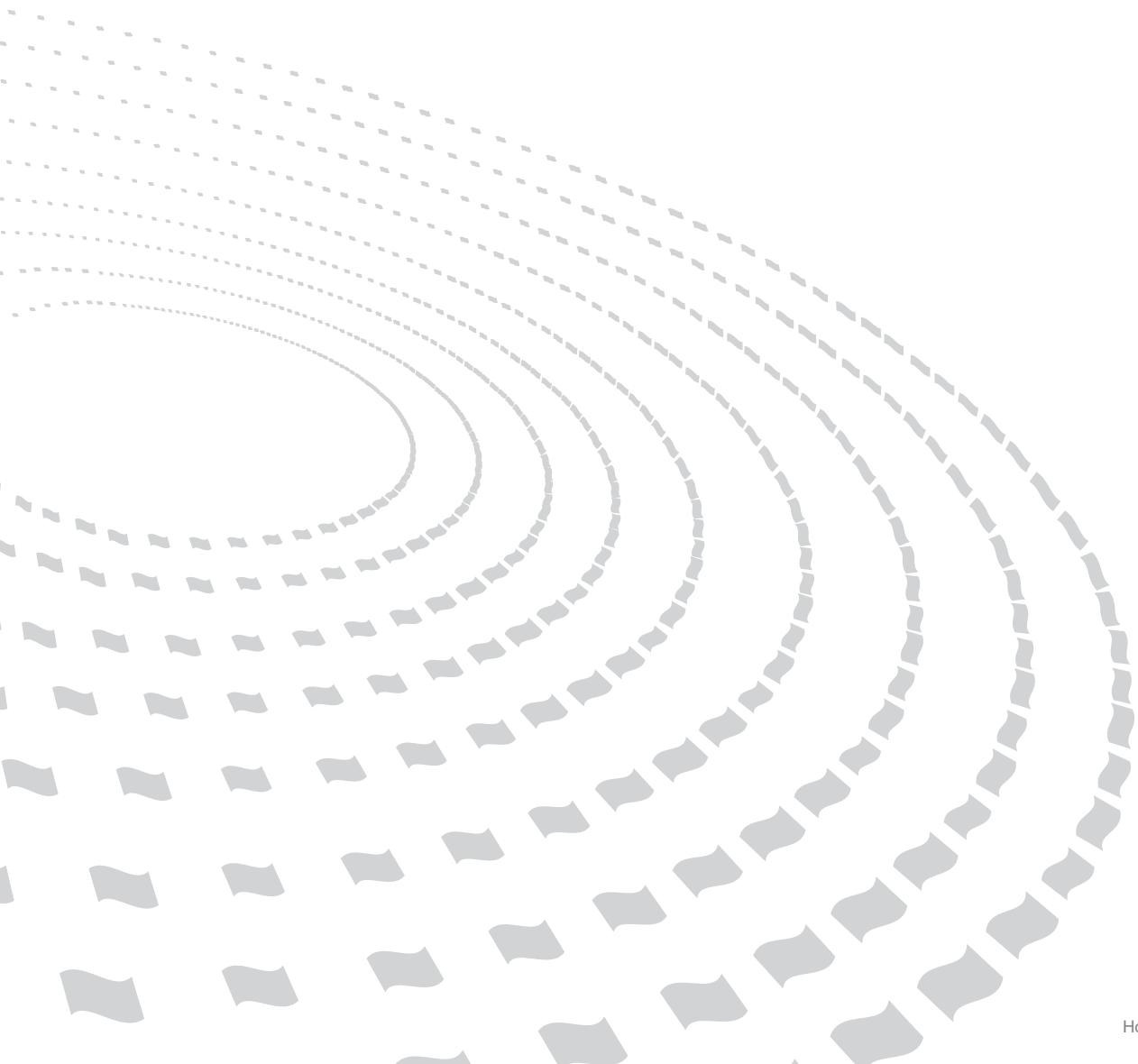
The Karur Vysya Bank Limited

Axis Bank Limited

2018 2019

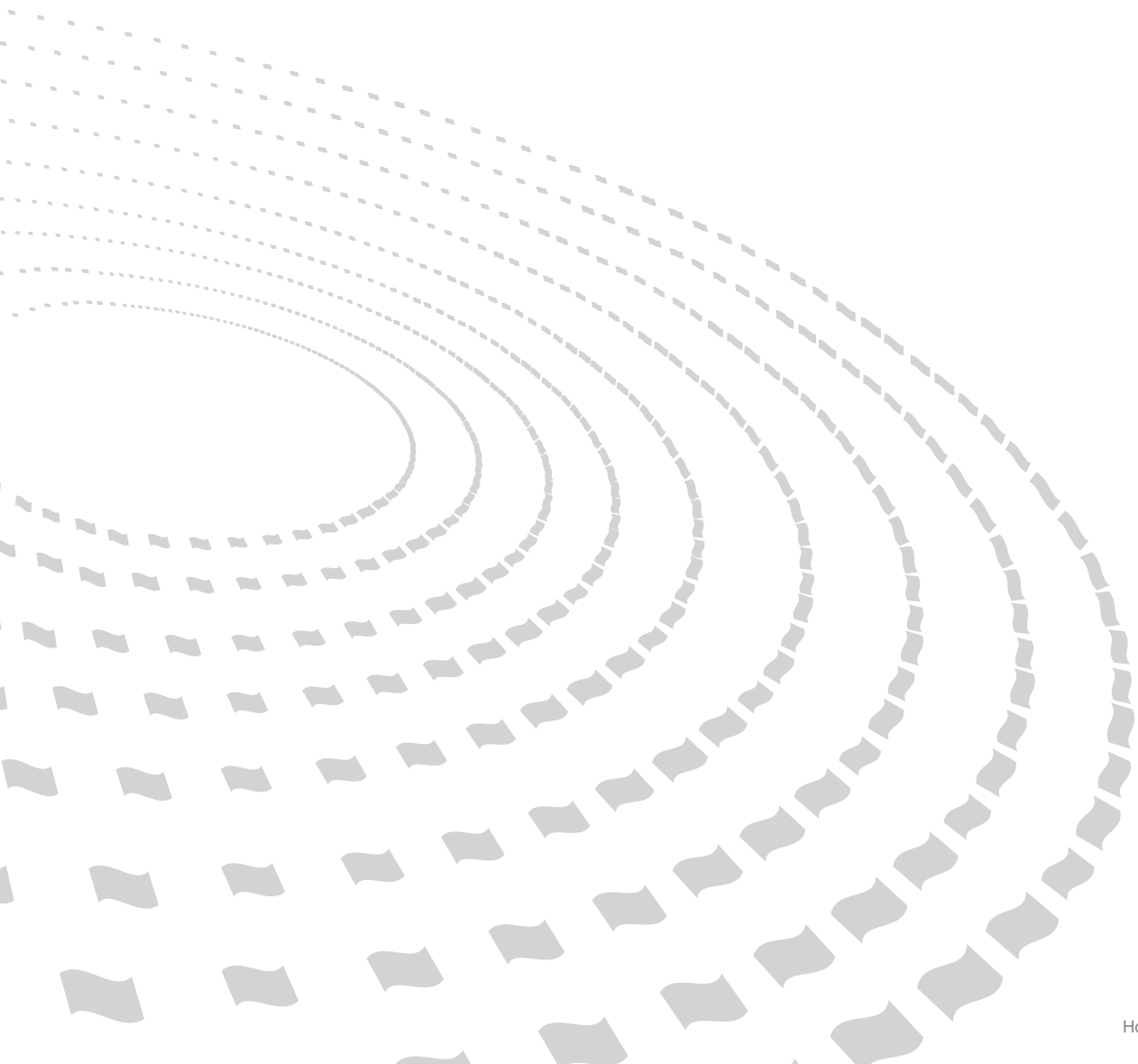


2018 2019





Brief Profile of the Board of Directors



Brief Profile of the Board of Directors

Mr. Sakti Prasad Ghosh



Sakti Prasad Ghosh is an Independent Director of our Company. He holds a master's degree in commerce from University of Calcutta, a certificate in financial management from University of Mumbai (earlier known as University of Bombay) and a certificate in industrial finance from the Indian Institute of Bankers. He has over 39 years of experience in banking and financial services institutions. Previously, he was associated with Reserve Bank of India as joint manager, National Housing Bank as executive director, Unit Trust of India as deputy general manager, Hometrust Housing Finance Company as managing director and Asian Development Bank as consultant.

Mr. Manoj Viswanathan

Manoj Viswanathan is a Director and the Chief Executive Officer of our Company. He holds a bachelor's degree in electrical and electronics engineering from the Birla Institute of Technology and Science, Pilani and a post graduate diploma in business management from XLRI, Jamshedpur. He has over 23 years of experience in consumer lending. Previously, he was associated with Computer Garage Private Limited, Asian Paints India Limited, Citibank and Citi Financial Consumer Finance India Limited as vice president of personal loans.



Ms. Sujatha Venkatramanan



Sujatha Venkatramanan is an Independent Director of our Company. She holds a bachelor's degree in economics (honours) from University of Delhi and a master's degree in business administration from University of Delhi. She has over 24 years of experience in retail banking functions particularly credit risk including credit risk policy, analytics and operations, mergers and acquisitions due diligence, portfolio management, risk advisory, project monitoring, product development, business development and marketing. Previously, she was associated with Citibank as group credit policy head for the central eastern Europe, Middle East, Africa and India, AurionPro Solutions as a consultant and Experian Singapore Pte Limited as consulting director in decision analytics for Asia Pacific. Presently, she is associated with HSBC Group Management Limited as global head of credit bureau management.

Mr. Rajagopalan Santhanam



Rajagopalan Santhanam is a Nominee Director. He holds a bachelor's degree in commerce from University of Delhi. He is a certified chartered accountant from the Institute of Chartered Accountants of India. He has over 27 years of experience in finance, accounting and treasury management. Previously, he was associated with ITC Limited and Monsanto (India) Limited as chief financial officer. Currently, he is associated with True North Managers LLP as managing director.

Mr. Divya Sehgal

Divya Sehgal is a Nominee Director. He holds a bachelor's of technology degree in electrical engineering from Indian Institute of Technology, Delhi and a post graduate diploma in management from Indian Institute of Management, Bengaluru. He has over 22 years of experience in the financial sector. Previously, he was associated with Mc Kinsey & Company as associate, ANZ Grindlays Bank, E Medlife.com Limited as director and Apollo Health Street Limited as chief operating officer. Currently, he is associated with True North Managers LLP as a partner.



Mr. Maninder Singh Juneja



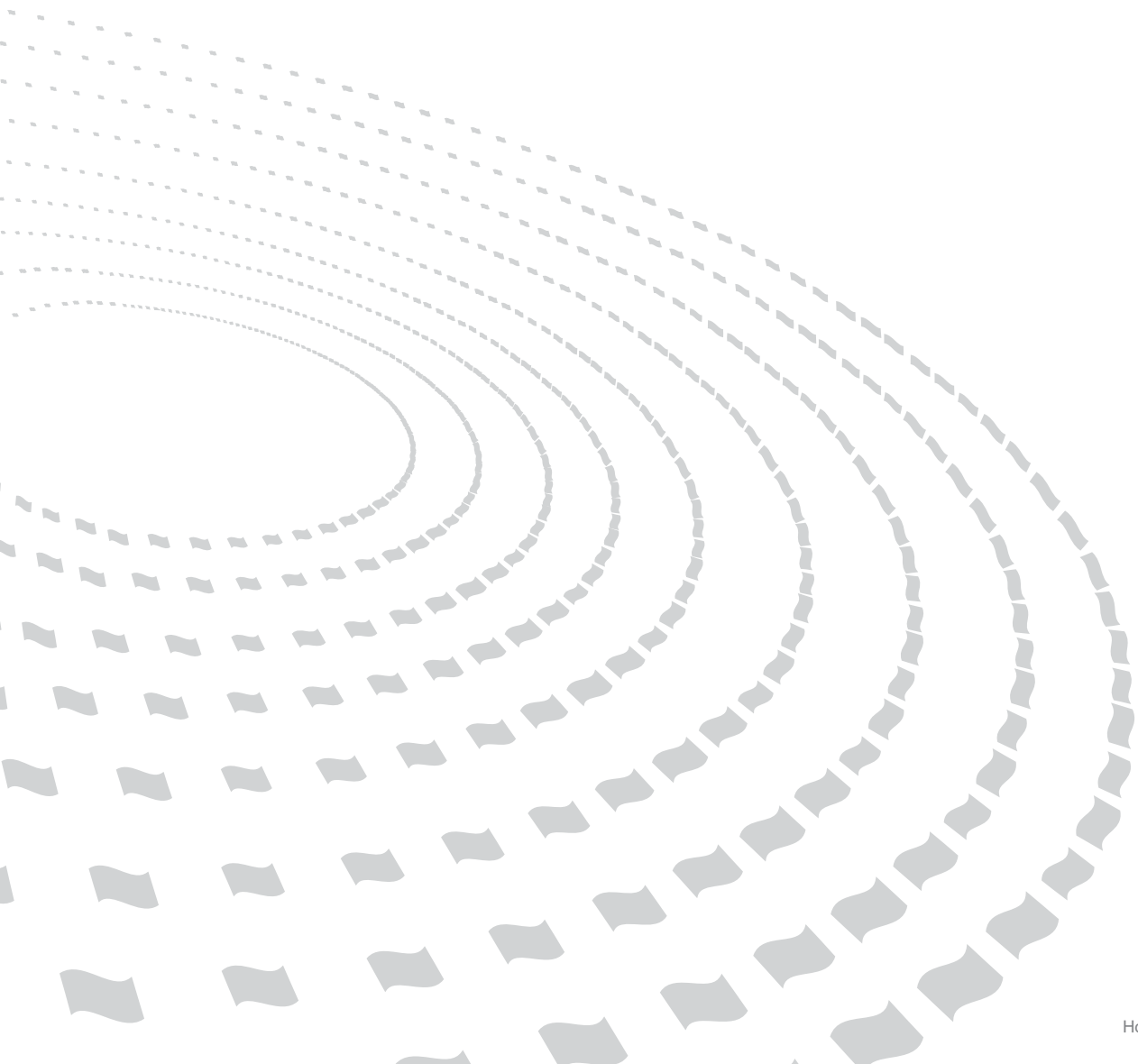
Maninder Singh Juneja is a Nominee Director. He holds a bachelor's degree in civil engineering from Maharaja Sayajirao University of Baroda and a post graduate diploma in management from Indian Institute of Management Society, Lucknow. He has over 25 years of experience in the banking industry. Prior to joining our Company, he was associated with Godrej and Boyce Manufacturing Company Limited as management trainee, Godrej GE Appliances Limited, SRF Finance Limited as business manager of corporate finance, DGP Windsor India Limited, Whirlpool of India Limited as business manager, ICICI Bank Limited as group executive and National Bulk Handling Corporation Private Limited as managing director and chief executive officer. Currently, he is associated with True North Managers LLP as a partner.

Mr. Vishal Gupta

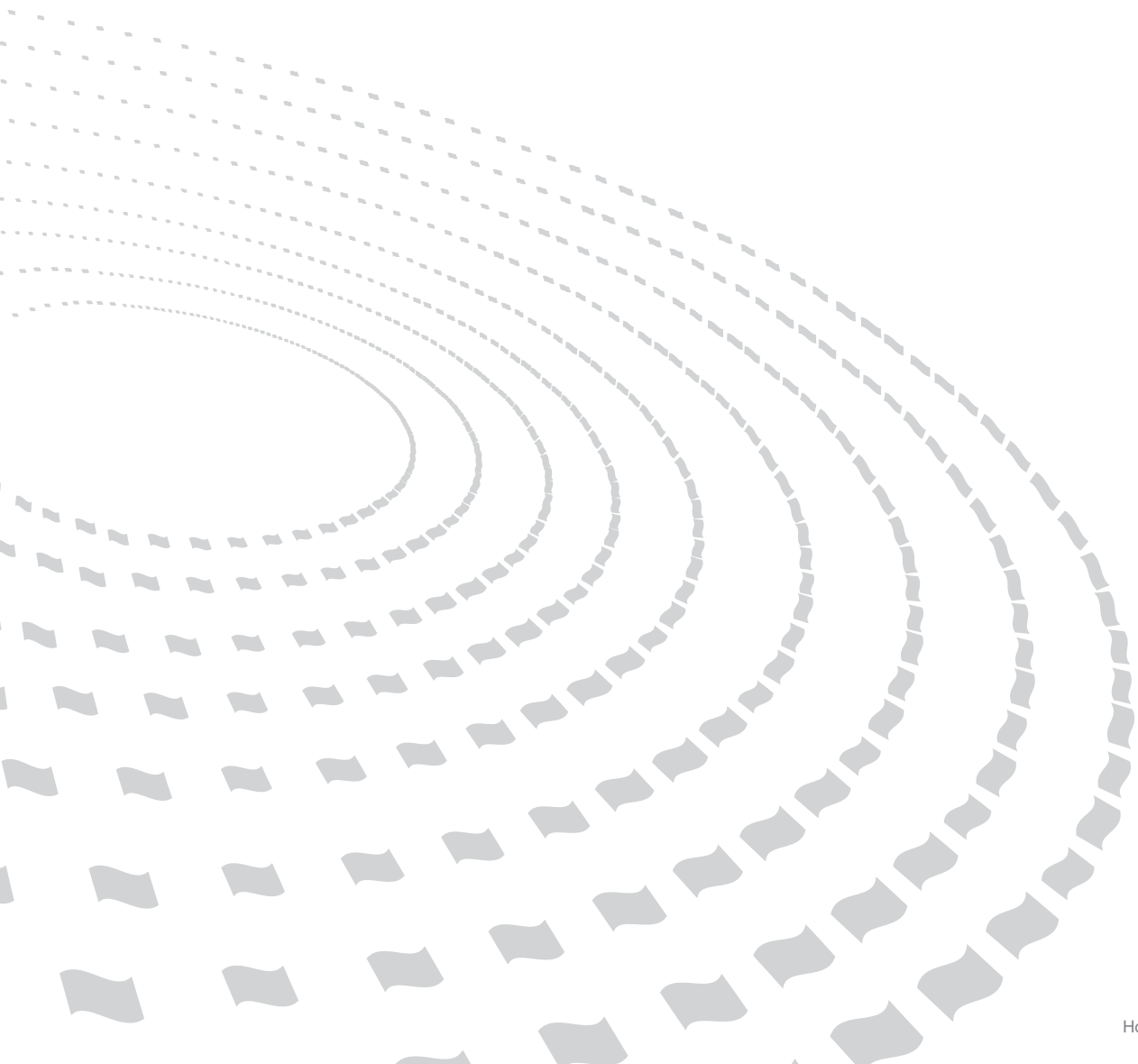
Vishal Vijay Gupta is a Nominee Director. He holds a post graduate diploma in management from Indian Institute of Management, Calcutta. He is a certified chartered accountant from the Institute of Chartered Accountants of India. He has over 14 years of experience in investments in consumer internet, financial technology and healthcare technology. Currently, he is associated with Bessemer Venture Partners India Investors Private Limited as the managing director.



2018 2019

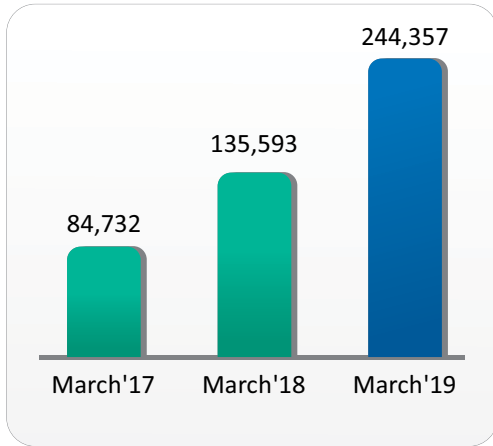


Snapshot

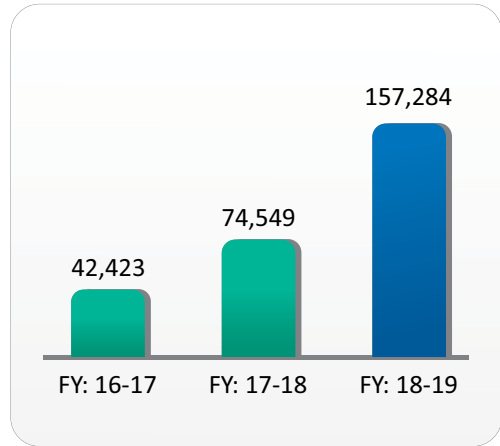


Snapshot

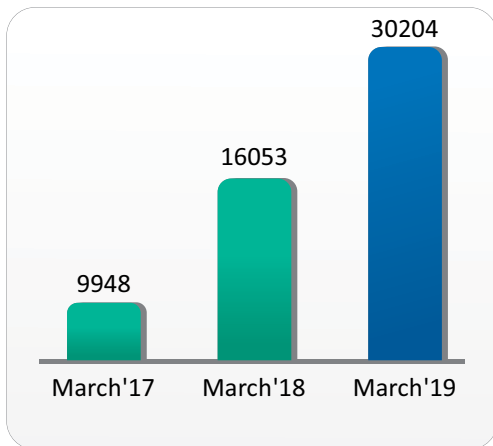
AUM (₹ lakhs)



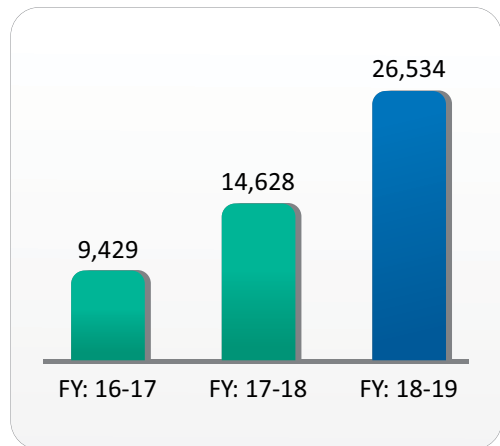
Disbursement (₹ lakhs)



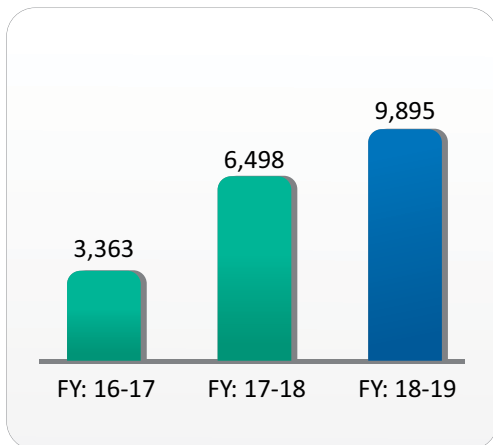
Live loans (#)



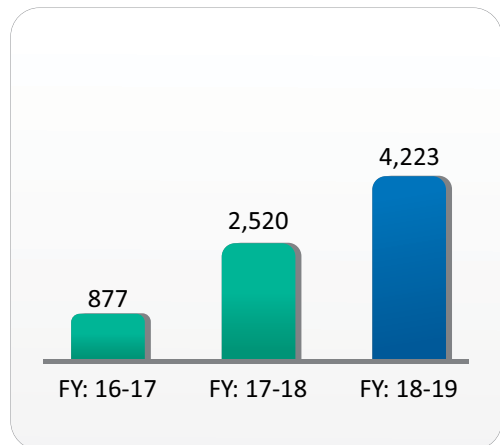
Total Revenue (₹ lakhs)



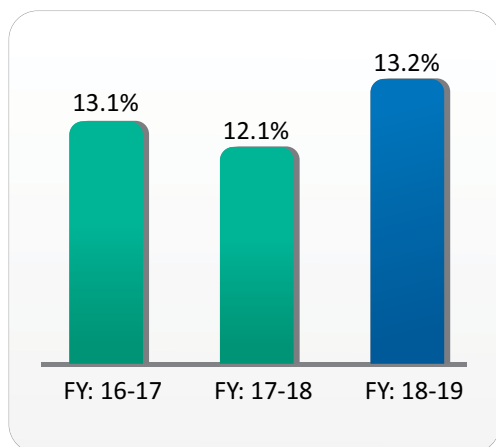
Net Interest Income (₹ lakhs)



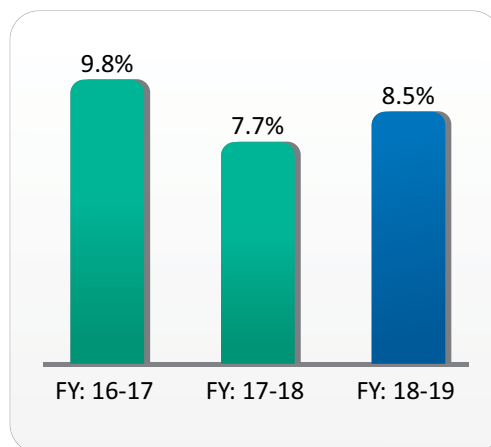
PAT (₹ lakhs)



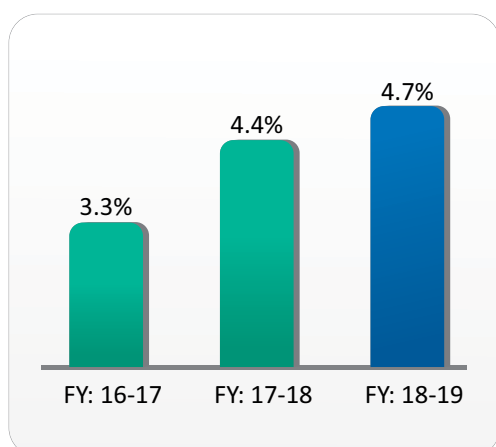
Average Yield



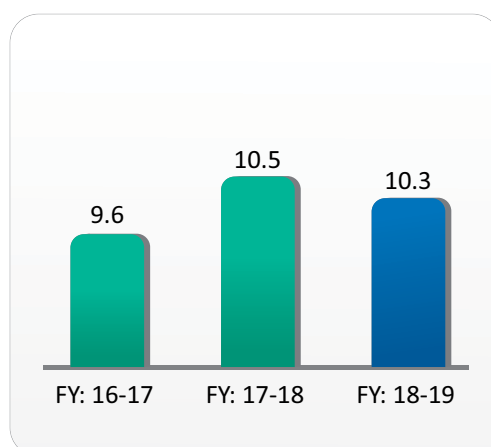
Average Cost of Borrowing



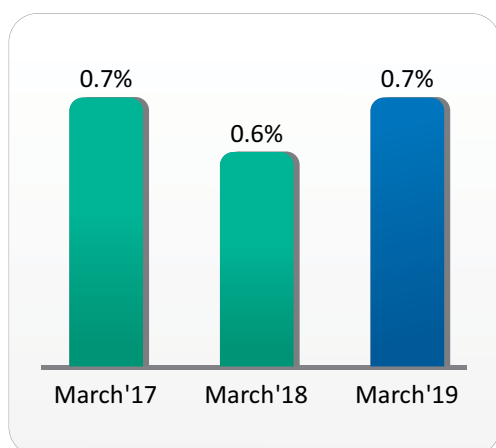
Net Interest Spread



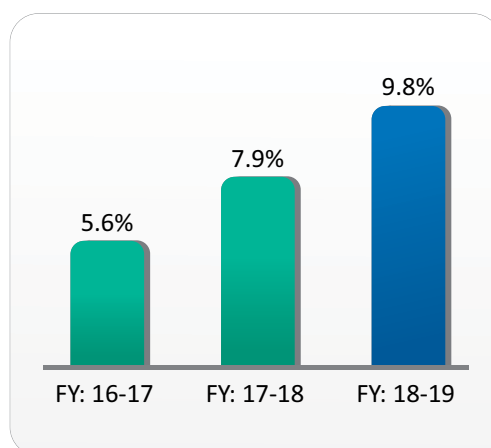
Average Ticket Size - HL (₹ lakhs)



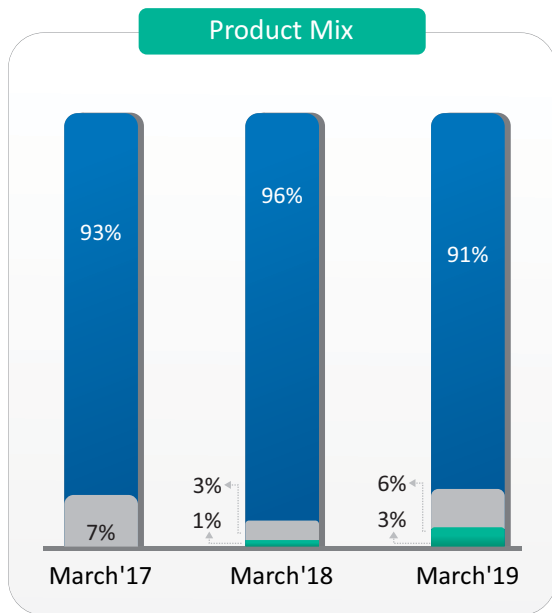
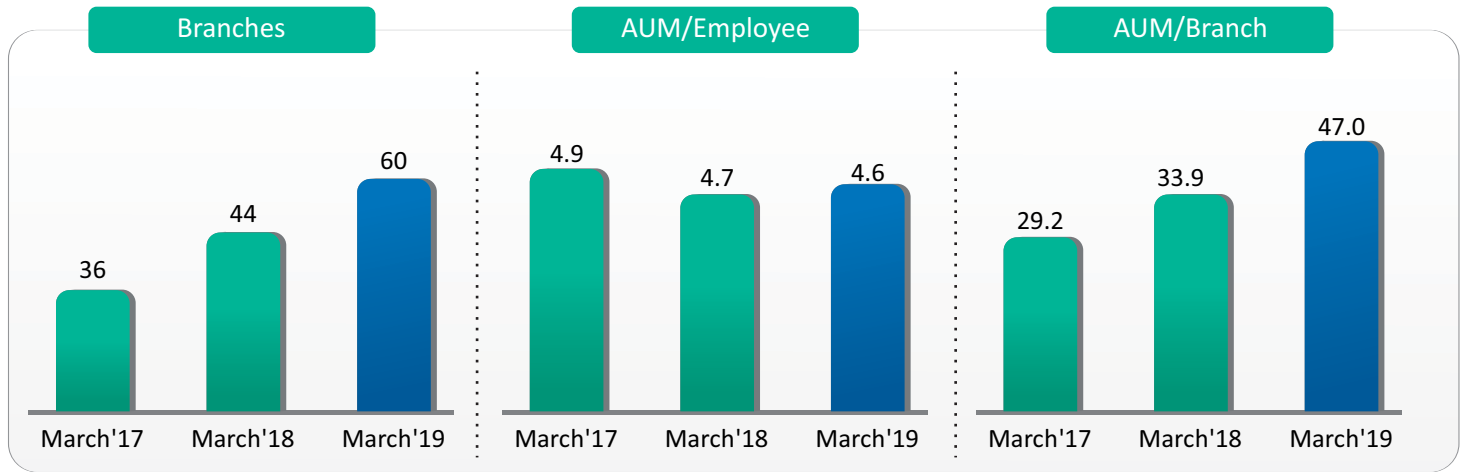
GNPA % on AUM



Return on Net Worth

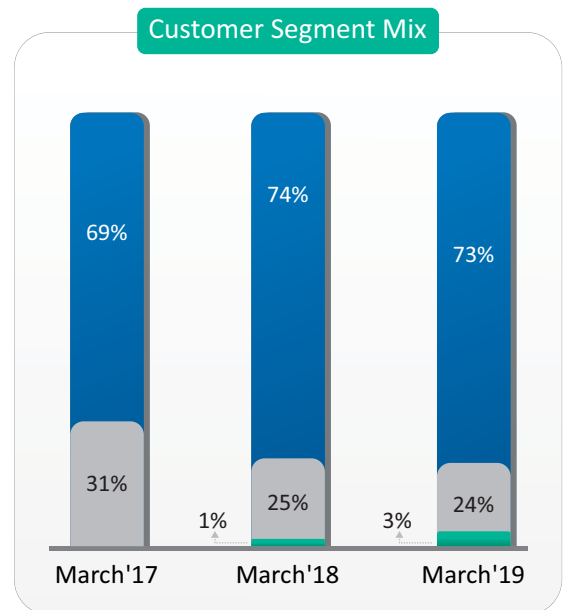


Snapshot

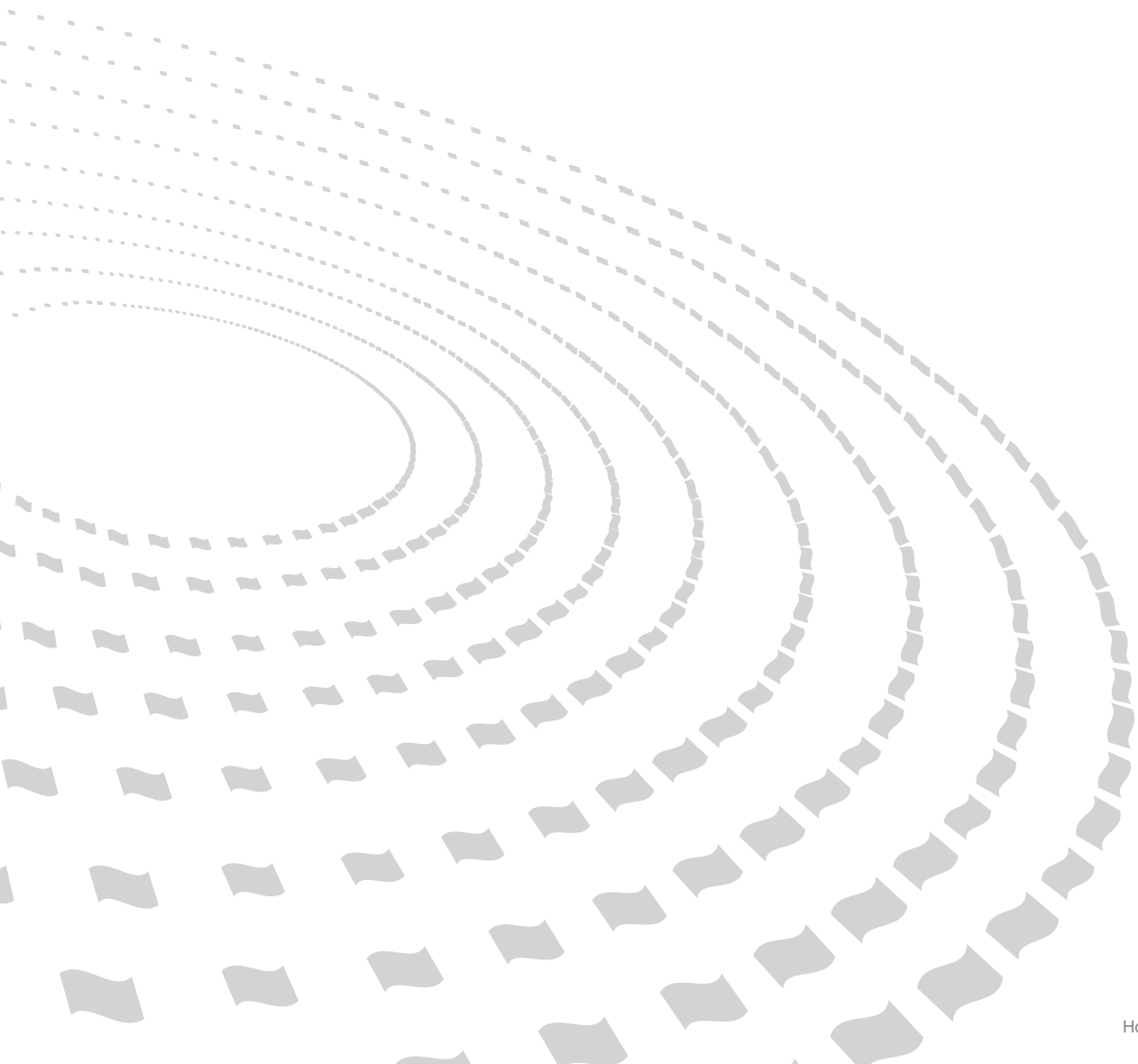


- Housing loans to individuals
- Non-housing loans
- Housing loan to Corporate bodies/others

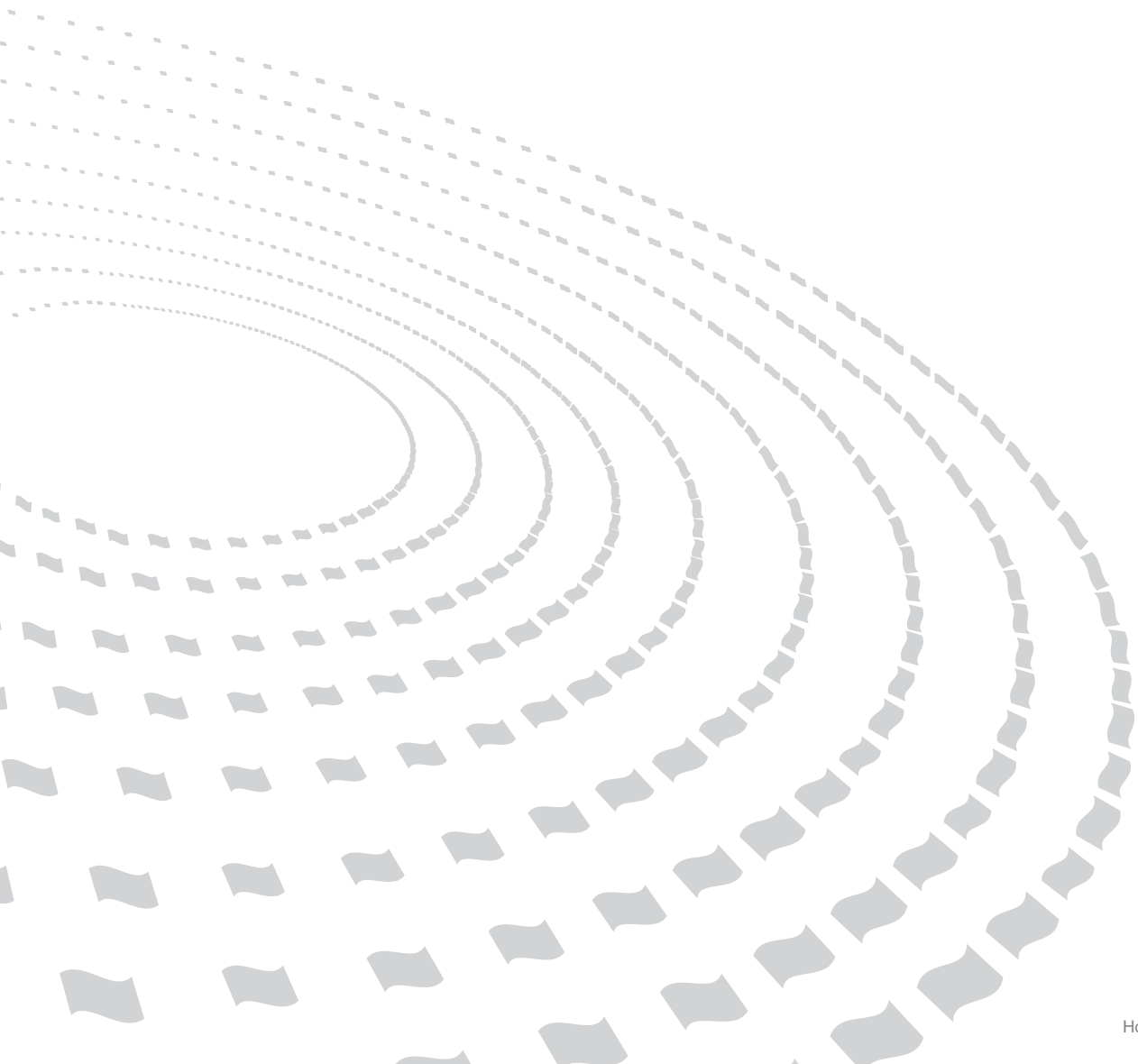
- Salaried
- Self Employed
- Corporate bodies/others



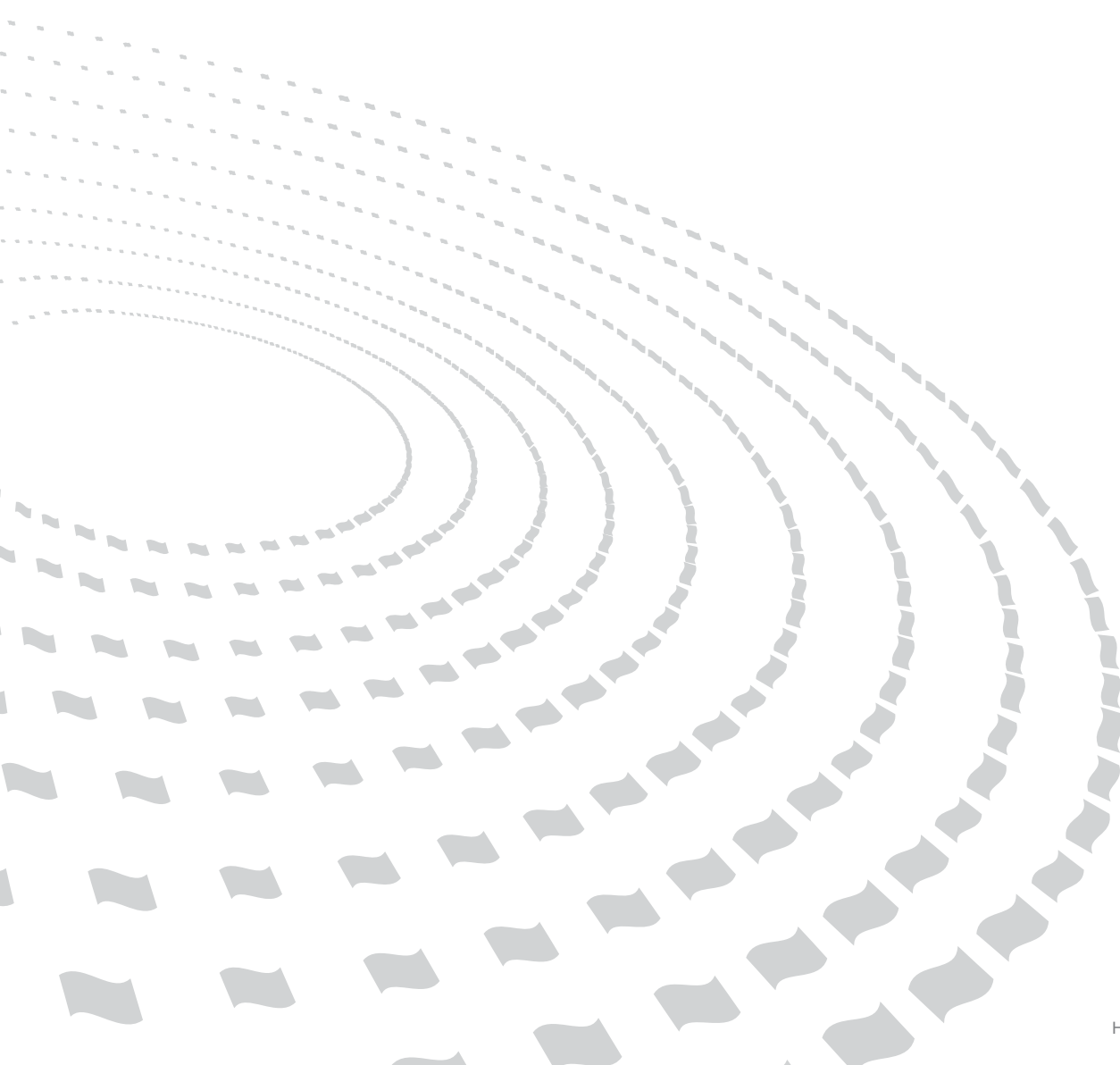
2018 2019



2018 2019



Management Discussion and Analysis

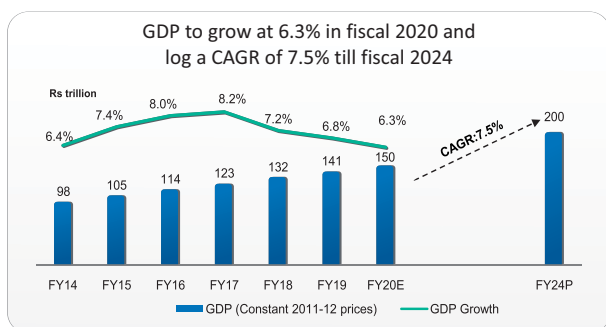


Management Discussion and Analysis

Macroeconomic Overview:

India remains one of the drivers of world growth. According to the data released by the International Monetary Fund (IMF) in July 2019, the pace of growth of the world economy eased to 3.6% in 2018 from 3.8% in 2017. Similarly, the Indian economy recorded a moderation in the pace of growth to 6.8% in 2019 from 7.2% in 2018, while continuing to outpace global growth by a wide margin.

Private consumption and investment have resulted in increase in GDP growth in India from fiscal 2014 until fiscal 2019. Private consumption was boosted on account of low inflation, benign interest rates and revision in salaries of government employees. Whereas investment was driven by increase in government spending. As per CRISIL research, the GDP growth rate is forecasted to be 6.3% for fiscal 2020. This growth in GDP to be supported by reform measures by the government, rising consumer aspirations and needs, uptick in investment demand and consumption demand due to rising urbanisation and enhanced financial inclusion. The prospects for the economy are good in the long term. As per the International Monetary Fund (IMF), India's GDP will grow at a CAGR of 7.5% over the next 5 years.



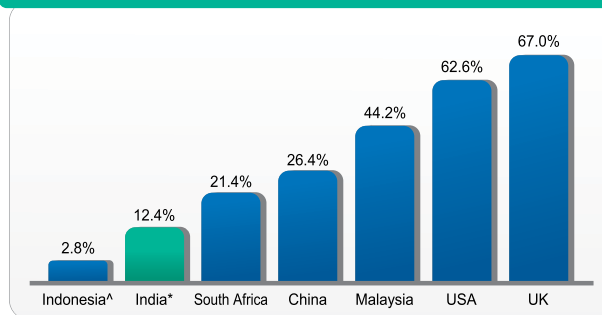
Note: E-Provisional estimates, P-Projected, IMF forecast (July 2019)
Source: CSO (Central Statistical Organisation), IMF, CRISIL Research

Improving Mortgage Penetration in India

As of March 2019, the total outstanding retail housing loans was ₹ 18.7 trillion – which translates to 12.4% Mortgage to GDP ratio. Although it has improved over the years, it is still lower than other emerging and developing economies. CRISIL Research expects the mortgage penetration of India

to reach 15% by fiscal 2024 due to various structural drivers such as young population, smaller family sizes, increased urbanization and rising income levels.

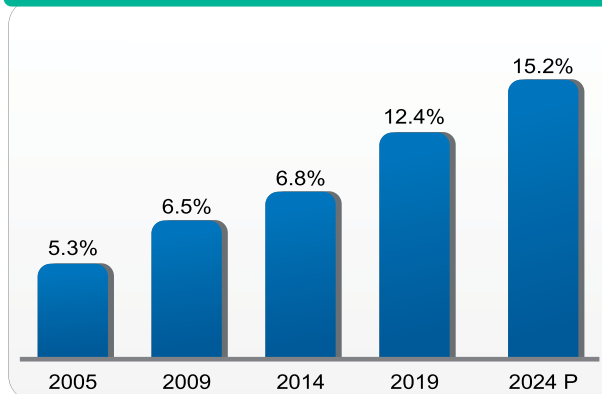
Mortgage-to-GDP ratio in India compared with other countries (CY17)



Note – (*) – As of CY19, (^) As of CY16

Source – HOFINET, Peoples Bank of China, IMF, National Mortgage Corporation of Malaysia, CRISIL Research

Trend in mortgage-to-GDP ratio in India



Note: P - Projected

Source – NHB, World Bank, HOFINET, CRISIL Research

The major growth drivers supporting higher mortgage penetration are:

1. **Urbanisation:** Urbanisation rose from 28% in 2001 to around 31% by 2011 as per Census 2011. A United Nations report, World Urbanization Prospects: The 2011 Revision, expects nearly 36% of the country's population to live in urban areas by 2020. This will boost demand for housing in urban areas.
2. **Nuclearization:** Reducing average household size driven by changing lifestyle of people, changing social culture,

and increased mobility of labour is expected to continue in future. It has reduced from 5.5 per household in 1991 to 4.8 per household in 2011 as per Census 2011.

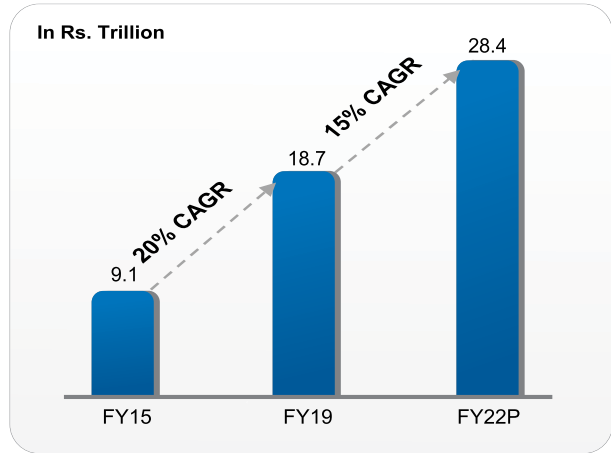
3. **Favourable Demographics:** Currently, the median age of Indian population is 28 years as per CRISIL Research. As much as 90% of Indians will still be below the age of 60 by 2020. CRISIL Research expects 63% of them will be between 15 and 59 years. Favourable demographics coupled with declining age of home loan borrowers, growth in salaries and increasing preference to accumulate assets – will also boost mortgage penetration in India.
4. **Rising Income Levels:** According to IMF World Economic Outlook the nominal per capita GDP of India is estimated to be ₹143,000 for fiscal 2019. Further, IMF forecasts the nominal per capita GDP to grow at a CAGR of 10% over the next five years (fiscal 2019 to fiscal 2024) to ₹ 235,000 in fiscal 2024.

Indian Housing Finance Market

The Indian housing finance market grew at ~20% CAGR (growth in outstanding loans) over fiscals 2015-2019 as a result of rise in disposable income, healthy demand and more market players catering to different segments. CRISIL research expects the housing loans outstanding to increase by 15% CAGR for next three years to touch ₹ 28.4 trillion by fiscal 2022.

Home loan disbursement to grow at a healthy pace...

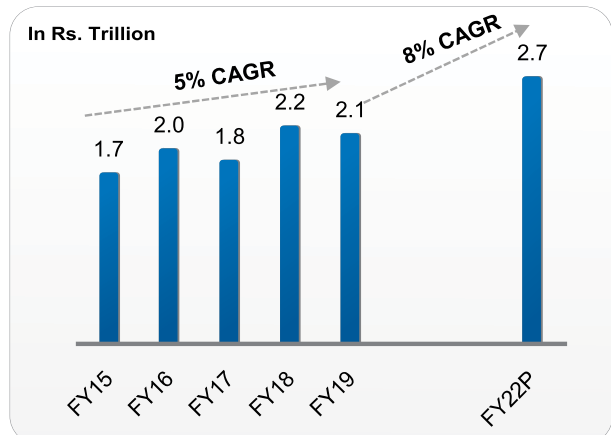
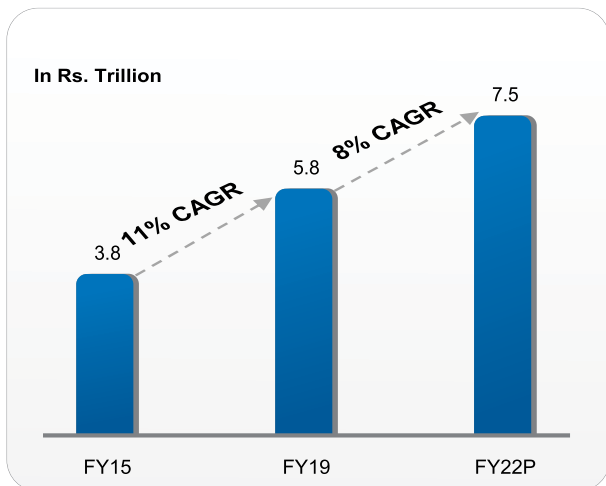
...leading to 15% growth in outstanding



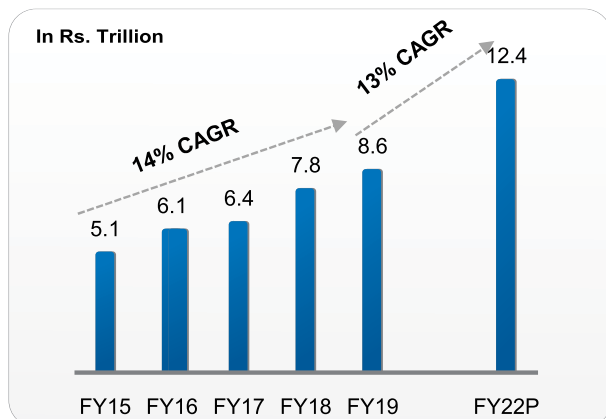
Source: Experian Bureau, CRISIL Research

India's mortgage market can be subdivided into normal mortgage market (housing loans with ticket size of more than ₹ 2.5 million) and affordable housing (housing loans with ticket size of ₹ 2.5 million and below). Affordable housing comprises a major share (~82%) in outstanding home loans in volume terms leading to 46% share in credit outstanding in fiscal 2019 (Source: Experian, CRISIL Research). Further, affordable housing outstanding credit grew at 14% CAGR to ₹ 8.6 trillion during fiscals 2015 -2019. The major growth drivers being increase in penetration of financiers in rural and semi-urban areas, favourable demographics – including declining age of home loan borrowers, urbanisation and nuclearization, government push to promote Housing for All by 2022, and improved affordability of borrowers. CRISIL Research expects the size of affordable housing market to increase at ~13% CAGR to touch ₹12.4 trillion by fiscal 2022.

Affordable housing industry disbursement to grow at 8% CAGR over next three years ...



...Translating into outstanding growing at 13% CAGR



P: Projected

Source: Experian, CRISIL Research

Regulatory Framework

Government has provided additional thrust to the housing finance sector by announcing various schemes and amendments to the existing rules and regulations. Some of the changes introduced in the regulatory framework are as mentioned below:

1. Change in PSL eligibility

As per the Notification released in June 2018, RBI has increased the eligibility of PSL in housing loans from ₹ 2.8 million to ₹ 3.5 million for metropolitan centres and from ₹ 2 million to ₹ 2.5 million for other centres. The overall cost of dwelling has been capped at ₹ 4.5 million in metropolitan centres and ₹ 3 million in other centres.

2. Increased refinancing limits

NHB raised refinancing target from ₹ 240 billion in July 2018 to ₹ 300 billion for June 2019. Also, RBI has cut the minimum holding requirement for NBFCs raising funds via securitisation of loans of original maturity above five years. The NBFCs will now be allowed to securitise loans after six months of repayments against the earlier requirement of 12 months.

3. Union Budget proposals for housing:

- Interest deduction on loans taken until March 31, 2020, for the purchase of a

house valued up to ₹ 4.5 million enhanced to ₹ 0.35 million from ₹ 0.02 million.

- Under the Pradhan Mantri Awas Yojana Gramin (PMAY-G), as many as 15 million houses have been constructed so far. The government has set a target of constructing 19.5 million houses by fiscal 2022 under the phase-II of the scheme.
- Under the Pradhan Mantri Awas Yojana-Urban (PMAY-U), out of estimated 10 million houses to be constructed over fiscals 2016-2022, 8.4 million have been sanctioned as of July 2019. Of these, 2.6 million have been constructed and 2.2 million are under construction.
- The Union Budget 2019-20 provided for ~₹ 69 billion of budgetary allocation under PMAY-U. This allocation is the highest since the announcement of the scheme. The scheme was allocated internal and extra budgetary resources (IEBR) of ₹ 250 billion last year due to which the scheme could gain a lot of momentum.

4. Reduction in corporate tax rates for domestic companies

On 20th September, 2019, the Finance minister had announced Taxation Laws (Amendment) Ordinance 2019 to make certain amendments in the Income-tax Act 1961 to allow any domestic company an option to pay income-tax at the rate of 22% subject to condition that they will not avail any exemption/incentive. The effective tax rate for these companies shall be 25.17% inclusive of surcharge & cess. Also, such companies shall not be required to pay Minimum Alternate Tax

5. Tighter capital adequacy and leverage norms for HFCs

NHB has mandated HFCs to restrict their borrowings in a phased manner to 12 times their net-owned funds (NOF) as on March 31, 2022, compared to the existing 16 times.

The total borrowings to be limited to 14 times of its NOF on and after March 31, 2020 and 13 times and 12 times on and after March 31, 2021 and March 31, 2022 respectively.

Minimum capital ratio consisting of Tier I and Tier II capital to be more than 15% of every HFC's risk weighted assets and of risk adjusted value of off-balance sheet items after 2022. The Ratio to be maintained year-wise is 13%, 14% and 15% on or before March 31, 2020, March 31, 2021 and March 31, 2022 respectively.

Also Tier I capital should not fall below 10% as against 6% currently.

- Shift of regulatory authority on HFCs
As per Budget 2019, regulatory supervision and oversight of HFCs is to be transferred to RBI from the NHB. Further, as per the Finance Bill 2019, NHB may independently inspect the books of HFCs and continue to inspect and penalize HFCs.

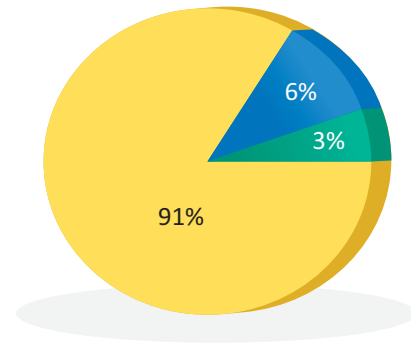
Our Performance Overview

Home First is in the business of providing housing loans to low- and mid-income affordable home buyers. Home First is a registered HFC and operates from its head office situated in Mumbai. As at March 31, 2019, it has its presence across 11 States and 1 union territory of the country with a network of over 60 branches across 40 cities.

Loan Products

The Company offers customers home loans for the purchase or construction of residential properties and for the extension and repair of existing housing units. As at March 31, 2019, home loans contributed ₹2,22,545 lakhs of the loan portfolio. In addition to home loans, the company also offers Non-Housing loans (including loan against property) which is ₹15,098 lakhs and housing loan to Corporate bodies/others (Developer Finance) which is ₹6,714 lakhs of the loan portfolio.

Product Mix as at March 31, 2019



- Housing loan to Individuals
- Non-Housing loans
- Housing loan to Corporate Bodies/others

Sanctions

During the financial year 2019, we sanctioned loans worth ₹1,87,351 lakhs compared to ₹97,304 lakhs in the previous year with an annual growth of 93%. As at March 31, 2019, the cumulative loan sanctions since inception of the Company stood at ₹4,02,438 lakhs.

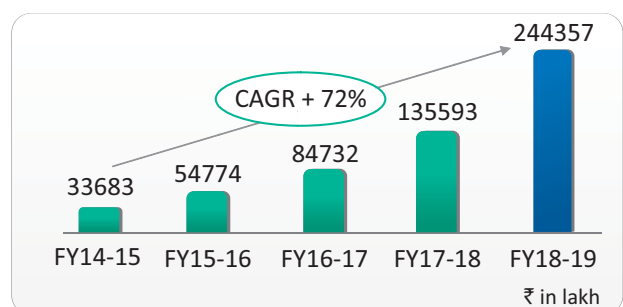
Disbursements

During the financial year 2019, we disbursed loans worth ₹1,57,284 lakhs compared to ₹74,549 in the previous year, an annual growth of 111%. As at March 31, 2019, the cumulative loan disbursal since inception of the Company stood at ₹3,34,648 lakhs.

Portfolio

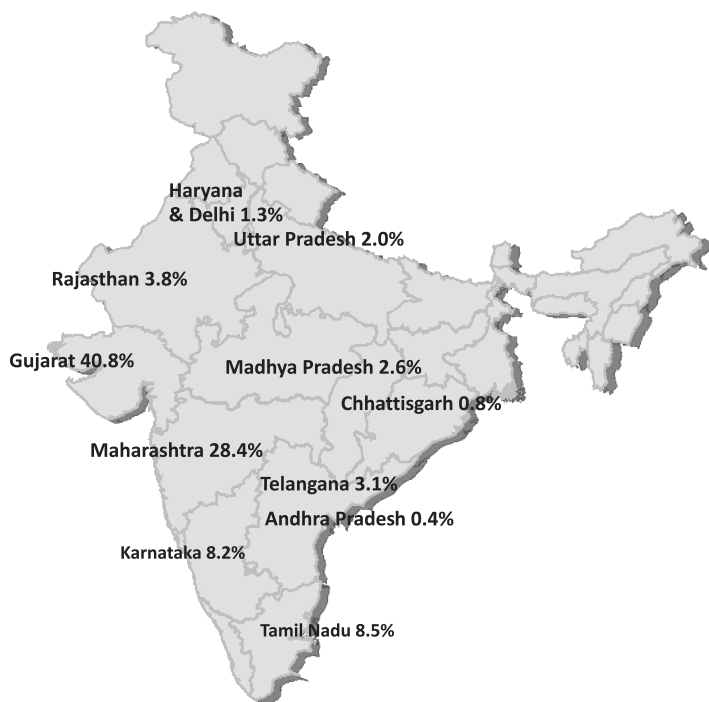
As at March 31, 2019, the total no. of live loans of the Company stood at 30,207 to 16,053 as at March 31, 2018.

As at March 31, 2019, the Asset Under Management (AUM) of the Company stood at ₹ 2,44,357 lakhs (including Direct Assignment of ₹ 29,206 lakhs) as against ₹ 1,35,593 lakhs in the previous year, a growth of 80%. The 5 year growth of the portfolio of the Company is as follows:



The portfolio is spread in 11 states and 1 union territory with Gujarat being the largest market followed by Maharashtra, Tamil Nadu and Karnataka.

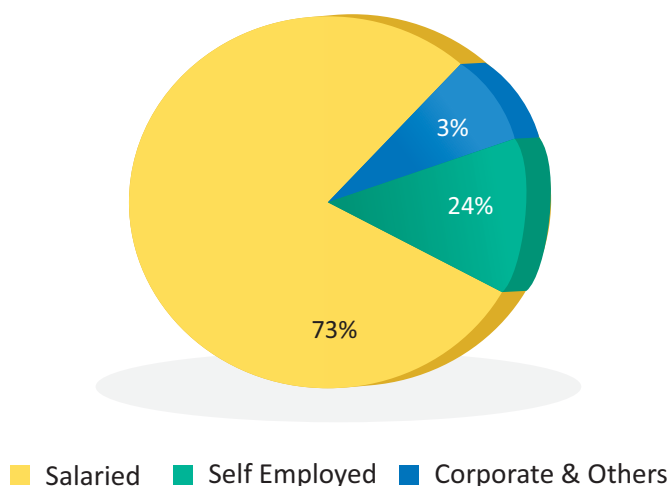
The chart below shows our geographical distribution of the AUM of ₹ 2,44,357 lakhs



Customer Segment

Home First focuses on salaried customers. We believe that salaried customers are more resilient from a credit quality perspective and this will help to build a robust loan portfolio. As at March 31, 2019, the Company's portfolio mix based on customer segment is as follows:

Customer Segment Mix As at March 31, 2019



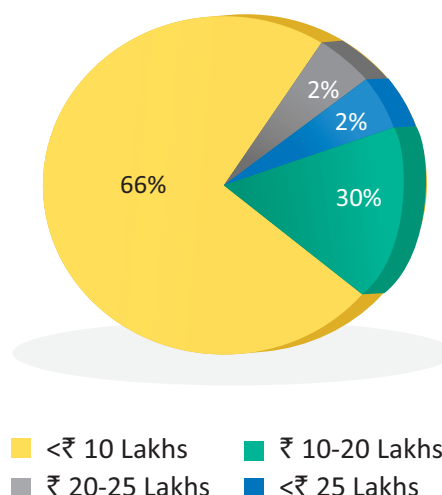
Credit Linked Subsidy Scheme under PMAY

We have been actively promoting the Credit Linked Subsidy Scheme (CLSS) under the Pradhan Mantri Awas Yojana for EWS, LIG and MIG. Till March 31, 2019, we have enrolled 23,300 loans under CLSS Scheme with subsidies passed on for 17,093 loans amounting to ₹40,200 lakhs. During the financial year 2019, the Company passed on subsidies amounting to ₹ 25,838 lakhs.

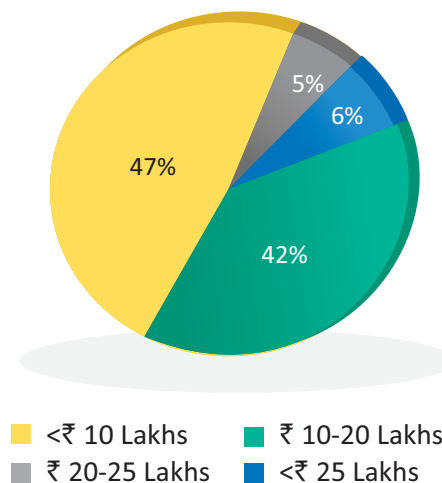
Average Ticket Size

We continue to target the affordable segment and therefore 86% of the loans are below the ticket size of 20 lakhs. As at March 31, 2019, the average ticket size of the portfolio for Home Loan was ₹10.3 lakhs.

Ticket size contribution by No. of Loans As at March 31, 2019



Ticket size contribution by Sanction Value As at March 31, 2019



Spread on Loans

During the financial year 2019, the average yield on portfolio was 13.2% compared to 12.1% in the previous year. The average cost of borrowings was 8.5% per annum as compared to 7.7% in the previous year. Average Spread on Loan for the year was 4.7%.

Our Results of Operations for financial year 2019

- Our total revenue was ₹ 26,534 lakhs which grew by 81% as against ₹ 14,628 lakhs in the previous year
- Our operating expenses increased from ₹3,939 lakhs during previous year 2018 to ₹7,381 lakhs during financial year 2019 on account of an increase in the number of our branches from 42 as at March 31, 2018 to 60 as at March 31, 2019 and increase in employee base from 382 as at March 31, 2018 to 675 as at March 31, 2019; to continue the expansion of the business.
- Our Profit after tax was ₹4,223 lakhs which grew by 68% as against ₹2,520 in the previous year
- The EPS (basic) was ₹36.55 against previous year of ₹24.42
- Return on Average Net worth of 9.83% against previous year of 7.86%
- Return on Total Assets of 2.19% against previous year of 2.13%
- Average Debt/Equity ratio for the year at 3.44 times

Asset Quality

We employ a structured collection process wherein we remind the customers of their payment schedules and perform predictive analytics to predict the probability of default, which helps us in obtaining early signals of potential defaults and

initiate action to mitigate risks. As at March 31, 2019, our Gross NPAs stood at ₹1,694 lakhs which was 0.68% of the Loan Assets and Net NPA at 0.52% of Gross Loan Assets.

In the financial year 2019, the Company by way of prudence and abundant caution has created an additional provision on non-performing loans amounting to ₹90.71 lakhs. As at March 31, 2019, the total provision on loans stood at ₹1,079 lakhs with Provision Coverage Ratio at 68%.

Shareholders' Funds

As at March 31, 2019, our Shareholders' Funds was ₹52617 lakhs, representing 21% of our total assets. As at March 31, 2018, our Shareholders' Funds was ₹ 33310 lakhs, representing 24% of our total assets. The increase in our Shareholders' Funds was primarily due to an increase in our securities premium account mainly coming from equity infusion from existing investors of 22,62,682 shares for ₹ 15,000 lakhs.

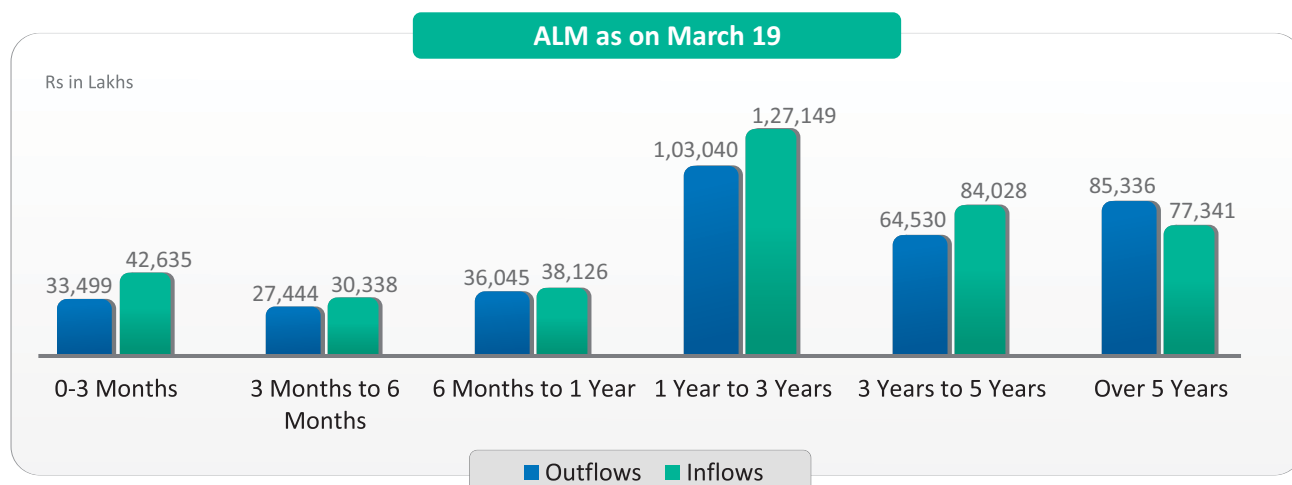
Borrowings

As at March 31, 2019, borrowings of the company stood at ₹ 1,92,988 lakhs compared to ₹ 1,02,194 as at March 31, 2018.

During the financial year 2019, term loan of ₹ 10,000 lakhs was sanctioned by Central bank of India, ₹ 5,000 lakhs by HDFC Bank, ₹ 2,000 lakhs by Federal Bank. Four new banks sanctioned term loans worth ₹ 29,500 lakhs: State Bank of India of ₹ 15,000 lakhs, Catholic Syrian Bank of ₹ 5,000 lakhs, ICICI Bank of ₹ 7,500 lakhs and Karur Vysya Bank of ₹ 2,000 lakhs.

We received fresh refinance from NHB of ₹29,000 lakhs which was availed in the form of Urban Housing Fund [₹3,000lakhs], Regular Refinance Scheme [₹26,000 lakhs] and Affordable Housing Fund [₹10,000 lakhs].

We regularly monitor our funding levels to ensure that we are able to satisfy the requirements for loan disbursements and maturity of our liabilities. We have optimally matched assets and liabilities:



Direct Assignment

During the financial year 2019, we received a purchase consideration of ₹27,554 lakhs from direct assignment and the securitized assets were derecognized in the books of the company. As at March 31, 2019, the company has Direct

Assignment of ₹ 29,206 lakhs in the total portfolio compared to ₹ 3,746 lakhs as at March 31, 2018.

Capital to Risk-Weighted Assets Ratios

The following table sets forth our capital to risk-weighted assets ratios for the periods indicated:

	March 31, 2019	March 31, 2018
CRAR (%)	38.01%	42.59%
CRAR - Tier I capital (%)	37.42%	41.90%
CRAR - Tier II capital (%)	0.59%	0.69%

Credit Ratings

As at March 31, 2019, the following table sets forth our credit ratings :

Rating Agency	Instrument	Credit Ratings
CARE Ratings	Long-term Bank Facilities	A+
ICRA Limited	₹ 3200 crore Term Loans	A+
	₹ 200 crore Non-Convertible Debenture Programme	A+
	₹ 100 crore Commercial Paper Programme	A1+
India Ratings & Research	Commercial Paper Programme	A1+

Human Resource

We have a professional and an experienced management team, led by our CEO and founder, Manoj Viswanathan, who has over 20 years of experience in the consumer lending industry. Their experience, and industry knowledge is supported by experienced credit underwriters, sales and operations teams who have in-depth knowledge and understanding of the location in which they operate.

We primarily employ people who have obtained their engineering or management degrees and train them both on and off the job. We are a young and diverse organization with women employees constituting 30% of the total employee base.

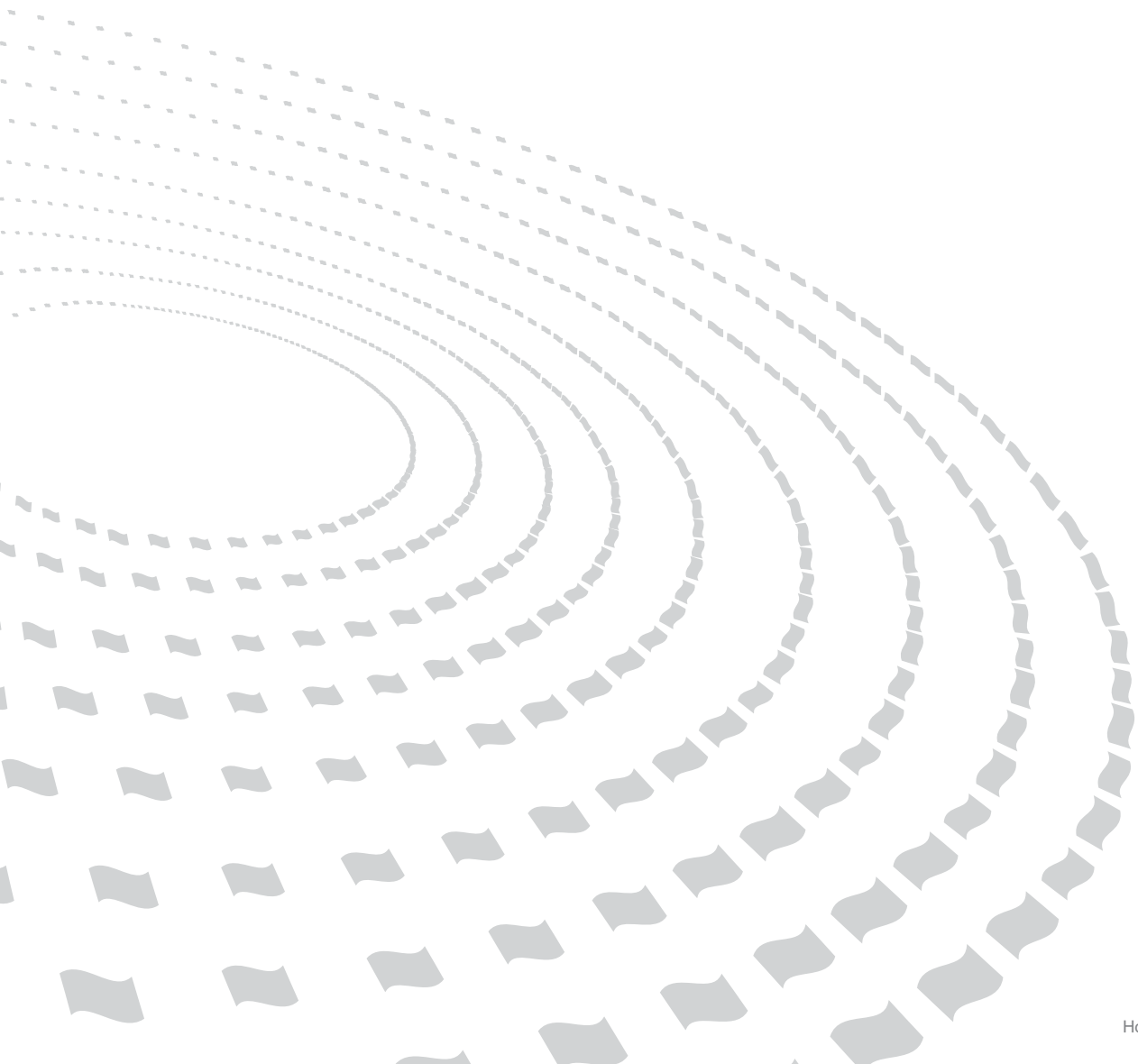
As at March 31, 2019, the employee strength stood at 675 as compared to 382 as at March 31, 2018.

Outlook

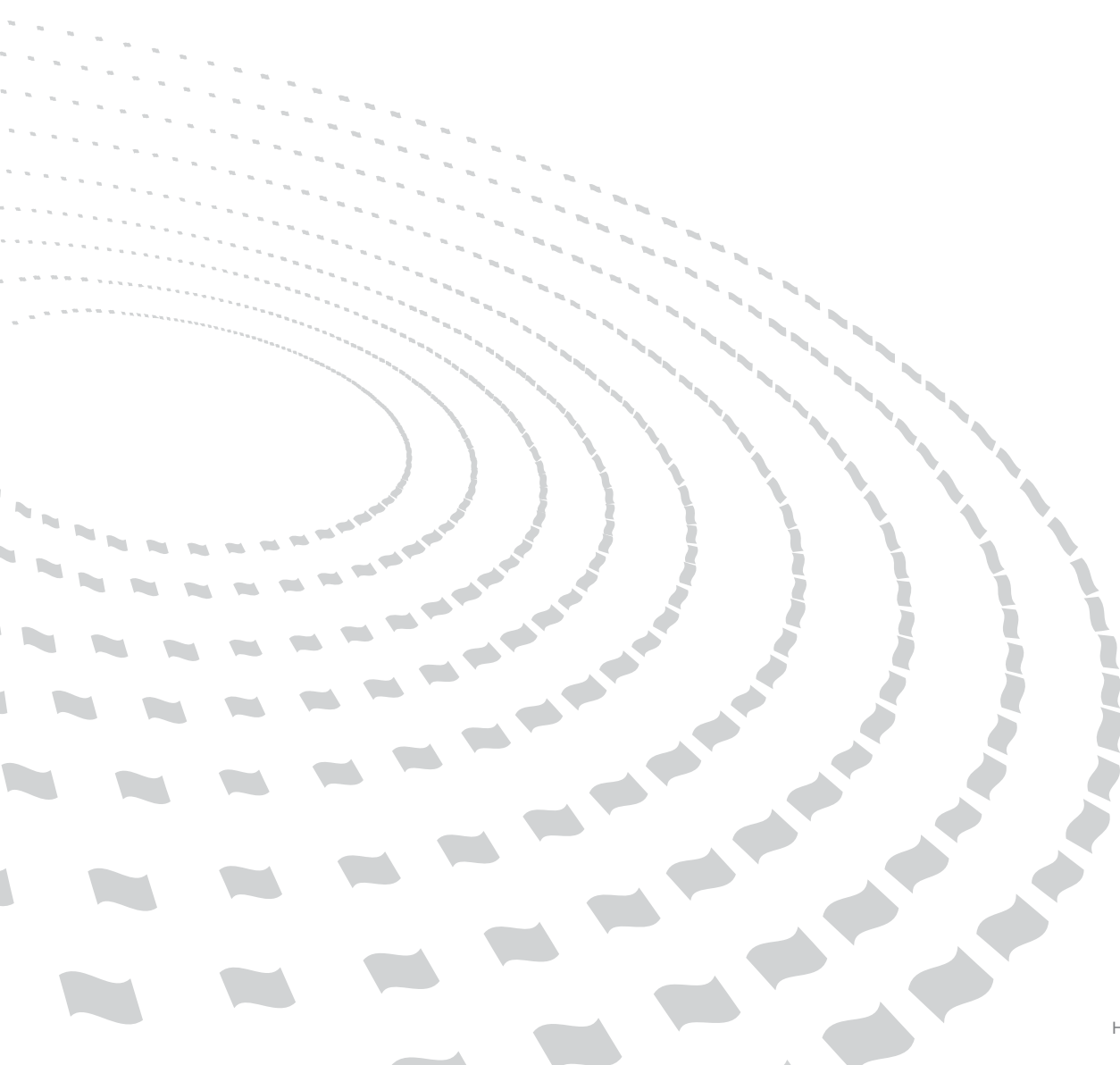
We aim to continue scaling our business by expanding our branch network to reach more affordable housing markets and by focusing on deeper penetration of the existing markets. With the increasing scale of business, we plan to enhance our risk management framework to maintain portfolio quality. In order to meet the funding requirements, we intend to raise finances through diversified sources to minimize risks and optimize the borrowings cost.

We are a technology-driven company and we will continue investing in technology to develop end-to-end digital processes for housing loans right from lead-sourcing to machine assisted underwriting. This will enhance customer service, improve turnaround times and help us scale the business without proportionately increasing the operating expenses thereby improving our profitability.

2018 2019



Directors Report



Directors Report

To,
The Members,
Home First Finance Company India Limited,

Your Directors have pleasure in presenting the 10th Annual Report of the Company together with the Audited Statement of Accounts for the year ended March 31, 2019.

FINANCIAL RESULTS & PERFORMANCE:

Financial Results

The key highlights of the audited financial statements of your Company for the financial year ended March 31, 2019 and comparison with the previous financial year ended March 31, 2018 are summarized below:

₹ in Cr.

Particulars	FY 2018-19	FY 2017-18
Total Income	265.34	146.28
Less: Total Expenses	206.32	107.96
Profit/ (Loss) before tax	59.02	38.32
Less: Current tax	16.05	12.04
Deferred tax	0.72	1.08
Profit after Tax	42.25	25.20
Transfer of Statutory Reserve (u/s 29C of NHB Act, 1987)	8.50	5.20
Balance carried to Balance sheet	33.75	20.00
Earnings per Share (Face Value ₹10)	41	-
Basic (₹)	36.55	24.42
Diluted(₹)	35.76	23.80

Financial Performance

Your Company has recorded another year of steady growth, despite a highly competitive environment in the housing finance sector. To achieve meaningful scale and support the growth, your Company has significantly expanded its branch network to 60 branches in FY 2019 as against 42 branches as on FY 2018 and has almost doubled the employee base to 675 as compared to 382 employees as on March 31, 2019. Despite rise in infrastructure and staffing expenses on account of expansion of branch network and increase in employee strength, the profit before tax as on March 31, 2019 increased by 54% to ₹59.02 Crore (previous year: ₹38.32 crore). The profit after tax as on March 31, 2019 increased by 68% to ₹42.25 crore (previous year: ₹25.20 crore) and the net worth of the Company as on March 31, 2019 was ₹526.17 Crores.

Pursuant to the requirement of the National Housing Bank ("NHB") a provision of ₹7.02 crore (previous year: ₹4.64 crore) on standard assets of the Company was made as at March 31, 2019.

Your Company has continued to maintain good asset quality with a net NPA of 0.57% as on March 31, 2019 (previous year: 0.46%), in spite of a difficult macro-economic environment.

As required under Section 29C of the NHB Act, 1987, an amount of ₹8.50 crore (previous year: ₹5.20 crore) was transferred to statutory reserve fund.

There has been no change in the nature of business of the Company during the year under review.

Details of Companies which have become or ceased to be its subsidiary, associate and joint venture companies

The Company does not have any subsidiary, Associate or Joint Venture companies.

Material changes and commitments, if any, affecting the financial position of the Company which have occurred between the Financial year end March 31, 2019 and date of this report

No material changes and commitments, affecting

the financial position of the Company have occurred between the Financial Year ended March 31, 2019 and date of this Director's Report.

DIVIDENDS & RESERVES

Considering your Company's rapid growth and future strategy and plans, your Directors consider it prudent to conserve the resources of the Company for its growth and despite having sufficient distributable profits, do not recommend any dividend on equity shares for the financial year under review.

During the year under review, pursuant to Section 29C of the NHB Act, 1987, the Company had transferred a sum of ₹8.50 Crores out of the previous year's profits available for appropriation to the Statutory Reserve Fund.

Adoption of new set of Articles of Association

The Company has adopted a new set of Articles of Association.

SHARE CAPITAL

Authorised Share Capital

During the year under review, 16,00,004 Series A Compulsorily Convertible Preference Shares and 24,08,811 Series B Compulsorily Convertible Preference Shares were re-classified into Equity Shares. After re-classification the Authorised Share Capital of the Company Stands at 1,50,00,000 Equity Shares of ₹10 each amounting to ₹15,00,00,000 (Rupees Fifteen Crore Only).

Issued Subscribed and Paid-up Share Capital

During the year under review, the Company issued and allotted 22,62,682 Equity Shares to the existing Investors of the Company at a price of ₹662.93. Further, 81,885 Equity Shares were issued and allotted on exercise of stock options granted to employees of the Company under ESOP Plan 2012 and ESOP II. Pursuant to the aforesaid allotments, the issued, subscribed and paid-up share capital of the Company stands increased to ₹12,66,78,980 /- (1,26,67,898 equity shares of Face Value ₹10/- each).

FUTURE PROSPECTS AND OUTLOOK

Housing continues to benefit both from inherent demand driven by socio-economic and demographic factors, and from specific government policy focus. Housing shortfall in the country is estimated at about 41 million units. Demographic factors like population growth and nuclearization of traditional joint-family structures, along with rising income and aspirations is giving rise to incremental housing demand per annum. The housing sector has the ability to propel rural and urban economic activity. The housing sector's socio-economic importance has made housing the centrepiece of the government's economic policy. In coordination with sectoral regulators, the government has unveiled many specific policies and fiscal incentives for the sector.

Management perspective about future growth

India's real GDP growth rate is expected to average approximately 7.0% to 7.5% over the next five years. Strong private consumption and services are expected to continue to support economic activity. Benefits of the GST are likely to become more broad-based in Fiscal 2020, with a shift from informal businesses to formal and organised players. The adequate recapitalisation of the public sectors banks would be critical in supporting lending growth and investment revival in the economy.

Affordable housing has been one of the key initiatives taken by government towards growth of real estate industry. Affordable houses will get a boost after GST being reduced. It will also be driven by a take-off in Credit Linked Subsidy Scheme (CLSS) for Economically Weaker Section (EWS), and Lower Income Groups (LIG). In 2017, the government extended Credit Linked Savings Scheme (CLSS) to mid-income home buyers under the PMAY which gives interest subsidy on home loans. The eligible subsidy is paid upfront into the customer loan account, thereby reducing their EMIs, and hence effective interest rates. In September 2017, the Government extended the interest subsidy period for MIG-I and MIG-II type of housing by extending the cut-off date to 31st March, 2019. In September 2017 and again in June 2018, the government increased the carpet area of homes eligible for

subsidy to 160 sq. m. and 200 sq. m. from the earlier 90 and 110 sq. m. respectively for MIG I and MIG II.

The features of the scheme are given below

Type	Income per annum	Interest Subsidy %	Upto Loan amount (₹ in Lakhs)	Upto Carpet Area (sq. m)
Economically Weaker Section (EWS)	Upto ₹3 lakhs	6.5%	6	30
Low Income Group (LIG)	₹3 Lakhs – ₹6 Lakhs	6.5%	6	60
Middle Income Group (MIG)	₹6 Lakhs – ₹12 Lakhs	4%	12	120
Middle Income Group (MIG-II)	₹12 Lakhs – ₹18 Lakhs	3%	18	200

Source: RBI report on Affordable Housing dated January 2018

OPERATIONS AND BUSINESS HIGHLIGHTS

The Company continues to be focused on low and mid-income affordable housing and propelled by the growth in this segment, the Company's total loan assets grew to ₹2151.51 Crores, up 63% from ₹1318.47 Crores as at the end of FY 2017-18. Needless to say, we shall not rest on these achievements but redouble our efforts to vindicate the trust reposed in the Company.

Disbursements

Financial year 2018-19 has been a good year for the Company. During the year your Company disbursed ₹1573 Crores under various schemes. As on March 31, 2019, Company ended with an AUM of ₹2444 Crores.

During the year Company has received subsidy worth ₹258 Crores in respect of 10480 beneficiaries and has credited the same to the respective customer's Loan account.

For the year ended March 31, 2019 the Company ended with 60 branches spread widely across 11 states and 1 union territory.

RESOURCES AND LIQUIDITY

Your Company has diversified funding sources

including public sector banks, private sector banks, mutual funds and financial institutions. Funds were raised in accordance with the Company's Resource Planning Policy, through term loans, issue of commercial paper and re-finance facility from NHB.

During the year under review, your Company has raised (i) ₹697 Crore as bank borrowings (outstanding as on March 31, 2019: ₹1343.12 Crore), (ii) ₹50 Crore by issuance of commercial paper (outstanding as on March 31, 2019: Nil), and (iii) ₹390 Crore through re-finance from NHB (outstanding as on March 31, 2019: ₹586.76 Crore).

Issuance of Commercial Paper

The Company issued 2 tranches of Commercial Papers of ₹25 Crores each. The short-term borrowings including commercial paper are rated "ICRA A1+", indicating very strong degree of safety regarding timely payment of financial obligations. The outstanding balance of commercial paper as at March 31, 2019 was Nil.

Credit Rating

The Company's financial discipline and prudence is reflected in the strong credit ratings assigned by a rating agency as under:

Type	Income per annum	Rating	Amount	Remarks
Term Loan from Banks	ICRA	A+	2,000 Crore	Stable
	CARE	A+	451Crore	Stable
Commercial Paper	ICRA	A1+	100 Crore	-
	India Ratings	A1+	300 Crore	-
Non-Convertible Debentures	ICRA	A+	200 Crore	Stable

DEPOSITS

Your Company being Non-Deposit taking Housing Finance Company has not accepted or renewed any amount falling within the purview of provisions of Section 73 of the Companies Act 2013 ("the Act") read with the Companies (Acceptance of Deposit) Rules, 2014 during the year under review. Hence, the requirement for furnishing the details relating to deposits covered under Chapter V of the Act or the details of deposits which are not in compliance with the Chapter V of the Act is not applicable.

PARTICULAR OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES

During the financial year under review the Company has not entered into any transactions/contract with the related parties falling within the provisions of Section 188 of the Companies Act, 2013 and the rules made thereunder. However, there was a reimbursement made to True North Managers LLP for which the Audit Committee has accorded its approval.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The company being a housing finance company, the particulars as required under the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 in respect of conservation of energy and technology absorption are not applicable to the company during the financial year under review.

Foreign Exchange Earnings and Outgo

The Company has made expenditure in foreign currency as per the following table:

₹ in Cr.

Particulars	FY 2018-19	FY 2017-18
Software fee	2.95	2.26
Total	2.95	2.26

EXTRACT OF ANNUAL RETURN

Pursuant to the provisions of Section 134(3)(a) of the Companies Act, 2013, Annual Return is placed on the website of the Company at <https://homefirstindia.com/> and furnished as **Annexure A** to the Directors report.

PARTICULARS OF INVESTMENTS, LOANS, GUARANTEES AND SECURITIES

The Company is engaged in the business of providing infrastructure facilities (Housing Finance) as specified under Schedule VI of the Companies Act, 2013. Accordingly, the provisions of Section 186 of the Companies Act, 2013 with respect to loan, guarantee or security provided are not applicable to the Company. However, the details of the loans made and particulars of investment made by the Company are provided in the financial statements.

ADEQUACY OF DISCLOSURE OF INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal financial controls with reference to its financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed. In the opinion of the Auditors of the Company, there are adequate internal financial control procedures commensurate with the size of the Company.

MATTERS RELATED TO DIRECTORS AND KEY MANAGERIAL PERSONNEL

The composition of the Board is in accordance with Section 149 of the Companies Act, 2013 with an appropriate combination of Executive, Non-executive and Independent Directors. As of March 31, 2019, the Board of Directors of your Company comprised of 7 Directors out of which one (1) is Executive Director and two (2) Independent Directors out of which one is Woman Director and rest are Nominee Directors.

Directors Report

Details of Board of Directors along with Key Managerial Personnel as on March 31, 2019 are mentioned below

Name	DIN / PAN	Designation
Mr. Sakti Prasad Ghosh	00183802	Independent Director
Ms. Sujatha Venkatramanan	05340759	Independent Director
Mr. Rajagopalan Santhanam	00025669	Nominee Director
Mr. Vishal Vijay Gupta	01913013	Nominee Director
Mr. Divya Sehgal	01775308	Nominee Director
Mr. Maninder Singh Juneja	02680016	Nominee Director
Mr. Manoj Viswanathan	01741612	Director & CEO
Ms. Nutan Gaba Patwari	AGSPG3187G	Chief Financial Officer
Mr. Shreyans Bachhawat	AJDPB9500E	Company Secretary

Appointment / Resignation of Directors

During the FY 2019 there was no change in the Board of Directors of the Company.

Mr. Manoj Viswanathan was re-appointed as the Director and Chief Executive Officer for further 5 years w.e.f 1st April, 2018.

Key Managerial Personnel (KMP):

Ms. Kiran Agarwal Todi resigned from the post of Chief Financial Officer of the Company w.e.f November 30, 2018. The Board expressed their gratitude towards her contribution during her tenure and place on record their appreciation for the assistance and guidance provided by her during the tenure.

Ms. Nutan Gaba Patwari joined the Company w.e.f January 2, 2019 and was designated as Chief Financial Officer of the Company w.e.f March 4, 2019.

In terms of the Act, the following are the KMPs of the Company as on March 31, 2019

- Mr. Manoj Viswanathan – Director & CEO
- Ms. Nutan Gaba Patwari – Chief Financial Officer
- Mr. Shreyans Bachhawat – Company Secretary

A detailed report on appointment of Directors and Key Managerial Personnel has been set out in Corporate Governance report attached as **Annexure B** to this report.

Declaration by Independent Directors

There are two Independent Directors on the Board of Directors of the Company. Both the Independent Directors have submitted the Declaration of Independence in accordance with the relevant provisions of Section 149 of Companies act 2013 stating that they meet the criteria of Independence and are not disqualified from continuing as Independent Directors.

Both the Independent directors were re-appointed at the Annual General meeting held on 7th July, 2018 for a term of 5 years till the conclusion of Annual General Meeting to be scheduled in the year 2023.

Declaration of Fit & Proper Criteria

All the Directors of the Company have given the declaration to the effect that they are Fit & Proper, to be appointed as Director, as per the criteria prescribed by National Housing Bank.

Director(s) Retiring by Rotation

In terms of Section 152(6) of the Act read with the Articles of Association of the Company, there are no directors who shall retire by rotation.

Corporate Governance Report

Your Company believes that a good corporate governance system is necessary to ensure its long-term success. The Company ensures good governance through the implementation of various

effective policies and procedures, which is mandated and reviewed by the Board or the Committees of the members of the Board in regular intervals. The Corporate Governance report is furnished as **Annexure B** to this report.

Company's policy on Directors' appointment and remuneration

The Nomination and Remuneration Committee had laid down criteria for determining Directors Qualification, positive attributes and independence of a Director, remuneration of Directors, Key Managerial Personnel and other employees and criteria for evaluation of Directors, Chairperson, Non-Executive Directors and Board and the evaluation process of the same. The policy may be accessed on the Company's website at <https://homefirstindia.com/>.

Maintenance of Cost records

The Company being a housing finance company, maintenance of cost records as prescribed under section 148(1) of the Companies Act, 2013 is not applicable

Secretarial Standards

During the year under review, the Company has complied with the applicable secretarial standards issued by the Institute of Company Secretaries of India.

Employee Remuneration:

Statement containing details of employees as required in terms of Section 197 of the Act read with Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is available for inspection by the Members at the Registered & Corporate Office of the Company during normal business hours on all working days. A copy of the statement may be obtained by the Members by writing to the Company Secretary at the Registered Office of the Company.

Performance Evaluation

In terms of the provisions of the Act, the

Nomination and Remuneration Committee has determined the manner of performance evaluation of the Board, its committees and individual directors. The Board of Directors have evaluated the performance of the Board, as a collective entity, that of its Committee(s) and individual Directors in the manner as specified in the policy. Based on the questionnaire circulated and responses received, the Independent Directors expressed satisfaction with the overall performance of the Board and Non-Independent Directors.

The Board also assessed the quality, quantity and timeliness of flow of information between the Company management and the Board based on various parameters viz. detailed information on business and support functions provided to the Board, action taken by management on suggestions / request by the Board / Committee(s) Members, in-depth discussions at the Board / Committee(s) Meetings and found it to be adequate enough to assist the Board / Committee(s) in performing its duties effectively and reasonably

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis forms part of the Annual Report.

DISCLOSURES RELATED TO BOARD, COMMITTEES AND POLICIES

Board and Committee Meetings

During the financial year 2018-19, the Board of Directors of the Company met 6 times and the Audit committee meetings were held 3 times during the year under review. The details of meetings held during the financial year under review are further specified in the Corporate Governance Report of the Directors which forms a part of this report. The intervening gap between the two meetings was within the period prescribed under the Companies Act, 2013.

Whistle Blower Policy / Vigil Mechanism

In accordance with the provisions of Section 177 (9) of the Companies Act, 2013 and the rules made thereunder, the Company has established Vigil

mechanism and also adopted a Whistle blower Policy under the surveillance of the Audit committee. The Company has adopted work culture which ensures highest standards of professionalism, honesty, integrity, moral and ethical behavior.

The Policy may be accessed on the Company's website <http://www.homefirstindia.com/whistle-blower-policy>

Corporate Social Responsibility (CSR)

The CSR Committee has formulated a Corporate Social Responsibility (CSR) policy indicating activities to be undertaken by the Company. The CSR policy may be accessed on the Company's website <http://www.homefirstindia.com/CSRpolicy>.

The Company being committed to the well-being and betterment of the communities in which it operates had explored opportunities for doing CSR and lastly decided to donate requisite amount of ₹41 Lakhs to Prime Ministers Relief Fund pertaining to the FY 2018-19 on March 29, 2019. A detailed report on the CSR Committee is being set out in **Annexure C**.

RISK MANAGEMENT POLICY

The Company has in place the mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. These are discussed at the meetings of the Board of Directors of the Company.

The Company has an adequate system of internal financial control to safeguard and protect from loss, unauthorized use or disposition of its assets. All the transactions are properly authorized, record and reported to the Management. The Company continues to ensure proper and adequate systems and procedures commensurate with its size and nature of its business.

AUDITORS AND REPORTS

Ratification of Appointment of Auditors

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s. Walker Chandiook & Co LLP, Chartered Accountants, Firm registration no: 001076N/N500013, the Statutory Auditors of the Company have been appointed for a term of 5 years. The Company has received a confirmation from the said Auditors that they are not disqualified to act as the Auditors and are eligible to hold the office as Auditors of the Company.

Observations of Statutory Auditors on Financial Statements for the year ended March 31, 2019

There were no qualifications reported by the Statutory Auditor in their report for the financial year ended March 31, 2019 read with the explanatory notes therein which are self-explanatory and therefore, do not call for any further explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

Fraud Reported by Auditors

During the year under review, the Statutory Auditors have not reported any instances of frauds committed in the Company by its officers or employees to the Board/Audit Committee under Section 143(12) of the Companies Act 2013, details of which needs to be mentioned in this report.

Internal Auditors

The Company has appointed M/s. P Chandrashekhar LLP as its internal auditor to conduct comprehensive audits of functional areas and operations to examine the adequacy of, and compliance with policies, plans and statutory requirements. The Internal Auditors have not submitted any material qualifications, reservations or adverse remarks or disclaimers.

HUMAN RESOURCE

At HomeFirst, human resource development is considered vital for effective implementation of business plans. Constant endeavors are being made to offer professional growth opportunities and recognitions, apart from imparting training to employees. During the current year, in-house training programs were provided to employees, inter alia in lending operations, recoveries, KYC, IT

system & security and accounts. Employees were also nominated for training programs conducted by NHB and other institutions.

HomeFirst's staff strength as at March 31, 2019 was 675.

EMPLOYEE STOCK OPTION SCHEME

Your Company believes that its success is largely determined by the quality of its workforce and their commitment towards achieving the goals of the Company. In order to enable the employees of the Company to participate in the future growth and success of your Company, 'ESOP Plan 2012' (ESOP 2012) and ESOP II was adopted by the Company. In terms of Section 62 read with Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 of the Companies Act, 2013, the disclosures for the Financial Year ended March 31, 2019 with respect to ESOP 2012 and ESOP II have been provided at **Annexure D** to this Director's Report.

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

In accordance with the Act mentioned herein above and the rules made thereunder the Company has adopted and implemented a policy in this behalf. The Policy is available on the website of the Company at the below mentioned link: <http://www.homefirstindia.com/psh-policy>. The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the financial year 2018-19, the Company did not receive any complaint on sexual harassment. The Annual Report as required to be prepared and submitted under Section 21 of the Act read with Rule 14 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rules, 2013 is furnished as **Annexure E** to this Report.

REGULATORY COMPLIANCE

The Company has been following guidelines, circulars and directions issued by National Housing

Bank (NHB) from time to time. The Company has adopted all the Policies as recommended by NHB from time to time.

Your Company has been maintaining capital adequacy as prescribed by the NHB. The capital adequacy was 38.02 percent (as against 12 percent prescribed by the NHB) as at March 31, 2019 after considering the loan to value ratio for deciding risk weightage.

The Company also has been following directions / guidelines / circulars issued by Accounting Standards, Income Tax Act, 1961, MCA from time to time, applicable to the company.

OTHER DISCLOSURES

Other disclosures as per provisions of Section 134 of the Act read with Companies (Accounts) Rules, 2014 are furnished as under:

DISCLOSURE OF ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNAL

During the year under review there were no significant material orders passed by the Regulators / Courts which would impact the going concern status of the company and its future operations. Further no penalties have been levied by NHB / any other Regulator during the financial year under review.

DIRECTOR'S RESPONSIBILITY STATEMENT

In terms of Section 134(5) of the Companies Act, 2013, in relation to the audited financial statements of the Company for the year ended March 31, 2019 the Board of Directors hereby confirms that:

- a. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b. the directors had selected such accounting policies and applied them consistently and the Directors made judgments and

estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019 and of the profit & loss of the Company for that year;

- c. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the directors had prepared the annual accounts of the Company on a going concern basis;
- e. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively;

DISCLOSURE UNDER SECTION 43(a)(ii) OF THE COMPANIES ACT, 2013

The Company has not issued any shares with differential rights and hence no information as per provisions of Section 43(a)(ii) of the Act read with Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

DISCLOSURE UNDER SECTION 54(1)(d) OF THE COMPANIES ACT, 2013

The Company has not issued any sweat equity shares during the year under review and hence no information as per provisions of Section 54(1)(d) of the Act read with Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

DISCLOSURE UNDER SECTION 67(3) OF THE COMPANIES ACT, 2013

During the year under review, there were no instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014 is furnished.

ACKNOWLEDGMENT AND APPRECIATION

Your Board of Directors take this opportunity to express their appreciation to all stakeholders of the Company including the National Housing Bank, the Ministry of Corporate Affairs, the Government of India and other Regulatory Authorities, Bankers, Financial Institutions, Members, Customers and Employees of the Company for their continued support and trust. Your Directors would like to express deep appreciation for the commitment shown by the employees in supporting the Company in achieving continued robust performance on all fronts.

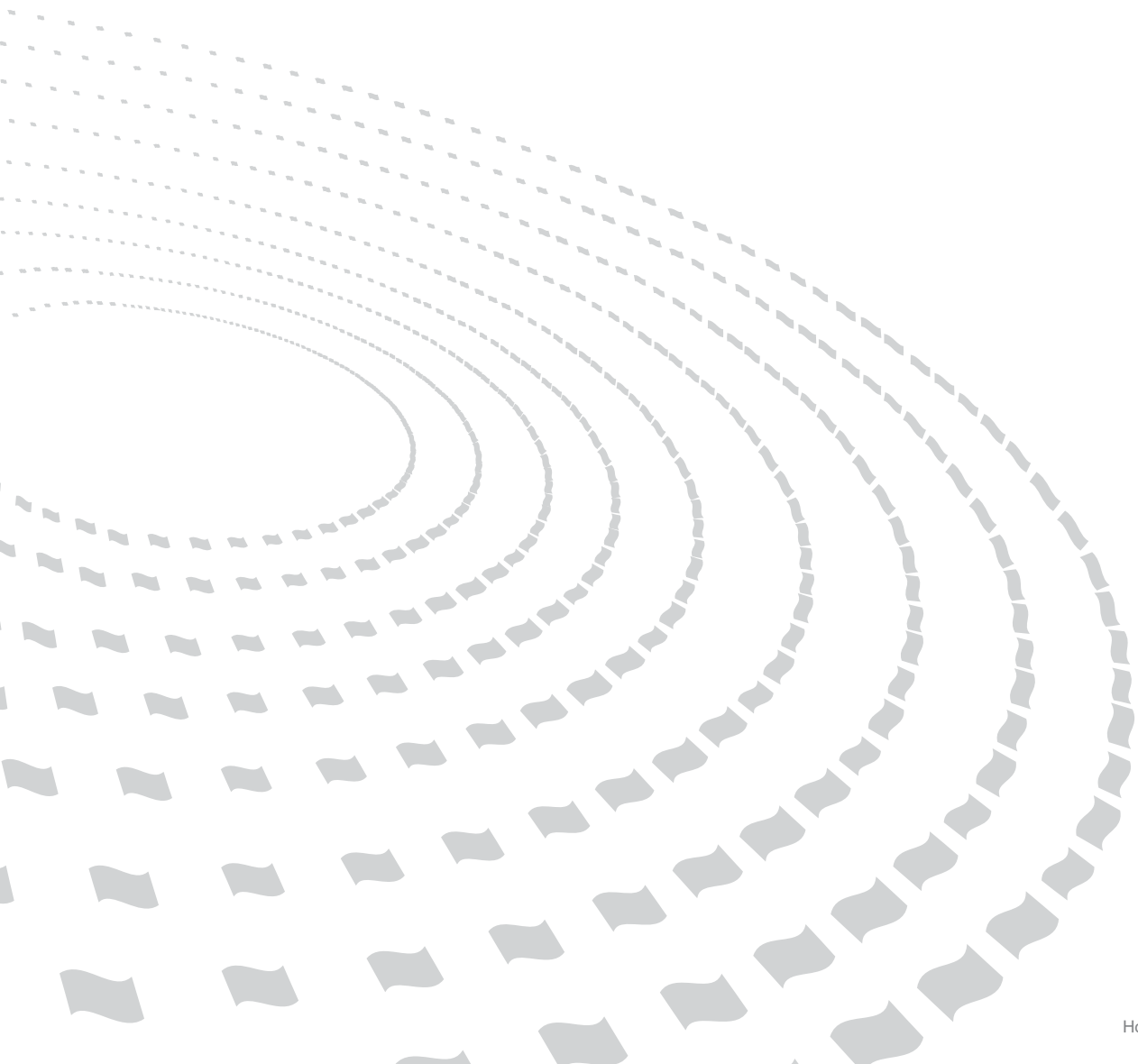
For and on behalf of the Board

Manoj Viswanathan
Director & CEO
DIN 01741612

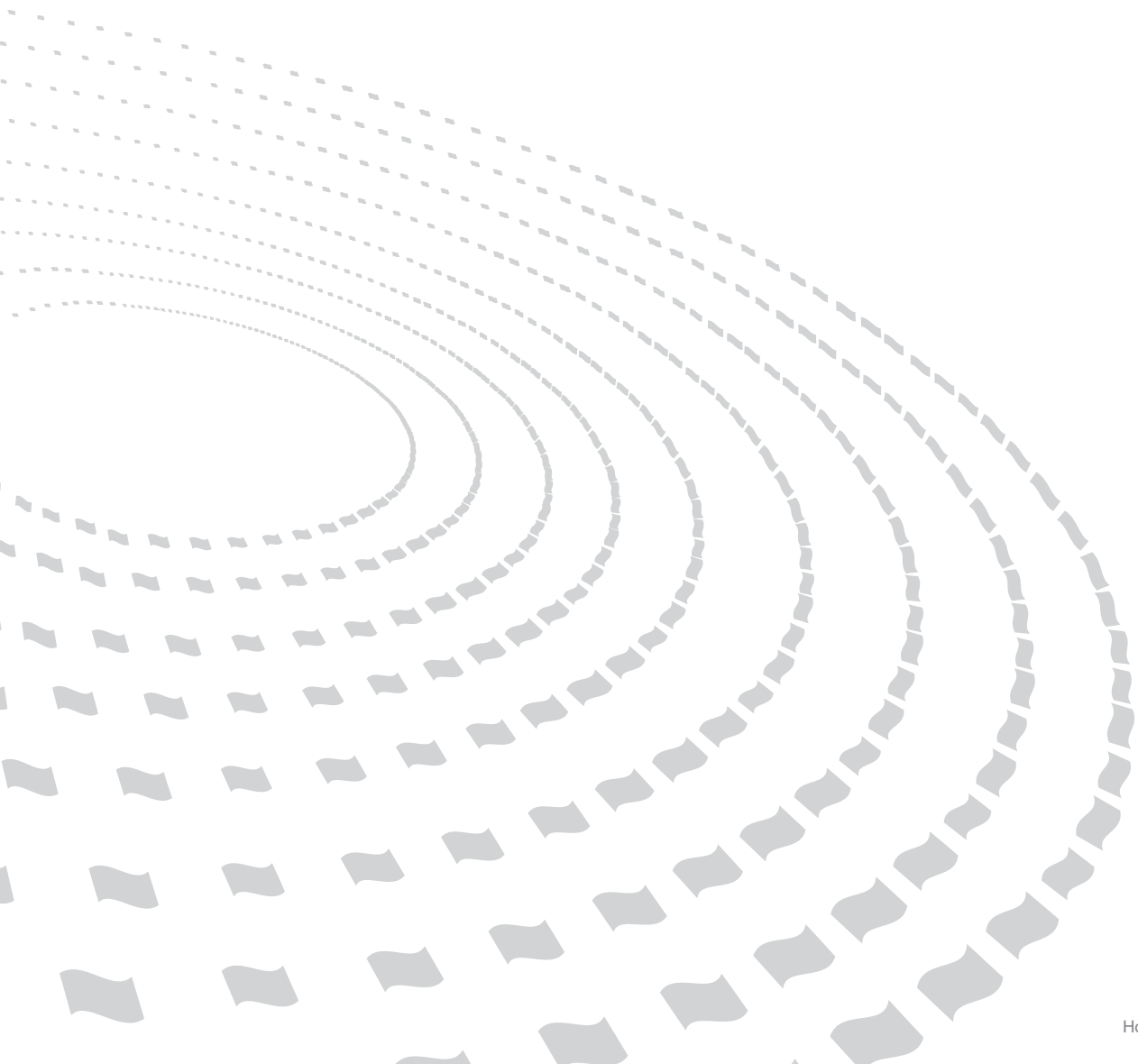
Maninder Singh Juneja
Director
DIN 02680016

Date: 13th May, 2019
Place: Mumbai

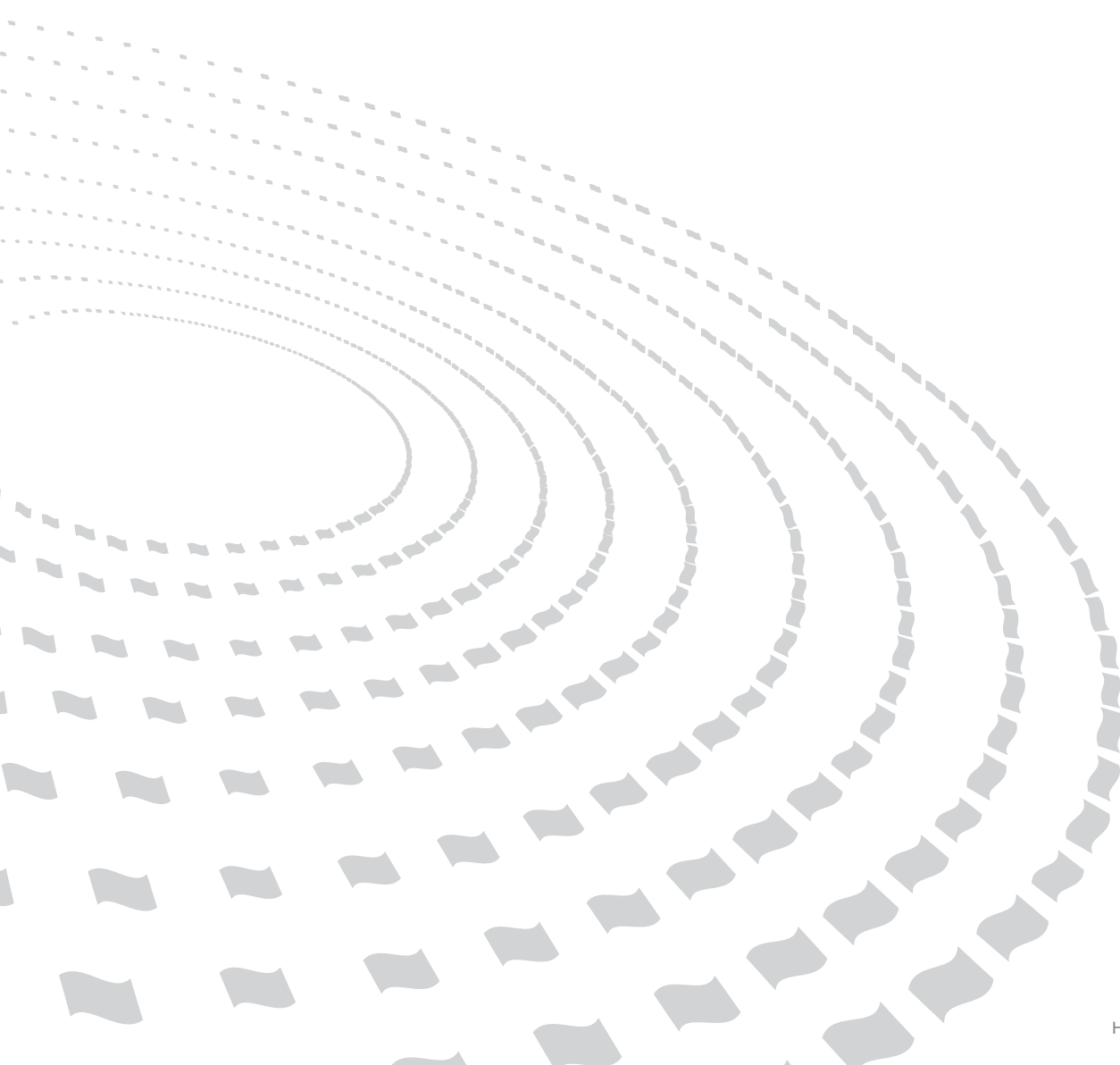
2018 2019



2018 2019



Extract of Annual Return - MGT - 9



Form No. MGT-9
EXTRACT OF ANNUAL RETURN
As on financial year ended on March 31, 2019

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

I. REGISTRATION AND OTHER DETAILS:

CIN	U65990MH2010PLC240703
Registration Date	03/02/2010
Name of the Company	HOME FIRST FINANCE COMPANY INDIA LIMITED
Category / Sub-Category of the Company	Public Limited Company
Address of the Registered office and contact details	511, Acme Plaza Andheri Kurla Road, Andheri East Mumbai City MH 400059 IN
Whether listed company	No
Name, Address and Contact details of Registrar and Transfer Agent, if any:	Karvy Computershare Pvt. Ltd. Karvy Selenium, Tower- B, Plot No 31-32, Gachibowli, Financial district, Nanakramguda, Hyderabad, 500032 Contact details – 91 040 67161563

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

S.No.	Name and Description of main products/services	NIC Code of the Product/ service	% to total turnover of the Company
1	Housing Finance	65922	95%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES: N.A.

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):**i Category-wise Share Holding:**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	6,56,609	-	6,56,609	6.36	6,56,609	-	6,56,609	5.18	(1.18)
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	6,56,609	-	6,56,609	6.36	6,56,609	-	6,56,609	5.18	(1.18)
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	6,56,609	-	6,56,609	6.36	6,56,609	-	6,56,609	5.18	(1.18)
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt (s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (Foreign Investors investing through FDI)	29,52,559	20,72,424	50,24,983	48.68	38,90,706	20,72,424	59,63,130	47.07	(1.61)
Sub-total (B)(1):-	29,52,559	20,72,424	50,24,983	48.68	38,90,706	20,72,424	59,63,130	47.07	(1.61)
2. Non-Institutions									
a) Bodies Corp.	44,28,839	-	44,28,839	42.90	58,36,059	-	58,36,059	46.07	3.17
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	10,800	2,000	12,800	0.12	10,000	2,000	12,000	0.12	-
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	2,00,100	-	2,00,100	1.94	2,00,100	-	2,00,100	1.58	(0.36)
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	46,39,739	2000	46,41,739	44.96	60,46,159	2,000	60,48,159	47.74	2.81
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Grand Total (A+B+C)	82,48,907	20,74,424	1,03,23,331	100	1,05,93,474	20,74,424	1,26,67,898	100	

ii. Shareholding of Promoters:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	
1	Mr. P S Jayakumar	6,56,609	6.36	-	6,56,609	5.18	-	(1.18)
	Total	6,56,609	6.36	-	6,56,609	5.18	-	(1.18)

iii. Change in Promoters' Shareholding:

1. Palamadai Sundararajan Jayakumar

Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	6,56,609	6.36	-	-
At the end of the year	-	-	6,56,609	5.18

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

M/s. True North Fund V LLP

For each of the top 10 shareholders	Shareholding at the beginning of the year		Shareholding at the beginning of the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	44,28,839	42.90	-	-
Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity, etc.):	Transfer of shares from Employees pursuant to ESOP Plan 29.08.2018	-	26,841	-
	Issue of fresh Equity Shares 21.09.2018	-	13,57,609	-
	Transfer of shares from Employee pursuant to ESOP Plan 30.11.2018	-	22,770	-
At the end of the year (or on the date of separation, if separated during the year)	-	-	58,36,059	46.07

M/s. Aether (Mauritius) Limited

For each of the top 10 shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	29,52,559	28.60	-	-
Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity, etc.):	Transfer of shares from Employees pursuant to ESOP Plan 29.08.2018	-	17,894	-
	21.09.2018 Issue of New Equity Shares	-	9,05,073	-
	Transfer of shares from Employees pursuant to ESOP Plan 30.11.2018	-	15,180	-
At the end of the year (or on the date of separation, if separated during the year)	-	-	38,90,706	30.71

M/s. Bessemer India Capital Holdings II Ltd

For each of the top 10 shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	20,72,424	20.08	-	-
Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity, etc.):	-	-	-	-
At the end of the year (or on the date of separation, if separated during the year)	-	-	20,72,424	16.36

Mr. Bhaskar Chaudhry

For each of the top 10 shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	10,000	0.10	-	-
Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity, etc.):	-	-	-	-
At the end of the year (or on the date of separation, if separated during the year)	-	-	10,000	0.08

Ms. Anisha B V

For each of the top 10 shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	2,000	0.02	-	-
Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity, etc.):	-	-	-	-
At the end of the year (or on the date of separation, if separated during the year)	-	-	2,000	0.02

V. SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Mr. Rajagopalan Santhanam

For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	-	-	-	-
Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity, etc.):	-	-	-	-
At the end of the year (or on the date of separation, if separated during the year)	-	-	-	-

Mr. Maninder Singh Juneja

For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	-	-	-	-
Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity, etc.):	-	-	-	-
At the end of the year (or on the date of separation, if separated during the year)	-	-	-	-

Mr. Sakti Prasad Ghosh

For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	-	-	-	-
Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity, etc.):	-	-	-	-
At the end of the year (or on the date of separation, if separated during the year)	-	-	-	-

Ms. Sujatha Venkatramanan

For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	-	-	-	-
Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity, etc.):	-	-	-	-
At the end of the year (or on the date of separation, if separated during the year)	-	-	-	-

Mr. Vishal Vijay Gupta

For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	-	-	-	-
Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity, etc.):	-	-	-	-
At the end of the year (or on the date of separation, if separated during the year)	-	-	-	-

Mr. Divya Sehgal

For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	-	-	-	-
Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity, etc.):	-	-	-	-
At the end of the year (or on the date of separation, if separated during the year)	-	-	-	-

Mr. Manoj Viswanathan

For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	2,00,100	1.94	-	-
Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity, etc.):	-	-	-	-
At the end of the year (or on the date of separation, if separated during the year)	-	-	2,00,100	1.58

Ms. Nutan Gaba Patwari

For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	-	-	-	-
Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity, etc.):	-	-	-	-
At the end of the year (or on the date of separation, if separated during the year)	-	-	-	-

Mr. Shreyans Bachhawat

For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	-	-	-	-
Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity, etc.):	-	-	-	-
At the end of the year (or on the date of separation, if separated during the year)	-	-	-	-

II. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**A. Remuneration to Managing Director, Whole-time Directors and/or Manager: N.A.**

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		
2	Stock Option		
3	Sweat Equity		
4	Commission - as % of profit - others, specify...		
5	Others, please specify Total (A) Ceiling as per the Act		

**Remuneration of WTD has been mentioned in the KMP table as CEO.*

B. Remuneration to other Directors:

Particulars of Remuneration	Name of Directors				Total Amount
	Mr. Sakti Prasad Ghosh	Ms. Sujatha Venkataramanan	-	-	
1. Independent Directors					
Fee for attending Board / committee meetings	11,00,000	6,00,000	-	-	17,00,000
Commission	-	-	-	-	-
Others, please specify	-	-	-	-	-
Total (1)					17,00,000
2. Other Non-Executive Directors	-	-	-	-	-
Fee for attending Board / committee meetings	-	-	-	-	-
Commission	-	-	-	-	-
Others, please specify	-	-	-	-	-
Total (2)					-
Total (B)=(1+2)					17,00,000
Total Managerial Remuneration					-
Overall Ceiling as per the Act					5,90,00,000

C. Remuneration To Key Managerial Personnel other than MD/Manager/WTD:

(₹ In Lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel				Total
		Director & CEO	CFO	Company Secretary		
		Mr. Manoj Viswanathan	Ms. Nutan Gaba Patwari	Ms. Kiran Agarwal Todi*	Mr. Shreyans Bachhawat	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	72.63	19.83	81.26	16.08	189.80
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	237.91	-	237.91
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission					
	- as % of profit	-	-	-	-	-
	- others, specify... (performance Bonus)	21.00	-	16.50	1.50	39.00
5	Others					
	Dividend				-	-
	Total (A)	93.63	19.83	335.67	17.58	466.71

*Ms. Kiran Agarwal Todi resigned from the Company w.e.f 30th November 2018.

III. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1021.95	-	-	1021.95
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	2.27	-	-	2.27
Total (i+ii+iii)	1024.22	-	-	1024.22
Change in Indebtedness during the financial year				
* Addition	910.01	-	-	910.01
* Reduction				
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount	1929.89	-	-	1929.89
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	4.34	-	-	4.34
Total (i+ii+iii)	1934.23	-	-	1934.23

IV. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority [RD/NCLT /COURT]	Appeal made, if any (give Details)
A. Company					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
B. Directors					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
C. Other Officers in Default					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

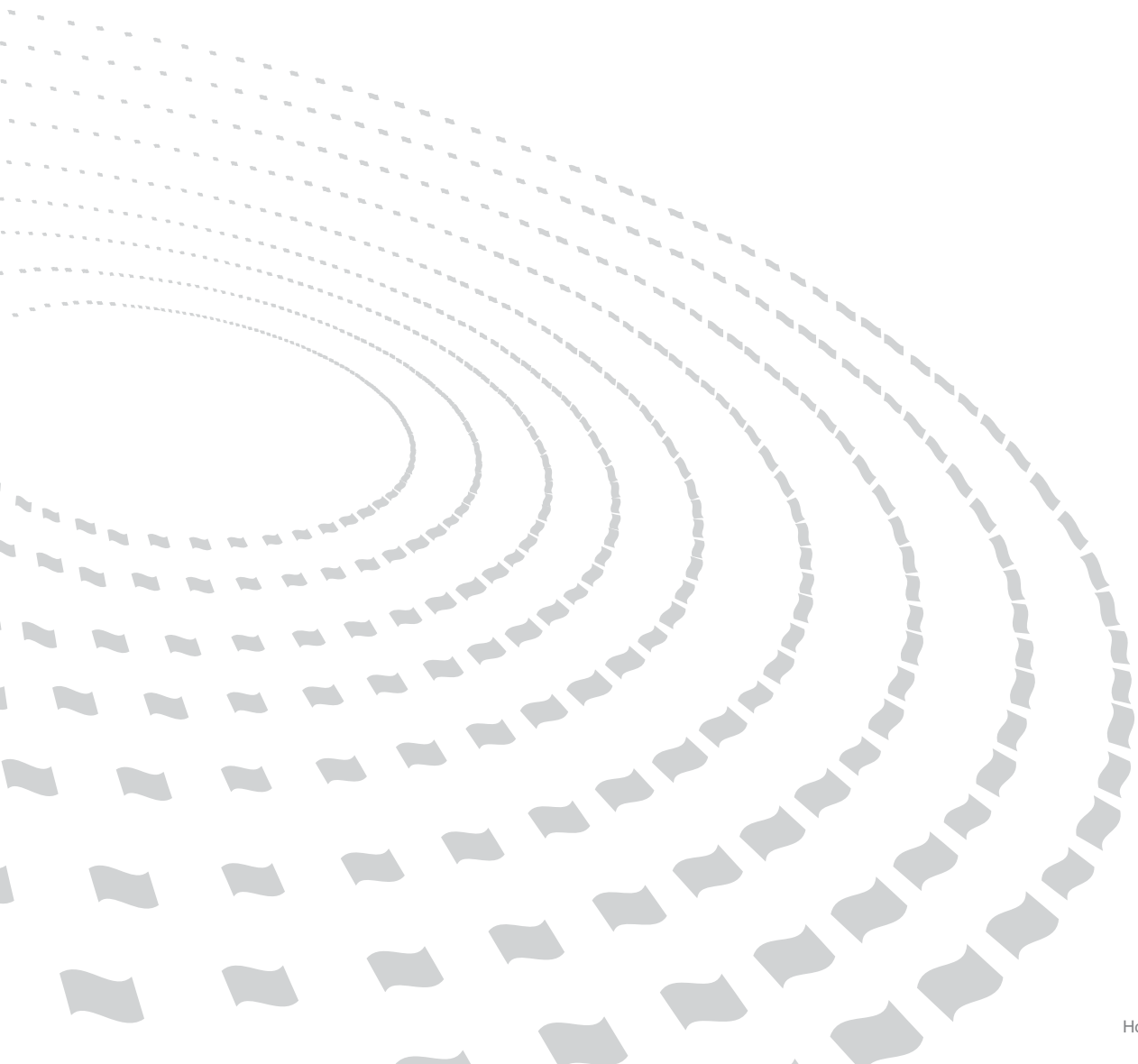
For and on behalf of the Board

Manoj Viswanathan
Director & CEO
DIN 01741612

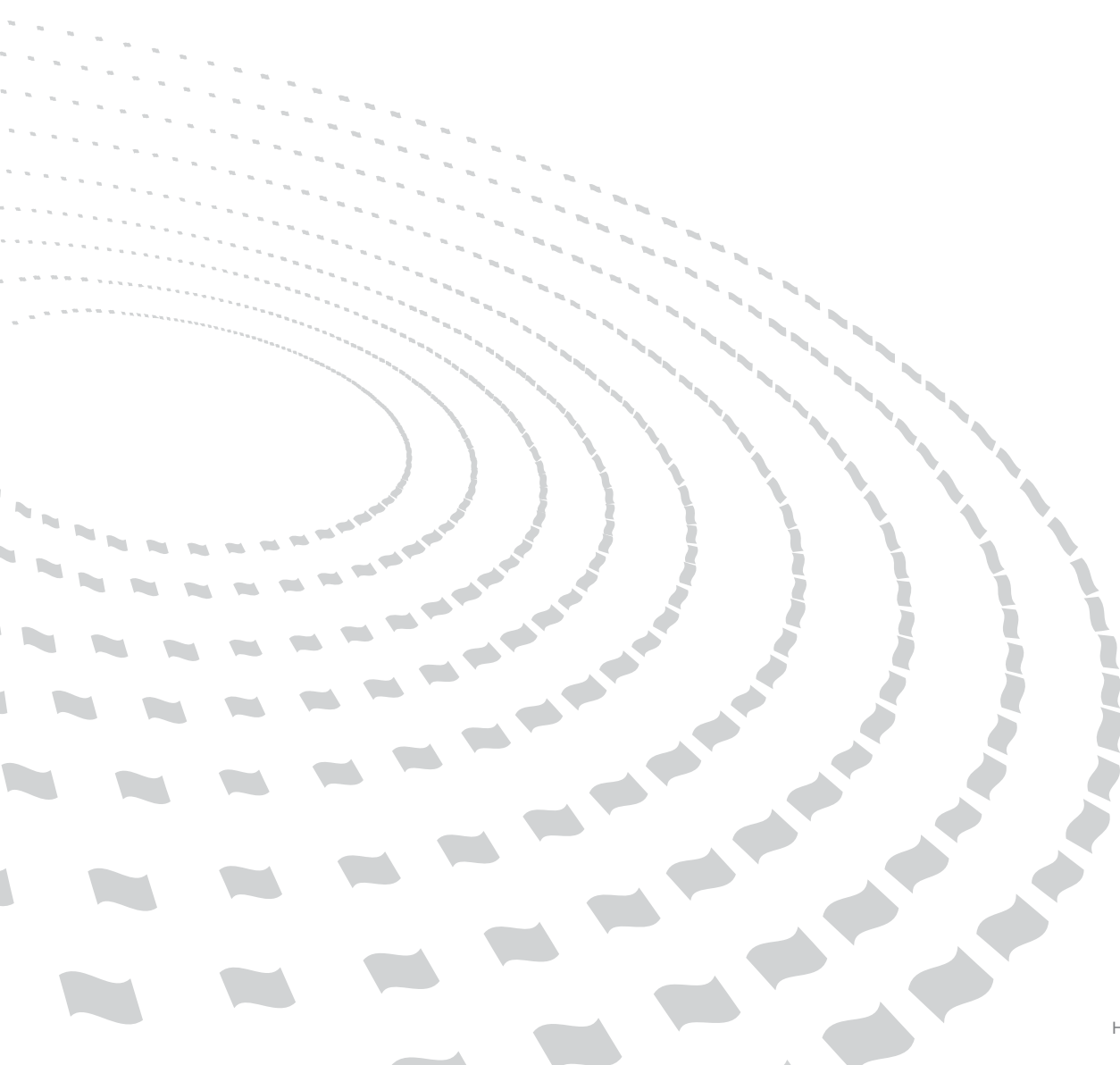
Maninder Singh Juneja
Director
DIN 02680016

Date: 13th May, 2019
Place: Mumbai

2018 2019



Report of the Directors on Corporate governance



Report of the Directors on Corporate Governance

The Directors present the report on Corporate Governance for the financial year March 31, 2019.

Corporate Governance refers to a mechanism, process and relationship by which corporates are controlled and directed. The Board and Management give more emphasis on maintaining transparency and accountability in governing the Company and carrying out the business operations. The Company has adopted best practices of Corporate Governance in the best interest of the shareholders, employees, consumers and the community at large.

Board of Directors

Your Company's Board has a primary role of trusteeship to protect and enhance stakeholders' value through strategic supervision. The Board

provides direction and exercises appropriate controls. The Corporate Governance principles of your Company have been formulated to ensure that the Board remains informed, independent and participates actively in the affairs of your Company.

In addition to the basic governance practices, the Board of your Company lays strong emphasis on transparency, accountability and integrity. Your Company also strives to enhance stakeholders' value by taking measures to continuously improve Corporate Governance standards.

As at March 31, 2019 the Board of the Company comprised of 7 Directors of whom 2 were Non-Executive Independent Directors, 4 were Non-Executive Directors representing shareholders, 1 Whole-Time Director:

Name	DIN	Designation
Mr. Sakti Prasad Ghosh	00183802	Independent Director
Ms. Sujatha Venkatramanan	05340759	Independent Woman Director
Mr. Rajagopalan Santhanam	00025669	Nominee Director (For True North Fund V LLP)
Mr. Divya Sehgal	01775308	Nominee Director (For True North Fund V LLP)
Mr. Maninder Singh Juneja	02680016	Nominee Director (For True North Fund V LLP)
Mr. Vishal Vijay Gupta	01913013	Nominee Director (For Bessemer India Capital Holdings II Ltd.
Mr. Manoj Viswanathan	01741612	Director & Chief Executive Officer

Chief Financial Officer

Ms. Nutan Gaba Patwari
(Appointed w.e.f March 4, 2019)

Company Secretary

Mr. Shreyans Bachhawat

Changes in Board of Directors

During the year under review, there were no changes in the Board of Directors of the Company.

Responsibilities of the Board

The Board Members are responsible for the management of the business. Role, functions, responsibility and accountability of the Board are

clearly defined. In addition to its primary role of monitoring corporate performance, functions of the Board include, but does not restricts to the following:

- formulation of strategic and business plans;
- reviewing and approving financial plans and budgets;
- monitoring corporate performance against strategic and business plans, including overseeing operations;
- ensuring ethical behavior and compliance of laws and regulations;
- reviewing and approving borrowing limits;
- formulating exposure limits; and
- keeping shareholders informed regarding plans, strategies and performance.

Board Proceedings

The schedule of the Board / Committee meetings to be held in a Financial Year is circulated in advance to enable the Directors / Committee Members to plan their schedule and ensure their highest participation at meetings. Directors are given an option of attending Board / Committee meetings through video conference to ensure effective decision making through increased participation by the Directors. The agenda along with detailed notes are circulated to the Directors well in advance and all material information is incorporated in the agenda for facilitating meaningful and focused

discussions at meetings of the Board and its Committees.

During the year under review, 6 meetings of the Board of Directors of the Company were convened and held on May 28, 2018, June 20, 2018, August 27, 2018, September 21, 2018, November 26, 2018 and March 4, 2019. These meetings were held in a manner that at least a gap of not more than 120 days lapsed between two consecutive meetings. The required quorum was present at all the above meetings. Due to business exigencies, certain decisions were taken by the Board by way of resolutions passed through circulation, from time to time.

The details of attendance of each Director/ Member at the Board meeting held during the financial year 2018-19 are given below:

Names of Directors	No. of Board Meetings convened during their tenure	No. of meetings attended	AGM Y=attended N=not attended
Mr. Sakti Prasad Ghosh	6	4	Y
Mr. Manoj Viswanathan	6	6	Y
Ms. Sujatha Venkatraman	6	2	N
Mr. Rajagopalan Santhanam	6	2	N
Mr. Divya Sehgal	6	4	N
Mr. Maninder Singh Juneja	6	6	N
Mr. Vishal Vijay Gupta	6	3	N

Audit Committee

Composition:

During the year under review, the members of the Audit Committee were:

Mr. Sakti Prasad Ghosh	Independent Director	Chairman
Ms. Sujatha Venkatraman	Independent Director	Member
Mr. Rajagopalan Santhanam	Nominee Director	Member

In terms of Section 177 of the Companies Act, 2013 read with Companies (Meetings of the Board and its Powers) Rules, 2014, the majority of the Committee comprises of the Independent Directors.

Terms of Reference

The terms of reference of the Committee inter-alia includes:

- dealing with all material questions concerning the auditing and accounting policies of the Company and their financial controls and systems or any other function

- as may be determined by the Board,
- review and ensure correctness, sufficiency and credibility of Financial Statements,
- recommend appointment / re-appointment / removal of Statutory and Internal Auditors,
- overseeing the Whistle Blower Policy / Vigil Mechanism,
- monitor transactions with Related Parties,
- reviewing monitoring and evaluating the internal control system including internal financial controls and risk management system etc.

Audit Committee Meetings and Attendance of Members:

During the year under review, the Committee met 3 times on May 28, 2018, November 26, 2018 and March 4, 2019. The required quorum was present at all the meetings. The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company held on July 7, 2018.

Names of Directors	No. of meetings held during the year and during their tenure	No. of meetings attended	% of total meetings attended
Mr. Sakti Prasad Ghosh	3	2	66.67%
Ms. Sujatha Venkatramanan	3	2	66.67%
Mr. Rajagopalan Santhanam	3	2	66.67%

All recommendations made by the Audit Committee to the Board were duly accepted by the Board.

NOMINATION AND REMUNERATION COMMITTEE (NRC)

Composition:

During the year under review, the members of the Nomination and Remuneration Committee were:

Ms. Sujatha Venkatramanan	Independent Director	Chairperson
Mr. Sakti Prasad Ghosh	Independent Director	Member
Mr. Rajagopalan Santhanam	Nominee Director	Member

In terms of Section 178 of the Companies Act, 2013 read with Companies (Meetings of the Board and its Powers) Rules, 2014, one half of the Committee comprises of Independent Directors.

- formulating criteria for determining qualification, positive attributes, 'fit and proper' person status and independence of directors / senior management personnel.

Terms of reference

The terms of reference of the Committee inter-alia includes:

- deciding on specific remuneration packages (including pension rights and compensation payments) of the Executive Directors, Non-Executive Directors (including Independent Directors) and Senior Level Employees,

NRC Meeting and its Quorum

During the year under review, the Committee met 2 times on May 28, 2018 and March 4, 2019. The required quorum was present at all the meetings. Due to business exigencies, certain decisions were taken by the Committee by way of resolutions passed through circulation, from time to time.

Names of Directors	No. of meetings held during the year and during their tenure	No. of meetings attended	% of total meetings attended
Mr. Sakti Prasad Ghosh	2	2	100%
Ms. Sujatha Venkatramanan	2	2	100%
Mr. Rajagopalan Santhanam	2	1	50%

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Composition:

During the year under review, the members of the Corporate Social Responsibility Committee were:

Mr. Sakti Prasad Ghosh	Independent Director	Member
Mr. Manoj Viswanathan	Director & CEO	Member
Mr. Rajagopalan Santhanam	Nominee Director	Member

*In terms of Section 135 of the Companies Act, 2013 read with Companies (Meetings of the Board and its Powers) Rules, 2014, there should be at least one Independent Director in the Committee.

Terms of reference

The terms of reference of the Committee inter-alia includes:

- formulating and monitoring the CSR Policy,
- recommending to the Board the amount

and area of CSR expenditure,

- implementation and monitoring the CSR Projects, etc.

Meeting and its Quorum:

During the year under review, the Committee met twice on May 28, 2018 and March 4, 2019. The required quorum was present at the meeting

Names of Directors	No. of meetings held during the year and during their tenure	No. of meetings attended	% of total meetings attended
Mr. Sakti Prasad Ghosh	2	1	50%
Mr. Rajagopalan Santhanam	2	1	50%
Mr. Manoj Viswanathan	2	2	100%

The Company being committed to the well-being and betterment of the communities in which it operates had explored opportunities for doing CSR

and lastly decided to donate requisite amount of ₹41 Lakhs to Prime Ministers Relief Fund pertaining to the FY 2018-19 on March 29, 2019.

Asset Liability and Risk Management Committee (ALCO):

The Composition of the Committee as at March 31, 2019 for the year under review is as under:

Name	Designation
Mr. Manoj Viswanathan	Director & CEO
Ms. Nutan Gaba Patwari	CFO
Mr. Ajay Khetan	COO
Mr. Gaurav Mohta	Head – Sales, Marketing & Business Development
Ms. Vilasini Subramaniam	VP-Credit & Risk

Terms of Reference

The terms of reference of the Committee inter-alia includes:

- monitoring the asset liability composition of the Company's business,
- determining actions to mitigate risks associated with the asset liability mismatches,
- approve proposals and detailed terms and conditions of borrowings from banks,
- reviewing the borrowing program of the Company,

- review product pricing and desired maturity profile of assets and liabilities and also the mix of incremental assets & liabilities, etc.

Meeting and its Quorum

During the year under review, the ALCO met 4 times on June 20, 2018, September 12, 2018, December 26, 2018 and March 20, 2019. The required quorum was present at all the above meetings.

Date of meeting	Total members	No. of members who have attended the meeting
June 20, 2018	5	3
September 12, 2018	5	5
December 26, 2018	4	4
March 20, 2019	5	5

Risk Management Committee

The Composition of the Committee as at March 31, 2019 for the year under review is as under:

Name	Designation
Mr. Manoj Viswanathan	Director & CEO
Ms. Nutan Gaba Patwari	CFO
Mr. Ajay Khetan	COO
Mr. Gaurav Mohta	Head – Sales, Marketing & Business Development
Ms. Vilasini Subramaniam	VP-Credit & Risk
Mr. Abhijeet Jamkindhikar	VP – Developer Finance
Mr. Arun Jupalli	VP – LAP
Mr. Ramakrishna V	Head – HR

Terms of Reference

The terms of reference of the Committee inter-alia includes:

- To assess the Company's risk profile and key areas of risk in particular.
- To recommend the Board and adaptation of risk assessment and rating procedures along with acceptable levels of Risk.
- To articulate the Company's policy for the oversight and management of business risk.
- To examine and determine the sufficiency of the Company's internal processes for reporting on and managing key risk areas.
- To develop and implement a risk management framework and internal control system.
- To review the nature and level of insurance coverage.

- To have the special investigation into areas of corporate risk and breakdowns in internal control.
- To review management's response to the Company's auditor's recommendations and whether those are adopted.
- To report the trends in the Company's risk profile reports on specific risks and the status of the risk management process

Meeting and its Quorum

The Committee was formed at the meeting of Board of Directors held on March 4, 2019. The Committee met one time in the FY 2018-19

Date of meeting	Total members	No. of members who have attended the meeting
March 4, 2019	8	8

IT Strategy Committee

The Composition of the Committee as at March 31, 2019 for the year under review is as under:

Name	Designation
Ms. Sujatha Venkatramanan	Independent Director
Mr. Manoj Viswanathan	Director & CEO
Ms. Nutan Gaba Patwari	CFO
Mr. Ajay Khetan	COO
Mr. Gaurav Mohta	Head – Sales, Marketing & Business Development
Ms. Vilasini Subramaniam	VP-Credit & Risk
Mr. Abhijeet Jamkindhikar	VP – Developer Finance
Mr. Arun Jupalli	VP – LAP
Mr. Ramakrishna V	Head – HR

Terms of Reference

The terms of reference of the Committee inter-alia includes:

- To ensure that management has an effective IT strategic planning process and is aligned with the Business strategy.
- To ensure that investments in Information Technology represent a balance of risks and benefits for sustaining organization's growth and within the acceptable budget.
- To monitor IT resources required to achieve strategic goals and provide high-level direction for sourcing and use of IT resources.
- To oversee implementation of processes and practices and ensuring that maximum value is delivered to business.
- To approve IT strategy and policy

documents.

- To define and ensure effective implementation of standards of IT Governance, Business Continuity and Data Governance.
- To ensure that there is an appropriate framework of information security risk assessment within the organization.
- To ensure effective due diligence, oversight and management of outsourcing and accountability for all outsourcing decisions.
- To ensure that a comprehensive risk assessment of HomeFirst's IT systems is carried out on a yearly basis.

Meeting and its Quorum

The Committee was formed at the meeting of Board of Directors held on March 4, 2019. The Committee met one time in the FY 2018-19

Date of meeting	Total members	No. of members who have attended the meeting
March 4, 2019	9	8

OTHER COMMITTEES

Internal Complaints Committee

In terms of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal)

Act, 2013, the Board of Directors of your Company have constituted an Internal Complaints Committee.

Composition of the Internal Complaints Committee:

Name	Designation
Ms. Vilasini Subramaniam	Chairperson [Presiding Officer]
Mr. Manoj Viswanathan	Member
Mr. Ajay Khetan	Member
Ms. Namrata Shah	Member
Ms. Geeta Jaisinghani	External Member

Terms of Reference

The terms of reference of the Committee inter-alia includes:

- conducting an inquiry into complaints made by any aggrieved women at the workplace and arrive at a conclusion as to

whether the allegation for which the complaint has been filed was proved or not and take necessary actions to resolve the complaints,

- preparing annual report for each calendar year and submitting the same to the Board of Directors and the District Officer

Executive Committee

The Composition of the Committee as at March 31, 2019 for the year under review is as under:

Name	Designation
Mr. Manoj Viswanathan	Director & CEO
Ms. Nutan Gaba Patwari	CFO
Mr. Shreyans Bachhawat	CS

Terms of Reference

The terms of reference of the Committee inter-alia includes:

- to borrow monies subject to a maximum of ₹400 Crore between two Board meetings and to open bank accounts in relation to the same.
- to grant loans or provide security in respect of loans at such terms and conditions as may be decided by the Committee from time to time.
- to invest funds of the Company in liquid mutual funds, debt mutual funds, NCDs,

CD/CPs, Fixed deposits to the extent necessary to the tune of ₹50 Crores.

- to execute documents in relation to bank accounts, addition / deletion of signatories thereof and matters related to banking operations.

Meeting and its Quorum

During the year under review, the Executive Committee had met 3 times on October 24, 2018, January 7, 2019 and March 26, 2019. The required quorum was present at all the above meetings.

Date of meeting	Total members	No. of members who have attended the meeting
October 24, 2018	3	3
January 7, 2019	2	2
March 26, 2019	3	3

GENERAL BODY MEETINGS

The details of the location and time of the last five Annual General Meetings is given below:

For FY	Date	Time	Venue
2017-18	07.07.18	10.00 A.M	Registered Office
2016-17	07.09.17	12.30 P.M	Registered Office
2015-16	25.07.16	11.00 A.M	Registered Office
2014-15	28.08.15	11.00 A.M	Registered Office
2013-14	20.06.14	1.00 P.M	Registered Office

1 Extra-ordinary General Meeting was held during the last financial year

Year	Date	Time	Venue of the meeting
2018-19	20.09.2018	10.00 AM	511, Acme Plaza Andheri Kurla Road, Andheri East Mumbai - 400059.

The following Special Resolutions were passed at the Extra Ordinary General Meeting held during the last year:

Date	Particulars
20 September 2018	<ul style="list-style-type: none"> • Further Issue of Equity Shares on Preferential basis • Alteration in object clause of Memorandum of Association

General Shareholder Information:

This Annual Report includes yearly financial data and a section on Shareholder information giving required information.

Shareholding pattern of the Company as on 31March 2019 is as under:

Name of the Shareholder	No.of equity shares	% Holding
True North Fund V LLP	58,36,059	46.07%
Aether (Mauritius) Limited	38,90,706	30.71%
Bessemer India Capital Holdings II Ltd.	20,72,424	16.36%
Mr. P S Jaya Kumar	6,56,609	5.18%
Mr. Manoj Viswanathan	2,00,100	1.58%
Mr. Bhaskar Chaudhry	10,000	0.08%
Ms. Anisha B V	2,000	0.02%
Total	1,26,67,898	100.00%

Annual General Meeting

The Annual General Meeting ("the AGM") of the Company for FY 2017-18 was held on 7 July 2018 at 10.00A.M at Registered Office of the Company at 511, Acme Plaza, Andheri Kurla Road, Andheri East, Mumbai 400059.

Statutory and Regulatory Compliance

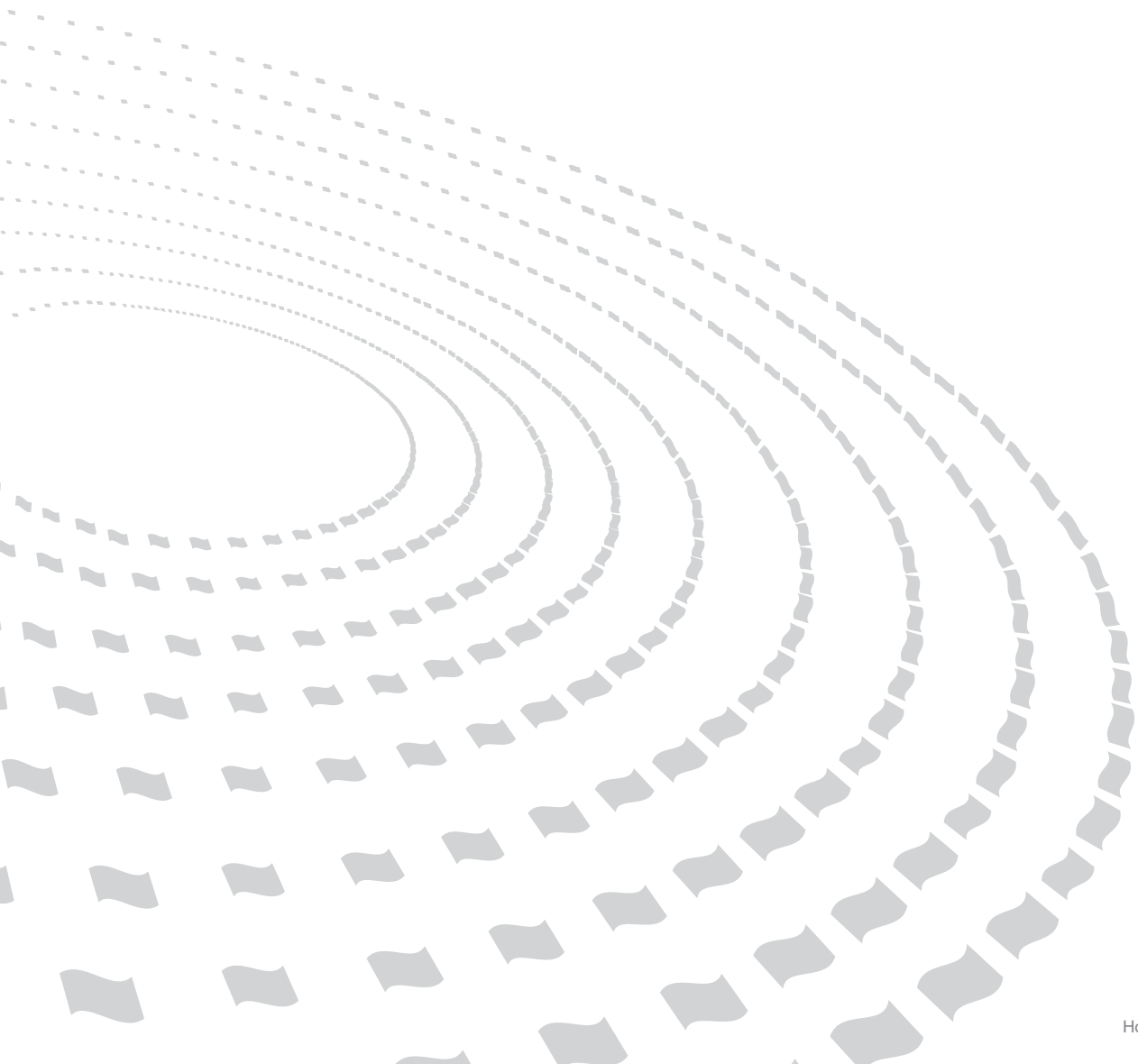
The Company has been following the directions, guidelines and circulars issued by National Housing Bank (NHB) from time to time. The Company has adopted all the applicable Policies as recommended by NHB. The Company also has been following directions / guidelines / circulars issued by Accounting Standards, Income Tax Act, 1961, MCA from time to time, applicable to the company.

On behalf of the Board of Directors

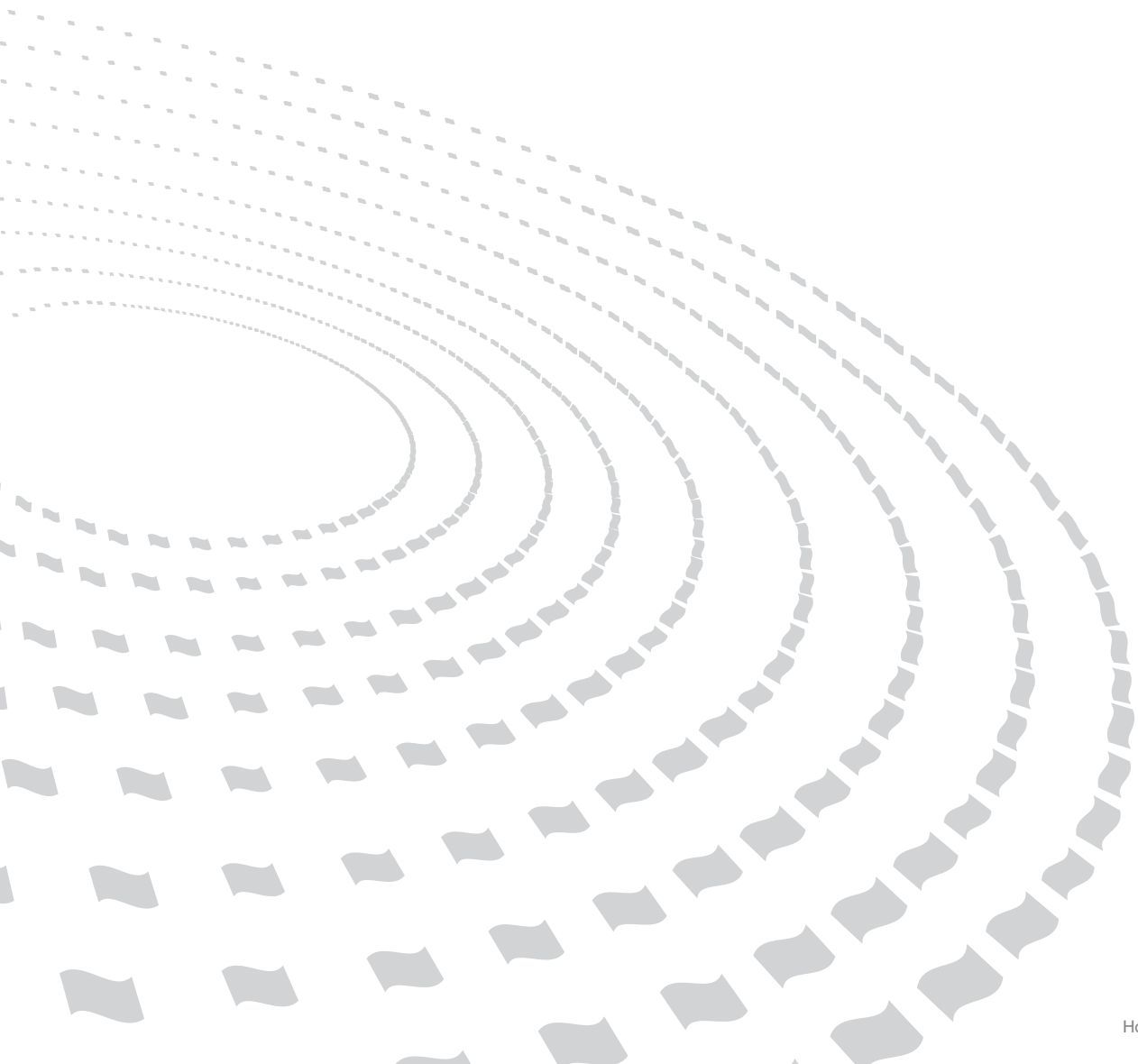
Manoj Viswanathan
Director and CEO
DIN: 01741612

Date: 13th May, 2019
Place: Mumbai

2018 2019



Report on Corporate Social Responsibility for FY 2018-19



REPORT ON CORPORATE SOCIAL RESPONSIBILITY FOR FY 2018 - 19

Home First Finance Company India Limited (hereinafter referred to as 'HFFC') believes in integrating its business model with the social welfare of people and society in which it operates.

CSR Activities

The Company shall decide to undertake any of the following CSR activities/ projects as enumerated in Schedule VII of the Companies Act, 2013 or such other CSR activities/ projects as may be notified by Ministry of Corporate Affairs from time to time:

1. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water;
2. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
3. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
4. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water;
5. Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;
6. Measures for the benefit of armed forces veterans, war widows and their dependents;
7. Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports;
8. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
9. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government.
10. Rural development projects.
11. Slum area development (any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force).

The CSR Policy of the Company is available on the website of the Company at the following link:

<https://homefirstindia.com/policy/corporate-social-responsibility-policy/>

The Composition of the Corporate Social Responsibility Committee

Name of the Director	Position in the Committee	Category
Mr. Sakti Prasad Ghosh	Member	Independent Director
Mr. Rajagopalan Santhanam	Member	Nominee Director
Mr. Manoj Viswanathan	Member	Director & CEO

CSR Budget and Expenditure

Profit computation as per section 198 of Companies Act,2013 & Amount to be spent

Particulars	31-Mar-18	31-Mar-17	31-Mar-16
Profit under section 198	38,32,33,000	13,66,63,000	9,02,50,000

Sr. no.	Particulars	Amount ₹
1	Cumulative Profit for the last three preceding Financial Years	61,01,46,000
2	Average Profit for three preceding financial year u/s 198	20,33,82,000
3	Prescribed CSR Expenditure as per Section 135	40,67,640

Way the amount spent during the financial year is detailed below:

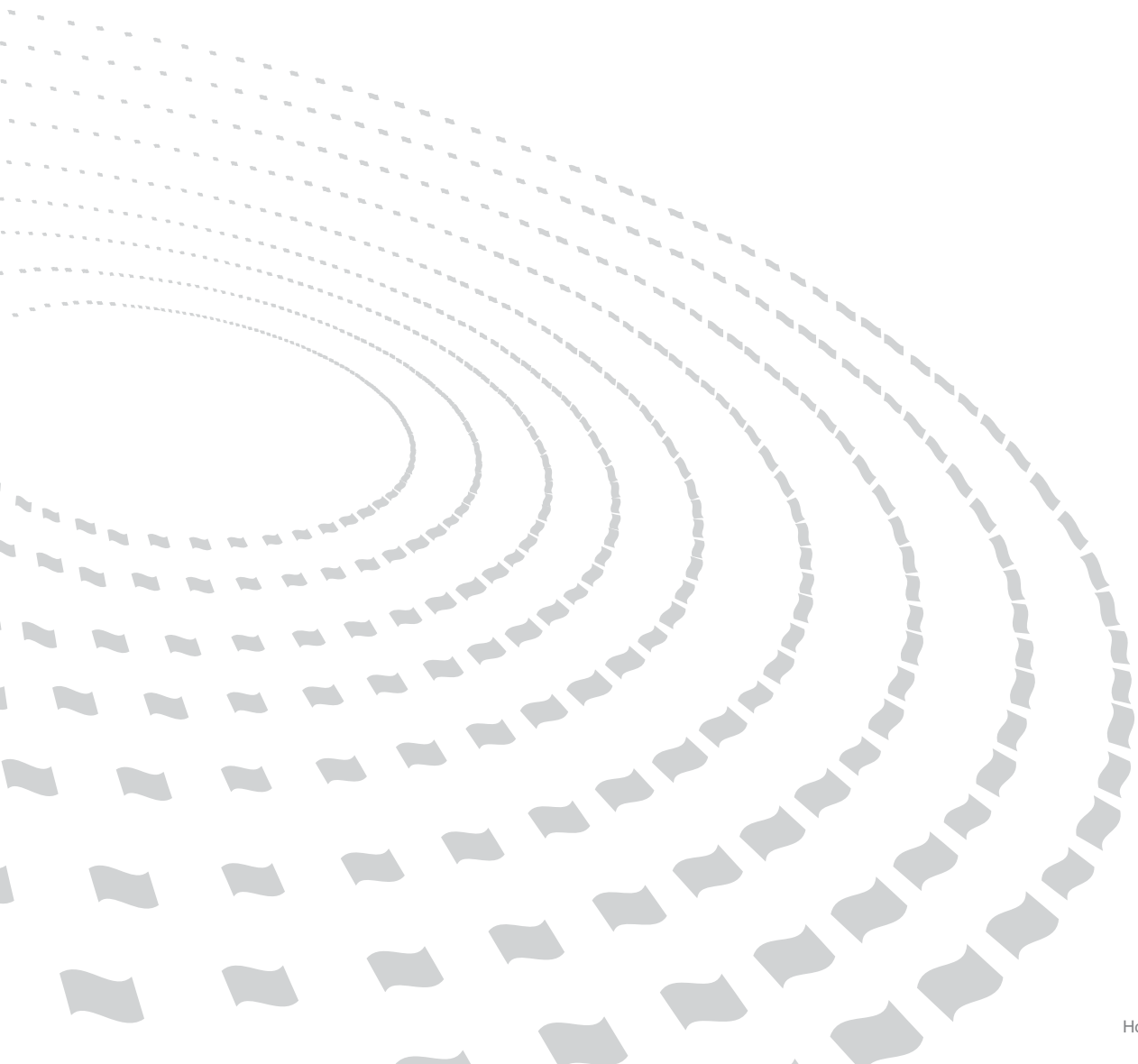
The Company being committed to the well-being and betterment of the communities in which it operates had explored opportunities for doing CSR and lastly decided to donate requisite amount of ₹41 Lakhs to Prime Ministers Relief Fund pertaining to the FY 2018-19 on March 29, 2019.

For and behalf of **Home First Finance Company India Limited**

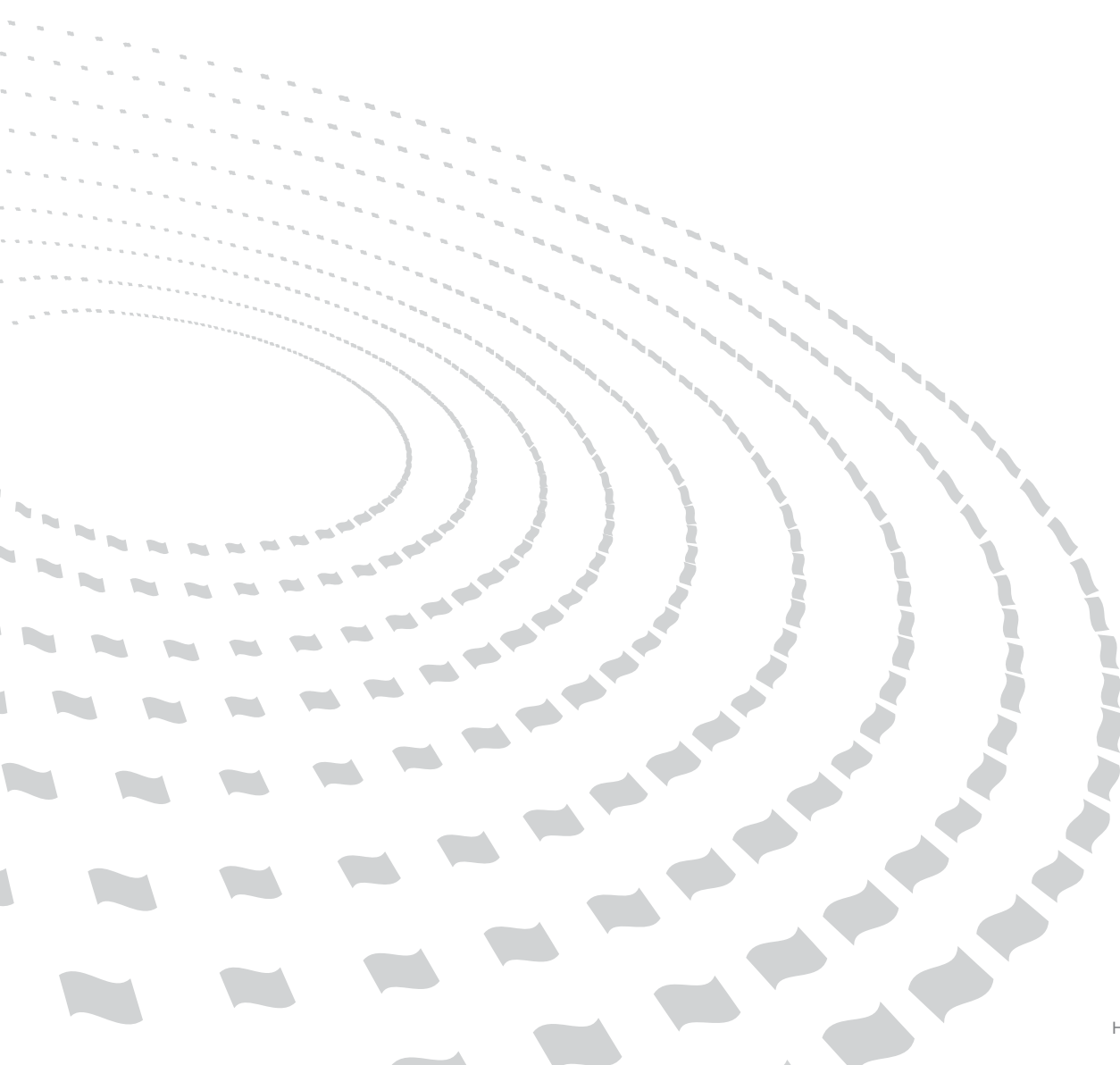
Manoj Viswanathan
Director & CEO
DIN: 01741612

Date: 13th May, 2019
 Place: Mumbai

2018 2019



Report on Employee Stock Option Plan



Disclosures under the HFFC ESOP Plan 2012 (ESOP 2012) and ESOP II, pursuant to Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 as on Financial Year ended March 31, 2019:

Particulars	ESOP 2012	ESOP II
Number of options granted	5,81,636	5,42,803
Number of options vested	4,92,936	59,553
Number of options exercised	74,735	7150
Total Number of Shares arising as a result of exercising of option	74,735	7150
Number of options lapsed / cancelled	9,650	67,505
Exercise price of the options exercised in Rs./eq. share	₹239.13 & ₹281.13	586.21
Variation of terms of option	N.A.	N.A.
Money realised by the exercise of option	₹1,95,82,881	₹41,91,402
Total number of options in force	4,38,601	4,68,148

Details of options granted to Key Managerial Personnel

Name	Designation	Options granted during the year March 31, 2019		Options in force in as on March 31, 2019	
		ESOP 2012	ESOP II	ESOP 2012	ESOP II
Mr. Manoj Viswanathan	Director & CEO	-	-	1,38,136	1,30,000
Ms. Nutan Gaba Patwari	Chief Financial Officer	-	-	-	-
Mr. Shreyans Bachhawat	Company Secretary	-	2,047	-	2,047

Details of employees including director(s) who have received a grant of options in any one year, of options amounting to five percent or more of options granted during that year

Name of the Employee	Number of options granted
Financial year 2011-12 – Total options granted under ESOP 2012	1,15,000
Mr. Manoj Viswanathan	50,000
Mr. Gaurav Mohta	10,000
Mr. Ajay Khetan	7,500
Mr. Sakti Prasad Ghosh	10,000
Ms. Sujatha Venkatramanan	7,500

Financial year 2012-13 – Total options granted under ESOP 2012	1,25,000
Mr. Manoj Viswanathan	25,000
Ms. Kiran Agarwal Todi	15,000
Mr. Gaurav Mohta	15,000
Mr. Ajay Khetan	15,000
Mr. Sakti Prasad Ghosh	7,500
Ms. Sujatha Venkatramanan	7,500
Ms. Kamini Bharti	7,500
Mr. Anand Soni	7,500
Financial year 2013-14 – Total options granted under ESOP 2012	1,70,000
Mr. Manoj Viswanathan	35,000
Ms. Kiran Agarwal Todi	20,000
Mr. Gaurav Mohta	20,000
Mr. Ajay Khetan	20,000
Financial year 2014-15 – Total options granted under ESOP 2012	1,03,136
Mr. Manoj Viswanathan	28,136
Ms. Kiran Agarwal Todi	20,000
Mr. Gaurav Mohta	20,000
Mr. Ajay Khetan	20,000
Ms. Vilasini Subramaniam	15,000
Financial year 2015-16 – Total options granted under ESOP 2012	68,500
Mr. Kiran Kumar B	7,500
Ms. Kamini Bharti	4,000
Mr. Anand Soni	7,500
Mr. Amod Soratur	7,500
Mr. Manoj Yadav	7,500
Financial Year 2017-18 – Total options granted under ESOP II	5,42,083
Mr. Manoj Viswanathan	1,30,000
Ms. Kiran Agarwal Todi	65,000
Mr. Gaurav Mohta	65,000
Mr. Ajay Khetan	70,000
Ms. Vilasini Subramaniam	50,000

Report on Employee Stock Option Plate

Financial Year 2018-19 – Total Options granted under ESOP II	58,359
Abhijeet Jamkhindikar	25,000
Arun Jupalli	25,000
Sunil Anjana	4,265

Details of employees including director(s) who were granted options, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant:

Name of the Employee	Number of options granted	
	ESOP 2012	ESOP II
For Financial Year 2011-12		
Mr. Manoj Viswanathan	50,000	-
For Financial Year 2013-14		
Mr. Manoj Viswanathan	30,000	-
For Financial Year 2017-18		
Mr. Manoj Viswanathan	-	1,30,000

For and on behalf of the Board

Manoj Viswanathan

Director & CEO
DIN 01741612

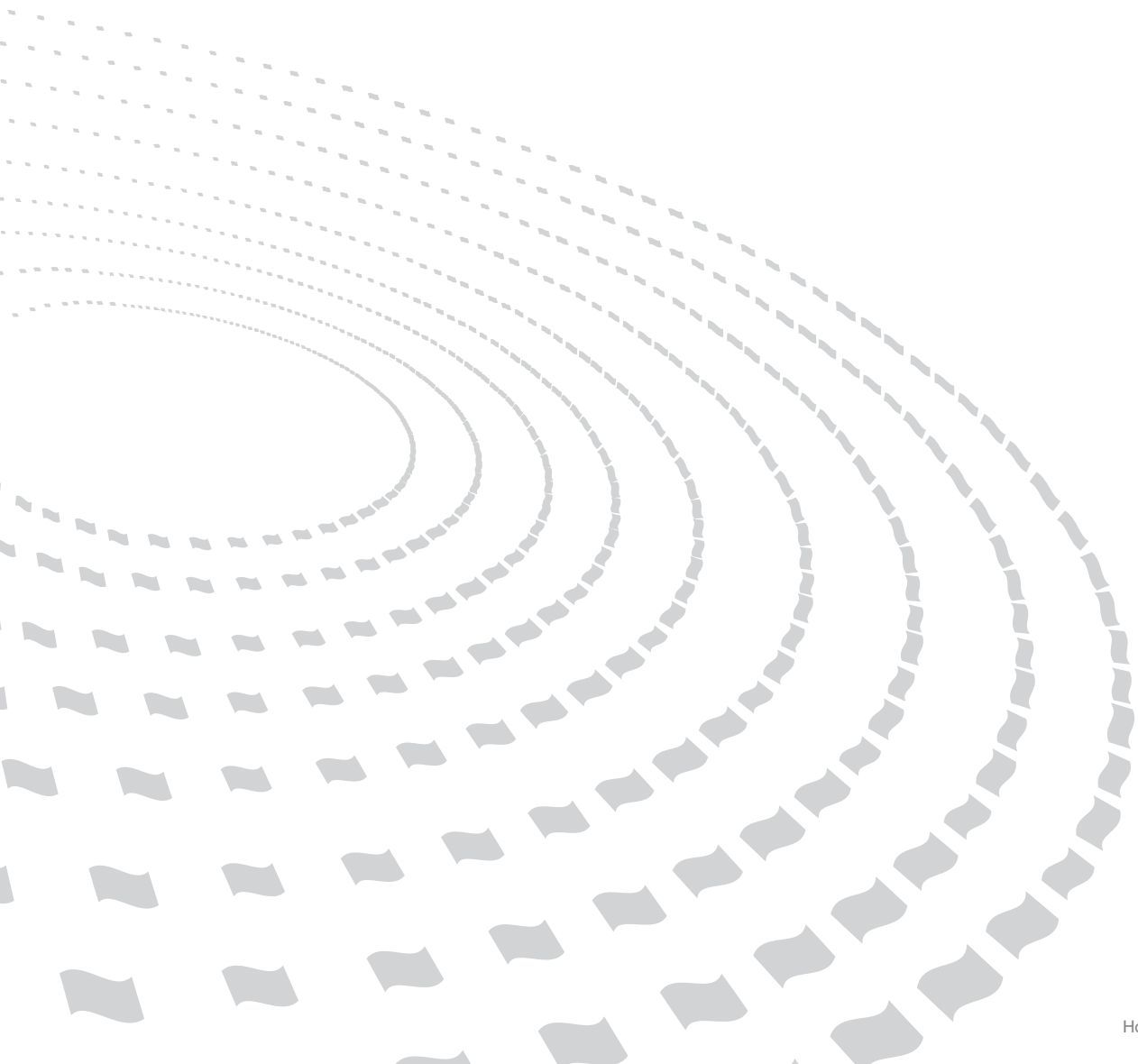
Maninder Singh Juneja

Director
DIN 02680016

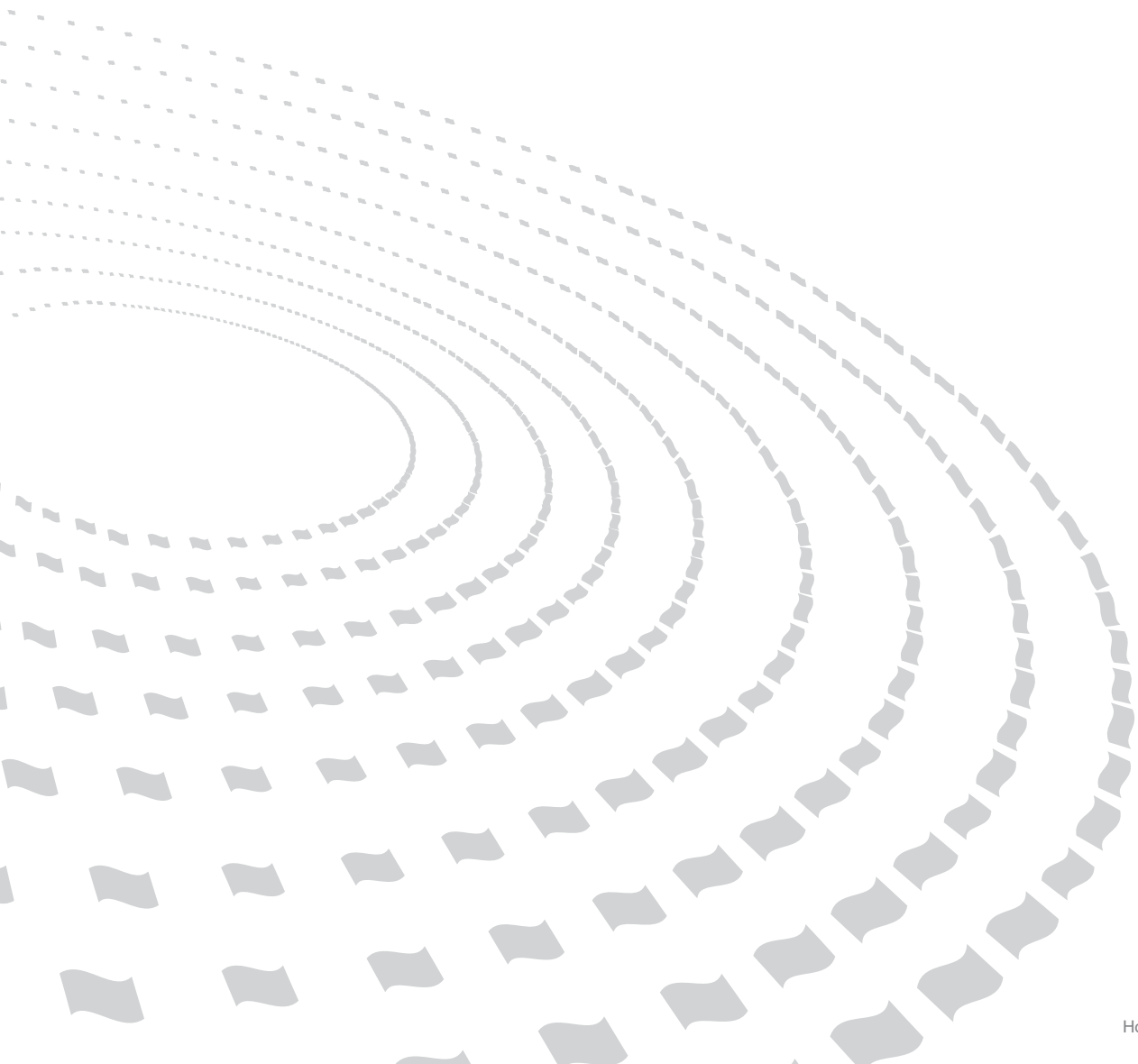
Date: 13th May, 2019

Place: Mumbai

2018 2019

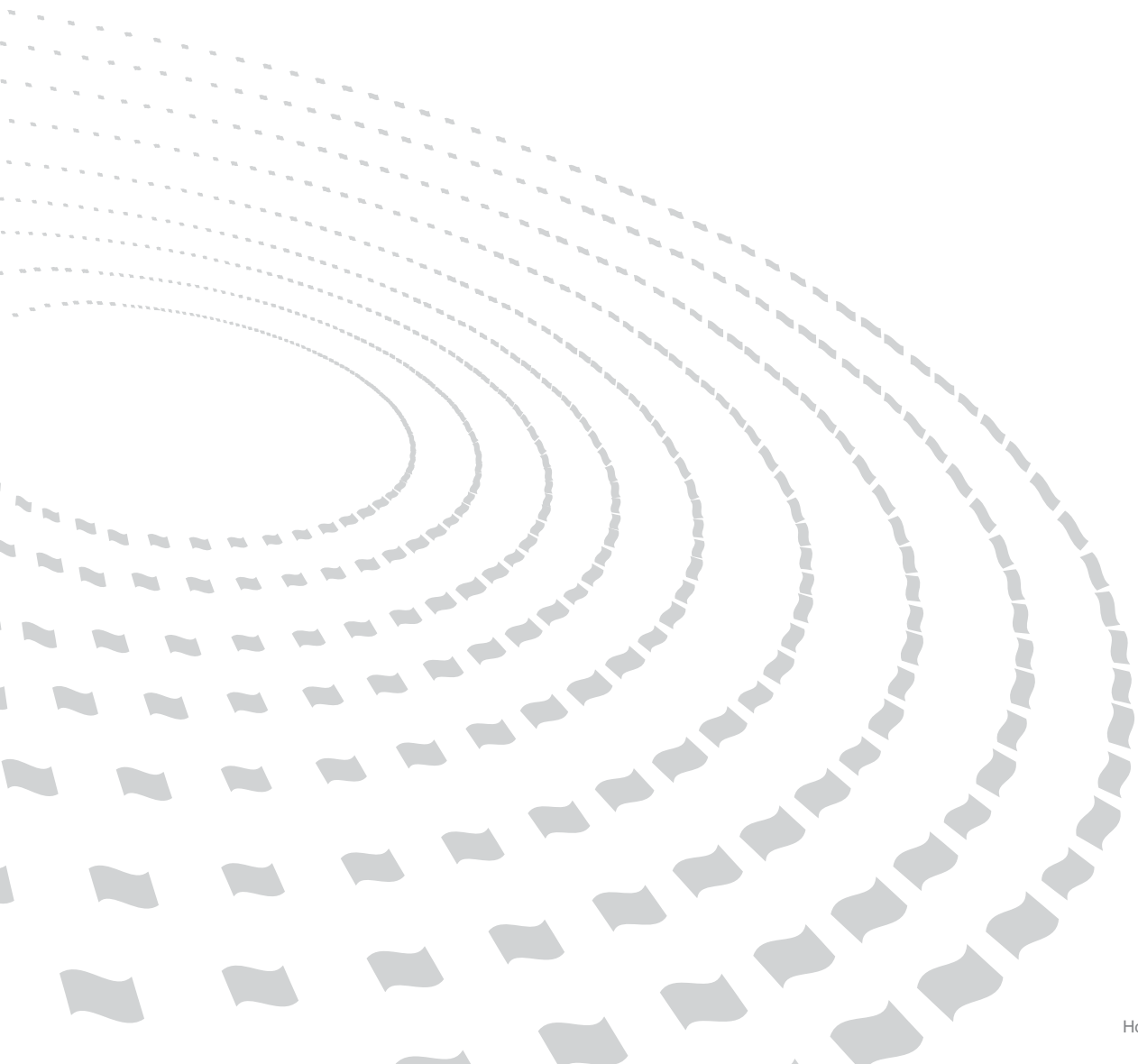


2018 2019





Annual Report on Sexual Harassment Cases for FY 2019-20



Annual Report on Sexual Harassment Cases for the financial year 2018-19

No. of complaints received	No. of Complaints disposed off	No. of cases pending for more than 90 days	No. of workshops or awareness programs conducted	Nature of action taken by the employer
-	-	-	12	-

For Home First Finance Company India Limited

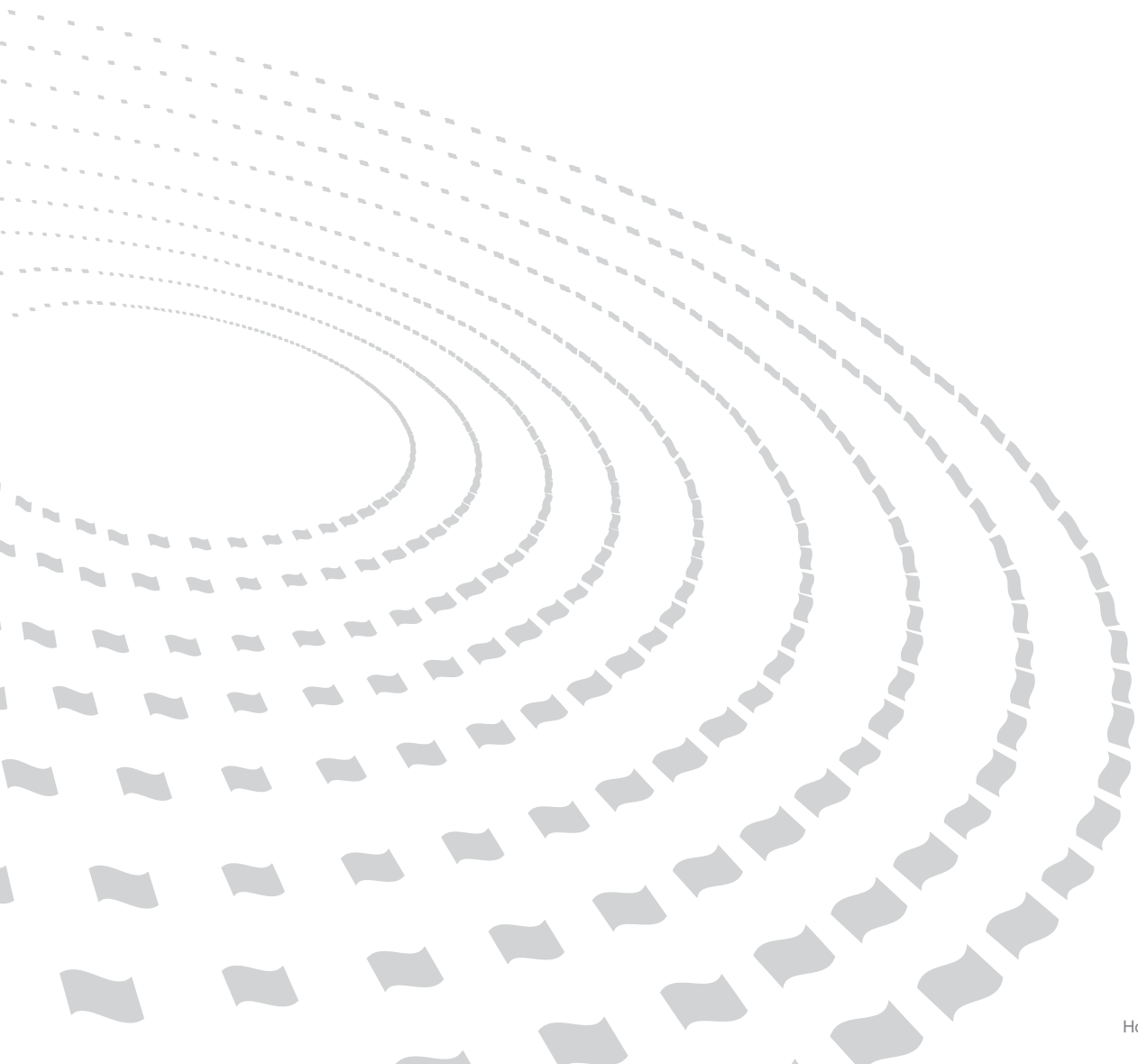
Vilasini Subramaniam

Chairperson of Internal Complaints Committee (ICC)

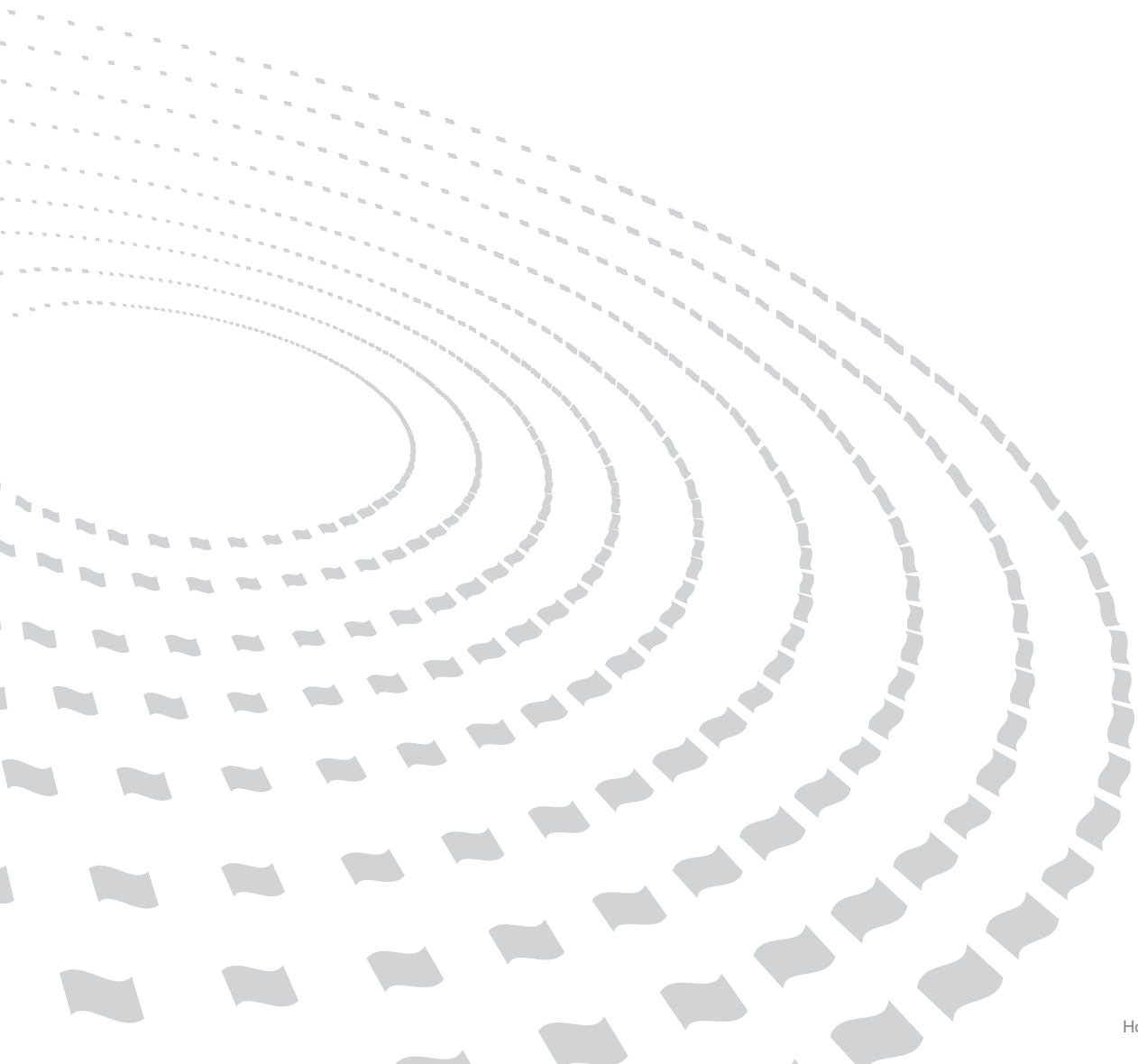
Date: 13th May, 2019

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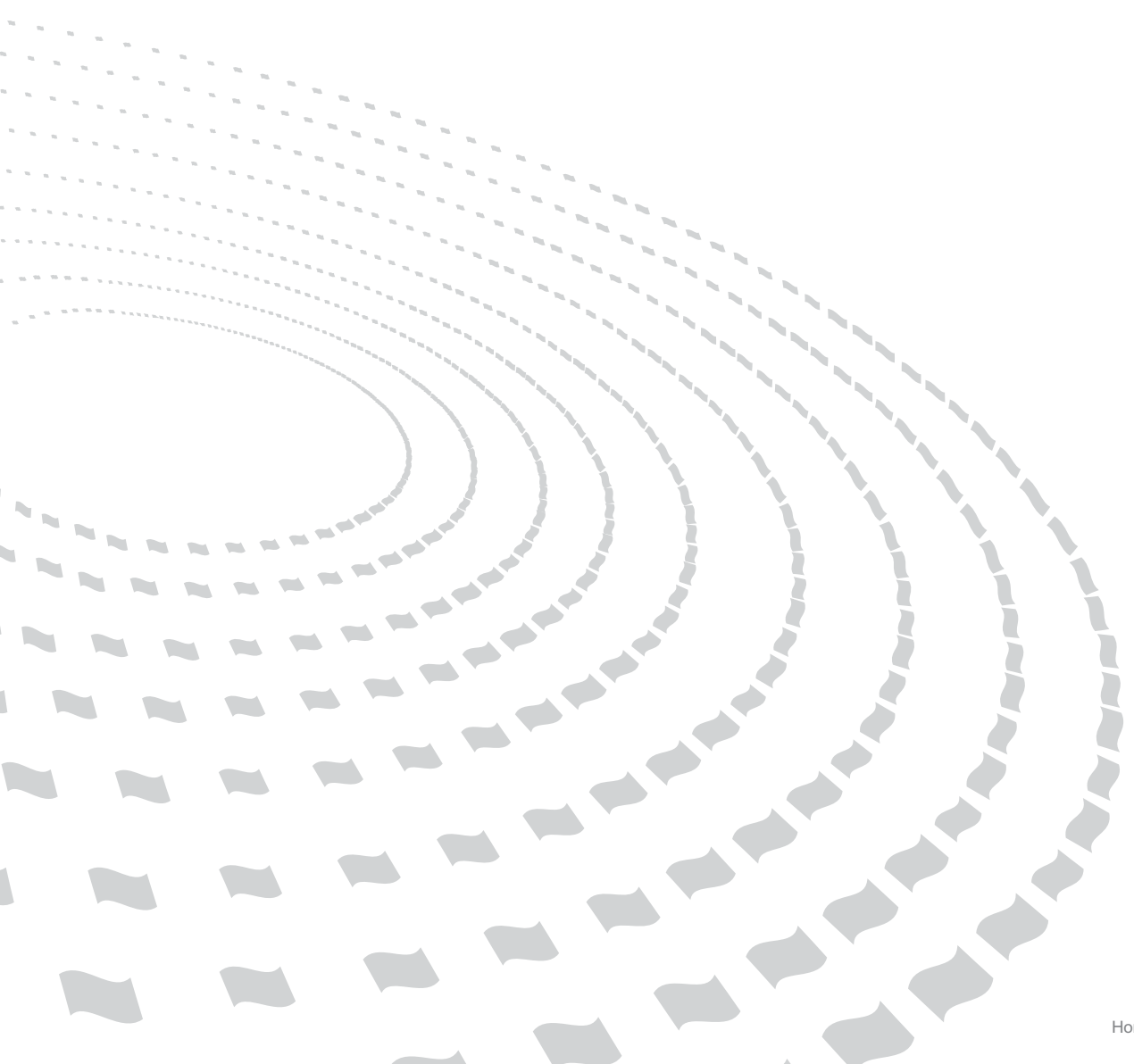
2018 2019



2018 2019



Auditor's Report



Independent Auditor's Report

To the Members of Home First Finance Company India Limited

(formerly known as Home First Finance Company India Private Limited)

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of **Home First Finance Company India Limited** (formerly known as Home First Finance Company India Private Limited) ('the Company'), which comprise the Balance Sheet as at 31 March 2019, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Accounting Standards prescribed under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 (as amended), of the state of affairs of the Company as at 31 March 2019, and its profit and its cash flows for the year ended on that date.
3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India

('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules 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.

Information other than the Financial Statements and Auditor's Report thereon

4. The Company's Board of Directors is responsible for the other information. Other information does not include the financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. Reporting under this section is not applicable as no other information is obtained at the date of this auditor's report.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

5. The Company's Board of Directors is

responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes

our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

9. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
10. 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.

Report on Other Legal and Regulatory Requirements

11. As required by section 197(16) of the Act, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
12. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order.
13. Further to our comments in Annexure I, 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 purpose 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 financial statements dealt with by this report are in agreement with the books of account;
- d) in our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
- e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of section 164(2) of the Act;
- f) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 13 May 2019 as per Annexure II expressed unmodified opinion;
- g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company does not have any pending litigation which would impact its financial position as at 31 March 2019;
 - ii. the Company did not have any long-term contracts including derivative contracts for

- which there were any material foreseeable losses as at 31 March 2019;
- iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2019; and
- iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Khushroo B. Panthaky
Partner
Membership No.: 42423

Place: Mumbai
Date: 13 May 2019

Annexure I to the Independent Auditor's Report of even date to the members Home First Finance Company India Limited (formerly known as Home First Finance Company India Private Limited), on the financial statements for the year ended 31 March 2019.

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) The Company has a regular program of physical verification of its property, plant and equipment under which property, plant and equipment are verified in a phased manner over a period of 3 years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain property, plant and equipment were verified during the year and no material discrepancies were noticed on such verification.
- (c) The Company does not hold any immovable property (in the nature of 'property, plant and equipment'). Accordingly, the provisions of clause 3(i)(c) of the Order are not applicable.
- (ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products/ services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have not been regularly deposited to the appropriate authorities and there have been significant delays in a few number of cases. Undisputed amounts payable in respect thereof, which were outstanding at the year-end for a period of more than six months from the date they became payable are as follows:

Statement of arrears of statutory dues outstanding for more than six months

Name of the statute	Nature of the dues	Amount (₹)	Period to which the amount relates	Due Date	Date of Payment	Remarks, if any
Professional Tax Act, Karnataka	Professional Tax	20,700	FY 2017-2018	Various dates	9 May 2019	-
Professional Tax Act, Maharashtra	Professional Tax	4,386	FY 2017-2018	Various dates	9 May 2019	-
Professional Tax Act, Tamil Nadu	Professional Tax	57,934	FY 2017-2018	Various dates	-	-
Professional Tax Act, Gujarat	Professional Tax	54,566	FY 2017-2018	Various dates	-	-
Employees' Provident Fund & Miscellaneous Provisions Act, 1952	Provident Fund	40,659	FY 2017-2018	Various dates	11 May 2019	-

- | | |
|---|---|
| <p>(b) There are no dues in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.</p> <p>(viii) The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution or government during the year. The Company did not have any outstanding debentures during the year.</p> <p>(ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purpose for which the loans were obtained, though idle funds which were not required for immediate utilization were temporarily used for the purpose other than for which the loan was sanctioned but were ultimately utilized for the stated end-use.</p> | <p>(x) In our opinion, no fraud by the Company or on the company by its officers or employees has been noticed or reported during the period covered by our audit.</p> <p>(xi) Managerial remuneration has been paid and provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.</p> <p>(xii) The Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.</p> <p>(xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards.</p> |
|---|---|

Auditor's Report

- (xiv) During the year, the Company has made preferential allotment of shares. In respect of the same, in our opinion, the Company has complied with the requirement of Section 42 of the Act and the Rules framed thereunder. Further, in our opinion, the amounts so raised have been used for the purposes for which the funds were raised. During the year, the Company did not make preferential allotment or private placement of fully or partly convertible debentures.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Khushroo B. Panthaky
Partner
Membership No.: 42423

Place: Mumbai
Date: 13 May, 2019

Annexure II to the Independent Auditor's Report of even date to the members of Home First Finance Company India Limited (formerly known as Home First Finance Company India Private Limited) on the financial statements for the year ended March 31, 2019

Independent Auditor's Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the financial statements of **Home First Finance Company India Limited** (formerly known as Home First Finance Company India Private Limited) ('the Company') as at and for the year ended 31 March 2019, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Company as at that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the

Standards on Auditing issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note issued by the ICAI. 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 IFCoFR were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. 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 IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's IFCoFR 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, 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 IFCoFR to future periods are subject to the risk that the IFCoFR may become inadequate because of changes in conditions, or that the degree of

compliance with the policies or procedures may deteriorate.

Opinion

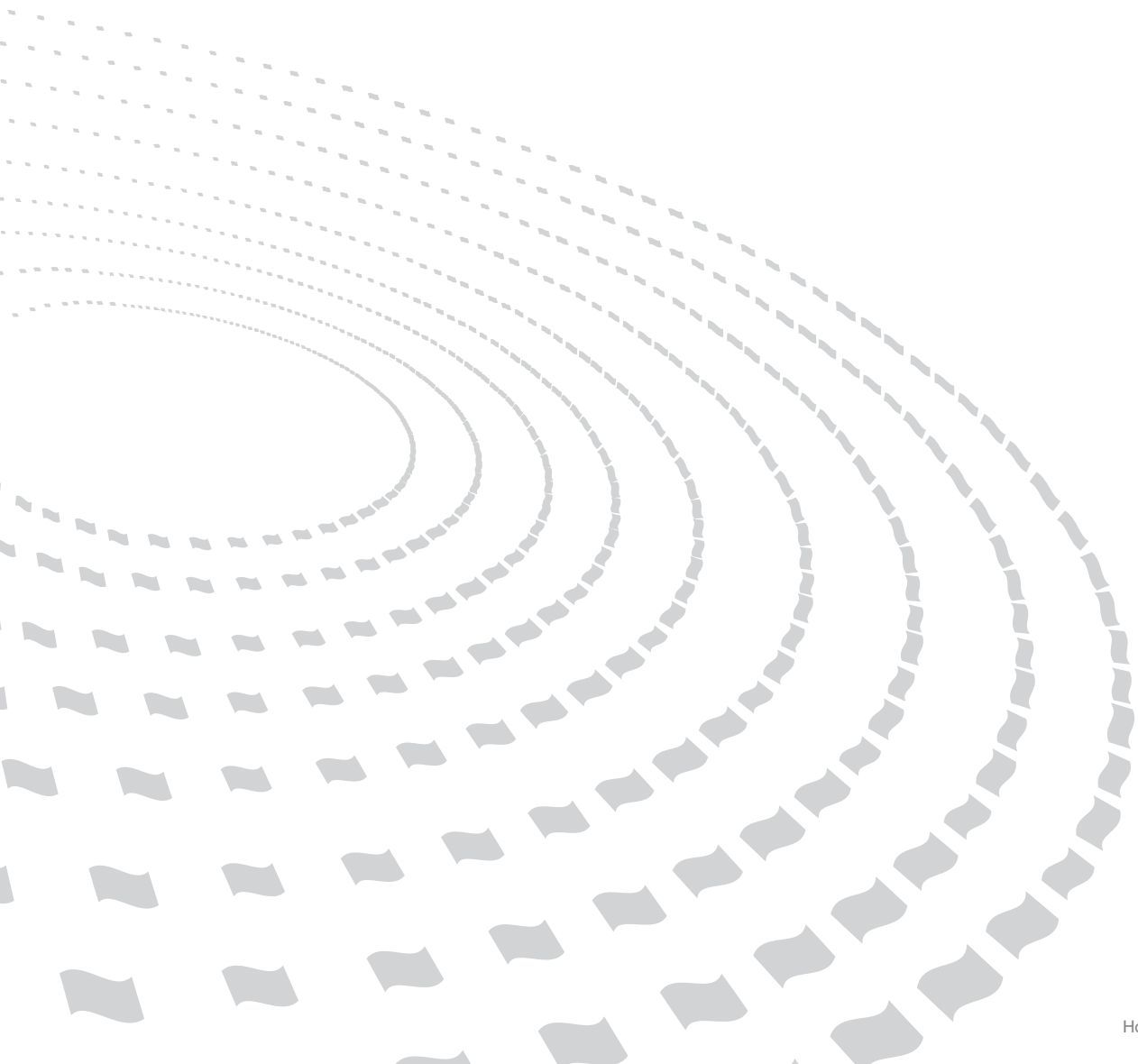
8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

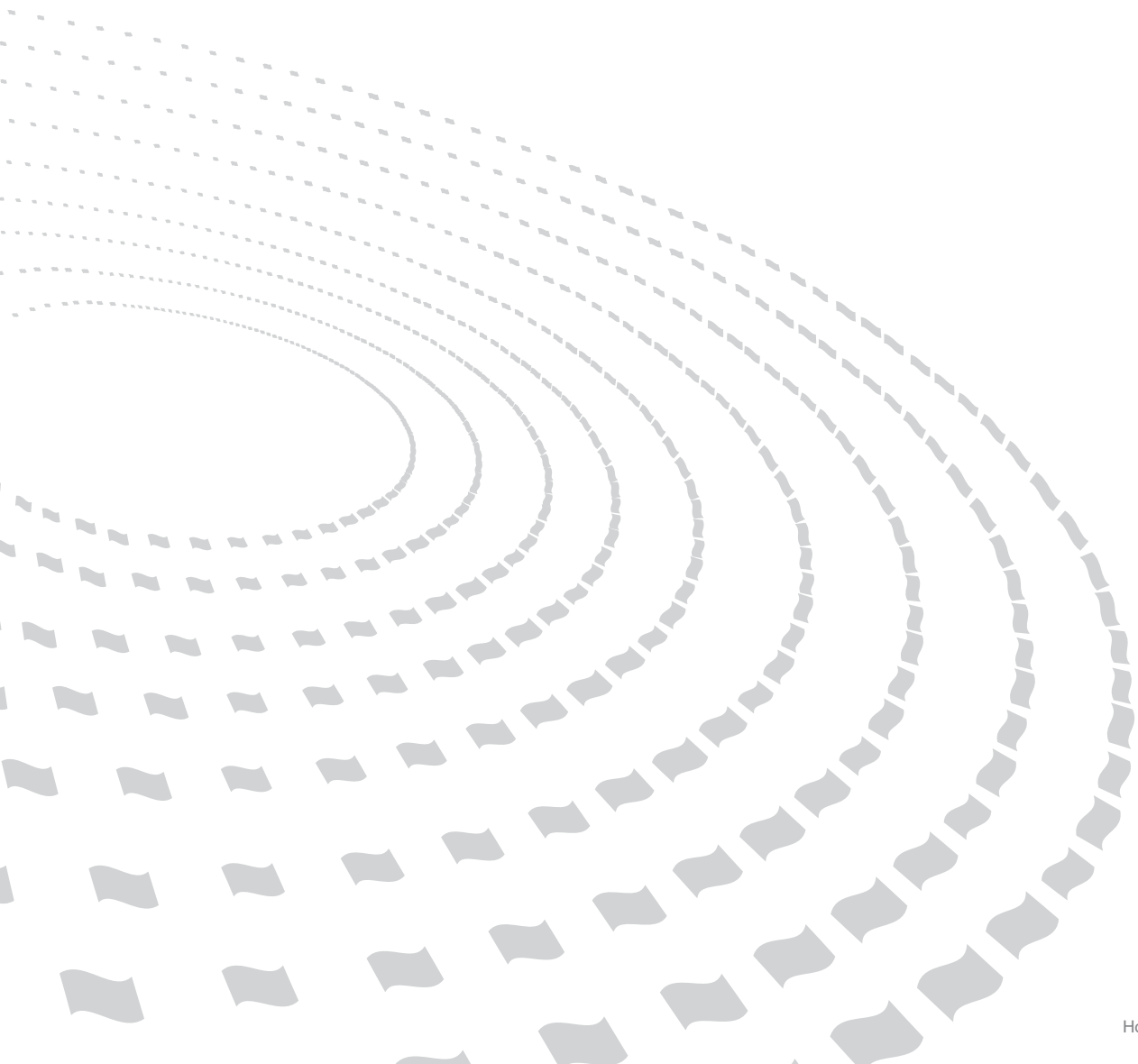
Khushroo B. Panthaky
Partner
Membership No.: 42423

Place: Mumbai
Date: 13 May, 2019

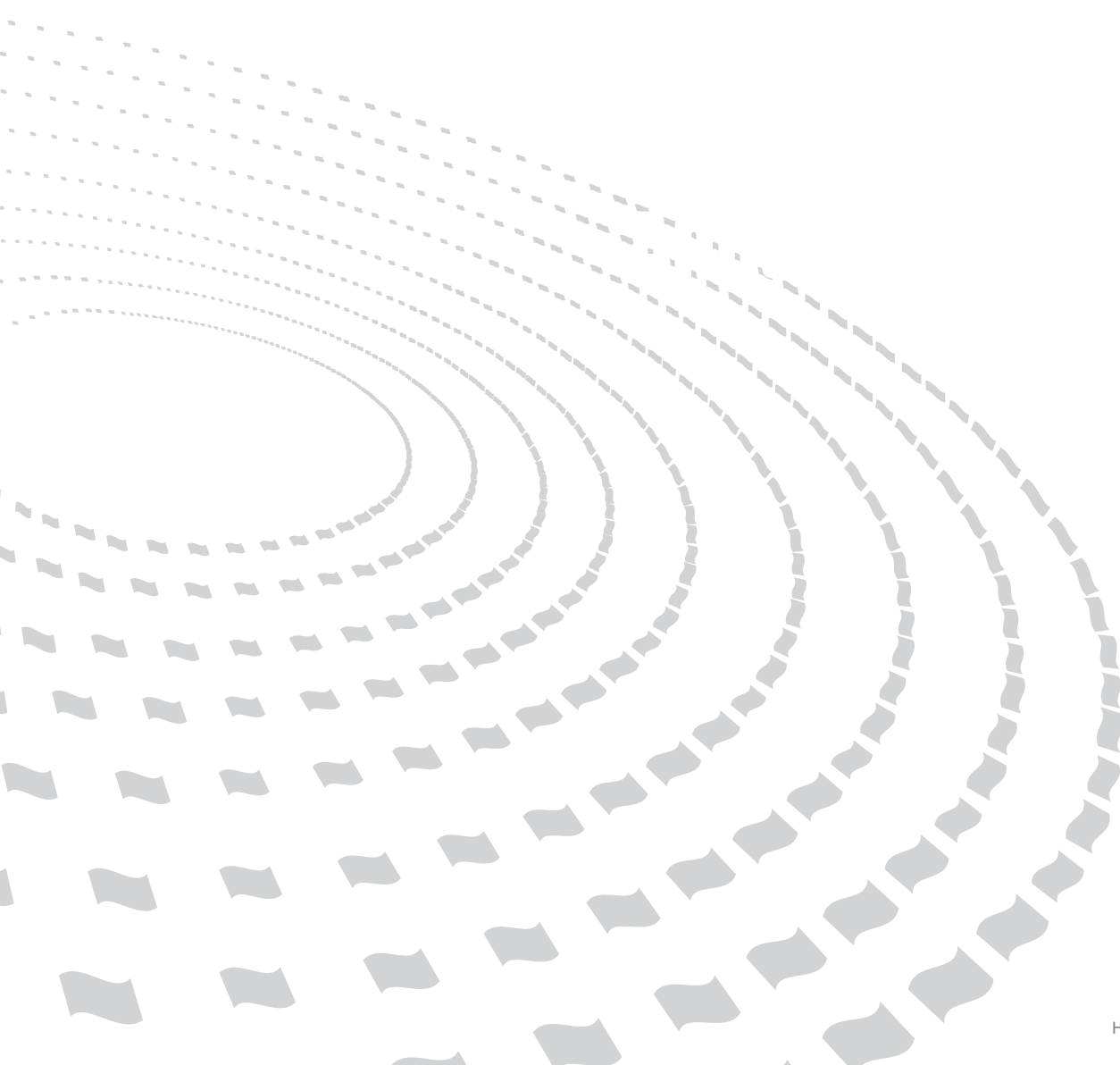
2018 2019



2018 2019



Annual Accounts



Annual Accounts

Balance Sheet

(₹ in lakhs)

	Note No.	As at 31 Mar 2019	As at 31 Mar 2018
Shareholders' funds			
Share capital	2.1	1,266.79	1,032.33
Reserves and surplus	2.2	51,350.36	32,278.25
		52,617.15	33,310.58
Non-current liabilities			
Long-term borrowings	2.3	160,958.42	86,964.88
Deferred tax liabilities (net)	2.4	173.28	100.94
Long-term provisions	2.5	1,183.23	682.28
		162,314.93	87,748.10
Current liabilities			
Short-term borrowings	2.6	0.54	-
Trade payables			
Total outstanding dues of micro enterprises and small enterprises	2.7	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		163.17	64.06
Other current liabilities	2.8	33,923.71	16,102.53
Short-term provisions	2.9	24.89	9.82
		34,112.31	16,176.41
Total		249,044.39	137,235.09
Assets			
Non-current assets			
Property, plant and equipment	2.10	998.78	473.97
Intangible assets	2.10	67.13	34.97
Capital work-in-progress		-	78.78
Intangible assets under development		-	26.05
Long-term loans and advances	2.11	212,082.75	129,897.91
Other non-current assets	2.12	625.94	720.40
		213,774.60	131,232.08
Current assets			
Current investments	2.13	10,271.59	-
Cash and cash equivalents	2.14	18,572.44	2,301.41
Short-term loans and advances	2.15	460.72	227.83
Other current assets	2.16	5,965.04	3,473.77
		35,269.79	6,003.01
Total		249,044.39	137,235.09

The accompanying notes are an integral part of the financial statements

This is the Balance Sheet referred to in our report of even date.

For **Walker Chandio & Co LLP**
Chartered Accountants
Firm registration no.: 001076N/N500013

Khushroo B. Panthaky
Partner
Membership No.: 42423
Place: Mumbai
Date: 13 May 2019

For and on behalf of the Board of Directors

Manoj Viswanathan
Director and CEO
Din No.: 01741612

Nutan Gaba Patwari
Chief Financial Officer
Place: Mumbai
Date: 13 May 2019

Maninder Singh Juneja
Director
Din No : 02680016

Shreyans Bachhawat
Company Secretary
Place: Mumbai
Date: 13 May 2019

Statement of Profit and Loss

(₹ in lakhs)

	Note No.	Year ended 31 Mar 2019	Year ended 31 Mar 2018
Revenue			
Revenue from operations	2.17	25,232.80	14,291.13
Other income	2.18	1,301.01	337.24
Total revenue		26,533.81	14,628.37
Expenses			
Employee benefit expense	2.19	4,086.57	2,215.16
Finance costs	2.20	12,783.44	6,653.65
Other expenses	2.21	3,082.15	1,634.37
Provision on loans	15.1	467.32	202.79
Depreciation and amortization expense	2.10	212.83	90.07
Total expenses		20,632.31	10,796.04
Profit before tax		5,901.50	3,832.33
Tax expense:			
Current tax		1,605.32	1,204.17
Deferred tax		72.34	107.99
		1,677.66	1,312.16
Profit after tax		4,223.84	2,520.17
Earnings per share			
Basic	2.22	36.55	24.42
Diluted		35.76	23.80
Nominal value of equity share		10.00	10.00

The accompanying notes are an integral part of the financial statements

This is the Statement of Profit and Loss referred to in our report of even date

For **Walker Chandio & Co LLP**
Chartered Accountants
Firm registration no.: 001076N/N500013

Khushroo B. Panthaky
Partner
Membership No.: 42423
Place: Mumbai
Date: 13 May 2019

For and on behalf of the Board of Directors

Manoj Viswanathan
Director and CEO
Din No.: 01741612

Nutan Gaba Patwari
Chief Financial Officer
Place: Mumbai
Date: 13 May 2019

Maninder Singh Juneja
Director
Din No : 02680016

Shreyans Bachhawat
Company Secretary
Place: Mumbai
Date: 13 May 2019

Cash Flow Statement

(₹ in lakhs)

	Year ended 31 Mar 2019	Year ended 31 Mar 2018
Cash flow from operating activities:		
Profit before tax	5,901.50	3,832.33
Adjusted for:		
Depreciation and amortization expense	212.83	90.07
Interest expense	12,783.44	6,653.65
Loan written off	59.03	39.82
Dividend Income on units of mutual funds	(348.93)	(47.48)
Interest income on bank deposits	(216.40)	(122.76)
Provision and contingencies	516.02	202.79
Operating profit before working capital changes	18,907.49	10,648.42
Decrease/(Increase) in working capital:		
Trade payables	99.11	(443.07)
Other current liabilities	636.51	268.72
Long-term loans and advances	(82,187.93)	(51,274.79)
Short-term loans and advances	(232.89)	(77.55)
Other current assets	(2,491.27)	(1,696.14)
Cash used in operations	(65,268.98)	(42,574.41)
Direct taxes paid	(1,661.26)	(1,250.81)
Net cash used in operations	(66,930.24)	(43,825.22)
Cash flows from investing activities:		
Purchase of property, plant and equipment including capital-work-in progress	(664.97)	(441.89)
Proceeds from bank deposits on lien	94.46	(200.00)
Purchase of mutual funds	(199,195.00)	-
Proceeds of sale of mutual funds	188,923.41	-
Dividend / income on units of mutual funds	348.93	47.48
Interest received on bank deposit	216.40	119.51
Net cash used in investing activities	(10,276.77)	(474.90)
Cash flows from financing activities:		
Proceeds from issue of share capital (net of share issue expenses)	15,082.73	6.14
Interest paid	(12,398.79)	(6,814.09)
Proceeds from long-term borrowings	108,701.52	64,901.00
Repayments of long-term borrowings	(17,907.96)	(28,417.88)
Proceeds of short-term borrowings (net)	0.54	(771.66)
Net cash generated from financing activities	93,478.04	28,903.51
Net increase/(decrease) in cash and cash equivalents	16,271.03	(15,396.61)
Cash and cash equivalents at beginning of the year	2,301.41	17,698.02
Cash and cash equivalents at end of the year	18,572.44	2,301.41
Components of cash and cash equivalents		
Cash in hand	6.13	0.53
Wallet money	6.28	6.38
With banks in current accounts	18,560.03	2,294.50
	18,572.44	2,301.41

The Cash Flow Statement has been prepared under indirect method as set out in Accounting Standard 3, 'Cash Flow Statement' as specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014 (as amended).

The accompanying notes are an integral part of the financial statements

This is the cash flow statement referred to in our report of even date.

For Walker Chandio & Co LLP

Chartered Accountants

Firm registration no.: 001076N/N500013

Khushroo B. Panthaky

Partner

Membership No.: 42423

Place: Mumbai

Date: 13 May 2019

For and on behalf of the Board of Directors

Manoj Viswanathan

Director and CEO

Din No.: 01741612

Nutan Gaba Patwari

Chief Financial Officer

Place: Mumbai

Date: 13 May 2019

Maninder Singh Juneja

Director

Din No : 02680016

Shreyans Bachhawat

Company Secretary

Place: Mumbai

Date: 13 May 2019

Significant accounting policies and other explanatory information

Note 1 Significant accounting policies and other explanatory information

Home First Finance Company India Limited (Formerly known as Home First Finance Company India Private Limited) (the 'Company') is a Housing Finance Company founded on 3 February 2010 with offices across various cities in India. It's registered head office is located at 511, Acme Plaza, Andheri Kurla Road, Andheri East, Mumbai – 400 059. The Company has converted to a public limited company with effect from 14 March 2018.

Note 1.1 Basis of accounting and preparation of financial statements

The financial statements which have been prepared under the historical cost convention on the accrual basis of accounting, are in accordance with the applicable provisions of Companies Act, 2013 (the 'Act') and the accounting principles generally accepted in India ('Indian GAAP') and comply with the Accounting Standards ('AS') as specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). The Company also follows the directions prescribed by the National Housing Bank ('NHB') for housing finance companies. The accounting policies applied by the Company are consistent with those used in the previous year.

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of business and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current non-current classification of assets and liabilities.

Note 1.2 Estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. Examples of such estimates include useful lives of fixed assets, provision for doubtful advances, future obligations under employee retirement benefit plans,

income taxes etc. Actual results could differ from those estimates. Any revisions to accounting estimates are recognised in the period in which such revisions are made.

Note 1.3 Revenue recognition

Interest income on housing loans, other loans and securitised portfolio except for non-performing loans, is accounted on accrual basis. Housing and other loans are classified as Standard, Sub-standard, Doubtful and Loss category based on the guidelines and directions issued by the National Housing Bank ('NHB') from time to time.

Once an account is categorized as a non-performing asset ('NPA'), the interest accrued, but not received, is reversed and no further income or other charges is recognized on that account. Interest income and other charges on such NPA accounts is recognised on the basis of actual receipt. This is in line with the guidelines provided in the master circular - The housing finance companies NHB Directors, 2010.

Repayment of housing and other loans is by way of equated monthly instalments (EMI's) comprising principal and interest. The interest is calculated on the outstanding balances at the beginning of the month. Pending commencement of EMI, pre-equated monthly instalment interest (Pre-EMI) is payable every month.

Fee and other revenue

Processing fees, project appraisal fees and other ancillary fees is recognized on the basis of actual receipt. Display income is accounted on accrual basis.

Dividend income

Dividend income is recognized when the right to receive has been established.

Income from investments and bank deposits

Interest income on bank deposits is accounted on time proportion basis taking into account the amount outstanding and the applicable rate of interest. The gains/losses on sale of investments are recognized in the Statement of profit and loss on accrual basis.

Note 1.4 Property, plant and equipment, Intangible assets and depreciation/amortisation

Property, plant and equipment and Intangible assets are stated at cost less accumulated depreciation, amortisation and impairment losses. Cost includes purchase price, inward freight, taxes and expenses incidental to acquisition and installation, up to the point the asset is ready for its intended use.

Cost of property, plant and equipment and intangible assets not ready for their intended use before such date is disclosed under Capital work-in-progress. Depreciation in respect of assets is provided on the Straight Line Method over the useful life of the assets. The Company has used the following useful lives to provide depreciation/amortisation on its property, plant and equipment and intangible asset:

	Lives
Property, plant and equipment	
Furniture and fixtures	10
Office equipment	5
Computers	3
Leasehold improvements	Over the lease period
Intangible assets	
Computer software	3
Licenses	3
Scoring algorithm	3

Note 1.5 Provision on performing and non-performing assets

Assets are identified and categorised into Standard, Sub-standard, Doubtful and Loss category based on the guidelines and directions issued by NHB. Provisions for such assets are made in accordance with the said guidelines. Additional provisions are made against non-performing assets over and above the provisions stated in the NHB directions, if in the opinion of the Company higher provision is necessary.

Note 1.6 Investments

Investments are classified as Non-current investments and Current investments. Non-current investments are carried at cost. The carrying amount for current investment is lower of cost and fair value on an individual basis. Changes in the carrying amount of current investments are recognised in the statement of profit and loss. Provision for diminution in the value of Non-current investments is made, only if such decline is other than temporary, in the opinion of the management.

Note 1.7 Employee benefits

All short term employee benefits are accounted on undiscounted basis during the accounting year based on services rendered by employees. The Company makes contribution to statutory provident fund in accordance with Employees Provident Fund and

Miscellaneous Provisions Act, 1952 which is a defined contribution plan and contribution paid or payable is recognised as an expense in the year in which services are rendered by the employees.

The Company's gratuity benefit scheme is an unfunded defined benefit plan. The Company's obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their services in the current and prior periods recognised as a liability at the present value of the defined benefit obligations at the balance sheet date based on an actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method. The discount rates used for determining the present value of the obligations under the defined benefit plan are based on the market yields on government bonds as at the balance sheet date. Actuarial gains or losses on such valuation are recognised immediately in the statement of profit and loss for the year.

Note 1.8 Taxation

Current tax

Provision for current income-tax is recognised in accordance with the provisions of Indian Income Tax Act, 1961 and is made annually based on the tax liability after taking credit for tax allowances and exemptions.

Note 1.8 Taxation (contd...)**Deferred tax**

Deferred tax assets and liabilities are recognised for the future tax consequences attributable to timing differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. If the Company has unabsorbed depreciation or carry forward losses under taxation laws, deferred tax assets are recognised only if there is a virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable profits.

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Minimum alternate tax

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognises MAT credit available as an asset only to the extent there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognises MAT Credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternate Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the Statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the sufficient period.

Note 1.9 Impairment of assets

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any impairment. The recoverable amount of the assets (or where applicable, that of the cash generating unit to which the asset belongs) is estimated as the higher of its net selling price and its value in use. An impairment loss is recognised whenever the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount. Impairment loss is recognised in the statement of profit and loss or against revaluation surplus where applicable.

Note 1.10 Provision and contingencies

Provisions comprise liabilities of uncertain timing or amount such as loss contingencies arising from claims, litigation, assessment, fines, penalties, etc. Provisions are recognised when the Company has a present obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Note 1.11 Borrowing cost

Borrowing costs incurred on acquiring a qualifying asset are capitalised as cost of that asset until it is ready for its intended use or sale. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised as expense in the statement of profit and loss.

Note 1.12 Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term are classified as operating leases. Operating lease payments (excluding costs for services such as insurance and maintenance) are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Note 1.13 Securitisation of assets

Any securitisation / sale/ transfer of assets have been done in conformity with the guidelines and various circulars issued by Reserve Bank of India ('RBI') in this regard. The surplus arising as the difference between the EMIs recoverable on the individual home loans assigned and the amounts payable to the purchaser of such home loans is being recognised as income in the statement of profit and loss on accrual basis.

Note 1.14 Employees stock option scheme

Measurement and disclosure of the employee share-based payment plans is made in accordance with the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India. Compensation expense is amortised over the vesting period of the option on a straight line basis.

Note 1.15 Foreign currency transactions

Foreign currency transactions are recorded using the exchange rates prevailing on the date of the respective transactions. Exchange difference arising on foreign currency transactions between the actual rate of settlement and the rate on the date of the transactions is charged or credited to statement of profit and loss.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the exchange rates prevailing on the balance sheet date and the overall net exchange gain or loss on such conversion, if any, is credited or charged to the statement of profit and loss. Non monetary assets and liabilities are recorded at the rates prevailing on the date of the transactions.

Note 1.16 Share issue expenses

Share issue expenses are adjusted from share premium account in terms of section 52 of the Companies Act, 2013.

Note 1.17 Cash and cash equivalents

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

Note 1.18 Commercial papers

The liability is recognised at the the face value of commercial paper at the time of its issue. The discount on issue of commercial papers is amortised over the tenure of the instrument.

2.1. Share Capital

i. The following table sets forth, for the periods indicated, the details of share capital

Particulars	As at 31 Mar 2019		As at 31 Mar 2018	
	No. of shares	Amount (₹ in lakhs)	No. of shares	Amount (₹ in lakhs)
Authorised				
Equity shares of ₹ 10 each	15,000,000	1,500.00	10,991,185	1,099.12
1% Series A Compulsorily convertible preference shares of ₹ 10 each	-	-	1,600,004	160.00
1% Series B Compulsorily convertible preference shares of ₹ 10 each	-	-	2,408,811	240.88
	15,000,000	1,500.00	15,000,000	1,500.00
Issued, subscribed and paid up				
Equity shares of ₹ 10 each	12,667,898	1,266.79	10,323,331	1,032.33
	12,667,898	1,266.79	10,323,331	1,032.33

ii. The reconciliation of the number of shares outstanding and the amount of share capital as at 31 March 2019 and 31 March 2018 is set out below

Equity Shares Particulars	As at 31 Mar 2019		As at 31 Mar 2018	
	No. of shares	Amount (₹ in lakhs)	No. of shares	Amount (₹ in lakhs)
Shares outstanding at the beginning of the year	10,323,331	1,032.33	10,320,531	1,032.05
Add: Shares issued during the year	2,344,567	234.46	2,800	0.28
Shares outstanding at the end of the year	12,667,898	1,266.79	10,323,331	1,032.33

iii. Shareholders holding more than 5% of the shares

Particulars	Equity Shares (31 Mar 2019)		Equity Shares (31 Mar 2018)	
	No. of shares	% of holding	No. of shares	% of holding
Equity Shares				
True North Fund V LLP (Formerly known as India Value Fund V LLP)	5,836,059	46.07%	4,428,839	42.90%
Aether (Mauritius) Limited	3,890,706	30.71%	2,952,559	28.60%
Bessemer India Capital Holdings II Limited	2,072,424	16.36%	2,072,424	20.08%
Mr. P S Jayakumar	656,609	5.18%	656,609	6.36%

*The Company has reclassified 1,600,004 unissued Series A compulsory convertible preference shares and 2,408,811 unissued Series B compulsory convertible preference shares into equity shares of Rs.10 each.

iv. Terms, rights, preferences and restrictions attached to shares

Equity shares:

The Company has only one class of equity share having par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive any of the remaining assets of the Company.

v. Issue of bonus shares or buy back of shares

The Company has not issued / allotted any shares pursuant to contracts without payment being received in cash, nor issued any bonus shares, nor there has been any buy back of shares during five years immediately preceding 31 March 2019.

2.2. Reserves and surplus

(₹ in lakhs)

Particulars	As at 31 Mar 2019	As at 31 Mar 2018
Securities premium account		
Opening balance	28,031.04	28,024.62
Add: Premium received on allotment of shares	15,003.27	6.42
Less: Share issue expenses adjusted in accordance with Section 52 of Companies Act, 2013	(155.00)	-
	42,879.31	28,031.04

(₹ in lakhs)

Particulars	As at 31 Mar 2019	As at 31 Mar 2018
Statutory reserve under section 29C of the NHB Act, 1987 (Also, refer note below)		
Opening balance	941.85	421.85
Add: Current year transfer (Also, refer note 7)	850.00	520.00
Less: Appropriation during the year	-	-
	1,791.85	941.85
Surplus in the statement of profit and loss		
Opening balance	3,305.36	1,305.19
Add: Transferred from statement of profit and loss	4,223.84	2,520.17
Less: Transfer to special reserve	(850.00)	(520.00)
	6,679.20	3,305.36
	51,350.36	32,278.25

As per Section 29C of National Housing Bank Act (NHB), 1987, the Company is required to transfer atleast 20% of its net profits every year to a reserve before any dividend is declared. For this purpose, any Special Reserve created by the Company under Section 36(1)(viii) of the Income Tax Act, 1961 is

considered to be an eligible transfer. Thus, during the year ended 31 March 2019 and 31 March 2018, the Company has transferred to Statutory Reserve, an amount arrived in accordance with Section 29C of the NHB Act, 1987.

2.3. Long-term borrowings

(₹ in lakhs)

Particulars	As at 31 Mar 2019	As at 31 Mar 2018
Secured loans		
Term Loan from banks	134,311.87	77,644.63
Less: Current portion disclosed as Other current liabilities (Also, refer note 2.8)	(26,470.06)	(13,171.40)
	107,841.81	64,473.23
Term Loan from National Housing Bank	58,676.21	24,549.89
Less: Current portion disclosed as Other current liabilities (Also, refer note 2.8)	(5,559.60)	(2,058.24)
(Secured by hypothecation of book debts and assignment of mortgage of the financed units)	-	-
	53,116.61	22,491.65
	160,958.42	86,964.88

Details of interest rate and maturity of the term loans are as follows:

(₹ in lakhs)

Rate of Interest	Maturity	As at 31 Mar 2019	As at 31 Mar 2018
4%-5%	1-5 Years	14,989.67	5,658.39
6%-7%		2,599.39	2,599.39
7%-8%		981.73	981.73
8%-9%		56,982.40	61,938.15
9%-10%		75,640.40	17,955.49
10%-11%		12,035.45	-
4%-5%	5-7 Years	4,833.12	2,382.24
6%-7%		1,094.24	1,094.48
7%-8%		309.55	412.23
8%-9%		2,973.55	3,077.48
9%-10%		8,246.36	67.84
10%-11%		2,080.00	-
4%-5%	7-10 Years	1,609.48	2,676.24
6%-7%		339.20	886.20
7%-8%		194.00	298.00
9%-10%		5,351.39	2,022.82
10%-11%		2,720.00	101.76
9%-10%	> 10 Years	8.16	42.08
Total		192,988.08	102,194.52

Note 2.4 Deferred tax assets/(liabilities) (net)

(₹ in lakhs)

Particulars	As at 31 Mar 2019	As at 31 Mar 2018
Deferred tax liabilities		
Special reserve	(521.79)	(325.98)
On timing difference between book depreciation and depreciation as per Income Tax Act, 1961	(3.30)	(7.69)
Deferred tax assets		
Provision for loans	314.26	204.96
Provision for gratuity	24.99	8.29
Provision for lease equalisation	12.56	19.48
	(173.28)	(100.94)

Note 2.5 Long-term provisions

(₹ in lakhs)

Particulars	As at 31 Mar 2019	As at 31 Mar 2018
Provision for gratuity (Also, refer note 3(v))	67.80	47.28
Provision for lease equalisation	36.24	23.13
Provision for standard loans and advances (Also, refer note 15.2)	701.73	464.26
Provision for sub-standard loans and advances (Also, refer note 15.2)*	232.02	106.51
Provision for doubtful loans and advances (Also, refer note 15.2)*	145.44	41.10
	1183.23	682.28

*Provision on non-performing loans is required to be maintained as per NHB guidelines on prudential norms to the extent of ₹ 286.75 lakhs (Previous year: ₹ 127.93 lakh). In the current year, the Company by way of prudence and abundant caution

has created an additional provision on non-performing loans amounting to ₹80.58 lakhs (Previous year: ₹19.68 lakhs, carried forward in the current year: ₹10.13 lakhs).

Note 2.6 Short-term borrowings

(₹ in lakhs)

Particulars	As at 31 Mar 2019	As at 31 Mar 2018
Secured		
Bank overdrafts		
- Repayable on demand	0.54	-
	0.54	-

Note 2.7 Trade payables

(₹ in lakhs)

Particulars	As at 31 Mar 2019	As at 31 Mar 2018
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
-Dues to related party (Also, refer note 23 C)	57.77	-
-Dues to others	105.40	64.06
	163.17	64.06

Based on the information available with the Company, there are no dues outstanding in respect of micro and small enterprises as at 31 March 2019. Further, no interest during the year has been paid or

payable in respect thereof. The above disclosures has been determined to the extent such parties have been identified on the basis of information available with the Company.

Note 2.8 Other current liabilities

(₹ in lakhs)

Particulars	As at 31 Mar 2019	As at 31 Mar 2018
Current maturities of long term borrowings (Also, refer note 2.3)	32,029.66	15,229.64
Interest accrued but not due on borrowings	434.25	49.60
Interest accrued and due on borrowings	-	177.06
Payable to Central Bank of India (on account of securitisation)	751.51	187.70
Payable to employees (Also, refer note 23 C)	317.13	196.41
Payable to Central Registry of Securitisation Asset Reconstruction and Security Interest	-	5.38
Payable to NHB on account of CLSS Subsidy refund	12.43	32.84
Statutory dues	99.09	81.31
Others	279.64	142.59
	33,923.71	16,102.53

Note 2.9 Short-term provisions

(₹ in lakhs)

Particulars	As at 31 Mar 2019	As at 31 Mar 2018
Provision for gratuity (Also, refer note 3(v))	18.00	8.98
Provision for lease equalisation	6.89	0.84
	24.89	9.82

Note 2.10 Property, plant and equipment and Intangible assets

(₹ in lakhs)

Property, plant & equipment	Furniture & fixtures	Office equipments	Computers	Leasehold improvements	Total
Gross Block					
As at 1 April 2017	197.31	50.91	84.76	-	332.98
Additions	185.30	22.65	101.10	-	309.05
Sale/ deletion	-	-	-	-	-
As at 31 March 2018	382.61	73.56	185.86	-	642.03
Additions	207.20	67.99	149.06	285.92	710.17
Sale/ deletion	-	-	-	-	-
As at 31 March 2019	589.81	141.55	334.92	285.92	1,352.20
Accumulated depreciation/ amortisation					
As at 1 April 2017	27.49	18.48	47.69	-	93.66
Additions	31.49	11.59	31.32	-	74.40
Sale/ deletion	-	-	-	-	-
As at 31 March 2018	58.98	30.07	79.01	-	168.06
Additions	49.41	20.02	68.08	47.85	185.36
Sale/ deletion	-	-	-	-	-
As at 31 March 2019	108.39	50.09	147.09	47.85	353.42
Net block					
As at 31 March 2018	323.63	43.49	106.85	-	473.97
As at 31 March 2019	481.42	91.46	187.83	238.07	998.78

(₹ in lakhs)

Intangible assets	Computer softwares	Licenses	Scoring algorithm	Total
Gross Block				
As at 1 April 2017	72.33	0.65	3.00	75.98
Additions	28.01	-	-	28.01
Sale/ deletion	-	-	-	-
As at 31 March 2018	100.34	0.65	3.00	103.99
Additions	59.63	-	-	59.63
Sale/ deletion	-	-	-	-
As at 31 March 2019	159.97	0.65	3.00	163.62
Gross Block				
As at 1 April 2017	49.70	0.65	3.00	53.35
Additions	15.67	-	-	15.67
Sale/ deletion	-	-	-	-
As at 31 March 2018	65.37	0.65	3.00	69.02
Additions	27.47	-	-	27.47
Sale/ deletion	-	-	-	-
As at 31 March 2019	92.84	0.65	3.00	96.49
Net block				
As at 31 March 2018	34.97	-	-	34.97
As at 31 March 2019	67.13	-	-	67.13

Note 2.11 Long-term loans and advances

(₹ in lakhs)

Particulars	As at 31 Mar 2019	As at 31 Mar 2018
Loans (Secured, considered good)		
Housing loan to Individuals	222,545.16	129,627.45
Housing loan to Corporate bodies and others	6,714.32	1,759.18
Non-Housing loans	15,097.95	4,206.61
	244,357.43	135,593.24
Less: Securitized loan under direct assignment (Also, refer note 10.2)	(29,206.54)	(3,746.17)
	215,150.89	131,847.07
Less: Current maturities classified under other current assets (Also, refer note 2.16)	(3,347.89)	(2,098.12)
	211,803.00	129,748.95
Others (Unsecured, considered good)		
Capital advances	20.18	20.00
Rent deposits	123.60	75.83
Prepaid expenses	33.39	6.49
Advance tax (Net of provision of Rs. 1,605.32 lakhs, Previous year: Rs. 1,204.17 lakhs)	102.58	46.64
	279.75	148.96
	212,082.75	129,897.91

Note 2.12 Other non-current assets

(₹ in lakhs)

Particulars	As at 31 Mar 2019	As at 31 Mar 2018
Bank deposits with maturity of more than one year		
- Security against the guarantees *	125.94	120.40
- Deposit with maturity of more than one year	500.00	600.00
	625.94	720.40

* Bank deposits of Rs. 125.94 lakhs (Previous year - Rs. 120.40 lakhs) held as security against the bank guarantee.

Note 2.13 Current investments

No. of units

Amount (₹ in lakhs)

Investment in mutual funds - unquoted	As at 31 Mar 2019	As at 31 Mar 2018	As at 31 Mar 2019	As at 31 Mar 2018
Sundaram mutual fund	2,532,338	-	995.43	-
Kotak mutual fund	88,890	-	3,359.51	-
SBI mutual fund	95,607	-	2,795.33	-
INVESCO mutual fund	16,148	-	410.74	-
IDFC mutual fund	119,765	-	2,710.58	-
	2,852,748	-	10,271.59	-

Note 2.14 Cash and cash equivalents

(₹ in lakhs)

Particulars	As at 31 Mar 2019	As at 31 Mar 2018
Cash on hand	6.13	0.53
Balances with banks		
Current accounts	18,560.03	2,294.50
Other bank balances		
Balances with the banks held as wallet money	6.28	6.38
	18,572.44	2,301.41

Note 2.15 Short-term loans and advances

(₹ in lakhs)

Particulars	As at 31 Mar 2019	As at 31 Mar 2018
Unsecured, considered good		
Prepaid expenses	358.14	163.70
Rent deposits	17.68	15.49
Advance to employees	83.56	33.91
Advance to creditors	0.35	13.73
Other miscellaneous deposits	0.99	1.00
	460.72	227.83

Note 2.16 Other current assets

(₹ in lakhs)

Particulars	As at 31 Mar 2019	As at 31 Mar 2018
Current maturities of long-term loans and advances (Also, refer note 2.11)	3,347.89	2,098.12
Interest receivable on loans and advances	2,469.54	1,339.76
Balance with government authorities	34.79	-
Other receivables	112.82	35.89
	5,965.04	3,473.77

Note 2.17 Revenue from operations

(₹ in lakhs)

Particulars	As at 31 Mar 2019	As at 31 Mar 2018
Interest on loans	21,910.48	12,583.85
Processing fees	1,142.50	312.61
Interest income on portfolio assignment to Central Bank of India (net)	291.65	233.24
Other operating income	1,888.17	1,161.43
	25,232.80	14,291.13

Note 2.18 Other income

(₹ in lakhs)

Particulars	As at 31 Mar 2019	As at 31 Mar 2018
Interest income on bank deposit	216.40	122.76
Display income	729.00	167.00
Dividend / income on units of mutual funds	348.93	47.48
Other non-operating income	6.68	-
	1,301.01	337.24

Note 2.19 Employee benefit expense

(₹ in lakhs)

Particulars	As at 31 Mar 2019	As at 31 Mar 2018
Salaries, bonus and incentives (including managerial remuneration)	3,763.96	2,044.91
Contributions to provident fund	147.95	76.23
Employee insurance	47.13	20.60
Gratuity (Also, refer note 3(iv))	35.40	16.03
Staff welfare expenses	92.13	57.39
	4,086.57	2,215.16

Note 2.20 Finance costs

(₹ in lakhs)

Particulars	As at 31 Mar 2019	As at 31 Mar 2018
Interest expense on borrowings	12,307.33	6,319.34
Processing fee	350.05	181.80
Other borrowing costs	126.06	152.51
	12,783.44	6,653.65

Note 2.21 Other expenses

(₹ in lakhs)

Particulars	As at 31 Mar 2019	As at 31 Mar 2018
Power and fuel	31.41	16.99
Repairs and maintenance	19.34	6.45
Rent (Also, refer note 4)	312.02	195.70
Travelling expense	396.33	183.79
Telephone and communication expense	19.12	15.04
Marketing and sales promotion expense	402.54	116.43
Rates and taxes, excluding taxes on income	241.89	133.42
Loss on foreign currency transaction	4.31	0.98
Loan written off	59.03	39.82
Legal and professional fees	670.30	380.56
Corporate social responsibility (Also, refer note 5)	41.00	18.54
Auditor's remuneration (Excluding GST)	-	-
- Statutory audit and certification fees	36.54	21.25
- Tax audit fee	2.00	1.75
Software license fee	315.18	175.70
Office administrative expenses	106.50	93.60
Technology fee	182.31	108.54
Miscellaneous expenses	242.33	125.81
	3,082.15	1,634.37

Note 2.22 Earning per share

The basic earnings per equity share ('EPS') is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting year. The number of shares used in computing diluted earnings per

share comprises the weighted average number of shares considered for deriving basic earnings per share and also the weighted average number of equity shares, which may be issued on the conversion of all dilutive potential shares, unless the results would be anti dilutive.

The following table sets forth, for the periods indicated, the details of earnings per share

(₹ in lakhs)

Particulars	As at 31 Mar 2019	As at 31 Mar 2018
Net profit after tax as per statement of profit and loss	4,223.84	2,520.17
Net profit after tax attributable to the equity share holders - for basic EPS	4,223.84	2,520.17
Net profit after tax attributable to the equity share holders - for diluted EPS	4,223.84	2,520.17
Weighted number of equity shares for earnings per share		
(a) For basic earnings per share	11,556,025	10,320,796
(b) For diluted earnings per share	11,812,595	10,589,231
Earnings per equity share - Basic (in ₹)	36.55	24.42
Earnings per equity share - Diluted (in ₹)	35.76	23.80
Nominal value per share (in ₹)	10.00	10.00

Note 3 Employee Benefits

On the basis of an actuarial valuation carried out by an independent actuary, the Company has determined the actuarial liability as at the end of the accounting year, for which a provision has been made in the books of accounts at the end of the accounting year with a corresponding charge to the statement of profit and loss. All short term employee benefits are accounted on undiscounted basis during the accounting period based on services rendered by employees. In respect of gratuity, the Company has not made any

contribution to any fund during the year.

The following table set out the status of the gratuity plan as specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules 2014 (as amended) under Accounting Standard 15, 'Employee benefits' and the reconciliation of opening and closing balances of the present value of the defined benefit obligation.

Particulars	As at 31 Mar 2019	As at 31 Mar 2018
I. Assumptions:		
Discount rate	6.66%	7.18%
Salary escalation rate	15%	9.00%
Attrition rate	35%	25.00%
Mortality rate	Indian Assured Lives (2006- 2008)	Indian Assured Lives (2006- 2008)

(₹ in lakhs)

Particulars	As at 31 Mar 2019	As at 31 Mar 2018
II. Table showing change in benefit obligation:		
Liability at the beginning of the year	56.26	41.51
Interest cost	4.04	2.85
Current service cost	17.70	13.44
Past service cost - Vested benefits incurred during the period	-	0.92
Benefits paid	(5.86)	-
Actuarial loss/(gain)	13.66	(2.46)
Liability at the end of the year	85.80	56.26
III. Reconciliation of present value of defined benefit obligation and the fair value of assets		
Present value of funded obligations as at year end	(85.80)	(56.26)
Fair value of plan assets as at year end	-	-
Funded liability recognised in the Balance sheet	(85.80)	(56.26)
IV. Expenses recognised in the statement of profit and loss:		
Current service cost	17.70	13.44
Interest cost	4.04	2.85
Actuarial loss/(gain)	13.66	(2.46)
Past service cost - Vested benefits incurred during the period	-	0.92
Expenses recognised in the statement of profit and loss*	35.40	14.75
V. Balance sheet bifurcation:		
Current liability	18.00	8.98
Non-current liability	67.80	47.28
Amount recognised in balance sheet	85.80	56.26
VI. Experience adjustment:		
On plan liability loss	11.61	7.77

*The expense recognised in the statement of profit and loss for year ended 31 March 2018 includes ₹1.28 lakhs as benefit paid considered in year ended 31 March 2017.

Amounts for the current and previous periods are as follows:

(₹ in lakhs)

Particulars	As at 31 Mar 2019	As at 31 Mar 2018	As at 31 Mar 2017	As at 31 Mar 2016	As at 31 Mar 2015
Defined benefit obligation	85.80	56.26	41.51	21.57	14.54
Deficit	85.80	56.26	41.51	21.57	14.54
Experience losses on plan liability	13.66	2.47	13.25	1.15	4.72

Note 4 Operating lease

The Company has entered into agreements for taking its office premises under leave and license

arrangements. These agreements are for tenures between 1 year and 9 years and are renewable by mutual consent on mutually agreeable terms.

(₹ in lakhs)

Particulars	As at 31 Mar 2019	As at 31 Mar 2018
Lease rent for the year	312.02	195.70
Operating lease commitments		
- Within 1 year	322.42	209.25
- After 1 year but before 5 years	538.05	443.50
- After 5 years	25.19	-

Note 5 Corporate Social Responsibility

Disclosure on Corporate Social Responsibility ('CSR') activities u/s 135 of the Companies Act, 2013 is as below:

(₹ in lakhs)

Particulars	As at 31 Mar 2019	As at 31 Mar 2018
(a) Total amount to be spent for the financial year (including amount unspent in previous year)	41.00	29.32
(b) Total amount spent during the year pertaining to previous year	-	10.78
(b) Total amount spent during the year pertaining to current year	41.00	18.54
(c) Amount unspent, if any	-	-

Disclosures required by the NHB vide Policy no. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated 9 February 2017 and in terms of the circular no. NHB/ND/DRS/Pol-No.35/2010-11 dated 11 October 2010

Note 6 Capital to risk assets ratio ('CRAR')

The following table sets forth, for the periods indicated, the details of capital to risk assets ratio:

(₹ in lakhs)

Particulars	As at 31 Mar 2019	As at 31 Mar 2018
i) CRAR (%)	38.01%	42.59%
ii) CRAR – Tier I Capital (%)	37.42%	41.90%
iii) CRAR – Tier II Capital (%)	0.59%	0.69%
iv) Amount of subordinated debt raised as Tier - II capital	-	-
v) Amount of subordinated debt raised as Tier - II capital	-	-

Note 7 Reserve fund under section 29C of NHB Act, 1987

(₹ in lakhs)

Particulars	As at 31 Mar 2019	As at 31 Mar 2018
Balance at the beginning of the year		
a) Statutory reserve under section 29C of NHB Act, 1987	-	-
b) Amount of special reserve under section 36 (1) (viii) of Income Tax Act, 1961 taken into account for the purposes of statutory reserve under section 29C of the NHB Act, 1987	941.85	421.85
	941.85	421.85

(₹ in lakhs)

Particulars	As at 31 Mar 2019	As at 31 Mar 2018
Addition/ Appropriation/ Withdrawal during the year		
Add:		
a) Amount transferred under section 29C of NHB Act, 1987	-	-
b) Amount of special reserve under section 36(1) (viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory reserve under section 29C of the NHB Act, 1987	850.00	520.00
Less:		
a) Amount appropriated from Statutory reserve under section 29C of the NHB Act, 1987	-	-
b) Amount withdrawn from the special reserve under section 36(1) (viii) of Income Tax Act, 1961 which has been taken into account for the purposes of provision under section 29C of the NHB Act, 1987	-	-
Balance at the end of the year		
a) Statutory Reserve under section 29C of NHB Act, 1987	-	-
b) Amount of special reserve under section 36(1) (viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory reserve under section 29C of the NHB Act, 1987	1,791.85	941.85
c) Total	1,791.85	941.85

Note 8 Investments

(₹ in lakhs)

Particulars	As at 31 Mar 2019	As at 31 Mar 2018
Value of investments		
i) Gross value of investments		
(a) In India	10,271.59	-
(b) Outside India	-	-
ii) Provision for depreciation		
(a) In India	-	-
(b) Outside India	-	-
iii) Net value of investments		
(a) In India	-	-
(b) Outside India	-	-
Movement of provision held towards depreciation on investments		
i) Opening balance	-	-
ii) Add: Provision made during the year	-	-
iii) Less: write off / written back of excess provision during the year	-	-
iv) Closing balance	10271.59	-

Note 9 Derivatives

9.1 Forward rate agreement (FRA) / Interest rate swap (IRS)

The Company has not entered into any transaction in forward rate agreements and interest rate swaps during the year (Previous year - Nil).

9.2 Exchange traded interest rate (IR) derivative

The Company has not entered into any transaction

in exchange traded interest rate derivatives during the year (Previous year - Nil).

Note 10 Securitisation

10.1 Details of financial assets sold to securitisation / reconstruction Company for asset reconstruction

The Company has not sold any financial assets to Securitisation / Reconstruction Company for asset reconstruction during the year (Previous year - Nil).

10.2 Details of assignment transactions

(₹ in lakhs)

Particulars	As at 31 Mar 2019	As at 31 Mar 2018
(i) Number of accounts	5,178.00	532.00
(ii) Aggregate value (net of provisions) of accounts assigned *(₹ in lakhs)	29,206.54	3,746.17
(iii) Aggregate consideration (₹ in lakhs)	29,206.54	3,746.17
(iv) Additional consideration realised in respect of accounts transferred in earlier years	-	-
(v) Aggregate gain/loss over net book value	-	-

* The aggregate value excludes minimum retention ratio (MRR) retained by the Company.

10.3 Details of Non-performing financial assets purchased / sold

The Company has not purchased / sold any non performing assets during the year (Previous year - Nil).

Note 11. Asset liability management (Maturity pattern of certain items of assets and liabilities)

	31 March 2019			31 March 2018		
	Borrowings from	Advances*	Investments	Borrowings from	Advances*	Investments
Upto one month	1,532.89	4,401.01	10,271.59	789.97	2,366.81	-
Over 1 month and upto 2 months	441.22	4,310.02	-	94.00	2,323.93	-
Over 2 months and upto 3 months	2,316.22	4,220.91	-	344.00	2,281.82	-
Over 3 months and upto 6 months	10,464.61	12,146.28	-	4,910.45	6,600.38	-
Over 6 months and upto 1 year	17,274.72	22,123.55	-	9,091.22	12,162.65	-
Over 1 year and upto 3 years	74,243.76	65,322.98	-	49,495.51	37,259.33	-
Over 3 years and upto 5 years	56,955.63	40,112.43	-	24,408.00	24,268.57	-
Over 5 years and upto 7 years	19,536.82	24,154.44	-	7,034.27	15,588.27	-
Over 7 years and upto 10 years	10,214.07	19,584.93	-	5,985.02	13,622.25	-
Over 10 years	8.16	17,695.14	-	42.08	14,761.17	-
Total	192,988.09	214,071.69	10,271.59	102,194.52	131,235.18	-

*Classification of assets and liabilities under different maturity buckets is based on the same estimates and assumptions as used by the Company for compiling the return submitted to NHB.

Note: The Company does not have market borrowing, foreign currency liabilities, deposits, foreign currency assets and investments as at 31 March 2019 and 31 March 2018.

Note 12 Exposure

12.1 Exposure to Real Estate Sector

(₹ in lakhs)

Category	As at 31 Mar 2019	As at 31 Mar 2018
a) Direct exposure		
(i) Residential mortgages		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented;	204,261.01	129,054.31
Out of the above Individual housing loans up to ₹15.00 lakhs	155,188.96	101,849.22
(ii) Commercial real estate		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits	10,889.88	2,792.76
(iii) Investments in Mortgage Backed Securities (MBS) and other securities exposures		
a) Residential	Nil	Nil
b) Commercial real estate	Nil	Nil
b) Indirect exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	Nil	Nil

12.2 Exposure to Capital Market

The Company does not have any exposure to capital market sector as at 31 March 2019 (Previous year – Nil).

12.3 Details of financing of parent company products: Nil (Previous year - Nil)

12.4 Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the Company

During the year, the Company has not exceeded single or group borrower exposure limit (Previous year - Nil)

12.5 Unsecured advances

During the year, there are no unsecured advances against intangible securities such as rights, licenses, authority as collateral security (Previous year - Nil)

Note 13 Disclosure of penalties imposed by NHB and other regulators

During the year ended 31 March 2019 and 31 March 2018, the Company has:

a) not paid any penalty for non-compliance of any provision of the Housing Finance Companies (NHB) Directions, 2010; and b) not received any adverse comments in writing from NHB on regulatory compliances.

**Note 14 Rating assigned by credit rating agency and migration of rating during the year
As at 31 March 2019**

Instrument	Rating	Rating Agency	Comments
Commercial paper	ICRA A1+	ICRA	Instruments with this rating are considered to have very strong degree of safety regarding timely payment of financial obligations. Such instruments carry lowest credit risk.
Commercial paper	IND A1+	India Ratings & Research	Instruments with this rating are considered to have very strong degree of safety regarding timely payment of financial obligations. Such instruments carry lowest credit risk.
Term loans	ICRA A+ (stable)	ICRA	Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.
Non-convertible debentures	ICRA A+ (stable)	ICRA	Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.
Term loans	Care A+; (stable)	CARE	Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.

As at 31 March 2018

Instrument	Rating	Rating Agency	Comments
Term loans	A+ (stable)	ICRA	Instruments with this rating are considered to have very strong degree of safety regarding timely payment of financial obligations. Such instruments carry lowest credit risk.

Instrument	Rating	Rating Agency	Comments
Commercial paper	A1+	ICRA	Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.

Note 15.1 Provisions and Contingencies

(₹ in lakhs)

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss	As at 31 Mar 2019	As at 31 Mar 2018
1. Provisions for depreciation on Investment	-	-
2. Provision made towards Income tax	1,605.32	1,204.17
3. Provision towards Non Performing Assets (NPA)	229.85	57.70
4. Provision for Standard Assets		
-Commercial real estate	16.92	-
-Commercial real estate - RH	37.16	13.19
- Others	183.39	131.90

15.2 Break up of loan and advances and provisions thereon

(₹ in lakhs)

Particulars	Housing		Non Housing	
	As at 31 Mar 2019	As at 31 Mar 2018	As at 31 Mar 2019	As at 31 Mar 2018
Standard assets				
a) Total outstanding amount	198,508.59	126,910.79	15,048.30	4,182.30
b) Provisions made	616.48	443.18	85.25	21.08
Sub - Standard assets				
a) Total outstanding amount	1,267.34	588.60	2.44	24.30
b) Provisions made	231.44	101.41	0.58	5.10
Doubtful Assets – Category-I				
a) Total outstanding amount	204.18	136.27	18.50	-
b) Provisions made	69.19	39.17	6.07	-
Doubtful Assets – Category-II				
a) Total outstanding amount	101.54	4.81	-	-
b) Provisions made	70.18	1.93	-	-
Doubtful Assets – Category-III				
a) Total outstanding amount	-	-	-	-
b) Provisions made	-	-	-	-
Loss Assets				
a) Total outstanding amount	-	-	-	-
b) Provisions made	-	-	-	-
Total				
a) Total outstanding amount	200,081.65	127,640.47	15,069.24	4,206.60
b) Provisions made*	987.29	585.69	91.90	26.18

*Provision on non-performing loans is required to be maintained as per NHB guidelines on prudential norms to the extent of ₹286.75 lakhs (Previous year: ₹127.93 lakh). In the current year, the Company by

way of prudence and abundant caution has created an additional provision on non-performing loans amounting to ₹80.58 lakhs (Previous year: ₹19.68 lakhs, carried forward in the current year: ₹10.13 lakhs).

15.3 Contingent liabilities

(₹ in lakhs)

Particulars	As at 31 Mar 2019	As at 31 Mar 2018
Other commitments - Undisbursed amount of housing and other loans	57,530.14	37,893.50

Note 16 Draw down reserves

During the year, the Company has not made any draw down from reserves (Previous year - Nil).

Note 17

Concentration of public deposits, advances,

exposures and NPA's

17.1 Concentration of Public Deposits (for public Deposit taking/holding HFCs)

The Company do not accept any public deposits and hence the same is not applicable.

17.2 Concentration of loans and advances

(₹ in lacs)

Particulars	As at 31 Mar 2019	As at 31 Mar 2018
Total loans and advances to twenty largest borrowers	8,183.73	2,419.97
Percentage of Loans and Advances to twenty largest borrowers to total advances of the HFC	3.80%	1.84%

17.3 Concentration of all exposures (including off - balance sheet exposure)

(₹ in lakhs)

Particulars	As at 31 Mar 2019	As at 31 Mar 2018
Total exposure to twenty largest borrowers/customers	12,805.99	6,545.60
Percentage of exposures to twenty largest borrowers/customers to total exposure of the HFC on borrowers/customers	4.70%	3.86%

17.4 Concentration of Non-performing assets

(₹ in lakhs)

Particulars	As at 31 Mar 2019	As at 31 Mar 2018
Total exposure to top ten NPA accounts*	247.23	173.85

* The exposure is disclosed at customer level.

17.5 Sectorwise Non performing assets(NPAs)

Sectorwise percentage of NPAs to total advances in that sector	As at 31 Mar 2019	As at 31 Mar 2018
A Housing loans :		
1 Individuals	0.81%	0.58%
2 Builders/Project loans	-	-
3 Corporates	-	-
4 Others	-	-
B Non housing loans :		
1 Individuals	0.16%	0.56%
2 Builders/Project loans	-	-
3 Corporates	-	-
4 Others	-	-

17.6 Movement of Non-performing assets (NPAs)

(₹ in lakhs)

Particulars	As at 31 Mar 2019	As at 31 Mar 2018
(I) Net NPAs to net advances (%)	0.57%	0.46%
(II) Movement of NPAs (Gross)		
a) Opening balance	753.97	544.74
b) Additions during the year (net)	1,242.61	612.89
c) Reductions during the year	402.58	403.66
d) Closing balance	1,594.00	753.97
(III) Movement of Net NPAs		
a) Opening balance	606.36	454.83
b) Additions during the year (net)	940.92	487.48
c) Reductions during the year	330.74	335.95
d) Closing balance	1,216.54	606.36
(IV) Movement of provisions for NPAs (excluding provisions on standard assets)		
a) Opening balance	147.61	89.91
b) Provision made during the year (net)	301.69	125.42
c) Reductions during the year	71.84	67.72
d) Closing balance	377.46	147.61

Note 18 Overseas Assets & Off-balance Sheet special purpose vehicle (SPVs) sponsored

The Company does not own any assets overseas during the year (Previous year - Nil). There are no off-balance sheet SPVs sponsored during the year. (Previous year - Nil)

Note 19 Disclosure of complaints

Particulars	31 Mar 2019	31 Mar 2018
a) Number of complaints pending at the beginning of the year	-	-
b) Number of complaints received during the year	38	46
c) Number of complaints redressed during the year	38	46
d) Number of complaints pending at the end of the year	-	-

Note 20 Expenditure in foreign currency (accrual basis)

	(₹ in lakhs)	
	As at 31 Mar 2019	As at 31 Mar 2018
Software license fee	293.55	225.83
Travelling expense	3.97	-

Note 21 Registration from any other financial sector regulator

The Company has not obtained registration from any other financial sector regulator.

Note 22 Revenue recognition

During the year ended 31 March 2019 and 31 March 2018, there are no instances in which revenue recognition has been postponed.

Note 23 Related party disclosures

As per Accounting Standard 18 – Related Party Disclosures, specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules 2014 (as amended), the Company’s related parties and transactions with them are enumerated below:

a) List of related parties:

Individuals / Companies having significant influence

True North Fund V LLP (Formerly known as India Value Fund V LLP with effect from 10 April 2017)
Aether (Mauritius) Limited
Bessemer India Capital Holdings II Ltd
True North Managers LLP
Mr. Jaithirth Rao – Promoter (upto 25 July 2018)

Key Management Personnel

Mr. Manoj Viswanathan – Director and Chief Executive Officer
Ms. Kiran Agarwal Todi – Chief Financial Officer (till 30 November 2018)
Ms. Nutan Gaba Patwari – Chief Financial Officer (with effect from 4 March 2019)
Mr. Shreyans Bachhawat – Company Secretary

b) The following table represents significant transactions between the Company and its related parties:

		(₹ in lakhs)	
Transactions with	Nature of Transaction	As at 31 Mar 2019	As at 31 Mar 2018
Mr. Manoj Viswanathan	Remuneration	93.96	81.60
Ms. Kiran Agarwal Todi	Remuneration	97.98	63.88
Ms. Nutan Gaba Patwari	Remuneration	19.91	-
Mr. Shreyans Bachhawat	Remuneration	17.87	8.89
Mr. Manoj Viswanathan	Exercise of ESOP	-	-
Ms. Kiran Agarwal Todi	Exercise of ESOP	200.28	1.91
Mr. Shreyans Bachhawat	Exercise of ESOP	-	-
Ms. Kiran Agarwal Todi	ESOP exercised - perquisite	237.92	-
True North Managers LLP	Reimbursement of expenses	57.77	-

The KMPs are covered under the Company’s gratuity policy and ESOP scheme along with other employees of the Company. Proportionate amount

of gratuity and stock compensation expense is not included in the aforementioned disclosures as it cannot be separately ascertained.

c) Balances at the year end:

(₹ in lakhs)

Transactions with	Nature of Transaction	As at 31 Mar 2019	As at 31 Mar 2018
Mr. Manoj Viswanathan	Payable	2.49	4.31
Ms. Kiran Agarwal Todi	Payable	0.88	0.84
Ms. Nutan Gaba Patwari	Payable	1.06	-
True North Managers LLP	Payable	57.77	-

Note 24 Employee stock option plan

The Board has granted 5,81,636 options, convertible into 5,81,636 equity shares of the Company, under the Employee Stock Option Scheme (ESOP) 2012 and the Board Resolution which is in accordance with the provisions of the law

and/or guidelines issued by the relevant authority.

The Company has further issued 687,548 options vide Board Resolution dated 28 February 2018 under a new Policy termed as ESOP II which is in accordance with the provisions of the law and/or guidelines issued by relevant authority.

Particulars	ESOP I					ESOP II	
	14 March 2012	25 March 2013	19 March 2014	30 March 2015	04 January 2016	1 April 2017	1 April 2018
Date of grant							
Number granted	115,000	125,000	170,000	103,136	68,500	484,444	58,359
Estimated fair value share price of shares	₹ 239.13	₹ 239.13	₹ 281.13	₹ 281.13	₹ 281.13	₹ 586.21	₹ 586.21

Vesting Condition :

ESOP I: Vesting of options would be subject to continued employment with the Company and thus the options would vest on passage of time. Options vest in four installments - 15% each in first two installments, 30% in third installment and balance 40% in the last installment.

ESOP II :

Non Management option: Vesting will be in 6 equal installments starting from 1st April 2018. If the grant is after 1st April 2018, then the Vesting will start from 1st April 2019 and so on.

Management option: Vesting will be in two parts- 66% will be performance plus time based which will vest in 6 equal installments; & 34% will be exit linked.

Contractual life:

ESOP I: The contractual life (vesting period plus exercise period) ranges from 11 to 14 years i.e

vesting period ranging from 1 to 4 years and exercise period of 10 years from the date of vesting of the option. In case of resignation/ termination of any employee, the exercise period shall be 6 months from the last working day of the employee.

ESOP II: The contractual life (vesting period plus exercise period) ranges from 11 to 16 years i.e vesting period ranging from 1 to 6 years and exercise period of 10 years from the date of vesting of the option. In case of resignation/ termination of any employee, the exercise period shall be 6 months from the last working day of the employee.

Method of settlement: ESOP I and II is to be settled through

- i) issue of equity shares or
- ii) the Board may purely at its discretion, subject to the compliance of Applicable Laws, settle Vested Options prior to listing of Shares on recognized stock exchange, in cash.

Movement in stock options	31-Mar-19		31-Mar-18	
	ESOP I	ESOP II	ESOP I	ESOP II
Options Outstanding at start of year	522,986	484,444	581,636	-
Options vested at start of year	485,536	-	383,216	-
Number of options granted during the year	-	58,359	-	484,444
Number of options Vested during the year	15,300	59,553	140,220	-
Lapsed *	9,650	67,505	55,850	-
Forfeited (vested - lapsed)	7,900	1,641	35,100	-
Lapsed (unvested - lapsed)	1,750	65,864	20,750	-
Exercised	74,735	7,150	2,800	-
Options Outstanding at end of year	438,601	468,148	522,986	484,444
Options vested and exercisable at end of year	418,201	50,762	485,536	-
Weighted Average Exercise Price per option	263.53	586.21	262.85	586.21

* If an Employee Stock Option expires or becomes un-exercisable due to any reason, it shall become available for future Grants, subject to compliance with all Applicable Laws & terms hereof for ESOP II.

the ESOP-2012 and ESOP II is Nil, since the fair value of underlying share at the grant date was same as the exercise price and consequently, the accounting value of the option (compensation cost) is Nil.

Intrinsic Value Method has been used to account for the employee share based payment plans. The intrinsic value of each stock option granted under

The weighted average remaining contractual life of the ESOP I options is 7.69 years and ESOP II option is 12.69 years

Directors	Options granted till	Options granted	Options vested till	Options vested during	Options lapsed during	Options exercised	Balance
Sakti Prasad Ghosh	25,000	-	25,000	-	-	-	25,000
(previous year)	25,000	-	25,000	3,000	-	-	25,000
Sujatha Venkatramanan	22,500	-	22,500	-	-	-	22,500
(previous year)	22,500	-	22,500	3,000	-	-	22,500
Manoj Viswanathan	138,136	-	138,136	-	-	-	138,136
(previous year)	138,136	-	138,136	-	-	-	138,136
Manoj Viswanathan (ESOP II)	130,000	-	14,300	14,300	-	-	14,300
(previous year)	130,000	130,000	-	-	-	-	-

While in employment, the vested options can be exercised within 10 years of date of vesting of the options.

Note 25 Unhedged foreign currency exposure

The Company has no foreign currency exposure as at 31 March 2019 and 31 March 2018. Accordingly, the disclosures pertaining to unhedged foreign currency exposure have not been given herewith.

Note 26 Provident fund

There has been a supreme court (SC) judgement

dated 28 February 2019, relating to components of salary structure that need to be taken into account while computing the contribution to provident fund under the Employment Provident Fund Act. There are interpretative aspects related to the judgement including the effective date of application. The Company will continue to assess any further developments in this matter for their implications on financial statements, if any.

Note 27 Segment reporting

The main business of the Company is to provide loans for the purchase or construction of residential houses/commercial properties. Further, the Company is operating in a single geographical segment i.e. within India. Accordingly, no separate disclosures relating to primary and secondary business segments in accordance with the requirement of Accounting Standard (AS 17) on

'Segment Reporting' as specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules 2014 (as amended) are required.

Note 28 Comparative

Figures for the previous year have been regrouped / re-arranged wherever considered necessary to conform to the figures presented in the current year.

For **Walker Chandok & Co LLP**
Chartered Accountants
Firm registration no.: 001076N/N500013

Khushroo B. Panthaky
Partner
Membership No.: 42423
Place: Mumbai
Date: 13 May 2019

For and on behalf of the Board of Directors

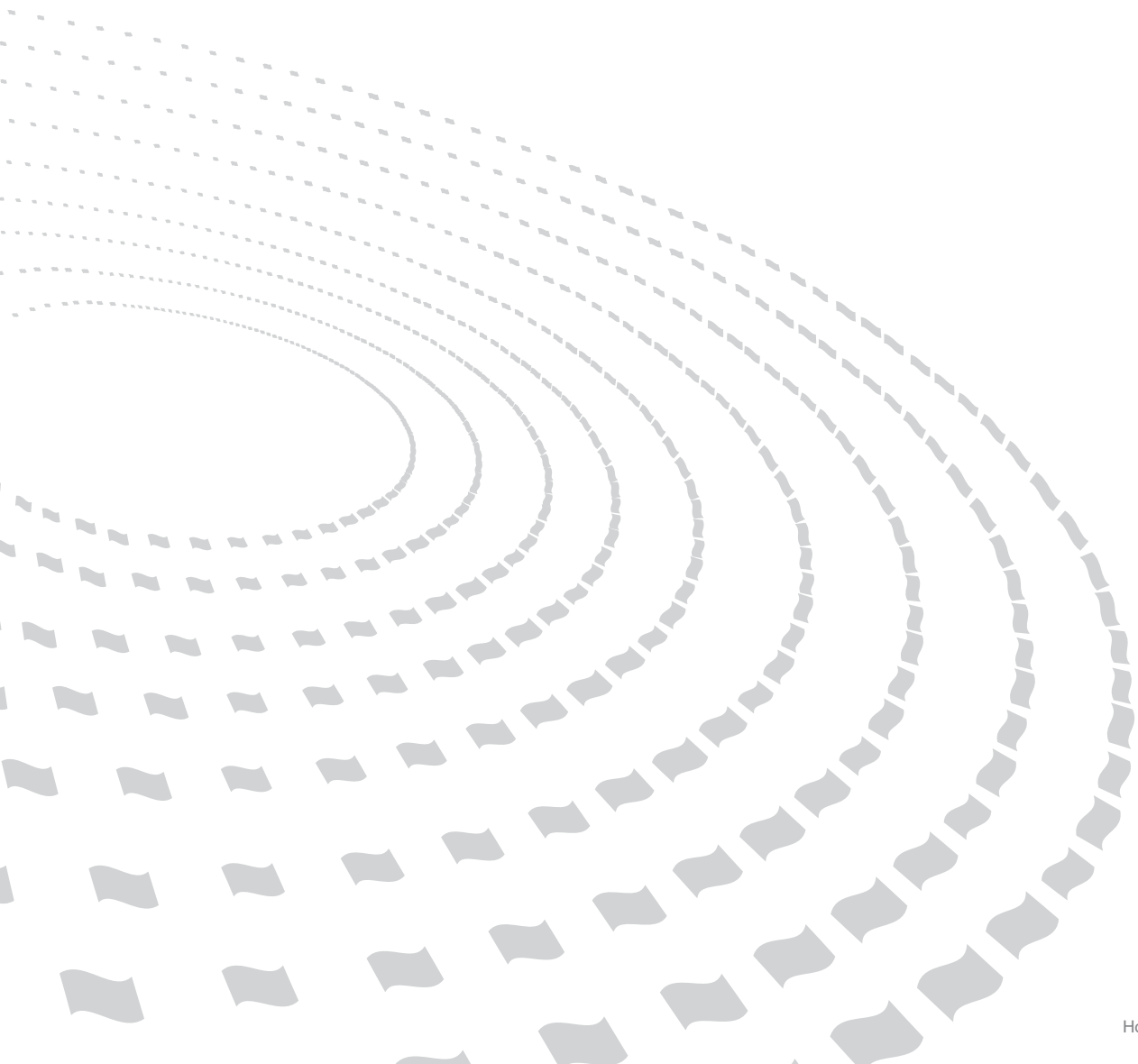
Manoj Viswanathan
Director and CEO
Din No.: 01741612

Nutan Gaba Patwari
Chief Financial Officer
Place: Mumbai
Date: 13 May 2019

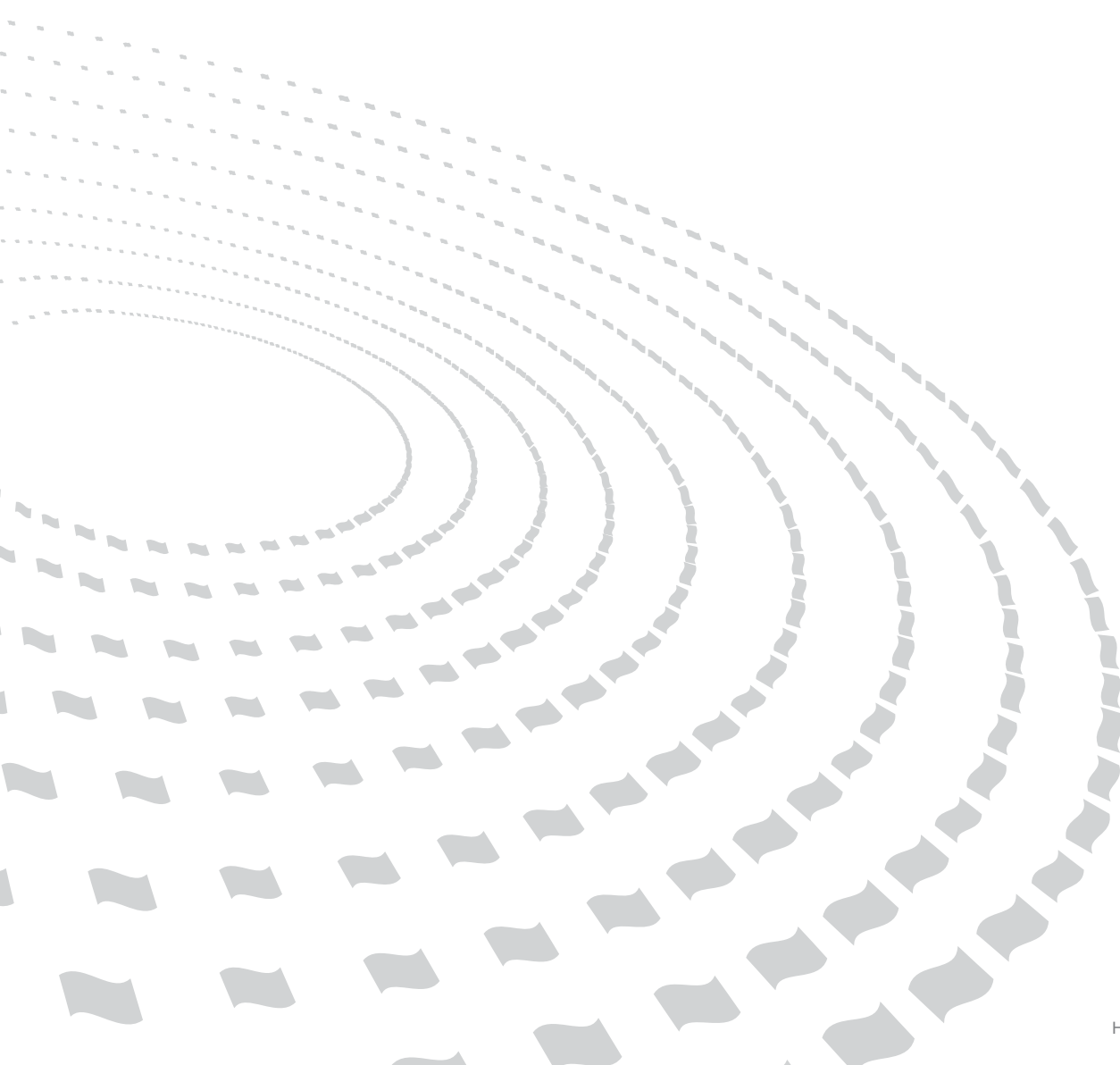
Maninder Singh Juneja
Director
Din No : 02680016

Shreyans Bachawat
Company Secretary
Place: Mumbai
Date: 13 May 2019

2018 2019



Auditor's Report as per NHB Directions



Auditor's Report as per NHB Directions

To,
The Board of Directors of
Home First Finance Company India Limited
(formerly known as Home First Finance Company
India Private Limited)

Independent Auditor's Additional Report for the
year ended March 31, 2019 pursuant to the
requirement of Housing Finance Companies -
Auditor's Report (National Housing Bank)
Directions, 2016 issued by the National Housing
Bank

1. This report is issued in accordance with the terms of our engagement letter dated August 9 2018 with Home First Finance Company India Limited (formerly known as Home First Finance Company India Private Limited) (the 'Company').
2. This report is issued in accordance with the requirements of the Housing Finance Companies Auditor's Report (National Housing Bank) Directions, 2016 ('the Auditor's Report Directions') issued by the National Housing Bank ('the NHB').
3. We have audited the accompanying financial statements of the Company which comprise the Balance Sheet as at 31 March 2019, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information, on which we have issued unmodified opinion vide our report dated 13 May 2019.

Management's and Those Charged with
Governance's Responsibility for the financial
statements

4. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in

accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

5. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
6. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.
7. The management of the Company is also responsible for compliance with the National Housing Bank Act, 1987 (the 'NHB Act'), the Housing Finance Companies (NHB) Directions, 2010 ('the NHB Directions'), and other circulars and directions issued by the NHB thereunder and for providing all the required information to the NHB.

Auditor's responsibility

8. Pursuant to the requirements of Auditor's

Report Directions, it is our responsibility to provide reasonable assurance on the matters specified in paragraph 3 of the Auditor's Report Directions, to the extent applicable to the Company, basis our audit of the accompanying financial statements of the Company and examination of the books of account and other records maintained by the Company for the year ended March 31, 2019.

9. We conducted our examination of the aforementioned matters in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes' ('Guidance Note') issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI
10. We have complied with the relevant applicable requirements of the Standard on Quality Control ('SQC') 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements, issued by the ICAI.

Opinion

11. Based on our audit of the accompanying financial statements for the year ended 31 March 2019 and examination of the books of account and other records maintained by the Company for the year ended 31 March 2019 and the information and explanations along with representations given to us by the management, we report that:
 - a. the Company has obtained a Certificate of Registration (COR) no. 08.0086.10 dated 11 August 2010 issued by the New Delhi location of the NHB;
 - b. the Company has met with the required Net Owned Fund (NOF) requirement during the year ended 31 March 2019 as prescribed under section 29A of the NHB Act;
 - c. the Company has complied with the requirements of section 29C of the NHB Act

- d. during the year ended 31 March 2019; with respect to public deposits
 - i. the Board of Directors of the Company has passed a resolution for non-acceptance of any public deposits in their meeting held on April 18, 2017;
 - ii. the Company has not accepted any public deposits during the year ended March 31, 2019;
- e. total borrowings of the Company are within the limits prescribed under paragraph 3(2) of the NHB Directions during the year;
- f. the Company has complied with the prudential norms on income recognition, accounting standards, asset classification, loan-to-value ratio, provisioning requirements, disclosure in balance sheet, investment in real estate, exposure to capital market and engagement of brokers, and concentration of credit/ investments as specified in the NHB Directions;
- g. the capital adequacy ratio as disclosed in the Schedule-II return submitted to the NHB in terms of the NHB Directions for the year ended 31 March 2019 has been correctly determined and this ratio is in compliance with the minimum capital to risk weighted asset ratio (CRAR) prescribed therein;
- h. the Company has furnished Schedule-II return to the NHB during the year ended 31 March 2019 within the stipulated period as specified in the NHB Directions;
- i. the Company has furnished Schedule-III return on Statutory Liquid Assets to the NHB for the year ended 31 March 2019 on 15 April 2019, which is within the stipulated period as specified in the NHB Directions;
- j. the Company has complied with the requirements contained in the NHB Directions in relation to opening of new branches and closure of existing branches during the year ended March 31, 2019;

- k. the Company has complied with the provisions contained in paragraphs 38 and 38A of the NHB Directions.

Restriction on Distribution or Use

12. Our work was performed solely to assist you for compliance with Auditor's Report Directions by the Company. Our obligations in respect of this report are entirely separate from, and our responsibility and liability is in no way changed by any other role we may have as statutory auditors of the Company or otherwise. Nothing in this report, nor anything said or done in the course of or in connection with the services that are subject of this report, will extend any duty of care we may have in our

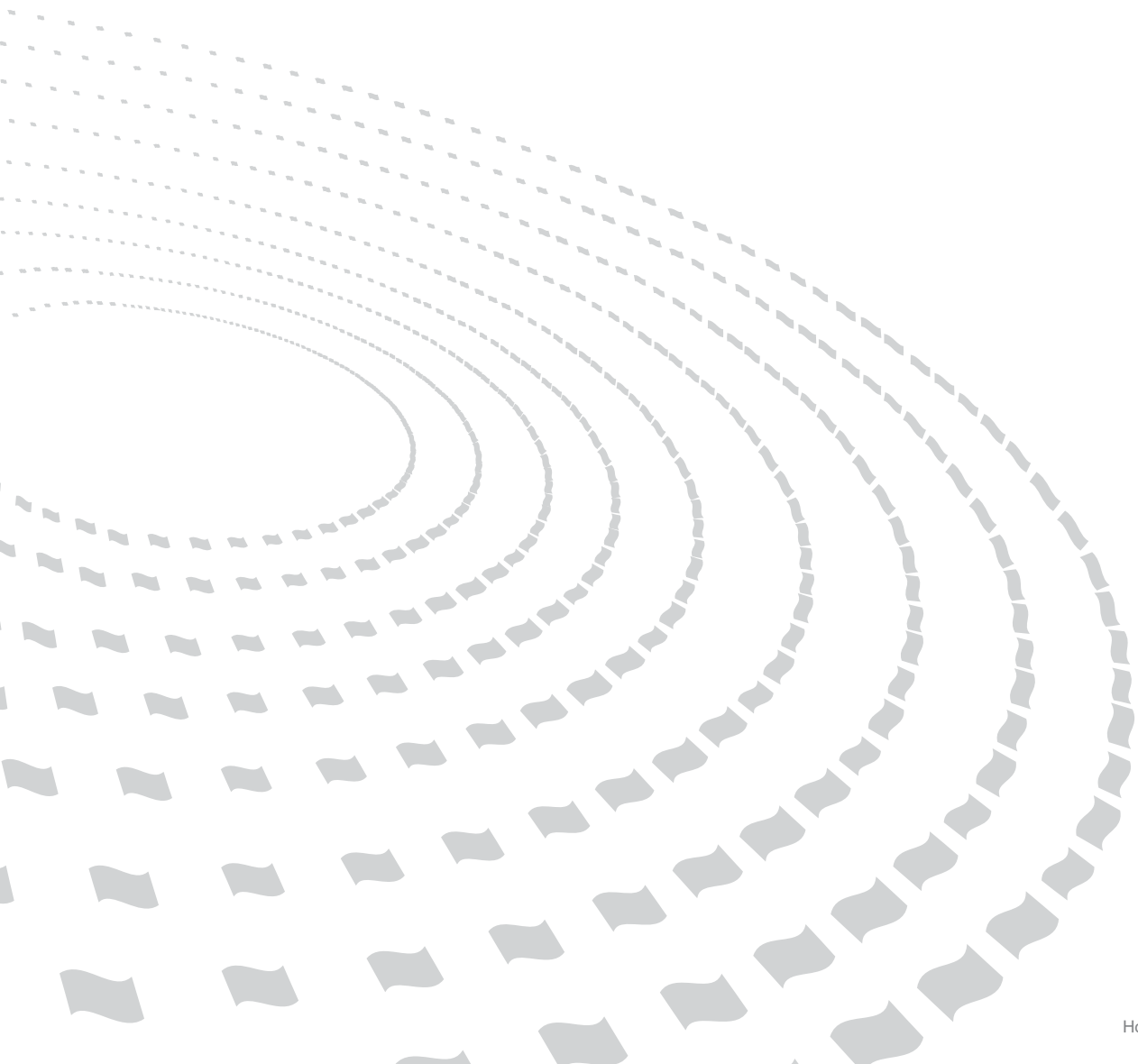
- capacity as statutory auditors of the Company.
13. This report is addressed to and provided to the Board of Directors of the Company pursuant to our obligations under the Auditor's Report Directions requiring us to submit a report on the additional matters as stated in the aforesaid directions and should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Khushroo B Panthaky
Partner
Membership No.:42423

Place:Mumbai
Date:13 May 2019

2018 2019





HomeFirst Finance Company India Ltd.

**Registered Office: 511, Acme Plaza,
Andheri - Kurla Road, Andheri East,
Mumbai - 400 059**

