CAPRI GLOBAL HOUSING FINANCE LIMITED

ANNUAL REPORT 2020-21

CORPORATE INFORMATION

BOARD OF DIRECTORS
Mr. Rajesh Sharma – Managing Director
Mr. Beni Prasad Rauka - Non-Executive & Independent Director
Ms. Bhagyam Ramani - Non-Executive & Independent Director
Mr. T.R. Bajalia - Non-Executive & Independent Director

CHIEF FINANCIAL OFFICER
Mr. Raj Ahuja
(w.e.f. December 22, 2020)

COMPANY SECRETARY & COMPLIANCE OFFICER
Mr. Harish Agarwal
(w.e.f. November 7, 2020)

BOARD COMMITTEES

Audit Committee
Mr. Beni Prasad Rauka - Chairman
Ms. Bhagyam Ramani - Member
Mr. T.R. Bajalia – Member

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE
Mr. Beni Prasad Rauka - Chairman
Ms. Bhagyam Ramani - Member
Mr. Rajesh Sharma – Member

NOMINATION AND REMUNERATION COMMITTEE
Ms. Bhagyam Ramani - Chairperson
Mr. Beni Prasad Rauka - Member
Mr. T.R. Bajalia – Member

RISK MANAGEMENT COMMITTEE
Mr. Rajesh Sharma - Chairman
Mr. Beni Prasad Rauka - Member
Ms. Bhagyam Ramani - Member

AUDITORS
M/s. Deloitte Haskins & Sells LLP
One International Centre, 32nd Floor,
Tower 3,
Senapati Bapat Marg, Elphinstone Mill
Compound,
Elphinstone (West),
Mumbai – 400013
Tel. no. (022) 6185 4000

BANKERS AND FINANCIAL INSTITUTIONS
Bank of Baroda
Bank of India
Bank of Maharashtra
Indian Bank
Indian Overseas bank
National Housing bank
Punjab National Bank
Punjab & Sind Bank
State Bank of India
UCO Bank
Union Bank of India
YES Bank Limited

REGISTERED AND CORPORATE OFFICE
502, Tower A, Peninsula Business Park,
Senapati Bapat Marg, Lower Parel,
Mumbai 400 013
Tel. No. (022) 40888100
Fax No. (022) 40888170

REGISTRAR AND SHARE TRANSFER AGENTS
Link Intime India Private Limited
C 101, 247 Park, LBS Marg, Vikhroli West,
Mumbai 400 083, Maharashtra (India).
Tel: +91 (22) 49186270
Fax: +91 (22) 49186060

DEBENTURE TRUSTEE
Catalyst Trusteeship Limited
GDA House, Plot No. 85, Bhusari Colony
(Right), Paud Road, Pune - 411 038, India.
Phone: 020-2528 0081
Email: dt@ctltrustee.com

CORPORATE IDENTIFICATION NUMBER (CIN)
U65990MH2006PLC161153

CAPRI GLOBAL
HOUSING FINANCE

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Notice of 15th AGM

FY 2020-21

CAPRI GLOBAL HOUSING FINANCE LIMITED
CIN No.: U65990MH2006PLC161153
Regd. Office: 502, Tower A, Peninsula Business Park,
Senapati Bapat Marg, Lower Parel, Mumbai 400 013
Website: www.caprihomeloans.com
Tel. No.: +91 22 40888100 Fax No.: +91 22 40888160

NOTICE OF THE 15TH ANNUAL GENERAL MEETING

NOTICE is hereby given that Fifteenth Annual General Meeting ('**AGM**') of the Members of Capri Global Housing Finance Limited ('the **Company**') will be held at shorter notice on Saturday, August 14, 2021 at 05:00 P.M., at 502, Tower A, Peninsula Business Park, Senapati Bapat Marg, Lower Parel, Mumbai 400 013 to transact the following businesses:

ORDINARY BUSINESS:

1. **To receive, consider, approve and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2021 together with the Report of the Directors' and Auditors' thereon.**

2. **To appoint a Director in place of Mr. Rajesh Sharma (DIN: 00020037), who retires by rotation, and being eligible, offers himself for re-appointment.**

SPECIAL BUSINESS:

3. **To increase the Authorised Share Capital of the Company**

   To consider and if thought fit to pass the following resolution with or without modification as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Section 13, 61 and other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) and the rules framed there under, consent of the members of the Company be and is hereby accorded to increase the Authorized Share Capital of the Company from existing Rs. 65,00,00,000 (Rupees Sixty-Five Crores) divided into 6,50,00,000 (Six Crores Fifty Lakh) Equity Shares of Rs. 10/- each to Rs. 90,00,00,000 *(Rupees Ninety Crores)* divided into 9,00,00,000 *(Nine Crores)* Equity Shares of Rs. 10/- each.

   RESOLVED FURTHER THAT consent of the members of the Company be and is hereby accorded for alteration of the Memorandum of Association of the Company in the following manner i.e. existing Clause V (a) of the Memorandum of Association be deleted and the same be substituted with the following new clause as under:

   Clause V (a):

   V (a). " The Authorised Capital of the Company is Rs. 90,00,00,000/- (Rupees Ninety Crores) divided into 9,00,00,000 (Nine Crores) Equity Shares of Rs. 10/ - (Rupees Ten) each."

   RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors or Company Secretary of the Company be and are hereby severally authorized to take all such steps and actions and give such directions as may be in its absolute discretion deemed necessary and to settle any question that may arise in this regard, without being required to seek any further consent or approval of the shareholders or otherwise and that the shareholders shall be deemed to have given their approval thereto expressly by the authority of this resolution.

4. Appointment of Auditor

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to provisions of Section 139 of Companies Act, 2013 and rules made thereunder, as amended from time to time, M/s. G.M. Kapadia & Co., Chartered Accountants, Mumbai, (Firm Registration no. 104767W), be and are hereby appointed as Auditors of the Company for a term of Three years i.e. from the conclusion of this Annual General Meeting (AGM) till the conclusion of the **Eighteenth** AGM, at such terms and remuneration as may be agreed upon between the Audit Committee/ the Board of Directors of the Company and the Auditors."

By Order of the Board
For **Capri Global Housing Finance Limited**

Sd/-
(Harish Agrawal)
Company Secretary
ACS: 12549

Place: Mumbai
Dated: August 13, 2021

REGISTERED OFFICE
502, Tower A, Peninsula Business Park,
Senapati Bapat Marg, Lower Parel,
Mumbai 400 013

NOTE:

1. A Member entitled to attend and vote at the meeting is also entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the company. The instrument appointing proxy in order to be effective, should be lodged at the registered office of the company not less than forty-eight hours before the time of the meeting.

2. An explanatory statement, pursuant to Section 102(1) of the Companies Act, 2013 ('the **Act**'), in respect of the special business as set out in the Notice is annexed hereto.

   Information under Secretarial Standard 2, pursuant to Section 118 (10) of the Act, issued by the Institute of Company Secretaries of India, relating to Directors proposed to be appointed/re-appointed is provided in the **Annexure I** to this Notice.

3. The Statutory Registers and other document required to be kept open for inspection under the Act read with rules made thereunder at the AGM, will be available for inspection by the members at the AGM of the Company.

4. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during the business hours up to and including the date and time of the AGM of the Company.

5. Members / Proxies should fill in the attendance slip for attending the Meeting. Proxies form as prescribed under the Act and Attendance Slip are enclosed herewith.

6. Corporate members intending to send their authorized representative to attend the meeting are requested to send a duly certified copy of the board resolution authorizing their representative to attend and vote at the AGM.

7. The Members may note that the Notice of 15th AGM of the Company along with the Annual Report will be available on the Company's website https://caprihomeloans.com/ .

8. The landmark of the venue of the meetings and the Route map is enclosed with the Notice and same has also been posted on the website of the Company.

EXPLANATORY STATEMENT
(PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013)

As required by Section 102 of the Companies Act, 2013 ('the **Act**'), the following explanatory statement sets out all material facts relating to the business mentioned under Item No. 3 & 4 of the accompanying Notice dated August 13, 2021:

ITEM NO. 3

The Authorised Share Capital of the Company is 65,00,00,000/- (Rupees Sixty-Five Crores) divided into 6,50,00,000 (Six Crore Fifty Lakhs) Equity Shares of 10/- (Rupees Ten) each.

To support the future fund-raising initiatives as per the business plans of the company, it is proposed to increase the Authorised Capital of the Company by Rs. 25 Crores (Rupees Twenty-Five Crores). The increased Authorised Capital of the Company would be Rs. 90,00,00,000 (Rupees Ninety Crores only) divided into 9,00,00,000 (Nine Crores only) Equity Shares of Rs. 10/- (Rupees Ten) each.

Pursuant to Section 61 of the Companies Act, 2013, the proposed increase in Authorised Capital and the consequential changes in Clause V (a) of the Memorandum will require the approval of the Members of the Company. Accordingly, consent of the Members is sought for increasing the authorized capital of the Company and alteration of Clause V of the Memorandum of the Company.

The Board recommends the Ordinary Resolution set forth in Item No. 3 of the Notice for approval of the Members.

None of the Directors or Key Managerial Personnel of the Company including their relatives is, in any way interested or concerned, financially or otherwise, in the Resolution set out at item no. 3 except to the extent of their shareholding, if any, in the Company.

ITEM NO. 4

The RBI vide its Circular DoS.CO.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021 prescribed tenure of the Statutory Auditors which shall not be more than three continuous years. M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, (Firm Registration no. 117366W/W100018), Mumbai, were appointed as Statutory Auditors of the Company in the Eleventh AGM held on July 17, 2017. Such appointment was made upto the conclusion of Sixteenth AGM.

Pursuant to the aforestated RBI Circular, Deloitte Haskins & Sells LLP have completed a period of four year as a Statutory Auditors of the Company and accordingly have conveyed their ineligibility to continue as Statutory Auditors of the Company.

The Board of Directors at their meeting held on August 2, 2021 has recommended appointment of M/s. G.M. Kapadia & Co., Chartered Accountants, as the Statutory Auditors of the Company with effect from the conclusion of this (Fifteenth) AGM till the conclusion of the (Eighteenth) AGM. M/s. G.M. Kapadia & Co., Chartered Accountants have conveyed their consent to be appointed as the Statutory Auditors of the Company along with a confirmation that, their appointment, if made by the members, would be within the limits prescribed under the Companies Act, 2013 and the aforestated RBI circular.

The Board recommends the Ordinary Resolution set forth in Item No. 4 of the Notice for approval of the Members.

None of the Directors or Key Managerial Personnel of the Company including their relatives is, in any way interested or concerned in the Resolution except to the extent of their shareholding, if any, in the Company.

By Order of the Board
For Capri Global Housing Finance Limited

Sd/-
(Harish Agrawal)
Company Secretary
ACS: 12549

Place: Mumbai
Dated: August 13,2021

REGISTERED OFFICE:
502, Tower A, Peninsula Business Park,
Senapati Bapat Marg,
Lower Parel, Mumbai 400 013

DETAILS OF DIRECTOR SEEKING RE-APPOINTMENT AS REQUIRED UNDER CLAUSE 1.2.5 OF THE SECRETARIAL STANDARD- 2 ON GENERAL MEETING

Mr. Rajesh Sharma

Mr. Rajesh Sharma is a qualified Chartered Accountant. He is the Promoter Director of the Company with over 25 years of experience in capital market and financial advisory services.

Mr. Sharma has expertise in various aspects of corporate finance, investment banking, merchant banking and asset financing. He has successfully leveraged his expertise and experience to steer the Company's growth and played an instrumental role in making it one of the emerging housing finance providers in India.

He is not related to any of the Directors and Key Managerial Personnel of the Company. The Board of Directors recommend passing of the resolution set out in item No. 2 of the accompanying Notice.

Except Mr. Rajesh Sharma, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in Item No.2.

Other Details:

Name of the Director	Mr. Rajesh Sharma
Date of Birth	February 28, 1970
Age	51
Nationality	Indian
Date of appointment on the board	April 17, 2006
Qualifications	Chartered Accountant
Last Remuneration drawn	Nil for the Financial Year 2020-21
Remuneration to be paid	Not Applicable
Terms and conditions of Re-appointment	Retire by rotation: Liable to retire by rotation Code of Conduct: Abide by the Code of Conduct devised by the Company
Number of shares held in the company	100
Relationship with other Directors, Manager and other KMP	None
Number of Meetings of the Board attended / held	6/6
Directorships held in other companies (excluding foreign companies and Government Bodies)	1. Capri Global Capital Limited 2. Capri Global Advisory Services Private Limited 3. Parshwanath Buildcon Private Limited 4. Gagandeep Infrastructures Private Limited 5. Sukumar Properties Private Limited 6. Dnyaneshwar Trading and Investment Private Limited 7. Capri Global Asset Reconstruction Private Limited 8. Capri Global Holdings Private Limited 9. Parijat Properties Private Limited 10.Shri Rangji Realties Private Limited 11.Stroll Properties Private Limited

	12.Sweet Memories Property Private Limited 13.Sitilite Properties Private Limited 14.Vishwamukha Developers Private Limited 15.Sarvasiddhanta Properties Private Limited 16.Budhinath Advisory Services Private Limited 17.Realty Check Properties Private Limited 18.Terrain Properties Private Limited 19.Money Matters Properties Private Limited
Membership / Chairmanship of Committees of other companies	Audit Committee Nil Stakeholders' Relationship Committee Capri Global Capital Limited – Member Corporate Social Responsibility Capri Global Capital Limited – Member Risk Management Committee Capri Global Capital Limited- Chairman

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ATTENDANCE SLIP

(To be presented at the entrance of the meeting hall)

Regd. Folio No./Client ID No.____

DP ID No. ____

No. of shares held____

I/We hereby record my/our presence at **FIFTEENTH ANNUAL GENERAL MEETING** of Capri Global Housing Finance Limited, held at shorter notice on Saturday, August 14, 2021 at 05:00 P.M at the Registered Office of the Company at 502, Tower A, Peninsula Business Park, Senapati Bapat Marg, Lower Parel, Mumbai-400 013, Maharashtra (India).

____

Member's/ Proxy's name in BLOCK Letters | Signature of Member/Proxy

NOTE: Please fill up this attendance slip and hand it over at the entrance of the venue for the meeting. Members are requested to bring their copies of the Annual Report to the meeting.

CAPRI GLOBAL HOUSING FINANCE LIMITED

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PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s):____

Registered address:____

E-mail Id:____

Folio No/ Client Id:____

DP ID:____

I/We, being the member (s) of________________ shares of the above-named company, hereby appoint:

1.________________________of_____________having E-mail ID______________________ or failing him,

2.________________________of_____________ having E-mail ID______________________ or failing him,

3. ________________________of_____________ having E-mail ID______________________ .

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Fifteenth Annual General Meeting of the Company, to be held at shorter notice on Saturday, August 14, 2021 at 05:00 P.M at the Registered Office of the Company at 502, Tower A, Peninsula Business Park, Senapati Bapat Marg, Lower Parel, Mumbai-400 013. Maharashtra (India) and at any adjournment thereof in respect of such resolutions as are indicated below:

ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2021 together with the Report of the Directors' and Auditors' thereon.

2. To appoint a Director in place of Mr. Rajesh Sharma (DIN: 00020037), who retires by rotation, and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. To increase the Authorised Share Capital of the Company

4. Appointment of Auditor

Signed this________________ day of ________2021

Signature of shareholder(s): ____________________

Signature of Proxy holder(s):

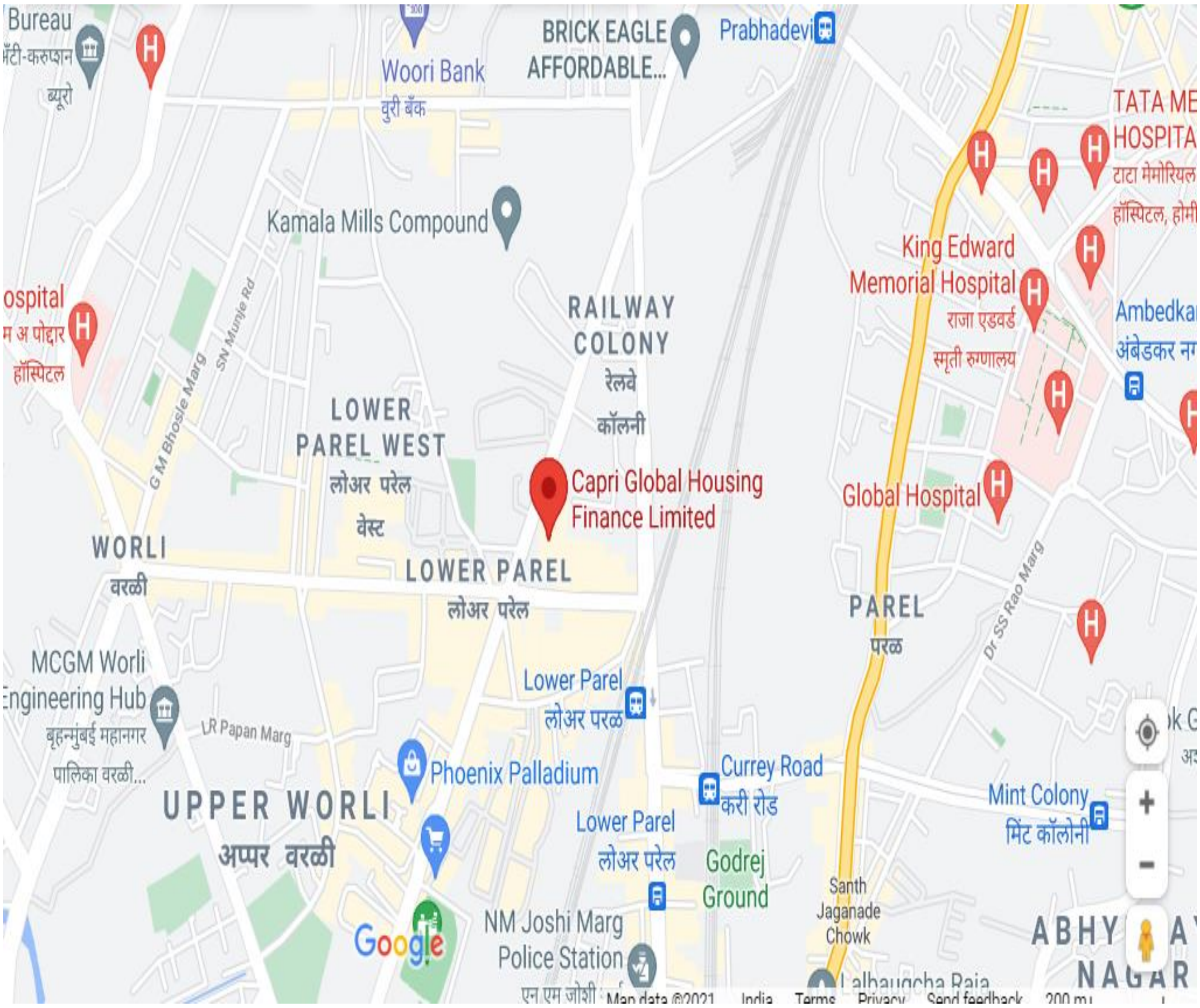
____

(First proxy holder)	**(Second proxy holder)**	**(Third proxy holder)**

Notes:

1. This form of proxy in order to be effective should be duly stamped, completed, signed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. A proxy need not be a Member of the Company.

Route Map for AGM Venue



DIRECTORS' REPORT

2020-21

DIRECTORS' REPORT

Dear Members,
Capri Global Housing Finance Limited

The Directors of the Company are pleased to present their Fifteenth Annual Report together with the Annual Audited Financial Statements for the financial year ended March 31, 2021.

FINANCIAL PERFORMANCE

The summary of the financial results for the financial year ended March 31, 2021 and the previous financial year ended March 31, 2020 is given below:

(Amount in INR Millions)

Particulars	2020-21	2019-20
Total Revenue	1,636.18	1,394.70
Less: Operating Expenses & Provisions	386.64	391.65
Profit before Interest, Depreciation & Taxes (PBIDT)	**1,249.54**	**1,003.05**
Less: Depreciation	19.83	23.11
Less: Interest & Finance Charges	801.85	668.30
Profit Before Tax	**427.86**	**311.64**
Less: Tax Expenses	93.38	68.32
Profit After Tax (PAT)	**334.48**	**243.32**
Transfer to Reserve (Under Section 29C of the National Housing Bank Act, 1987)	67.20	49.00
Earnings per Share (EPS) (Rs.)	5.51	4.01
Net Worth	2,650.06	2,315.32
Loan Book / Assets Under Management (AUM)	11553	8982

OPERATIONAL PERFORMANCE & STATE OF AFFAIRS

Company continued to focus on providing housing loan to first time home buyers belonging to middle and lower income earning families, much in line with focus of the Prime Ministers Awas Yojana (PMAY). Loan book of the Company grew by 28.61% to INR 11,553 Million as compared to INR 8,982 Million of the last year.

The Company's total revenue from operations increased by 17.31 % to INR 1636.18 Million as compared to INR 1,394.70 Million of the previous year. Profit After Tax increased by 37.50% to INR 334.48 Million for the year as compared to profit of INR 243.32 Million of the previous year.

The Gross NPA of the Company stood at 1.8% and the Net NPA was at 0.4% as of March 31, 2021, which is well below the industry averages. Average ticket size of the loan was maintained at INR 1.08 Million with 13149 live loan accounts at the end of the year under review.

Company carried out business through presence at 84 locations spread over 9 states i.e., Maharashtra, Gujarat, Madhya Pradesh, Delhi NCR, Rajasthan, Uttar Pradesh, Haryana, Chhattisgarh and Punjab during the year. Company has disbursed loans amounting to INR 3,724 Million as compared to INR 2,533 Million in the previous year, recording a growth of 47.1%.

RESOURCE MOBILIZATION

The Company has strengthened its relationships with banks /financial institution and got sanctions of INR 19,800 Million. As of March 31, 2021, total borrowings have increased from INR 7,743.12 Million of previous year to INR 11,556.97 Million. The Company has cash and bank balance of INR 603.46 Million and liquid mutual fund investment of INR 2,805.37 Million as of March 31, 2021.

The Company has raised fresh resources of INR 11,556.97 Million during the year from multiple sources as under:

a. Term loans and overdraft from banks

The Company has raised term loans and other facilities from banks for INR 9,360.32 Million during the year.

b. Refinance from National Housing Bank

The Company has raised refinance from National Housing Bank for INR 1948.16 Million during the year.

c. Capital Market Borrowing from Non – Convertible Debentures ('NCD')

The Company has raised funds through issue of NCDs for INR 248.49 Million during the year.

CAPITAL ADEQUACY RATIO

As on March 31, 2021, the Company's Capital Adequacy Ratio (CAR), stood at 31.16%, compared to 43.45% for the previous year, which is well above the regulatory minimum, providing much needed headroom for fund raising for business operations of the Company.

DIVIDEND

To conserve resources for business growth of the Company and to build up reserves, your Directors do not recommend payment of any dividend on equity shares for the year ended March 31, 2021.

TRANSFER TO RESERVES

Pursuant to Section 29C (i) of the National Housing Bank Act, 1987, the Company is required to transfer at least 20% of the net profits every year to a Reserves. The Company proposes to transfer INR 67.20 Million (previous year INR 49 Million) to Reserves created for the purpose.

DEPOSITS

During the year under review, the Company has neither invited nor accepted any deposits from the public, within the meaning of Section 73 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014.

STATUTORY AND REGULATORY GUIDELINES

The Company has complied with applicable statutory provisions, including those of Companies Act, 2013, Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Income Tax 1961.

The Company is registered with the National Housing Bank as a Housing Finance Company. RBI has compiled and released Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 for the better functioning of the financial system and HFCs.

The Master Directions also consolidates and repeals the directions issued by NHB and indicates the List of NBFC regulations applicable to HFCs.

The RBI has issued comprehensive guidelines on Fair Practice Code, reporting, and monitoring of frauds, Know Your Customer (KYC), Anti Money Laundering (AML) standards and IT Framework. The Company has been complying with all the guidelines and directions issued by RBI.

POLICIES AND CODE

During the year, the Company has revised following policies:

(i) Document Preservation and Archival Policy (ii) Fraud Risk Management Policy (iii) Policy for Money Laundering and Know Your Customer Policy (iv) Treasury Investment Management Policy (v) Internal Audit Policy (vi) Moratorium Policy (vii) ECL Provisioning, NPA Management Provisioning, Write Off and Settlement Policy

During the year, the Company has formulated following policies:

(i) Whistle Blower Policy, (ii) Restructuring of Stressed Loans due to COVID-19 Policy (iii) Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (iv) Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders.

CREDIT RATING

The credit rating details of the Company as on March 31, 2021 were as below:

CARE has reaffirmed rating with respect to the long- term bank facilities availed by the Company and Non-Convertible Debentures, as follows:

Nature of Borrowing	Amount	Rating
Long-term Bank Facilities	Rs. 11,000 Mn.	CARE A- Stable
Non-Convertible Debentures	Rs. 2,000 Mn.	CARE A- Stable

Acuité Ratings & Research Limited (erstwhile SMERA Ratings Limited) has reaffirmed rating with respect to the long- term bank facilities availed by the Company, as follows:

Nature of Borrowing	Amount	Rating
Long-term Bank Facilities	Rs. 12,000 Mn.	Acuité A+ Positive

INTERNAL FINANCIAL CONTROL SYSTEMS AND ITS ADEQUACY

The Board has adopted accounting policies which are in compliance with Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015.

The internal financial control system of the Company is supplemented with internal audits, regular reviews by the management and checks by external auditors. The Audit Committee monitors these system and ensures adequacy of the same. The Audit Committee undertakes an evaluation of the adequacy and effectiveness of internal control systems. It also oversees the implementation of audit recommendations especially involving the risk management measures. The Statutory Auditors of the Company also provides their opinion on the internal financial control framework of the Company.

In addition to reviewing the internal control systems put in place by the Internal Audit Department, the Audit Committee also imparts guidance and crucial directions for upgradation of systems and controls on ongoing basis.

During the year under review, no material or serious observation has been highlighted for inefficiency or inadequacy of such controls.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis report for the year under review as required under Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 is forming part of the Directors Report as **Annexure I**.

SUBSIDIARY ENTITIES

As on March 31, 2021, your Company does not have any subsidiaries.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of Section 152 of the Act read with Companies (Management & Administration) Rules, 2014 and Articles of Association of the Company, Mr. Rajesh Sharma (DIN: 00020037), Managing Director of the Company retires by rotation at the ensuing Annual General Meeting ('AGM') and being eligible, offer himself for re-appointment.

The resolution seeking re-appointment of Mr. Rajesh Sharma (DIN: 00020037), as Director of the Company has been included in the Notice of the ensuing AGM. Your Directors commend the Resolutions for your approval for the aforesaid re-appointment.

The brief details of Mr. Rajesh Sharma proposed to be re-appointed as required under Secretarial Standard-2 issued by the Institute of Company Secretaries of India is provided in the Notice convening AGM of the Company.

Mr. Rajesh Sharma has confirmed that he is not disqualified to act as Director in terms of Section 164 of the Act.

As of March 31, 2021, the Company had three Independent Directors including one Woman Director.

Mr. Raj Ahuja was appointed as the Chief Financial Officer of the company with effect from December 22, 2020. Mr. Ashish Gupta resigned as Chief Financial Officer of the Company with effect from July 8,2020. Mr. Abhishek Kanoi resigned as the Company Secretary of the Company with effect from November 6, 2020. Mr. Harish Agrawal was appointed as the Company Secretary of the company with effect from November 7, 2020.

As on the date of this Report, Mr. Rajesh Sharma, Managing Director, Mr. Raj Ahuja, Chief Financial Officer and Mr. Harish Agrawal, Company Secretary are the Key Managerial Personnel of your Company in accordance with the provisions of Section 2(51) read with Section 203 of the Act.

Declaration of Independence by Independent Directors & adherence to the Company's Code of Conduct for Independent Directors

All the Independent Directors have confirmed to the Board that they meet the criteria of independence as specified under Section 149(6) of the Act and that they qualify to be Independent Directors pursuant to the Rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

Further, all the Independent Directors have affirmed that they have adhered and complied with the Company's Code of Conduct for Independent Directors which is framed in accordance with Schedule IV of the Act.

Pursuant to the 'Fit and Proper' Policy adopted by the Company under the Master Direction Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, the Company has received the 'Fit and Proper' declaration from Mr. Rajesh Sharma for his re-appointment as Director of the Company, Mr. Beni Prasad Rauka, Mr. T.R Bajalia and Ms. Bhagyam Ramani, which have been taken on record by the Nomination and Remuneration Committee. All the Directors meet the 'Fit and Proper' criteria as per the policy of the Company and as stipulated by RBI.

Board Meetings

The Board of the Directors of the Company met 6 (Six) times during the year 2020-21 to deliberate on various matters. The meetings were held on May 9, 2020, July 30, 2020, November 6, 2020, December 22, 2020, January 13, 2021 and February 9, 2021.

The details of Composition and attendance of the members at the Board Meetings are given below:

Name of the Members	Categories	No. of Meetings	
		Held	Attended
Mr. Rajesh Sharma	Managing Director	6	6
Mr. Beni Prasad Rauka	Non-Executive Independent Director	6	6
Ms. Bhagyam Ramani	Non-Executive Independent Director	6	6
Mr. T. R. Bajalia	Non-Executive Independent Director	6	6

CONSTITUTION OF VARIOUS COMMITTEES

The Board of Directors of the Company has constituted following Committees:

a. Audit Committee
b. Nomination and Remuneration Committee
c. Corporate Social Responsibility Committee
d. Risk Management Committee
e. Asset Liability Management Committee
f. IT Strategy Committee

Audit Committee

The Audit Committee, duly constituted by the Board of Directors has a well-defined composition of members and terms of reference are in accordance with Section 177 of the Companies Act, 2013 and applicable rules thereto and Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021. As on March 31, 2021, the Audit Committee of the Board comprised of 3 (three) Non-Executive Independent Directors. The members of the Audit Committee are financially literate and have accounting or related financial management expertise. The Chairman of the Audit Committee is an Independent Director of the Company.

Meeting and Attendance

During the year under review, the Audit Committee met 5 (five) times viz. on May 9, 2020, July 30, 2020, November 5, 2020, December 22, 2020 and February 9, 2021. The required quorum was present for all the Audit Committee Meetings. The details of Composition and attendance of the members at the Audit Committee Meetings are given below:

Name of the Members	Categories	No. of Meetings	
		Held	Attended
Mr. Beni Prasad Rauka	Chairman	5	5

Ms. Bhagyam Ramani	Member	5	5
Mr. T. R. Bajalia	Member	5	5

The Chief Financial Officer is a permanent invitee to the Audit Committee meetings. The Statutory Auditors and the Internal Auditors of the Company are also invited to the Audit Committee meetings. The Company Secretary acts as the Secretary to the Audit Committee.

Nomination & Remuneration Committee

The Nomination & Remuneration Committee, duly constituted by the Board of Directors has a well-defined composition of members and terms of reference are in accordance with Section 178 of the Companies Act, 2013 and applicable rules thereto and Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021. As on March 31, 2021, the Nomination & Remuneration Committee of the Board comprised of 3 (three) Non-Executive Independent Directors. The Chairman of the Nomination and Remuneration Committee is an Independent Director of the Company.

Meeting and Attendance

During the year under review, Nomination and Remuneration Committee met 4 (Four) times viz. on April 29, 2020, July 30, 2020, November 5, 2020 and December 22, 2020. The recommendations of the Nomination and Remuneration Committee have been accepted by the Board. The Nomination and Remuneration Policy is annexed as **Annexure II**. The details of Composition and attendance of the members at the Nomination and Remuneration Committee Meetings are given below:

Name of the Members	Categories	No. of Meetings	
		Held	Attended
Ms. Bhagyam Ramani	Chairperson	4	4
Mr. Beni Prasad Rauka	Member	4	4
Mr. T. R. Bajalia	Member	4	4

The Company Secretary acts as the Secretary to the Nomination and Remuneration Committee.

Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee duly constituted by the Board of Directors has a well-defined composition of members and terms of reference are in accordance with Section 135 of Companies Act, 2013 and applicable Rules thereto. As on March 31, 2021, the Corporate Social Responsibility Committee of the Board comprised of 2 (two) Non-Executive Independent Directors and 1 (one) Executive Director. The Chairman of the Corporate Social Responsibility Committee is an Independent Director of the Company.

Meeting and Attendance

During the year under review, Corporate Social Responsibility Committee met 2 (Two) times viz. on April 29, 2020 and January 30, 2021. The recommendations of the Corporate Social Responsibility Committee have been accepted by the Board. The details of Composition and attendance of the members at the Corporate Social Responsibility Committee Meetings are given below:

Name of the Members	Categories	No. of Meetings	
		Held	Attended
Mr. Beni Prasad Rauka	Chairman	2	2
Ms. Bhagyam Ramani	Member	2	2

Mr. Rajesh Sharma	Member	2	1

The Company Secretary acts as the Secretary to the Corporate Social Responsibility Committee.

Risk Management Committee

The Risk Management Committee duly constituted by the Board of Directors has a well-defined composition of members and terms of reference are in accordance with Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021. The Risk Management Committee of the Board comprised of 2 (two) Non-Executive Independent Directors and 1(one) Executive Director. The Chairman of the Risk Management Committee is Managing Director of the Company.

Meeting and Attendance

During the year under review, Risk Management Committee met 4 (Four) times viz. on April 29, 2020, July 30, 2020, November 5, 2020 and January 30, 2021. The recommendations of the Risk Management Committee have been accepted by the Board. The details of Composition and attendance of the members at the Risk Management Committee are given below:

Name of the Members	Categories	No. of Meetings	
		Held	Attended
Mr. Rajesh Sharma	Chairman	4	3
Mr. Beni Prasad Rauka	Member	4	4
Ms. Bhagyam Ramani	Member	4	4

The Company Secretary acts as the Secretary to the Risk Management Committee.

Asset Liability Management Committee

The Asset Liability Management Committee duly constituted by the Board of Directors has a well-defined composition of members and terms of reference and are in accordance with the guidelines for introduction of ALM system by housing finance companies as issued by the National Housing Bank vide circular NHB (ND)/HFC (DRSREG)/ ALM/1407 /2002 dated June 28, 2002. As on March 31, 2021, the Asset Liability Management Committee comprised of Managing Director, Chief Financial Officer and 2 (two) Senior Management Personnel from Treasury-, Credit, Risk & Policy business functions of the Company. The Chairman of the Asset Liability Management Committee is Managing Director of the Company.

Meeting and Attendance

During the year under review, Asset Liability Management Committee met 4(Four) times viz. on April 14, 2020, July 14, 2020, October 14, 2020 and January 28 ,2021. The details of Composition and attendance of the members at the Asset Liability Management Committee Meetings are given below:

Name of the Members	Categories	No. of Meetings	
		Held	Attended
Mr. Rajesh Sharma	Chairman	4	3
Mr. Raj Ahuja	Member	1	1
Mr. Bhavesh Prajapati	Member	4	4
Mr. Sandeep Kudtarkar	Member	4	4

The Company Secretary acts as the Secretary to the Asset Liability Management Committee.

IT Strategy Committee

The IT Strategy Committee duly constituted by the Board of Directors has a well-defined composition of members and terms of reference are in accordance with the Information Technology Framework for HFCs ("Guidelines") vide its notification no. NHB/ND/DRS/ Policy Circular No. 90/2017-18 dated June 15, 2018. As on March 31, 2021, the IT Strategy Committee of the Board comprised of an Independent Director and 3 (three) Senior Management Personnel. The Chairman of the IT Strategy Committee is an Independent Director of the Company.

Meeting and Attendance

During the year under review, the IT Strategy Committee met 2 (Two) times viz. on April 29, 2020 and November 5, 2020. The details of Composition and attendance of the members at the IT Strategy Committee Meetings are given below:

Name of the Members	Categories	No. of Meetings	
		Held	Attended
Mr. Beni Prasad Rauka	Chairman	2	2
Ms. Divya Sutar	Member	2	2
Mr. Suraj Prakash	Member	2	2
Mr. Raj Ahuja	Member	NA	NA

The Company Secretary acts as the Secretary to the IT Strategy Committee.

ANNUAL EVALUATION OF BOARD, ITS COMMITTEES, INDIVIDUAL DIRECTORS AND MANAGING DIRECTOR

The Company has formulated a Policy on Board Evaluation. An annual performance evaluation of the Board, its Committees, individual directors and managing director, in an independent and fair manner was carried out in accordance with the Company's Board Evaluation Policy for the financial year ended March 31, 2021.

The performance of the Board, individual directors and managing director was evaluated by the Board seeking inputs from all the Directors. The performance of the Committees was evaluated by the Board seeking inputs from the Committee Members. The Nomination and Remuneration Committee reviewed the responses received and forwarded its recommendations to the Board. This was followed by a Board Meeting that discussed the performance of the Board, its Committees, individual directors and managing director. A separate meeting of Independent Directors was also held to review the performance of Non-Independent Directors, performance of the Board as a whole and performance of the Managing Director of the Company.

The criteria for performance evaluation of the Board included aspects like Board composition and structure, effectiveness of Board processes, information and functioning etc. The criteria for performance evaluation of Committees of the Board included aspects like composition of committees, effectiveness of Committee Meetings etc. The criteria for performance evaluation of the individual directors included aspects on contribution to the Board and Committee Meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings etc. The criteria for performance evaluation of managing director included aspects on fulfilment of his duties, skills and knowledge updation and his participation during board deliberations on strategy, performance, risk management etc.

The performance evaluation of Independent Directors was based on the criteria viz. attendance at Board and Committee Meetings, skill, experience, ability to challenge views of others in a constructive manner, knowledge acquired with regard to the Company's business, understanding of industry and global trends etc.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) read with Section 134(5) of the Act with respect to Directors' Responsibility Statement, the Directors hereby confirm that:

a) in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departure has been made in following the same;
b) appropriate accounting policies have been selected and applied consistently and judgements and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
c) proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of Act have been taken for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
d) the annual accounts have been prepared on a going concern basis;
e) internal financial controls to be followed by the Company had been laid down and such internal financial controls are adequate and are operating effectively; and
f) proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

AUDITORS

A. STATUTORY AUDITORS

In terms of Section 139 of the Act and the rules made thereunder, the Members at their 11th Annual General Meeting held on July 17, 2017 appointed Deloitte Haskins & Sells LLP, Chartered Accountants, Mumbai (Firm Registration Number: 117366W /W-100018), as statutory auditors of the Company for a period of five years from the conclusion of the 11th Annual General Meeting until the conclusion of the 16th Annual General Meeting of the Company.

The RBI vide its Circular DoS.CO.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021 prescribed tenure of the Statutory Auditors which shall not be more than three continuous years. Deloitte Haskins & Sells LLP have completed a period of four years as a Statutory Auditors of the Company and accordingly have conveyed their ineligibility to continue as Statutory Auditors of the Company.

Considering the abovementioned RBI Circular, the Board of Directors at its meeting held on August 2, 2021, has recommended appointment of M/s. G.M. Kapadia & Co., Chartered Accountants (Firm Registration Number: 104767W), as the Statutory Auditors of the Company to hold office from the conclusion of the Fifteenth Annual General Meeting till the conclusion of Eighteenth Annual General Meeting of the Company.

Auditors' Report

There are no qualifications, reservations or adverse remarks made by the Statutory Auditors, in their Audit Report for the financial year 2020-21.

B. SECRETARIAL AUDIT

Pursuant to the requirements of Section 204 of the Act read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company appointed Mr. Haresh Sanghvi, Company Secretary in Practice (COP No.: 3675), for conducting Secretarial Audit. The Secretarial Audit Report for the financial year ended March 31, 2021 is appended to this Report as **Annexure III**. There are no qualifications, reservations, adverse remarks or disclaimers made by Secretarial Auditors, in their Audit Report.

C. REPORTING OF FRAUDS BY AUDITORS

During the year under review, the Statutory Auditors and the Secretarial Auditor have not reported any instances of frauds committed on the Company by its Officers or Employees, to the Audit Committee under Section 143(12) of the Act, details of which need to be mentioned in this Report.

COMPLIANCE WITH THE PROVISIONS OF SECRETARIAL STANDARD

The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

The applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly complied by your Company.

CORPORATE SOCIAL RESPONSIBILITY

The Board has constituted Corporate Social Responsibility (CSR) Committee in accordance with Section 135 of the Act. The CSR Policy of the Company, inter alia, lists the activities that can be undertaken or supported by the Company for CSR as envisaged in Schedule VII of the Act, composition and meetings of CSR Committee, annual allocation for CSR activities, areas of CSR projects, criteria for selection of CSR projects, modalities of execution/implementation of CSR activities, the monitoring mechanism of CSR activities/projects.

The details of CSR Policy of the Company are available on the website of the Company at https://caprihomeloans.com/assets/pdf/CGHFL_CSR_POLICY.pdf.

In terms of Section 135 of the Act, the details of the CSR spent during the year under review is provided in the Annual Report on CSR activities as required under Companies (Corporate Social Responsibility Policy) Rules, 2014 and attached to this report as **Annexure IV.**

RISK MANAGEMENT FRAMEWORK

Your Company has a well-defined risk management framework in place and robust structure for managing and mitigating risks. Your Company has a Board approved Risk Management Policy which has laid down a framework for identifying, assessing, measuring various elements of risk involved in the business and formulation of procedures and systems for mitigating such risks.

Risk Management Committee of the Board of Directors of your Company has overall responsibility for overseeing the Risk Management activities of the Company, approving measurement methodologies and appropriate risk management procedures across the organization.

Business team periodically places its report on risk management to the Risk Management Committee and Audit Committee of the Board of Directors. During the year, your Company has incorporated various practices and suggestion as directed by the Risk Management and Audit Committee which helped the Company in attaining an improved vigilance and security system.

Details about development and implementation of risk management policy have been covered in the Management Discussion and Analysis Report.

PARTICULARS OF EMPLOYEES AND RELATED INFORMATION

In accordance with the provisions of Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement containing the disclosures pertaining to remuneration and other details as required under the Act and the above Rules, are appended to this Report as **Annexure V**.

As per the provisions of Section 136(1) of the Act, the reports and accounts are being sent to the Members of the Company excluding the information regarding employee remuneration as required pursuant to Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The Board of Directors affirm that the remuneration paid to employees of the Company is as per the Remuneration Policy of the Company and none of the employees listed in the said Annexure/information is related to any Director of the Company.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The Board of Directors of the Company has formulated a policy on dealing with Related Party Transactions, pursuant to the applicable provisions of the Act. The same is displayed on the website of the Company at https://caprihomeloans.com/assets/pdf/CGHFL_RPT_Policy.pdf.

During the year under review, all the related party transactions were entered in the ordinary course of business and on arm's length basis. All related party transactions as required under Indian Accounting Standards - 24 (Ind AS-24) are reported in Note 44 of Notes to the Financial Statements of the Company.

Pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014, there are no related party transactions that are required to be reported under Section 188(1) of the Act, as prescribed in Form AOC-2.

ANNUAL RETURN

Pursuant to sub-section 3(a) of Section 134 and subsection (3) of Section 92 of the Act, the Annual Return of the company as of March 31, 2021 is displayed on the website of the company at https://caprihomeloans.com/assets/pdf/MGT-7%20-%202020-21.pdf.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company is an equal opportunity employer and is committed to ensuring that the work environment at all its locations is conducive to fair, safe and harmonious relations between employees. It strongly believes in upholding the dignity of all its employees, irrespective of their gender or seniority. Discrimination and harassment of any type are strictly prohibited.

The Company has in place an appropriate Policy in accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, to prevent sexual harassment of its employees. All employees (permanent, contractual, temporary and trainees) are covered under this Policy. The Policy has been widely communicated internally and is placed on the Company's intranet portal. The Company ensures that no employee is disadvantaged by way of gender discrimination.

The Company has complied with the provisions relating to the constitution of Internal Complaints Committee (ICC) under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 to redress complaints received regarding sexual harassment.

During the year under review, no complaints were received from any of the employees.

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

The Company is engaged in the financial services activities, its operations are not energy intensive nor does it require adoption of specific technology and hence information in terms of Section 134(3)(m) of the Act read with the Companies (Accounts) Rules, 2014 is not applicable to the Company. Nevertheless, the Company is vigilant on the need for conservation of energy.

There was no inflow or outflow of foreign exchange during the year under review.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS IN SECURITIES

Company being a housing finance company is exempt under the provisions of section 186(11) of the Companies Act, 2013 and is not required to disclose particulars of loans given, guarantees given and security provided.

The details of investments made by the Company are provided under note forming part of Financial Statement of the Company for the year ended March 31, 2021.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year to which the financial statements relate and the date of this Report.

SIGNIFICANT AND MATERIAL ORDERS

During the financial year 2020-21, there were no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and the Company’s operations in future.

MAINTENANCE OF COST RECORDS

The maintenance of cost records, for the services rendered by the Company, is not required pursuant to Section 148 (1) of the Act read with Rule 3 of the Companies (Cost Records and Audit) Rules, 2014.

ACKNOWLEDGEMENT

The Directors place on record their gratitude for the support of various regulatory authorities including National Housing Bank, Reserve Bank of India, Securities and Exchange Board of India, Ministry of Housing and Urban Affairs, Ministry of Corporate Affairs, Registrar of Companies and the Depositories. The Company acknowledges the role of all its key stakeholders - shareholders, borrowers, channel partners and lenders for their continued support to the Company. Your Directors place on record their appreciation for the hard work and dedication of all the employees of the Company.

For and on behalf of Board of Directors

Sd/-
Rajesh Sharma
Managing Director
(DIN: 00020037)

Sd/-
Beni Prasad Rauka
Independent Director
(DIN: 00295213)

Date: August 2, 2021
Place: Mumbai

Annexure I

MANAGEMENT DISCUSSION & ANALYSIS REPORT

i. Overview

Capri Global Housing Limited **("CGHFL")** is a Housing finance Company registered with National Housing Bank. It is a wholly owned subsidiary of Capri Global Capital Limited and is engaged in the business of providing home finance to "unbanked, undeserved and unserved". Housing Finance Industry is being viewed as an engine of economic growth with a major role to play in the country's development. Favorable structural factors, such as under penetration of the mortgage market, the large gap between housing demand and supply, improved affordability because of subsidy & tax incentives, the encouraging regulatory environment and positive demographic trends, are expected to fuel continued growth in the housing finance market.

ii. Industry Structure and Developments

Affordable Housing Finance

India is the world's second most populous nation, with over 1.37 billion people, over 70% of which encompasses the rural market. However, India is witnessing rapid urbanization. According to Census 2011, India's urban population was 37.7 crores, which is projected to grow to about 60 crores by 2030. According to the Economic Times Housing Finance Summit, about 3 houses are built per 1,000 people per year compared with the required construction rate of five houses per 1,000 population. The current shortage of housing in urban areas is estimated to be ~10 million units. An additional 25 million units of affordable housing are required by 2030 to meet the growth in the country's urban population.

The Covid-19 pandemic-induced disruptions aggravated the slowdown in the housing credit growth in H1 FY2021. However, with the gradual easing of lockdown restrictions and increasing economic activity, the disbursements have picked up considerably in last few months. Consequently, ICRA expects the overall housing credit growth for FY2021 to be around 6-8%, though the same would be significantly lower than the last three years compound annual growth rate (CAGR) of 14%. The Home loan interest rates are at their decadal lows of 6.85%.

According to IBEF Report, home sales volume across eight major cities in India jumped by 2x to 61,593 units from October 2020 to December 2020, compared with 33,403 units in the previous quarter, signifying healthy recovery post the strict lockdown imposed in the second quarter due to the spread of COVID-19 in the country.

To encourage fresh flow of liquidity to India's cash-starved real estate sector, the Reserve Bank of India (RBI), on October 22, 2020, made changes in the regulatory framework for housing finance companies (HFCs). Through the final guidelines issued on October 22, 2020, the apex bank has directed HFCs to lend at least 60% of their net assets for housing. The RBI has also mandated those HFCs and non-banking financiers, which are not currently lending that much portion of their total loans to housing, to reach that level by March 2024.

According to the RBI, India's mortgage penetration hovers around 10%, which presents a huge potential to grow, as compared to other countries. For instance, China's mortgage-to-GDP hovers around 18% and developed nations like US, UK and Denmark have a high ratio of 56%, 67% and 88%, respectively.

Mortgage Penetration

Mortgage-to-GDP Ratio				(%)
India	*China*	*USA*	*UK*	*Denmark*
10	18	56	67	88

(Source: RBI)

India has however witnessed a steady growth in mortgage-to-GDP ratio from 8.7% in 2017 to 9.6% (estimated) in 2019 and expected to grow to 10.9% (estimated) in 2021.

Mortgage-to-GDP Ratio Growth				(%)
2017	*2018*	*2019 (E)*	*2020 (E)*	*2021 (E)*
8.7	9.1	9.6	10.2	10.9

(Source: RBI, September 2019)

According to India Brand Equity Foundation (IBEF), real estate sector in India is expected to reach US$ 1 trillion by 2030. By 2025, it will contribute 13% to country's GDP.

As per the NHB Report on Trend and Progress of Housing in India, March 2021, the overall growth in Individual Housing Loans of Banks and HFCs combined stood at 10% in 2019-2020 as compared to 16% in 2018-2019. The pace of growth of Banks remained higher than that of HFCs, partly supported by portfolio buyouts, leading to increase in their market share of Individual Housing Loan to 67% as compared to HFCs share of 33%. The total outstanding individual housing loan of HFCs and Banks combined was around Rs. 20 Lakhs Crore at the end of 2019-20 as compared to around Rs. 18 Lakh crores in 2018-2019. The share of Banks in Housing Finance increased from 64% in 2018-2019 to 67% in 2019-20 and HFCs share declined from 36% in 2018-2019 to 33% in 2019-2020.

Over the past 3 years starting from 2017-2018 to 2019-2020, the housing loan portfolio of HFCs has grown by 29% from Rs. 5.79 Lakh crore as on March 31, 2021 to Rs. 7.47 Lak crore as on March 31, 2020.

The Affordable Housing Finance industry received a much-needed growth impetus from the 'Housing for All by 2022' Scheme of the Government of India. In a bid to promote the affordable housing segment, the Government of India launched the Credit-Linked Subsidy Scheme (CLSS) which was further extended up to March 31, 2021. Under this scheme, easy institutional credit is provided to Economically Weaker Sections (EWS), Low Income Groups (LIG) and Middle-Income Groups (MIG) households for purchase of homes with interest subsidy credited upfront to the borrower's account through primary lending institutions, effectively reducing housing loans and EMIs. This scheme is proposed to benefit 11.68 Lakh families out of which 4.10 Lakh belong to middle income families and 7.59 Lakh families belong to Low-income families. (Source: FICCI Report)

Government of India's Housing for All initiative is expected to bring US$ 1.3 trillion investments in the housing sector by 2025. The scheme is expected to push affordable housing and construction in the country and give a boost to the real estate sector. (Source: IBEF Report, November 2020)

To address the need for decent rental housing at an affordable rate, on July 9, 2020, Union Cabinet approved the development of Affordable Rental Housing Complexes (AHRCs) for urban migrants and poor as a sub-scheme under Pradhan Mantri Awas Yojana - Urban (PMAY-U). This will provide ease of living to urban migrants/poor in the industrial sector as well as in non-formal urban economies to urge access to dignified affordable rental housing on the brink of their workplace. ARHCs are likely to be a mix of single/double bedroom dwelling units and dormitories of 4/6 beds including all common facilities. In October 2020, the Ministry of Housing and Urban Affairs (MoHUA) launched an affordable rental housing complex portal. MoHUA has provisioned for an additional grant in the form of Technology Innovation Grant under Technology Sub Mission for the project using innovative & alternate technology for speedier, sustainable, resource efficient, and disaster resilient construction.

Under PMAY (Urban), as on 18th January 2021, 109.2 lakh houses have been sanctioned out of which 70.4 lakh houses have been grounded for construction of which 41.3 lakh have been built to the beneficiaries under PMAY(U) since inception of the scheme in June 2015. The target number of houses for construction under PMAY (Gramin) is 2.95 crore in two phases i.e. 1.00 crore in Phase I (2016-17 to 2018-19) and 1.95 crore in Phase II (2019-20 to 2021-22). Since 2014-15, construction of approx. 1.94

crore rural houses have been completed, out of which 1.22 crore houses have been constructed under the revamped scheme of PMAY-G and 0.72 crore under erstwhile Indira Awaas Yojana scheme.
(Source: Economic Survey 2020-21)

iii. Opportunities and Threats

According to ICRA Ratings, demand for housing loans picked up during the last two quarters of FY 2020-21 and housing finance companies (HFCs) are likely to witness a growth rate of 6-8 % during the current year and 8-10% in FY 2021-22. The on-book portfolio growth moderated for HFCs in the first nine months of FY 2021 (compared to March 2020) to 4.3% (excluding the portfolio of one large player, which had sizeable write-offs) from portfolio growth of 6% (Y-o-Y) in FY 2020.

The expanding urbanization, increase in supply of affordable homes, rising disposable incomes, reasonable interest rates and improved affordability on home loans will drive the demand in this sector. Further, Government initiatives to drive affordable housing under 'Housing for All by 2022', will be a major growth driver for the small and mid-size HFCs.

The advent of COVID-19 had impacted the performance of housing sector. Notwithstanding the slowdown induced by COVID pandemic and lockdown related measures due to which the construction and real estate activities were impacted, the Housing Finance Sector maintained a positive growth with outstanding individual housing loans of Banks and HFCs registering year-on-year growth of 8.5% and 3% respectively in September 2020.
(Source: NHB Report on Trend and Progress of Housing in India, March 2021)

iv. Business and Operational Overview

Performance Highlights			
	(INR in Million)		
Particulars	Standalone		
	FY 2020-21	FY 2019-20	Growth %
Total Revenue	1,636.18	1,394.70	17.31
Total Expenses	1,208.32	1,083.06	11.57
Profit Before Tax	427.86	311.64	37.29
Profit After Tax	334.48	243.32	37.47
Assets Under Management (AUM)	11553	8982	28.62
Earnings per share (₹)	5.51	4.01	37.40
Net Worth	2,650.06	2,315.32	11.45
Interest Coverage Ratio	1.7	1.6	-
Debt Equity Ratio	4.4	3.3	-
GNPA (%)	1.8	1.21	-
NNPA (%)	0.4	0.39	-
Book Value per share (₹)	43.8	38.13	-

The Gross Income of the Company has registered a growth of 17.31% at INR 1,636.18 Million for FY 2020-21 as against INR 1,394.70 Million in FY 2019-20. Net Profit grew by 37.47 % at ₹ 334.48 Million for the FY 2020-21 as compared to the Net Profit of ₹ 243.32 Million in the FY 2019-20 due to better realizations, cost optimization and better operational controls. The Gross NPA of the Company stood at 1.8% and the Net NPA was at 0.4 % as of March 31, 2021, which is well below the industry averages.

The Company has been gradually expanding its reach within the affordable housing segment since its launch in 2016. Branch network was rationalized with more reach to Tier 3 and Tier 4 places. During the year the Company has presence at 84 locations spread across 9 states. Accordingly, FY20 AUM within housing finance stood at INR 11,553 Million (last year INR 8982 Million), up 28.62% from last year.

In line with the industry averages, GNPA is contained at 1.8% due to Company's strict risk mitigation framework & prudent post-sanction monitoring of loans. The company only lends to the affordable housing segment & only to those customers that are using the house for self-stay. Average ticket size stood at INR 1.08 Million for FY21. The company continues to maintain a loan-to-value of 59% on the housing finance book, which affords considerable back up in case of default.

The Company Net worth has increased from INR 2,315.32 Million to INR 2,650.06 in FY 2020-21 on account of 38 % jump in PAT to INR 334.48 Million during the current financial year.

Liquidity Position and Borrowings

The Company has comfortable liquidity cushion in terms of Cash & bank balances of INR 603.46 Million as at end of FY 2020-21. The Company is well positioned in meeting its short term and medium-term obligations.

The Company has strengthened its relationships with banks /financial institution and got sanctions of INR 19,800 Million. As of March 31, 2021, borrowings from Public sector, private sector banks and financial institutions in term loans (tenure of 5-8 years)/ CC limits were INR 11,556.97 Million as against INR 7,743.12 Million in FY 2019-20. The Company has raised fresh resources from term loans and other facilities from banks of INR 9,360.32 Million, refinance from National Housing Bank of INR 1948.16 Million and capital market borrowings in the form of NCD of INR 248.49 Million. During the year under review, your Company maintained banking relationships with 12 banks.

Product Performance

The Company had continued with strategy of going granular and focused on sourcing small ticket size loans, spread over wider geographical area resulting into de-risking the loan portfolio, better control over delinquencies and better risk spread in the medium to long term.

v. Outlook

NBFC players focused on low-cost housing finance are expected to witness a CAGR of 8-9% from ₹ 517 billion (Estimated) in FY 2018-19 to ~₹ 600 billion in FY 2021-22. *(Source: CRISIL)*

According to ICRA Ratings the demand for housing loans picking up during the last two quarters of FY 2020-21, housing finance companies (HFCs) are likely to witness a growth rate of 6-8 % during the current year and 8-10% in FY 2021-22. The on-book portfolio growth moderated for HFCs in the first nine months of FY 2021 (compared to March 2020) to 4.3% (excluding the portfolio of one large player, which had sizeable write-offs) from portfolio growth of 6% (Y-o-Y) in FY 2020.

Company aims to become most relevant player in its chosen customer segment. Its product offerings and distribution network will significantly contribute to take the Company to the next level. The Company is well-equipped to seize opportunities in the housing finance sector.

vi. Risks and Concerns

Being in the lending business, Risk Management forms a vital element of business. The Company has a well-defined Risk Management framework, approved by the Board of Directors. It provides the mechanism for identifying, assessing and mitigating risks.

The company has a Risk Management Committee (RMC) and an Asset Liability Management (ALM) Policy approved by the Board. The Board has constituted the Asset Liability Committee (ALCO) to assess the risk arising out of the liquidity gap and interest rate sensitivity.

During the year, the RMC reviewed the risk associated with the business, its root cause and the efficacy of the measures taken to mitigate the same. ALCO also reviewed the risks arising from the liquidity gap and interest rate sensitivity and took decisions to mitigate the risk by ensuring adequate liquidity through the maturity profile of the Company's assets and liabilities.

Major risks and their mitigation measures:

Sl. No.	Risk	Impact	Mitigation measures
1	Credit risk The most common risk faced by any lending institution is the inability on the part of the borrower to repay the loan.	The delinquencies may result in monetary losses, higher NPAs and deterioration of asset quality and ultimately capital adequacy. This is followed by a thorough assessment of the potential customers' soundness of business and long-term viability by analyzing cash flows.	Origination and appraisal CGHFL has stipulated prudent lending policies for the business vertical, considering the risk involved with different schemes and customer profiles. The Company has designed a robust and dynamic credit appraisal system to minimize the probability of default. Its credit appraisal system conducts customer meetings (business and residence) and field investigations, credit information bureaus checks, in-house technical and legal verification, adequate loan to value ratio and term cover for insurance. There is thorough reference checks of the borrower's overall goodwill and integrity in the market. This is followed by a thorough business assessment and long-term viability by analyzing cash flows of the potential customers. All loans are fully secured by way of mortgages and CGHFL has first and exclusive charge on collateral properties. Company has put in place an inhouse Fraud Control Unit, having expert knowledge in fraud detection and forensic analysis of documents, as to detect and eliminate potential frauds being committed on the Company.

2	Operational risk Operational Risk is the risk of possible losses, arising due to lack of proper flow and inadequate controls over the internal processes, people, systems and operations of the Company.	Operational lapses could lead to adverse impact on the sustainability of the business in the long-term and loss of profitability.	CGHFL has a state-of-the-art technology driven process flow and operational control system and a responsive customer portal for enhanced efficiency and deeper engagement with the customers. The Company's internal control infrastructure is well-aligned with its underwriting and collection processes, which are managed by a highly competent and trained team.
3	Liquidity risk Liquidity risks emanate from the gaps in financing activity.	A skewed asset-liability profile can potentially initiate a liquidity shortfall and result in significantly higher costs of funds.	CGHFL has dedicated treasury team to manage liquidity and monitor fund availability and deployment on daily basis. Reports are submitted to ALCO members, and are used to make relevant liquidity forecasts on quarterly basis for the next 6 months. Company has exposure to all long-term funds with repayment tenure of 5-8 years and are sourced from banks and FI's. There is nil exposure to commercial papers. CGHFL's is in strong position to mobilise funds for its growth having higher capital adequacy ratio of 31.16%.
4	Strategic and business risk It is the risk to earnings and capital arising from volatile macro-economic conditions, sudden changes in the business environment or adverse business decisions.	Lack of timely response to such unforeseen conditions can lead to major tremors in the business. Entry of new competitors leading to loss of market share, higher costs of funding resulting in contraction of available spreads, slow-down in certain customer segments, employee attrition are some of the potential business risks faced by the Company.	The CGHFL's strategy, business and risk teams keep a track of key economic trends, sector developments and market competition, which allows the Company to take well-informed and in-time strategic decisions. CGHFL's customised and tailor-made lending solutions are designed keeping in mind the needs of individuals for a faster market penetration. Business issues which are of strategic importance are referred to the Board members, who are experts with rich experience in their respective fields. Intense brainstorming sessions are conducted to evaluate and design the relevant strategies, which help in tackling the business uncertainties and circumventing business disruptions.

5	**Interest rate risks**	Volatility in interest rates can have a negative impact on the borrowing costs of the Company, decline in interest income and net interest margins. This can cause a mismatch on the Company's asset–liability position and could lead to lower profitability and lower returns.	Interest rate movements are tracked and reviewed by ALCO on a quarterly basis and the base lending rate i.e., LTRR is fixed. Most of our portfolio is built on floating interest rates. Interest rates are primarily market driven and CGHFL's interest risk strategy is well adept at managing the changing market dynamics.
6	**Regulatory and Compliance risk** CGHFL is registered with the National Housing Bank as a Housing Finance Company	Non-compliance of the rules, regulations and statutes leads to stringent actions and penalties from the Regulator or Statutory Authorities.	CGHFL has a separate compliance department, headed by a Senior Personnel. The Company keeps itself abreast with all recent developments and changes in the regulatory framework/ guidelines to ensure a timely, effective, and proper implementation and compliance. CGHFL diligently complies with Capital Adequacy Norms, Fair Practice Code, Asset Classification, KYC/PMLA Guidelines, Provisioning Norms, Corporate Governance framework, Timely Reporting with NHB/RBI/SEBI /Ministry of Corporate Affairs, etc. among others to ensure a comprehensive Compliance framework. This is continuously reviewed and monitored by a robust Internal Audit and control framework.
7	**Information Technology risk (including Cyber Security)** Company deploys Information Technology systems including ERP, loan management applications, Data Historian and Mobile Solutions to support its business processes, communications and customer details and loan records.	Risks could primarily arise from the unavailability of systems and / or loss or manipulation of information, Information data security, freeware or unlicensed software installed on end points.	To mitigate risks, the Company deployed Application Whitelisting solution to specify index of approved software applications or executable files that are permitted to be present on the systems, deployed MDM solutions, blocked USB Ports of all IT assets, deployed EMS security, policy based DLP solution. To curb cyber security risk the company has implemented WAF (Web Application Firewall) to mitigate threats against all web facing applications. Systems are upgraded regularly with the latest security standards. For critical applications, security

			policies and procedures are updated on a periodic basis and users are educated on adherence to the policies so as to eliminate data leakages.

vii. Internal control systems and their adequacy

Company has in place adequate internal control systems commensurate with the size and nature of its operations. Internal control systems comprising of policies and procedures and well-defined risk and control matrix are designed to ensure orderly and efficient conduct of business operations, safeguard company's assets, prevention and detection of errors and frauds, ensure strict compliance with applicable laws and assure reliability of financial statements and financial reporting.

An extensive program of internal audits, and regular reviews by the Audit Committee is carried out to ensure compliance with the best practices. The efficacy of internal control systems is tested periodically by Internal Auditors and internal control over financial reporting is tested and certified by Statutory Auditors.

viii. Human Resource Development

Company values its relationship with all employees and ensures that each of team members feel connected and share the broader vision of making a positive social impact by bridging the credit gap.

Company's people's team, guided by the top management, relentlessly undertakes various people-centric activities to keep employees engaged and provides them with suitable opportunities.

The year 2020-21 has witnessed many changes in the global economy due to pandemic and lockdown, to adapt to the changing environment the Company has made rigorous efforts and took various steps to ensure safety of the employees and abreast them about the situation through consultation initiatives to maintain social distancing measures at the workplace. Employees were given a facility to reimburse their Covid-19 test expense in case they showed any symptoms while working. To educate the employee on the ongoing situation during the pandemic, flyers were uploaded on Capri Pedia for their awareness on how to boost immunity and Do's and Don'ts during these times. Initiative was taken by tying up with Paramount Health India TPA wherein employees were provided COVID-19 assistance on all days round the clock. A doctor was appointed to advise employees in case of any medical assistance.

The Company has ensured that the employees' skills are continuously uplifted so that employees can handle challenges while staying abreast with the functional domain knowledge of the Non-Banking Financial Services Industry. Employee recognition has always been an essential element for the Company in motivating, retaining and fully engaging the employees which leads to achieving the organizational goals and in turns helps to create a positive environment at workplace. The Company has quarterly as well as yearly rewards for exceptional performers and the performance appraisal systems have been designed to recognize and reward exceptional performers. There are contests for employees to boost up their performance and reward them. Employees who have completed 5 year & 10 years have been recognized for their loyalty in their services.

Company focuses on providing opportunities to each employee to grow and utilise their full potential.

Employee Engagement Initiatives:

CGHFL believes that Engagement relates to the level of an employee's commitment and connection with the organization. Employee engagement has emerged as a critical driver of business success in today's competitive marketplace. High level of engagement promotes retention of talent, foster customer loyalty and improves organizational performance. Company's focus lies in nurturing talent and recognizing their efforts contributing towards meeting the organizational goal. Employees are given opportunities to take up challenging role, this helps to keep employees engaged.

Fine balance between People & Technology:

While the advancement in HR technology is accelerating, the ongoing pace of progress of these technologies is transforming how people carry out their work. Technology makes it easier to gather and break down data on employees to get an overall picture. A collaboration between people and technology has becomes an essence in today's world and it becomes important at building a collaborative workforce by bringing people and technology in one frame. Collaboration has always been known to make things work more effectively. CGHFL with the help of inhouse technology team have evolved HR process which, has reduced manual intervention and has automated routine administrative tasks and has helped focus on strategic aspects of HR functions. To facilitate the process, tools like self-service employee portals, onboarding, exits, performance reviews and an interface is created for prospective candidates to complete their process during the offer stage. With the help of technology data management is simplified, and the data is available with a click of a button. The technology has enabled, collection and delivery of information, as well as communicate with employees more easily and efficiently.

Gender equality among organization:

In today's dynamic business environment, achieving gender equality is the factor for competitiveness and growth of any organization. To create an inclusive and dynamic organization, CGHFL ensures that everyone receives an equal opportunity to succeed. Gender equality in the workplace refer to a variety of culture, practices and attitude that promotes or subvert attempts to create a gender equal workplace. CGHFL ensures that equal opportunity is given to all employees without gender discrimination. It also includes providing equal chances of promotion, pay-rises, and inclusion in decision making process. CGHFL has prioritized work life balance, strict and effective policies are created against harassment at workplace. An open-minded culture is created which gives the employees an opportunity to exchange ideas & nurture their career in the organization which leads to long term success for the organization as well as the employee's.

NOMINATION AND REMUNERATION POLICY

(Approved by Board of Directors at the meeting held on September 25, 2014
and further amended on October 28, 2017)

CAPRI GLOBAL HOUSING FINANCE LIMITED
CIN: U65990MH2006PLC161153
Regd. & Corporate Off: 502, Tower A, Peninsula Business Park, Senapati Bapat Marg, Lower Parel, Mumbai – 400013, Maharashtra, (India).
Tel: +91-22-40888100; Fax: +91-22-40888160
complianceofficer@capriglobal.in

Capri Global Housing Finance Limited
Nomination and Remuneration Policy

This Policy has been laid down on the recommendations of the Nomination and Remuneration Committee of the Board, and is in compliance with the requirements of the Section 178 Companies Act, 2013.

1.1 Objectives

The Policy lays down the:

(i) Criteria for determining *inter-alia* qualification, positive attributes and independence of Directors for their appointment on the Board of the Company;

(ii) Criteria for payment of remuneration to Directors, Key Managerial Personnel and other Employees.

1.2 Definitions

i. "Board" means Board of Directors of the Company.

ii. "Company" means "Capri Global Housing Finance Limited."

iii. "Employees' Stock Option" means the option given to the Directors, Officers or Employees of a company or of its holding company or subsidiary company or companies, if any, which gives such Directors, Officers or Employees, the benefit or right to purchase, or to subscribe for, the shares of the Company at a future date at a pre-determined price.

iv. A. 'fit and proper 'shall mean an individual who is :
   a. more than thirty years in age;
   b. a graduate;
   c. has minimum five years experience;
   d. a person of integrity, reputation and character in the opinion of the Committee;

v. "Independent Director" means a director referred to in Section 149 (6) of the Companies Act, 2013.

vi. "Key Managerial Personnel" (KMP) means

   a) Chief Executive Officer or the Managing / Executive Director or the Manager,
   b) Company Secretary,
   c) Whole-time Director,
   d) Chief Financial Officer and
   e) Such other officer as may be prescribed.

vii. "Committee" shall mean the Nomination & Remuneration Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013.

viii. "Policy or This Policy" means, "Nomination and Remuneration Policy."

ix. "Managerial Person" means the Managing Director, Whole-time Director and/or Manager.

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

xi. "Senior Management" means, personnel of the Company who are members of its core management team excluding Board of Directors and who may be qualified to become directors.

1.3 Interpretation

Terms that have not been defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013, SEBI Act, 1992, as notified by the Securities and Exchange Board of India from time to time.

1.4 Appointment and Removal of Managerial Person, Director, Key Management Personnel and Senior Management Personnel

i. Appointment criteria and qualifications:

a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Managerial Person, Director, KMP or Senior Management Personnel who may be qualified to become directors and recommend to the Board his / her appointment.

b) The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the designated position.

c) With respect to appointment of a Senior Management Personnel other than the one mentioned above, the Human Resource Department with the consultation/advice/recommendations of the respective Functional Heads/Promoter Director of the Company, as the case may be, can decide on their appointments and the same need not be recommended to the Committee/Board as the case may be.

ii. Term / Tenure:

a) The Company shall appoint or re-appoint a person as its Managerial Person by passing of a resolution and disclosure of such appointment in the Directors Report forming part of the Annual Report.

b) No Independent Director shall hold office for more than two consecutive Terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

c) Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. Term can be for a maximum period of five years.

d) the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves, is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of the Company.

iii. Removal:

Due to reasons for any disqualification mentioned in the Companies Act, 2013 ('Act'), rules made there under or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Managerial Person, Director, subject to the provisions and compliance of the Act, rules and regulations.

iv. Retirement:

The Managerial Person, Director, KMP and Senior Management shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Managerial Person, Director, and KMP, Senior Management in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

1.5 Disqualifications for Appointment of Directors

i. A person shall not be eligible for appointment as director of the company if:

a) he is of unsound mind and stands so declared by a competent court;
b) he is undischarged insolvent;
c) he has applied to be adjudicated as an insolvent and his application is pending;

d) He has been convicted by a court of any offence, weather involving moral turpitude or otherwise, and sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence:

Provided that if a person has been convicted of any offence and sentenced in respect thereof to imprisonment for a period of seven years or more, he shall not be eligible to be appointed as a director in any company:

1) An order disqualifying him for appointment as a director has been passed by a court or Tribunal and the order in force;
2) He has not paid any calls in respect of any shares of the company held by him whether alone or jointly with others and six months have elapsed from the last day fixed for the payment of the call;
3) He has been convicted of the offence dealing with related party transactions under section 188 at any time during the last preceding five years; or
4) He has not complied with sub-section (3) of section 152 of the Companies Act, 2013.

ii. A person who has been a Director of the company which:

a) has not filed financial statements or annual returns for any continuous period of three financial years; or

b) has failed to repay the deposits accepted by it or pay interest thereon or to redeem any debentures on the due date or pay interest due thereon or pay dividend declared and such failure to pay or redeem continues for one year of more,

shall be ineligible to be appointed as a director of the Company for a period of five years from the date on which the other company fails to do so.

iii. A person shall not be eligible for appointment and continuance as a Director, if he / she is not found 'fit and proper' by the Committee.

1.6 Remuneration Policy

Remuneration Policy of Company is designed to attract, motivate, and retain manpower in a competitive environment considering qualification, positive attribute, integrity and independence, and is guided by the common reward framework and set of principles and objectives. The Remuneration Policy applies to the Company's Senior Management Personnel, including its Key Managerial Person and the Board of Directors.

The policy captures remuneration strategies, policies and practices of Company, including compensation, variable-compensation, equity-based plans and the process for the measurement and assessment of employee and executive performance. The remuneration / compensation / commission etc. to the Managerial Person, Director, KMP and Senior Management Personnel (who may be qualified to become directors) will be determined by the Committee and recommended to the Board for approval.

1.6.1 Remuneration Strategy for Employees at Company

The Company adopts a total compensation philosophy in rewarding employees. The Total compensation package for the employees comprises of Fixed and Variable Component. Fixed pay consists of the base salary and any recurring, regular allowances payable in the specific location. Variable pay includes performance bonuses and ESOP's for eligible employees.

The level of Total compensation is designed to be appropriate to attract, retain and motivate employees to contribute their best. In determining the Total compensation of employees, the Company takes into account the role and its responsibilities, the individuals' and teams' performance, and the Company's performance, as well as market factors. The Company's remuneration strategy is market-driven and aims at attracting and retaining high caliber talent.

Factors such as profitability and achievement of key performance indicators are taken into consideration, in determining the bonus pool for the Company and its business units. Individual bonus allocation is based on performance against various set of pre-defined objectives.

The strategy is in consonance with the existing industry practice and is directed towards rewarding performance, based on review of achievements, on a periodical basis.

1.6.2 Remuneration of Key Management Personnel

The Company shall review, at least annually, the Key Management personnel's remuneration arrangements in light of current market benchmarks and expert advice on remuneration levels and, with due consideration to law and corporate governance principles.

Remuneration of the Key Management Personnel consists of a fixed component and a variable performance incentive. The annual appraisal of the Key Management personnel is based on a detailed performance evaluation of their Key Performance Indicators (KPI's)

i. Fixed Component: Consists of Basic Pay (Usually 40%-60% of the gross Fixed Salary).

ii. Perquisites: In the form of house rent allowance/ accommodation, reimbursement of medical expenses, conveyance, children education, telephone, communication equipments like Ipad's etc.

iii. Retirement Benefits: Pension contributions, Gratuity payments are made in accordance with applicable laws and employment agreements.

iv. Severance payments: In accordance with termination clauses in employment agreements, the severance payment is in accordance with applicable local legal framework.

v. Personal benefits: Based on employment agreements and Company policy, Company Car and Driver is provided to specific grade.

vi. Medical Insurance – Coverage of Rs. 5 Lacs every year to the personnel, his/her spouse, two children and parents (In case of female employees they can choose the option for including their in-laws in lieu of her parents).

vii. Term Insurance – Coverage between Rs. 50 Lacs to Rs. 1 Cr. based on the grade.

viii. Variable pay is linked to the below three factors:

a) the financial results of the company;
b) targets achieved;
c) the individual performance and that of the department/team

ix. Annual Performance Linked Bonus: Individual bonus allocation takes performance ratings and performance against various set of objectives mentioned below into consideration:

a) In the beginning of the year the Board sets the organization performance objectives based on qualitative and quantitative measures.

b) These objectives are reviewed periodically to ensure they remain consistent with the Company's priorities and the changing nature of the Company's business.

c) These objectives form part of the performance targets for the Managerial Personnel.

d) Performance against these objectives is reviewed annually by the Board and is reflected in the Managerial Personnel's remuneration review.

1.6.3 Remuneration of Non-executive Directors including Independent Directors

The Non-Executive Directors of the Company (who are not in the employment of the Company and/or its subsidiaries/associates) shall be paid sitting fees as per the limits prescribed under the Companies Act, 2013.

Commission, if any, payable to NEDs shall be approved by the Board of the Company based on the recommendation of the Committee.

An independent Director shall not be entitled to any Stock Options of the Company.

1.7 Deviations from the Policy

Deviations on elements of this policy in extraordinary circumstances, when deemed necessary in the interests of the Company, will be made if there are specific reasons to do so in an individual case.

1.8 Amendments

The Remuneration policy may be reviewed by the Board of the Company on the recommendation of the Nomination & Remuneration Committee of the Board.

Form No. MR-3

Annexure - III

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

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

The Members,
CAPRI GLOBAL HOUSING FINANCE LIMITED
502, Tower A, Peninsula Business Park,
Senapati Bapat Marg, Lower Parel,
Mumbai- 400013

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **CAPRI GLOBAL HOUSING FINANCE LIMITED** (hereinafter called the "Company") for the audit period covering the financial year ended on 31st March, 2021. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

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

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2021, according to the provisions of:

   (i) The Companies Act, 2013 (the Act) and the rules made thereunder;

   (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

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

   (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

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

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

2. There were no actions/ events in pursuance of following Regulations of SEBI requiring compliance thereof by the Company during the period under review:

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

   (ii) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (PIT Regulations);

   (iii) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

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

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

   (vi) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

   (vii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; and

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

3. Provisions of Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investments and External Commercial Borrowings were not attracted during the year under review;

4. Based on the information provided and also relying on the representation made by the Company and its Officers, in my opinion adequate system and process exists in the Company to monitor and ensure compliances with the provisions of general and other industry and sector specific Laws and Regulations applicable to the Company, as identified and confirmed by the management of the Company and listed in **ANNEXURE A** attached to this report.

5. I have also examined compliance with the applicable clauses of the following:

   (i) Secretarial Standards (SS-1 and SS-2) issued by The Institute of Company Secretaries of India; and

   (ii) Listing Agreement entered into by the Company with BSE Limited, to the extent of its debt securities

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards mentioned above and there are no material non- compliances that have come to my knowledge.

I further report that compliances of finance and tax laws and maintenance of financial records and books of accounts has not been reviewed in this Audit since the same have been subject to review by statutory Auditors and other designated professionals.

I further report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. No changes in the composition of the Board of Directors took place during the period under review.

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

3. All decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

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

I further report that during the period under review, following event occurred which had a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above:

Issue of Non- Convertible Debentures and subsequent listing of the said Debentures on BSE Limited

Place: Mumbai
Date: 27th May, 2021

HARESH SANGHVI COP 3675 FCS 2259

Haresh Sanghvi
Practicing Company Secretary
FCS No.: 2259/CoP No.: 3675
UDIN: F002259C000382265

Note:

This report is to be read with our letter of even date which is annexed as ANNEXURE-A, which forms an integral part of this report.

ANNEXURE- A

List of applicable laws to the Company

a) The Company has complied with the laws and regulations applicable specifically to the Company given its business:

1. The National Housing Bank Act, 1987 and the circulars/ guidelines issued thereunder;
2. The Housing Finance Companies (NHB) Directions, 2010;
3. Master Circular on Fair Practice Code for Housing Finance Companies;
4. Master Circular-Housing Finance Companies- Corporate Governance (NHB) Directions, 2016;
5. Master Circular – Miscellaneous Instructions to all Housing Finance Companies;
6. Master Directions – Non-banking financial companies – Housing Finance Companies (Reserve Bank of India) Directions, 2021; and
7. The Prevention of Money Laundering Act, 2002 read with the rules made thereunder

b) All general laws related to Direct and Indirect Taxation, Labour laws and other incidental laws

Place: Mumbai
Date: 27th May, 2021

HARESH SANGHVI
COP 3675
FCS 2259

Haresh Sanghvi
Practicing Company Secretary
FCS No.: 2259/CoP No.: 3675
UDIN: F002259C000382265

A-6, Mazdock, 74/6, J P Road, Seven Bungalows, Andheri (W), Mumbai- 400061
M : 9920124310 email: hpsanghvico@gmail.com

ANNEXURE- B

The Members,
CAPRI GLOBAL HOUSING FINANCE LIMITED
502, Tower A, Peninsula Business Park,
Senapati Bapat Marg, Lower Parel,
Mumbai- 400013

My report of even date is to be read along with this letter:

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.

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

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

4. Whenever required, I have obtained the management representation about the compliance of laws, rules and regulations and major events during the audit period. Due to ongoing COVID19 pandemic and consequent lock-down imposed, I could not verify the compliance documents physically for the period under review and the reliance has been placed on the scanned documents obtained through electronic mode.

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

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

Place: Mumbai
Date: 27th May, 2021

HARESH SANGHVI COP 3675 FCS 2259

Haresh Sanghvi
Practicing Company Secretary
FCS No.: 2259/CoP No.: 3675
UDIN: F002259C000382265

Annexure IV

Annual Report on CSR Activities for Financial Year 2020-2021

1. Brief outline on CSR Policy of the Company.

   At Capri Global Housing Finance Limited (CGHFL), we have always viewed CSR as an instrument for impactful transformation, and not an obligation that needs to be complied with. Over the years, we have developed a strong culture of caring and giving back to the society, which fit together with our core business.

   The CSR projects of the Company are focused on communities that are disadvantaged, vulnerable and marginalized. The Company strives to contribute positively to improve their standard of living, through its interventions in sustainable skill development, water harvesting and education.

   The Company's CSR Policy framework details the mechanisms for undertaking various programmes in accordance with Section 135 of the Companies Act, 2013 (the Act) for the benefit of the community.

   Sustainable Livelihood Enhancement Project – Initiatives majorly includes enlisting, refurbishing/ construction/ lifting of water resources for agricultural and potable, Empowering farmers by providing them training on good agricultural practices and agricultural supplies to ensure livelihood and also providing alternate livelihoods to marginal farmers and SHGs, activation and strengthen of VHNSC and Mata Samitis and promotion of behavioural change communication in the community, all these key initiatives

   Education - Includes promoting learning enhancement amongst children, in schools, activation and strengthen of SMC and other infrastructure in Zilla Parishad (ZP) schools to make them child friendly.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Beni Prasad Rauka	Chairman of the Committee	2	2

2	Ms. Bhagyam Ramani	Member	2	2
3	Mr. Rajesh Sharma	Member	2	1

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

https://caprihomeloans.com/assets/pdf/CGHFL_CSR_POLICY.pdf

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report) - NA

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any - NA

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
1	--	--	--
	Total	--	--

6. Average net profit of the company as per section 135(5).

The average net profit of the Company for the last three financial years is **Rs.1648.09 Lakhs**.

7. (a) Two percent of average net profit of the company as per section 135(5)

Rs. 32.96 Lakhs.

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.

NA

(c) Amount required to be set off for the financial year, if any

NA

(d) Total CSR obligation for the financial year (7a+7b-7c).

The Company was required to spend an amount of **Rs 32.96 Lakhs** during the financial year 2020-21

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	**Amount Unspent (in Rs.)**				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		**Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).**		
	Amount.	**Date of transfer.**	**Name of the Fund**	**Amount.**	**Date of transfer.**
Rs. 24.39 Lakhs spent towards various activities for the benefit of the community.	**Rs. 8.57 Lakhs**	30-04-2021	--	--	--

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	**(2)**	**(3)**	**(4)**	**(5)**		**(6)**	**(7)**	**(8)**	**(9)**	**(10)**	**(11)**	
Sl. No.	**Name of the Project.**	**Item from the list of activities in Schedule VII to the Act.**	**Local area (Yes/No).**	**Location of the project.**		**Project duration.**	**Amount allocated for the project (Rs. In lakhs)**	**Amount spent in the current financial Year (in Rs.).**	**Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).**	**Mode of Implementation - Direct (Yes/No).**	**Mode of Implementation - Through Implementing Agency**	
				State.	**District.**						**Name**	**CSR Registration number.**
1.	Capri Education Initiative - Scholarship programme,	Clause (ii) of Schedule VII Promoting Education	Yes	Maharashtra	Mumbai, Thane		4.16	0.59	3.57	Yes	1) Capri Foundation	

	Supported candidates -8 **Nos**											
2.	Capri Livelihood Development and Women Empowerment - Promotion of Entrepreneurship and sustainable agriculture practices Supported Candidates – Nos: **2 Hamlets- 700+ beneficiaries**	Clause (ii) of Schedule VII Promoting gender equality and empowering women, Water conservation and agriculture, Allied livelihoods, Rural Development	Yes	Maharashtra	Palghar		20.00	15.00	5.00	No	1) Aroehan	
3.	Contribution to the Corpus of Capri Foundation towards CSR activities as per the focus areas and program areas listed in CSR Policy of CGHFL	Areas specified under Schedule VII of the Companies Act, 2013					8.80	8.80	--	Yes	1) Capri Foundation	
	Total						32.96	24.39	8.57			

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year: **NA**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	**Name of the Project**	**Item from the list of activities in schedule VII to the Act.**	**Local area (Yes/ No).**	**Location of the project.**		**Amount spent for the project (in Rs.).**	**Mode of implementation - Direct (Yes/No).**	**Mode of implementation - Through implementing agency.**	
				State.	**District.**			**Name.**	**CSR registration number.**
	Total								

(d) Amount spent in Administrative Overheads: **NA**

(e) Amount spent on Impact Assessment, if applicable: **NA**

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): **Rs. 24.39 Lakhs**.

(g) Excess amount for set off, if any: NA

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	--
(ii)	Total amount spent for the Financial Year	--
(iii)	Excess amount spent for the financial year [(ii)-(i)]	--
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	--
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	--

9. (a) Details of Unspent CSR amount for the preceding three financial years: NA

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs).	Date of transfer.	
1.							
2.							
3.							
	Total						

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): NA

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial Year (in Rs).	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed /Ongoing.
1								
2								
3								
	Total							

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year **(asset-wise details): NA**

(a) Date of creation or acquisition of the capital asset(s).

(b) Amount of CSR spent for creation or acquisition of capital asset.

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Due to COVID 19 pendamic, project assessment process such as conducting field visits and reviews with project participants was delayed, therefore, the Company was not able to spend Rs.8.57 Lacs and the said said amount was transferred to Unspent CSR Account for the year.

Sd/- (Rajesh Sharma) Managing Director DIN: 00020037	Sd/- (Beni Prasad Rauka) Chairman of CSR Committee DIN: 00295213

Annexure V

Details pertaining to employees pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sr. No	Particulars		Relevant details
i.	The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2020-21	-	Mr. Rajesh Sharma (Managing Director) - No salary drawn due to Covid situation in FY 2020-21.
ii.	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	-	**Directors:** 1) Mr. Rajesh Sharma (Managing Director) - NIL **Key Managerial Personnel:** Mr. Raj Ahuja[1], Chief Financial Officer - NA * Mr. Ashish Gupta[2], Chief Financial Officer - NA* Mr. Harish Agrawal[3], Company Secretary - NA * Mr. Abhishekh Kanoi[4], Company Secretary - NA *
iii.	The percentage increase in the median remuneration of employees in the financial year	-	No Annual Appraisal due to Covid situation in FY 2020-21
iv.	The number of permanent employees on the rolls of Company	-	252 employees as on 31.03.2021 (262 employees as on 31.03.2020)
v.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	-	Average increase in salary of eligible employees other than managerial personnel is NA. Remuneration of Managing Director was not increased during FY 2020-21.
vi.	It is hereby affirmed that the remuneration is paid as per the Remuneration Policy for the Directors, Key Managerial Personnel and employees		

[1]*Mr. Raj Ahuja appointed as Chief Financial Officer of the Company with effect from December 22, 2020*
[2]*Mr. Ashish Gupta ceased to be Chief Financial Officer of the Company with effect from July 8, 2020*
[3]*Mr. Harish Agrawal appointed as Company Secretary of the Company with effect from November 7, 2020*
[4]*Mr. Abhishek Kanoi ceased to be* Company Secretary *of the Company with effect from November 6, 2020*

** Remuneration does not include variable pay.*

Note:
Employee performance is appraised based on the performance of the Company during the previous year and the change in remuneration is made effective from the beginning of the financial year. The employees are paid revised remuneration on June 30 every year.

Independent Auditor's Report
& Financial Statements

2020-21

Deloitte
Haskins & Sells LLP

Chartered Accountants
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Maharashtra, India

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INDEPENDENT AUDITOR'S REPORT

To The Members of Capri Global Housing Finance Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Capri Global Housing Finance Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (the "financial statements"). .

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS")and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw your attention to Note 34 to the Statement, which describes the continuing uncertainty arising from the COVID-19 Pandemic of the Company's financial statements.

Our opinion is not modified in respect of this matter.

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Key Audit Matters

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

Key Audit Matter Description

As at March 31, 2021, loan assets aggregating to ₹ 1,12,206.53 lacs, constituting 75.91% of the Company's total assets and the related impairment provisions amounting to Rs. 1,449.79 lacs including macro-economic overlays on account of COVID. Since the loans and advances form a major portion of the Company's assets, and due to the significance of the judgments used in classifying loans and advances into various stages as stipulated in IND AS 109 and determining related impairment provision requirements, this is considered to be the area that had a greater focus of our overall audit of the Company and a key audit matter.

As part of our risk assessment, we determined that the allowance for ECL on loan assets (including undisbursed commitments) has a high degree of estimation uncertainty, with a potential range of reasonable outcomes for the financial statements.

Management estimates impairment provision using Expected Credit loss model for the loan exposure. Measurement of loan impairment involves application of significant judgement by the management. The most significant judgements are:

- Timely identification and classification of the impaired loans, and
- Determination of probability of defaults (PD) and estimation of loss given defaults (LGD) based on the value of collaterals and relevant factors

The estimation of Expected Credit Loss (ECL) on financial instruments involve significant judgements and estimates. Following are points with increased level of audit focus:

- Classification of assets to stage 1, 2, or 3 using criteria in accordance with Ind AS 109 which also include considering the impact RBI circulars including COVID-19 Regulatory package.
- Accounting interpretations, modelling assumptions and data used to build and run the models;
- Measurement of individual borrowers' provisions including Covid-19 impact assessment of multiple economic scenarios;
- Inputs and Judgements used in determination of management overlay at various asset stages considering the current uncertain economic environment with the range of possible effects unknown to the country arising out of the COVID 19 Pandemic and
- The disclosures made in financial statements for ECL especially in relation to judgements and estimates by the Management in determination of the ECL.

<u>How the Key Audit Matter Was Addressed in the Audit</u>

The audit procedures performed by us included the following:

We examined Board Policy approving methodologies for computation of ECL that address policies, procedures and controls for assessing and measuring credit risk on all lending exposures, commensurate with the size, complexity and risk profile specific to the Company. The parameters and assumptions used and their rationale and basis are clearly documented.

Additionally, we have confirmed that adjustments to the output of the ECL Model is consistent with the documented rationale and basis for such adjustments and that the amount of adjustment has been approved by the Audit Committee of the Board of Directors

- Testing the design and effectiveness of internal controls over the:
  - completeness and accuracy of the Exposure at Default ("EAD") and the classification thereof into stages consistent with the definitions applied in accordance with the policy approved by the Board of Directors including the appropriateness of the qualitative factors to be applied.
  - Accuracy of PD and LGD computed based on Company's past history.
  - where relevant, we used Information System specialists to gain comfort on data integrity and completeness of the aging report based on which the Staging of the loans is done into Stage 1, 2 and 3
  - computation of the ECL including methodology used to determine macro-economic overlays and adjustments to the output of the ECL Model.

- Also, on a sample basis tested:
  - Accuracy of the Days past due computation and the staging thereon.
  - completeness and accuracy of information used in the estimation of the PD and LGD for the different stages depending on the nature of the portfolio.
  - Computation of the PD and LGD based on the underlying data.
  - for exposures determined to be individually impaired, we tested a sample of loans and advances and examined management's estimate of LGD by comparing actual recoveries post the loan asset becoming credit impaired with estimates of LGD.
  - we tested computation of provision for expected credit loss by using PD and LGD (EAD*PD*LGD*) to ensure the correctness of the Company's working.

- We performed an overall assessment of the ECL provision levels at each stage and reasonableness of the management's overlays on account of Covid-19 taking into consideration the Company's portfolio, risk profile, credit risk management practices and the macroeconomic environment.

- We also assessed the disclosures made in relation to the ECL allowance to confirm compliance with the provisions of Ind AS 107.

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

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report and Management Discussion and Analysis, but does not include the financial statements and our auditor's report thereon. The Director's report, Management Discussion and Analysis and Corporate Governance report is expected to be made available to us after the date of this auditor's report.

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

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

- If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

- When we read the Director's report and Management Discussion and Analysis, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

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

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

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

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

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

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

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

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

- The Company has disclosed the impact of pending litigations on its financial position in its financial statements;
- The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses
- There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Anjum A. Qazi
(Partner)
(Membership No. 104968)
(UDIN: 21104968AAAAEG9854)

Place: Mumbai
Date: June 17, 2021

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Report on Internal Financial Controls Over Financial Reporting ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Act.

We have audited the internal financial controls over financial reporting of Capri Global Housing Finance Limited (the "Company") as at March 31, 2021 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

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Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Anjum A. Qazi
(Partner)
(Membership No. 104968)
(UDIN: 21104968AAAAEG9854)

Place: Mumbai
Date: June 17, 2021

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ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

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

(c) According to the information and explanations given to us and the records examined by us, there are no immovable properties, included in property, plant and equipment of the Company and accordingly, the requirement under paragraph 3(i)(c) of the Order is not applicable.

(ii) To the best of our knowledge and according to the information and explanations given to us, the Company does not have any inventory and hence reporting under clause 3(ii) of the Order is not applicable.

(iii) To the best of our knowledge and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act.

(iv) The Company has not granted any loans, made investments or provided guarantees under the provisions of Sections 185 and 186 of the Act and hence reporting under clause 3(iv) of the Order is not applicable.

(v) To the best of our knowledge and according to the information and explanations given to us, the Company has not accepted any public deposit during the year and no order in this respect has been passed by the Company Law Board or National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunals.

(vi) To the best our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, in respect of the services rendered by the Company.

(vii) To the best of our knowledge and according to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax and cess to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax and cess as at 31st March 2021 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax as on 31st March 2021 on account of disputes are given below:-

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount (Rs.)
Income Tax Act, 1961	Regular Assessment u/s 143(3) of the Act	Assessing officer	AY 2008-09	1,95,454
Income Tax Act, 1961	Interest u/s 220(2) of the Act	Assessing officer	AY 2010-11	16,875

There are no dues of Provident Fund, Employees' state insurance, and Goods and Service Tax as on 31st March 2021 on account of disputes.

(viii) To the best of our knowledge and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks and government. The Company has not taken any loan from financial institutions. The Company has not issued any debentures.

(ix) To the best of our knowledge and according to the information and explanations given to us, the money raised by way of the term loans have been applied by the Company during the year for the purposes for which they were raised other than temporary deployment pending application of proceeds. The Company has not raised moneys by way of initial public offer/ further public offer including debt instruments.

(x) To the best of our knowledge and according to the information and explanation given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

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

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3(xiv) of the Order is not applicable to the Company.

(xv) To the best of our knowledge and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with them and hence provisions of section 192 of the Act are not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Anjum A. Qazi
(Partner)
(Membership No. 104968)
(UDIN: 21104968AAAAEG9854)

Place: Mumbai
Date: June 17, 2021

CAPRI GLOBAL HOUSING FINANCE LIMITED
BALANCE SHEET AS AT MARCH 31, 2021

(Amount in INR Millions)

	Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
	ASSETS			
(1)	**Financial assets**			
(a)	Cash and cash equivalents	3	167.77	159.87
(b)	Bank Balances other than (a) above	4	435.69	36.41
(c)	Trade Receivables	5	14.99	-
(d)	Loans	6	11,220.65	8,742.05
(e)	Investments	7	2,805.37	1,120.90
(f)	Other financial assets	8	7.69	6.88
	Total Financial Assets		**14,652.16**	**10,066.11**
(2)	**Non-Financial assets**			
(a)	Current Tax Assets (Net)	9	36.66	5.93
(b)	Deferred tax assets (Net)	10	44.22	31.71
(c)	Investment properties	11	6.67	8.82
(d)	Property, plant and equipment	12	9.90	14.51
(e)	Other intangible assets		16.55	9.18
(f)	Intagible Assets under development		-	1.67
(g)	Other non-financial assets	13	15.65	6.92
	Total Non-Financial Assets		**129.65**	**78.74**
	Total Assets		**14,781.81**	**10,144.85**
	EQUITY AND LIABILITIES			
	LIABILITIES			
(1)	**Financial Liabilities**			
(a)	Payables			
	Trade Payables	14		
	(i) total outstanding dues of micro enterprises and small enterprises		-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		30.76	17.92
	(B) Other Payables			
	(i) total outstanding dues of micro enterprises and small enterprises		-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		14.41	13.00
(b)	Debt Securities	15	248.49	-
(c)	Borrowings (Other than Debt Securities)	16	11,308.48	7,743.12
(d)	Other financial liabilities	17	436.51	40.55
	Total Financial Liabilities		**12,038.65**	**7,814.59**
(2)	**Non-Financial Liabilities**			
(a)	Current Tax Liabilities (Net)	18	68.15	0.17
(b)	Provisions	19	22.53	13.07
(c)	Other non-financial liabilities	20	2.42	1.70
	Total Non-Financial Liabilities		**93.10**	**14.94**
	Total liabilities		**12,131.75**	**7,829.53**
(3)	**EQUITY**			
(a)	Equity	21	607.14	607.14
(b)	Other equity	22	2,042.92	1,708.18
	Total equity		**2,650.06**	**2,315.32**
	Total equity and liabilities		**14,781.81**	**10,144.85**

The accompanying notes are an integral part of the Financial Statements.

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm Registration No.117366W/W-100018)

Anjum A. Qazi
Partner
(Membership No. 104968)

Place: Mumbai
Date: June 17, 2021

For and on behalf of the Board of Directors

(Rajesh Sharma)
Managing Director
DIN 00020037

(Beni Prasad Rauka)
Independent Director
DIN 00295213

(Raj Ahuja)
Chief Financial Officer

(Harish Agrawal)
Company Secretary

Place: Mumbai
Date: 27th May 2021

CAPRI GLOBAL HOUSING FINANCE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

(Amount in INR Millions)

	Particulars	Note	Period ended March 31, 2021	Period ended March 31, 2020
	Revenue from Operations			
(i)	Interest Income	23	1,391.46	1,264.84
(ii)	Fees Income	24	8.84	21.44
(iii)	Net Gain on fair value changes	25	109.55	28.65
(iv)	Other operating income	26	107.68	63.74
(I)	**Total Revenue from Operations**		**1,617.53**	**1,378.67**
(II)	**Other Income**	27	18.65	16.03
(III)	**Total Income (I+II)**		**1,636.18**	**1,394.70**
	Expenses			
(i)	Finance costs	28	801.85	668.30
(ii)	Impairment on financial instruments	29	81.99	45.11
(iii)	Employee benefit expense	30	167.96	212.25
(iv)	Depreciation and amortisation expense		19.83	23.11
(v)	Other expenses	31	136.69	134.29
(vi)	**Total expenses**		**1,208.32**	**1,083.06**
(IV)	**Profit/(Loss) before Tax (III - IV)**		**427.86**	**311.64**
	Tax expense			
	- Current tax		105.88	79.45
	- Deferred tax		(12.50)	(10.15)
	- Income Tax Pertaining to earlier year		-	(0.98)
(VI)	**Total tax expense**		**93.38**	**68.32**
(VII)	**Net Profit / (Loss) After Tax (V - VI)**		**334.48**	**243.32**
(VIII)	**Other comprehensive income**	32		
	(i) Items that will not be reclassified to profit or loss Remeasurement of defined benefit plans		0.37	(0.14)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(0.08)	0.04
	Other Comprehensive Income		**0.29**	**(0.10)**
(IX)	**Total comprehensive income (VII + VIII)**		**334.77**	**243.22**
(X)	**Earnings per equity share (Face Value INR 10/- each)**			
	Basic (₹)		5.51	4.01
	Diluted (₹)		5.51	4.01

The accompanying notes are an integral part of the Financial Statements.

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm Registration No.117366W/W-100018)

Anjum A. Qazi
Partner
(Membership No. 104968)

Place: Mumbai
Date: June 17, 2021

For and on behalf of the Board of Directors

(Rajesh Sharma)
Managing Director
DIN 00020037

(Beni Prasad Rauka)
Independent Director
DIN 00295213

(Raj Ahuja)
Chief Financial Officer

(Harish Agrawal)
Company Secretary

Place: Mumbai
Date: 27th May 2021

CAPRI GLOBAL HOUSING FINANCE LIMITED
Statement of Cash Flow for the year ended March 31, 2021

(Amount in INR Millions)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Operating activities		
Profit before tax from continuing operations	427.86	311.64
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation & amortisation	19.83	23.11
Impairment on financial instruments	81.99	45.11
Net Gain on financial asset designated at FVPL	(109.55)	(10.22)
Share Based Payments to employees	4.60	-
Interest on Leased Assets	2.60	1.22
Loss On Sale Of Fixed Assets	0.06	0.15
Operating Profit before working capital changes	**427.39**	**371.01**
Working capital changes		
Loans	(2,556.24)	(1,055.37)
Trade receivables	(15.80)	41.28
Other Non-financial Assets	(8.73)	(0.04)
Trade payables	9.64	(3.19)
Other financial & Non Financial liability	390.10	(265.41)
Provisions	5.47	2.61
Cash flows used in operating activities	**(1,748.16)**	**(909.11)**
Income tax paid	(68.71)	(62.50)
Net cash flows used in operating activities	**(1,816.86)**	**(971.61)**
Investing activities		
Purchase of fixed and intangible assets	(5.68)	(5.15)
Proceeds from sale of property and equipment	0.09	(0.98)
Proceeds from sale of Investment Properties	2.15	2.15
(Increase)/Decrease in Fixed deposit not considered as cash and cash equivalent	(399.29)	41.59
Purchase of investment	(1,574.93)	(1,110.68)
Net cash flows used in investing activities	**(1,977.66)**	**(1,073.06)**
Financing activities		
Payments for the principal portion of the lease liability	(8.82)	(9.69)
Payments for the interest portion of the lease liability	(2.60)	(1.22)
Borrowings & debt securities issued	3,813.85	979.38
Net cash flows from financing activities	**3,802.43**	**968.46**
Net increase/ (decrease) in cash and cash equivalents	7.90	(1,076.21)
Cash and cash equivalents at the beginning of year	159.87	1,236.08
Cash and cash equivalents at the end of the year (refer Note 3)	**167.77**	**159.87**
1. Operational cash flows from interest and dividends		
Interest paid	788.66	668.20
Interest received	1,375.00	1,254.27
Dividend received	-	-

2. Cash flows arising on account of taxes on income are not specifically bifurcated with respect to investing & financing activities.
3. Previous Years figures have been regrouped, wherever necessary to confirm to current year's classification.
4. Figures in brackets represent outflows.

The accompanying notes are an integral part of the Financial Statements.

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm Registration No.117366W/W-100018)

Anjum A. Qazi
Partner
(Membership No. 104968)

Place: Mumbai
Date: June 17, 2021

For and on behalf of the Board of Directors

(Rajesh Sharma)
Managing Director
DIN 00020037

(Beni Prasad Rauka)
Independent Director
DIN 00295213

(Raj Ahuja)
Chief Financial Officer

(Harish Agrawal)
Company Secretary

Place: Mumbai
Date: 27th May 2021

CAPRI GLOBAL HOUSING FINANCE LIMITED
STATEMENT OF CHANGES IN EQUITY AS AT MARCH 31, 2021

A. EQUITY SHARE CAPITAL

(Amount in INR Millions)

As at April 01, 2019	Changes in equity share capital during the year 2019-20	As at March 31, 2020	Changes in equity share capital during the year 2020-21	As at March 31, 2021
607.14	-	607.14	-	607.14

B. OTHER EQUITY

(Amount in INR Millions)

	Reserves and Surplus				Other Comprehensive Income	Total
	Securities Premium	Retained Earnings	Employee Share Option Outstanding	Statutory Reserve under Section 29C of the National Housing Bank Act, 1987	Employee Benefit Expenses (Gratuity - OCI)	
Balance as at April 1, 2019	**1,142.86**	**280.20**	**-**	**42.10**	**(0.21)**	**1,464.95**
Addition during the year	-	243.32	-	49.00	(0.09)	**292.23**
Reduction during the year	-	(49.00)	-			**(49.00)**
Balance as at April 1, 2020	**1,142.86**	**474.52**	**-**	**91.10**	**(0.30)**	**1,708.18**
Addition during the year	-	334.48	-	67.20	0.26	**401.94**
Reduction during the year	-	(67.20)	-			**(67.20)**
Balance as at March 31, 2021	**1,142.86**	**741.80**	**-**	**158.30**	**(0.04)**	**2,042.92**

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm Registration No.117366W/W-100018)

Anjum A. Qazi
Partner
(Membership No. 104968)

Place: Mumbai
Date: June 17, 2021

For and on behalf of the Board of Directors

(Rajesh Sharma)
Managing Director
DIN 00020037

(Beni Prasad Rauka)
Independent Director
DIN 00295213

(Raj Ahuja)
Chief Financial Officer

(Harish Agrawal)
Company Secretary

Place: Mumbai
Date: 27th May 2021

Capri Global Housing Finance Limited
Notes forming part of Financial Statements

1. Corporate Information

Capri Global Housing Finance Limited (the Company) having principal place of business at Registered office, 502, Tower A, Peninsula Business Park, Senapati Bapat Marg, Lower Parel, Mumbai - 400013 is engaged in the business of providing loans primarily to customers for purchase / construction / repair and renovation of residential property. The Company holds registration certificate No. 07.0139.16 with National Housing Bank under section 29A of the National Housing Bank Act, 1987 dated 18th July 2016

The financial statements for the year ended March 31, 2021 were authorised for issue in accordance with a resolution of the board of directors on May 27, 2021.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time). The financial statements have been prepared under the historical cost convention, as modified by the application of fair value measurements required or allowed by relevant Accounting Standards. Accounting policies have been consistently applied to all periods presented, unless otherwise stated.

The preparation of financial statements requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosed amount of contingent liabilities. Areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the Company are discussed in Note 2.15-Significant accounting judgements, estimates and assumptions.

The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest Millions, except when otherwise indicated.

2.2. Presentation of financial statement

The financial statements of the Company are presented as per Schedule III (Division III) of the Companies Act, 2013, as notified by the Ministry of Corporate Affairs (MCA). Financial assets and financial liabilities are generally reported on a gross basis except when, there is an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event and the parties intend to settle on a net basis in the following circumstances:

i. The normal course of business
ii. The event of default
iii. The event of insolvency or bankruptcy of the Company and/or its counterparties

2.3. Statement of compliance

The financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period as explained in the accounting policies below and the relevant provisions of the Act.

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

2.4 Financial instruments

(i) Classification of financial instruments

The Company classifies its financial assets into the following measurement categories:

1. Financial assets to be measured at amortised cost
2. Financial assets to be measured at fair value through other comprehensive income
3. Financial assets to be measured at fair value through profit or loss account

The classification depends on the contractual terms of the financial assets' cash flows and the Company's business model for managing financial assets which are explained below:

Business model assessment

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

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

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel
- The risks that affect the performance of the business model (and the financial assets held within that business model) and the way those risks are managed
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)
- The expected frequency, value and timing of sales are also important aspects of the Company's assessment. The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

The Solely Payments of Principal and Interest (SPPI) test

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

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

In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss

The Company classifies its financial liabilities at amortised costs unless it has designated liabilities at fair value through the profit and loss account or is required to measure liabilities at fair value through profit or loss such as derivative liabilities.

(ii) Financial assets measured at amortised cost

Debt instruments

These financial assets comprise bank balances, receivables, investments and other financial assets. Debt instruments are measured at amortised cost where they have:

a) contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and
b) are held within a business model whose objective is achieved by holding to collect contractual cash flows.

These debt instruments are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost.

(iii) Financial assets measured at fair value through other comprehensive income (FVTOCI)

Debt instruments

Investments in debt instruments are measured at fair value through other comprehensive income where they have:

a) contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and
b) are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

These debt instruments are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at fair value. Gains and losses arising from changes in fair value are included in other comprehensive income within a separate component of equity. Impairment losses or reversals, interest revenue and foreign exchange gains and losses are recognised in Profit and Loss. Upon disposal, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the statement of profit and loss.

Equity instruments

Investment in equity instruments that are neither held for trading nor contingent consideration recognised by the Company in a business combination to which Ind AS 103 'Business Combination' applies, are measured at fair value through other comprehensive income, where an irrevocable election has been made by management and when such instruments meet the definition of definition of Equity under Ind AS 32 *Financial Instruments*: *Presentation.* Such classification is determined on an instrument-by-instrument basis. As at reporting date, there are no equity instruments measured at FVTOCI.

Amounts presented in other comprehensive income are not subsequently transferred to profit or loss. Dividends on such investments are recognised in Profit or Loss.

(iv) Items at fair value through profit or loss (FVTPL)

Items at fair value through profit or loss comprise:
- Investments (including equity shares) held for trading;
- Items specifically designated as FVTPL on initial recognition; and
- debt instruments with contractual terms that do not represent solely payments of principal and interest.

Financial instruments held at FVTPL are initially recognised at fair value, with transaction costs recognised in the statement of profit and loss as incurred. Subsequently, they are measured at fair value and any gains or losses are recognised in the statement of profit and loss as they arise.

Financial instruments held for trading
A financial instrument is classified as held for trading if it is acquired or incurred principally for selling or repurchasing in the near term, or forms part of a portfolio of financial instruments that are managed together and for which there is evidence of short-term profit taking, or it is a derivative not in a qualifying hedge relationship.
Trading derivatives and trading securities are classified as held for trading and recognised at fair value.
No Trading derivatives were undertaken until the year ended March 31, 2021
Financial instruments designated as measured at FVTPL
Upon initial recognition, financial instruments may be designated FVTPL. A financial asset may only be designated at FVTPL if doing so eliminates or significantly reduces measurement or recognition inconsistencies (i.e. eliminates an accounting mismatch) that would otherwise arise from measuring financial assets or liabilities on a different basis.

A financial liability may be designated at FVTPL if it eliminates or significantly reduces an accounting mismatch or:
- if a host contract contains one or more embedded derivatives; or
- if financial assets and liabilities are both managed, and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Where a financial liability is designated at FVTPL, the movement in fair value attributable to changes in the Company's own credit quality is calculated by determining the changes in credit spreads above observable market interest rates and is presented separately in other comprehensive income. As at the reporting date, the Company has not designated any financial instruments as measured at fair value through profit or loss.

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

(vi) Reclassification

If the business model under which the Company holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that result in reclassifying the Company's financial assets. Changes in contractual cash flows are considered under the accounting policy on Modification and derecognition of financial assets described below.

(vii) Recognition and Derecognition of financial assets and liabilities

Recognition:

a) Loans and Advances are initially recognised when the Financial Instruments are transferred to the customers.
b) Investments are initially recognised on the settlement date.
c) Debt securities, deposits and borrowings are initially recognised when funds reach the Company.
d) Other Financial assets and liabilities are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

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

The Company derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes, unless the new loan is deemed to be Purchased or Originated as Credit Impaired (POCI).
If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Company records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

Derecognition of financial assets other than due to substantial modification

a) Financial assets:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Company also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.
The Company has transferred the financial asset if, the Company has transferred its contractual rights to receive cash flows from the financial asset
A transfer only qualifies for derecognition if either:

i. The Company has transferred substantially all the risks and rewards of the asset, or
ii. The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

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

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

b) Financial liabilities

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

(viii) Impairment of financial assets

Overview of the ECL principles

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

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

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

Both Lifetime ECLs and 12-month ECLs are calculated on either an individual basis or a collective basis. The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Company does the assessment of significant increase in credit risk at a borrower level. If a borrower has various facilities having different past due status, then the highest days past due (DPD) is considered to be applicable for all the facilities of that borrower.

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

Stage 1

All exposures where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date and that are not credit impaired upon origination are classified under this stage. The Company classifies all standard advances and advances up to 0-29 days default under this category. Stage 1 loans also include facilities where the credit risk has improved, and the loan has been reclassified from Stage 2.

Stage 2

All exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired are classified under this stage. Financial assets past due for 30-89 days are classified under this stage. Stage 2 loans also include facilities where the credit risk has improved, and the loan has been reclassified from Stage 3.

Stage 3
All exposures assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred are classified in this stage. For exposures that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount. 90 days Past Due is considered as default for classifying a financial instrument as credit impaired. If an event (for eg. any natural calamity) warrants a provision higher than as mandated under ECL methodology, the Company may classify the financial asset in Stage 3 accordingly.

<u>Credit-impaired financial assets:</u>
At each reporting date, the company assesses whether financial assets carried at amortised cost and debt financial assets carried at FVTOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.
Evidence that a financial asset is credit-impaired includes the following observable data:
a) Significant financial difficulty of the borrower or issuer;
b) A breach of contract such as a default or past due event;
c) The restructuring of a loan or advance by the company on terms that the company would not consider otherwise;
d) It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
e) The disappearance of an active market for a security because of financial difficulties.

ECL on Debt instruments measured at fair value through OCI
The ECLs for debt instruments measured at FVTOCI do not reduce the carrying amount of these financial assets in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognised in OCI is recycled to the statement of Profit and Loss upon derecognition of the assets.

<u>The mechanics of ECL:</u>
The Company calculates ECLs based on probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to the Company in accordance with the contract and the cash flows that the Company expects to receive.

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

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

Exposure at Default (EAD) - The Exposure at Default is an estimate of the exposure including interest accrued thereon at a future default date and also including the undrawn commitments.

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

Forward looking information

While estimating the expected credit losses, the Company reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the Company analyses if there is any relationship between key economic trends like GDP, unemployment rates, benchmark rates set by the Reserve Bank of India, inflation etc. with the estimate of PD, LGD determined by the Company based on its internal data. While the internal estimates of PD, LGD rates by the Company may not be always reflective of such relationships, temporary overlays, if any, are embedded in the methodology to reflect such macro-economic trends reasonably.

Collateral Valuation

To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible. The collateral comes in various forms, such as the underlying asset financed, cash, securities, letters of credit/guarantees, etc. However, the fair value of collateral affects the calculation of ECLs. To the extent possible, the Company uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using models.

Collateral repossessed

In its normal course of business, the Company does not physically repossess properties or other assets in its retail portfolio, but engages its employees to recover funds, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, assets under legal repossession processes are not recorded on the balance sheet.

(ix) Write-offs

The Company reduces the gross carrying amount of a financial asset when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjected to write-offs. Any subsequent recoveries against such loans are credited to the Statement of Profit and Loss.

(x) Determination of fair value

On initial recognition, all the financial instruments are measured at fair value. For subsequent measurement, the Company measures certain categories of financial instruments (as explained in note. at fair value on each balance sheet date.
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

i. In the principal market for the asset or liability, or
ii. In the absence of a principal market, in the most advantageous market for the asset or liability

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

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.
The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.
In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

Level 1 financial instruments - Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

Level 2 financial instruments - Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Company will classify the instruments as Level 3.

Level 3 financial instruments - Those that include one or more unobservable input that is significant to the measurement as whole.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Difference between transaction price and fair value at initial recognition

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price (i.e. the fair value of the consideration given or received) unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets. When such evidence exists, the Company recognises the difference between the transaction price and the fair value in profit or loss on initial recognition (i.e. on day one).

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Company recognises the difference between the transaction price and fair value in net gain on fair value changes. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is not recognised at the initial recognition stage.

2.5 Revenue from operations

(i) Interest Income

Interest income is recognised by applying (EIR) to the gross carrying amount of financial assets other than credit-impaired assets and financial assets classified as measured at FVTPL, taking into account the amount outstanding and the applicable interest rate. Interest income is recognised on non-performing assets at net of ECL.

The EIR is computed

a. As the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset to the gross carrying amount of a financial asset
b. By considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) in estimating the cash flows
c. Including all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows is recognised in interest income with the corresponding adjustment to the carrying amount of the assets.

(ii) Dividend Income

Dividend income is recognised when the right to receive the payment is established.

(iii) Fees & Commission Income

Fees and commissions are recognised when the Company satisfies the performance obligation, at fair value of the consideration received or receivable.

(iv) Net gain on Fair value changes

Any differences between the fair values of financial assets classified as FVTPL held by the Company on the balance sheet date is recognised as an unrealised gain / loss. In cases there is a net gain in the aggregate, the same is recognised in "Net gains on fair value changes" under Revenue from operations and if there is a net loss the same is disclosed as "Net loss on fair value changes" under Expenses in the Statement of Profit and Loss.

Similarly, any realised gain or loss on sale of financial instruments measured at FVTPL and debt instruments measured at FVOCI is recognised in net gain / loss on fair value changes.

However, Net gain / loss on derecognition of financial instruments classified as amortised cost is presented separately under the respective head in the Statement of Profit and Loss.

(V) Loan Processing Fees

Loan processing fees on loans is collected towards processing of loan, this is amortised on EIR basis over the contractual life of the loan.

2.6 Expenses

(i) Finance costs

Finance costs on borrowings is paid towards availing of loan, is amortised on EIR basis over the contractual life of loan.

The EIR in case of a financial liability is computed

a. As the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the gross carrying amount of the amortised cost of a financial liability.
b. By considering all the contractual terms of the financial instrument in estimating the cash flows
c. Including all fees paid between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows is recognised in interest expense with the corresponding adjustment to the carrying amount of the liability.

Interest expense includes issue costs that are initially recognized as part of the carrying value of the financial liability and amortized over the expected life using the effective interest method. These include fees and commissions payable to advisers and other expenses such as external legal costs, Rating Fee etc, provided these are incremental costs that are directly related to the issue of a financial liability.

(ii) Retirement and other employee benefits

Short term employee benefit

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include short term compensated absences such as paid annual leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised as an expense during the period. Benefits such as salaries and wages, etc. and the expected cost of the bonus/ex-gratia are recognised in the period in which the employee renders the related service.

Post-employment employee benefits

a) Defined contribution schemes

All the eligible employees of the Company who have opted to receive benefits under the Provident Fund and Employees State Insurance scheme, defined contribution plans in which both the employee and the Company contribute monthly at a stipulated rate. The Company has no liability for future benefits other than its annual contribution and recognises such contributions as an expense in the period in which employee renders the related service. If the contribution payable to the scheme for service received before the Balance Sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the Balance Sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

b) Defined Benefit schemes

The Company provides for the gratuity, a defined benefit retirement plan covering all employees. The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated years mentioned under 'The Payment of Gratuity Act, 1972'. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation, carried out by an independent actuary at each Balance Sheet date, using the Projected Unit Credit Method, which recognizes each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government Securities as at the Balance Sheet date.

Net interest recognized in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognized as part of re-measurement of net defined liability or asset through other comprehensive income. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, attrition rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The Company fully contributes all ascertained liabilities to The Trustees – "Money Matters Securities Private Limited Employee Group Gratuity Assurance Scheme". Trustees administer contributions made to the trust and contributions are invested in a scheme of insurance with the IRDA approved Insurance Companies.

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

Other long-term employee benefits

Company's liabilities towards compensated absences to employees are accrued on the basis of valuations, as at the Balance Sheet date, carried out by an independent actuary using Projected Unit Credit Method. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the Statement of Profit and Loss.

The Company presents the Provision for compensated absences under provisions in the Balance Sheet.

(iii) Leases Rent

The Company leases most of its office facilities under operating lease agreements that are renewable on a periodic basis at the option of the lessor and the lessee. The lease agreements contain rent free periods and rent escalation clauses.

The Company assesses whether a contract contains a lease at the inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company assesses whether: (i) the contract involves the use of an identified asset, (ii) the company has substantially all of the economic benefits from the use of the asset through the period of the lease, and (iii) the company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a ROU asset and a corresponding lease liability for all lease arrangements under which it is a lessee, except for short-term leases and low value leases. ROU assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. For short-term leases and low value leases, the Company recognizes the lease payments as an expense on a straight-line basis over the term of the lease.

The lease arrangements include options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are depreciated from the date of commencement of the lease on a straight-line basis over the shorter of the lease term and the useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. For leases under which the rate implicit in the lease is not readily determinable, the Company uses its incremental borrowing rate based on the information available at the date of commencement of the lease in determining the present value of lease payments. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment as to whether it will exercise an extension or a termination option.

(iv) Other income and expenses

The Company leases most of its office facilities under operating lease agreements that are renewable on a periodic basis at the option of the lessor and the lessee. The lease agreements contain rent free periods and rent escalation clauses.

The Company assesses whether a contract contains a lease at the inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company assesses whether: (i) the contract involves the use of an identified asset, (ii) the company has substantially all of the economic benefits from the use of the asset through the period of the lease, and (iii) the company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a ROU asset and a corresponding lease liability for all lease arrangements under which it is a lessee, except for short-term leases and low value leases. ROU assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. For short-term leases and low value leases, the Company recognizes the lease payments as an expense on a straight-line basis over the term of the lease.

The lease arrangements include options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are depreciated from the date of commencement of the lease on a straight-line basis over the shorter of the lease term and the useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. For leases under which the rate implicit in the lease is not readily determinable, the Company uses its incremental borrowing rate based on the information available at the date of commencement of the lease in determining the present value of lease payments. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment as to whether it will exercise an extension or a termination option.

(iv) Other income and expenses

All Other income and expense are recognized in the period they occur.

(v) Impairment of non-financial assets
The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets, net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

(vi) Taxes

Current Tax
Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date in the countries where the Company operates and generates taxable income.
Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax
Deferred tax assets and liabilities are recognised for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are only recognised for temporary differences, unused tax losses and unused tax credits if it is probable that future taxable amounts will arise to utilise those temporary differences and losses. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and they relate to income taxes levied by the same tax authority on the same taxable entity.

Minimum Alternate Tax (MAT)
Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that it is probable 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 recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative 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 specified period.
Goods and services tax /service tax/value added taxes paid on acquisition of assets or on incurring expenses
Expenses and assets are recognised net of the goods and services tax/service tax/value added taxes paid, except:

i. When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
ii. When receivables and payables are stated with the amount of tax included

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

2.7 Foreign currency translation
(i) Functional and presentational currency
The standalone financial statements are presented in Indian Rupees which is also functional currency of the Company and the currency of the primary economic environment in which the Company operates.

(ii) Transactions and balances

Initial recognition:
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Conversion:
Monetary assets and liabilities denominated in foreign currency, which are outstanding as at the year-end, are translated at the year-end at the closing exchange rate and the resultant exchange differences are recognised in the Statement of Profit and Loss.

Non–monetary items that are measured at historical cost in a foreign currency are translated using the spot exchange rates as at the date of recognition.

2.8 Cash and cash equivalents
Cash and cash equivalents comprise the net amount of short-term, highly liquid investments that are readily convertible to known amounts of cash (short-term deposits with an original maturity of three months or less) and are subject to an insignificant risk of change in value. They are held for the purposes of meeting short-term cash commitments (rather than for investment or other purposes).

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

2.9 Property, plant and equipment

Property, plant and equipment (PPE) are measured at cost less accumulated depreciation and accumulated impairment, (if any). The total cost of assets comprises its purchase price, freight, duties, taxes and any other incidental expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

Subsequent expenditure related to an item of tangible asset are added to its gross value only if it increases the future benefits of the existing asset, beyond its previously assessed standards of performance and cost can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

Depreciation

Depreciation is calculated using the written down value method to write down the cost of property and equipment to their residual values over their estimated useful lives which is in line with the estimated useful life as specified in Schedule II of the Act. The estimated useful lives are as prescribed by Schedule II of the Act. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

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

2.10 Intangible assets

An intangible asset is recognised only when its cost can be measured reliably, and it is probable that the expected future economic benefits that are attributable to it will flow to the Company.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of an intangible asset comprises its purchase price and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life, or the expected pattern of consumption of future economic benefits embodied in the asset, are accounted for by changing the amortisation period or methodology, as appropriate, which are then treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is presented as a separate line item in the statement of profit and loss. Amortisation on assets acquired/sold during the year is recognised on a pro-rata basis to the Statement of Profit and Loss from / upto the date of acquisition/sale.

Amortisation is calculated using the straight–line method to write down the cost of intangible assets to their residual values over their estimated useful lives. Intangible assets comprising of software are amortised on a straight-line basis over a period of 3 years, unless it has a shorter useful life.

Gains or losses from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

ROU assets are depreciated from the date of commencement of the lease on a straight-line basis over the shorter of the lease term and the useful life of the underlying asset.

2.11 Investment Property

Properties, held to earn rentals and/or capital appreciation are classified as investment property and measured and reported at cost, including transaction costs. For transition to Ind AS, the company has elected to adopt as deemed cost, the carrying value of investment property as per Indian GAAP less accumulated depreciation and cumulative impairment (if any) as on the transition date of April 1, 2017.

Depreciation is recognised using straight line method so as to write off the cost of the investment property less their residual values over their useful lives specified in Schedule II to the Act, or in case of assets where the useful life was determined by technical evaluation, over the useful life so determined. Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future benefits embodied in the investment property. The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life/residual value is accounted on prospective basis.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of property is recognised in the Statement of Profit and Loss in the same period.

2.12 Provisions

Provisions are recognised when the enterprise has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

When the effect of the time value of money is material, the enterprise determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the Statement of Profit and Loss net of any reimbursement.

2.13 Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

2.14 Earning Per Share

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividend and attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

2.15. Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised, and future periods are affected. 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.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

(i) Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(ii) Impairment of loans portfolio

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.
It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust as and when necessary.

(iii) Effective Interest Rate (EIR) method

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

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

(iv) Lease accounting

The Company determines the lease term as the non-cancellable period of a lease including any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to operations, taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

The Company has applied an incremental borrowing rate for the purpose of computing lease liabilities based on the rate prevailing in respective geographies.

2.16 Operating Cycle

Based on the nature of products/activities of the company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the company has determined its operating cycle as 12 months.

Note-3 CASH AND CASH EQUIVALENTS

(Amount in INR Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Cash on hand	5.53	0.71
(ii) Balances with banks:		
- In Current Accounts	162.24	159.16
- In Deposit accounts with original maturity of 3 months or less	-	-
Total	**167.77**	**159.87**

Note-4 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(Amount in INR Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
In other Deposit accounts		
- original Maturity more than 3 months (Refer note below)	435.69	36.41
Total	**435.69**	**36.41**

Out of above Rs. 185.67 Mio balance in deposit accounts with banks are being earmarked towards Borrowing from national Housing Bank
Deposits are made for varying period from 7 days to 10 years and earn interest at the respective fixed rates

Note-5 TRADE RECEIVABLES

(Amount in INR Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, Considered good		
-Outstanding for a period exceeding six months from the due date of payment	-	-
-Outstanding for a period less than six months	14.99	-
Total	**14.99**	**-**

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days. The Company has assessed that, the impact of impairment of trade receivables is immaterial and hence no impairment loss has been provided.

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any
trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Note-6 LOANS

(Amount in INR Millions)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Amortised cost	Total	Amortised cost	Total
A				
Housing Loans	11,365.63	11,365.63	8,811.67	8,811.67
Others				
Loan to employees	-	-	0.16	0.16
Total – Gross (A)	**11,365.63**	**11,365.63**	**8,811.83**	**8,811.83**
Less: Expected Credit Loss	(144.98)	(144.98)	(69.78)	(69.78)
Total – Net (A)	**11,220.65**	**11,220.65**	**8,742.05**	**8,742.05**
(a) Secured by tangible assets	11,365.63	11,365.63	8,811.67	8,811.67
(b) Unsecured	-	-	0.16	0.16
Total – Gross (B)	**11,365.63**	**11,365.63**	**8,811.83**	**8,811.83**
Less: Expected Credit Loss	(144.98)	(144.98)	(69.78)	(69.78)
Total – Net (B)	**11,220.65**	**11,220.65**	**8,742.05**	**8,742.05**
(I) Loans in India				
(i) Public Sector	-	-	-	-
(ii) Others	11,365.63	11,365.63	8,811.83	8,811.83
Total (C)- Gross	**11,365.63**	**11,365.63**	**8,811.83**	**8,811.83**
Less: Expected Credit Loss	(144.98)	(144.98)	(69.78)	(69.78)
Total (C) - Net	**11,220.65**	**11,220.65**	**8,742.05**	**8,742.05**

Note 1 - The Company's business model is hold contractual cash flows, being the payment of Principal and Interest, till maturity and accordingly the loans are measured at amortised cost.

Note 2 - Underlying for the term loans secured by tangible assets are properties.

Note-7 INVESTMENTS

(Amount in INR Millions)

Investments	As at March 31, 2021	As at March 31, 2020
	At fair value through profit or loss	At fair value through profit or loss
i) Investments in Mutual funds	2,805.37	1,120.90
Total	**2,805.37**	**1,120.90**
(i) Investments outside India	-	-
(ii) Investments in India	2,805.37	1,120.90
Total	**2,805.37**	**1,120.90**

Particulars	As at March 31, 2021	As at March 31, 2020
	Numbers/Units	Numbers/Units
HDFC Liquid Fund	-	5,123.172
ICICI Prudential Liquid Fund	202,667.697	-
Aditya Birla Sunlife Liquid Fund	150,823.159	219,141.716
Baroda Liquid Fund	12,689.658	-
ICICI Prudential Liquid Fund	328,174.609	1,584,116.027
Kotak Liquid Fund	36,072.829	-
SBI Liquid Fund	31,046.086	22,523.130
UTI Liquid Fund	23,852.064	-
Aditya Birla Sunlife Money Manager Fund	1,395,891.837	-
UTI Money Market Fund	125,600.203	-
Nippon India Money Market Fund	124,459.183	-
ICICI Prudential Ultra Short Fund	8,783,819.418	23,072,613.136
Axis Ultra Short Fund	7,576,459.833	-
ICICI Prudential Savings Fund	574,082.585	-
Kotak Low Duration Fund	36,052.045	-
Aditya Birla Sunlife Floating Rate Fund	483,024.042	-
ICICI Prudential Floating Interest Fund	310,073.137	-
Kotak Short term Fund	3,457,849.027	-
HDFC Corporate Bond	4,370,601.567	-

Note- 8 OTHER FINANCIAL ASSETS

(Amount in INR Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Security Deposits	7.69	6.88
Total	**7.69**	**6.88**

Note-9 CURRENT TAX ASSETS (Net)

(Amount in INR Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Advance Tax (net of provision for tax)	36.66	5.93
Total	**36.66**	**5.93**

Note-10 DEFERRED TAX ASSETS (Net)

The major components of deferred tax assets and liabilities are :

(Amount in INR Millions)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Assets	Liabilities	Assets	Liabilities
a) Depreciation	3.57	-	3.35	-
b) Provisions for Loans	29.10	-	16.24	-
c) Provision for Employee Benefits	2.59	-	1.99	-
d) Carry Forward of Losses	-	-	-	-
e) Amortised Finance Cost	-	1.82	-	2.58
f) Amortised Fees Income	4.32	-	4.48	-
g) Others	0.36	-	0.15	-
h) MAT Credit Entitlement	8.08	-	8.08	-
i) Financial Instruments at FVTPL	-	1.98	-	-
Total	48.02	3.80	34.29	2.58
Net Deferred Tax Asset		**44.22**		**31.71**

Note 11- INVESTMENT PROPERTIES

(Amount in INR Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Investment Properties*	6.67	8.82
Total	**6.67**	**8.82**

Cost of Deemed cost	As at March 31, 2021	As at March 31, 2020
Balance at the beging of the year	8.82	10.97
Addition during the year		
Disposals	2.15	2.15
Balance at the end of the year		
Total	**6.67**	**8.82**

* Investment Properties are in the nature of freehold properties and fair value of the properties is Rs. 25.19 Millions

Note-12 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment

(Amount in INR Millions)

Particulars	GROSS BLOCK				DEPRECIATION AND AMORTISATION				NET BLOCK	
	As at April 01, 2020	Additions/ Modification	Deductions	As at Mar 31, 2021	As at April 01, 2020	For the Year	Deductions	As at March 31, 2021	As at March 31, 2021	As at March 31,2020
Buildings :										
Computer Hardware	25.77	1.51	0.78	26.50	21.85	2.48	0.73	23.60	2.90	3.92
Furniture and Fixtures	8.20	-	0.12	8.08	3.99	1.08	0.07	5.00	3.08	4.21
Office Equipments	9.20	0.02	0.32	8.90	6.10	1.41	0.27	7.24	1.66	3.10
Vehicles	4.68	-	-	4.68	1.54	0.98	-	2.52	2.16	3.14
Electrical Installation	0.30	-	-	0.30	0.16	0.04	-	0.20	0.10	0.14
Total	**48.15**	**1.53**	**1.22**	**48.46**	**33.64**	**5.99**	**1.07**	**38.56**	**9.90**	**14.51**

Other Intangible assets :

Particulars	GROSS BLOCK				DEPRECIATION AND AMORTISATION				NET BLOCK	
	As at April 01,2020	Additions/ Modification	Deductions	As at Mar 31, 2021	As at April 01,2020	For the Year	Deductions	As at March 31, 2021	As at March 31, 2021	As at March 31,2020
Software	4.79	5.82	-	10.61	2.72	4.15	-	6.87	3.74	2.07
		-								
Right of Use*	17.31	15.39		32.70	10.20	9.69		19.89	12.81	7.11
Total	**22.10**	**21.21**	**-**	**43.31**	**12.92**	**13.84**	**-**	**26.76**	**16.55**	**9.18**

*** refer note no. 45**

Property, plant and equipment

(Amount in INR Millions)

Particulars	GROSS BLOCK				DEPRECIATION AND AMORTISATION				NET BLOCK	
	As at April 01,2019	Additions/ Modification	Deductions	As at March 31, 2020	As at April 01,2019	For the Year	Deductions	As at March 31, 2020	As at March 31, 2020	As at March 31,2019
Computer Hardware	25.91	0.24	0.38	25.77	15.50	6.71	0.36	21.85	3.92	10.41
Furniture and Fixtures	8.36	0.13	0.29	8.20	2.61	1.48	0.10	3.99	4.21	5.75
Office Equipments	8.53	0.78	0.11	9.20	3.75	2.42	0.07	6.10	3.10	4.78
Vehicles	2.01	2.67	-	4.68	0.47	1.07	-	1.54	3.14	1.54
Electrical Installation	0.30	-	-	0.30	0.11	0.05	-	0.16	0.14	0.19
Total	**45.11**	**3.82**	**0.78**	**48.15**	**22.44**	**11.73**	**0.53**	**33.64**	**14.51**	**22.67**

Other Intangible assets :

Particulars	GROSS BLOCK				DEPRECIATION AND AMORTISATION				NET BLOCK	
	As at April 01,2019	Additions/ Modification	Deductions	As at March 31, 2020	As at April 01,2019	For the Year	Deductions	As at March 31, 2020	As at March 31, 2020	As at March 31,2019
Software	3.46	1.33	-	4.79	1.53	1.19	-	2.72	2.07	1.93
Right of Use*	-	17.31		17.31	-	10.20		10.20	7.11	-
Total	**3.46**	**18.64**	**-**	**22.10**	**1.53**	**11.39**	**-**	**12.92**	**9.18**	**1.93**

*** refer note no. 45**

Note-13 OTHER NON FINANCIAL ASSETS

(Amount in INR Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Prepaid Expenses	9.12	3.21
Other Assets	3.28	1.56
Advance to Vendor	2.12	0.67
Deferred lease rentals	1.13	1.48
Total	**15.65**	**6.92**

Note-14 TRADE PAYABLES

Trade Payables

(Amount in INR Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	30.76	17.92
Total	**30.76**	**17.92**

Other Payables

(Amount in INR Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Accrued Employee Benefit Expense	14.41	13.00
Total	**14.41**	**13.00**

Note 15. DEBT SECURITIES

(Amount in INR Millions)

Particulars	As at Mar 31, 2021		As at March 31, 2020	
	At Amortised Cost	Total	At Amortised Cost	Total
Non Convertible Debentures	248.49	248.49	-	-
Total (A)	**248.49**	**248.49**	**-**	**-**
Debt securities in India	248.49	248.49	-	-
Debt securities outside India	-	-	-	-
Total (B) to tally with (A)	**248.49**	**248.49**	**-**	**-**

Terms of repayment, nature of security & rate of interest in case of Debt Securities.

Name of Security	Maturity date	Terms of repayment	Coupon/ Interest rate
Series 1 (FV Rs.10 Lacs)	28-01-2022	Bullet payment on maturity	8.00%
		Total	

The above NCD's are secured against first pari-passu charge by way of hypothecation on the loan receivables/book debts, bank balances and investments of the company

Note-16 BORROWINGS (OTHER THAN DEBT SECURITIES) - AT AMORTISED COST

(Amount in INR Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Secured		
Term Loans from Banks*	9,360.32	7,096.87
Term Loans from National Housing Bank**	1,948.16	646.25
Total	**11,308.48**	**7,743.12**
Borrowings in India	11,308.48	7,743.12
Total	**11,308.48**	**7,743.12**

* Exclusive charge by way of hypothecation of Company's loan receivables, bank balances and investments with assets cover of 1.2 times in favour of borrowing from SBI of Rs. 928.50 million.

Borrowings other than above: First pari-passu charge by way of hypothecation of the company's loan receivables / book debts, bank balances and investments with asset cover of 1.10 to 1.25 times and weighted average cost for FY 20-21 is 8.84% p.a. and 9.62% p.a. for FY 19-20.

**Exclusive charge by way of hypothecation of the company's loan receivables / book debts with asset cover of 1.25 to 1.35 times and weighted average cost for FY 20-21 is 7.26% p.a. and 7.89% p.a. for FY 19-20.

Terms of repayment, nature of security & rate of interest in case of Borrowings (Other than Debt Securities)

(Amount in INR Millions)

Name of Security	Maturity date	Terms of repayment	As at March 31, 2021	As at March 31, 2020
Union Bank of India - Term Loan 1	November 30, 2025	Repayable in 28 Equal Quarterly Installment starting from Feb 2019	339.05	410.67
Union Bank of India - Term Loan 2	August 30, 2025	Repayable in 24 Equal Quarterly Installment starting from Nov 2019	149.75	183.16
Union Bank of India - Term Loan 2	September 30, 2025	Repayable in 24 Equal Quarterly Installment starting from Dec 2019	373.68	457.18

Union Bank of India - Term Loan 2	November 30, 2025	Repayable in 24 Equal Quarterly Installment starting from Feb 2020	316.48	383.31
Union Bank of India - Term Loan 2	December 31, 2025	Repayable in 24 Equal Quarterly Installment starting from Mar 2020	316.49	383.32
Union Bank of India - Term Loan 3	September 30, 2027	Repayable in 24 Equal Quarterly Installment starting from Dec 2021	249.95	-
Union Bank of India (Erstwhile known as Andhra Bank) - Term Loan	February 27, 2026	Repayable in 28 Equal Quarterly Installment starting from May 2019	178.57	214.29
State Bank Of India - Term Loan 1	December 31, 2025	Repayable in 28 Equal Quarterly Installment starting from April 2019	338.90	428.57
State Bank Of India - Term Loan 2	October 31, 2027	Repayable in 28 Equal Quarterly Installment starting from Jan 2021	926.80	1,000.00
State Bank Of India - Term Loan 3	June 30, 2025	Repayable in 16 Equal Quarterly Installment starting from Sept 2021	2,000.00	-
YES Bank - Term Loan 1	December 30, 2022	Repayable in 20 Equal Quarterly Installment starting from April 2018	-	30.00
YES Bank - Term Loan 1	April 17, 2023	Repayable in 20 Equal Quarterly Installment starting from July 2018	-	97.50
YES Bank - Term Loan 1	April 25, 2023	Repayable in 20 Equal Quarterly Installment starting from 01 July 2018	-	130.00
YES Bank - Term Loan 2	July 30, 2023	Repayable in 20 Equal Quarterly Installment starting from Nov 2018	-	70.00
YES Bank - Term Loan 2	December 31, 2023	Repayable in 20 Equal Quarterly Installment starting from April 2019	-	120.00
YES Bank - Term Loan 3	December 31, 2023	Repayable in 20 Equal Quarterly Installment starting from April 2019	12.50	200.00
YES Bank - Term Loan 4	October 19, 2023	Repayable in 20 Equal Quarterly Installment starting from Feb 2019	-	187.50
YES Bank - Term Loan 5	October 19, 2023	Repayable in 20 Equal Quarterly Installment starting from Feb 2019	-	187.50

Bank of Maharashtra - Term Loan	December 31, 2024	Repayable in 24 Equal Quarterly Installment starting from March 2019	466.57	591.57
Bank of Baroda (Erswhile known as Vijaya Bank) - Term Loan	February 28, 2026	Repayable in 28 Equal Quarterly Installment starting from May 2019	214.06	256.95
Punjab National Bank (Erstwhile known as United Bank of India) - Term Loan 1	February 28, 2026	Repayable in 28 Equal Quarterly Installment starting from May 2019	178.36	214.02
Punjab National Bank (Erstwhile known as United Bank of India) - Term Loan 2	August 28, 2027	Repayable in 28 Equal Quarterly Installment starting from Nov 2020	-	249.99
UCO Bank - Term Loan 1	February 28, 2026	Repayable in 28 Equal Quarterly Installment starting from May 2019	356.70	428.29
UCO Bank - Term Loan 2	August 10, 2028	Repayable in 28 Equal Quarterly Installment starting from Nov 2021	500.00	-
Punjab Sindh Bank - Term Loan	June 14, 2026	Repayable in 28 Equal Quarterly Installment starting from Sept 2019	187.41	223.21
Indian Bank - Term Loan 1	August 15, 2026	Repayable in 28 Equal Quarterly Installment starting from Nov 2019	589.26	696.43
Indian Bank - Term Loan 2	November 11, 2028	Repayable in 31 Equal Quarterly Installment starting from May 2021	499.99	-
Indian Bank - Term Loan 3	March 31, 2029	Repayable in 28 Equal Quarterly Installment starting from Jun 2022	500.00	-
Indian Overseas Bank	March 31, 2028	Repayable in 24 Equal Quarterly Installment starting from Jun 2022	10.00	-
Bank of India	December 31, 2027	Repayable in 26 Equal Quarterly Installment starting from Sept 2021	750.00	-
National Housing Bank (Refinance)	April 1, 2026	Repayable in 28 Equal Quarterly Installment starting from Oct 2019	7.81	17.78
National Housing Bank (Refinance)	April 1, 2034	Repayable in 60 Equal Quarterly Installment starting from Oct 2019	18.43	28.47
National Housing Bank (Refinance)	January 1, 2025	Repayable in 19 Equal Quarterly Installment starting from Jul 2020	473.60	600.00

National Housing Bank (Refinance)	April 1, 2030	Repayable in 39 Equal Quarterly Installment starting from Oct 2020	448.32	-
National Housing Bank (Refinance)	January 1, 2028	Repayable in 27 Equal Quarterly Installment starting from Jul 2021	1,000.00	-

Note-17 OTHER FINANCIAL LIABILITIES

(Amount in INR Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Interest Accrued but not due on borrowings	13.53	0.34
Book Overdraft	348.08	-
Margin money from Customer	51.02	0.13
Payble to Holding Company	9.69	6.92
Others	-	25.54
Lease Liability	14.19	7.62
Total	**436.51**	**40.55**

Note-18 CURRENT TAX LIABILITIES

(Amount in INR Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for Income Tax (Net of Advance tax)	68.15	0.17
Total	**68.15**	**0.17**

Note-19 PROVISIONS

(Amount in INR Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision on non-fund exposure	10.98	4.18
Provision on Interest on Interest Waiver	0.08	-
Provision for Employee Benefits	-	-
- Gratuity	1.92	2.03
- Compensated Absences	9.55	6.86
Total	**22.53**	**13.07**

Note-20 OTHER NON-FINANCIAL

(Amount in INR Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Other Payables		
Statutory Dues	2.42	1.45
Advance received from customer	-	0.25
Total	**2.42**	**1.70**

Note-21 SHARE CAPITAL

(Amount in INR Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
AUTHORISED 6,50,00,000 Equity Shares of ₹ 10 each (Previous Year 6,50,00,000 Equity Shares of ₹ 10 each)	650.00	650.00
	650.00	**650.00**
ISSUED, SUBSCRIBED AND FULLY PAID UP 6,07,14,280 Equity Shares of ₹ 10 each (Previous Year 6,07,14,280 Equity Shares of ₹ 10 each)	607.14	607.14
	607.14	**607.14**

Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period:

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number	Amount	Number	Amount
Equity shares outstanding as at the beginning of the year	60,714,280	607.14	36,904,760	369.05
Issued during the year - Rights issue	-	-	23,809,520	238.09
Equity shares outstanding as at the end of the year	**60,714,280**	**607.14**	**60,714,280**	**607.14**

Details of shareholders holding more than 5 percent shares in the Company are given below:

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number	%	Number	%
Capri Global Capital Limited (Holding Company)	6,07,14,280	100.00	6,07,14,280	100.00

Terms/Rights attached to equity shares:

1. The Company has only one class of equity share having a face value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share.

2. During the year ended 31 March 2021, the amount of dividend recognized as distributions to equity shareholders was Rs.NIL (31 March 2020 Rs.NIL)

3. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be proportion to the number of equity shares held by the shareholders.

Objective for managing capital:

The Company maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements of the local regulator, Reserve Bank of India (RBI). The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by RBI.

Note-22 OTHER EQUITY

(Amount in INR Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Statutory Reserve under Section 29C of the National Housing Bank Act, 1987		
Balance as per the last Financial Statements	91.10	42.10
Add: Amount transferred from surplus balance in the Statement of Profit and Loss	67.20	49.00
Closing balance	**158.30**	**91.10**
Securities Premium		
Balance as per the last financial statements	1,142.86	1,142.86
Additions/(Deletions) during the year	-	-
Closing balance	**1,142.86**	**1,142.86**
Other reserves & surplus		
Employee stock option outstanding reserves	-	-
Surplus in the Statement of Profit and Loss		
Opening Balance	474.22	279.99
Profit / (Loss) for the year:	334.48	243.33
Less: Transfer to Statutory Reserve	(67.20)	(49.00)
Add/Less: Ind AS adjustments on transition		
Other Comprehensive Income	0.26	(0.10)
	741.76	**474.22**
TOTAL	**2,042.92**	**1,708.18**

Securities Premium

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

Statutory Reserve pursuant to Section 29C of the National Housing Bank Act, 1987

Every housing finance institution which is a company shall create a reserve fund and transfer therein a sum not less than twenty per cent of its profit every year as disclosed in the profit and loss account and before any dividend is declared. Explanation.—A housing finance institution creating and maintaining any special reserve in terms of clause (viii) of sub-section (1) of section 36 of the Income-tax Act, 1961 (43 of 1961) may take into account any sum transferred by it for the year to such special reserve for the purposes of this sub-section. For the previous comparative periods, company has maintained transfer to statutory reserve on profit calculated under erstwhile GAAP.

Note-23 INTEREST INCOME

(Amount in INR Millions)

Particulars	For the year ended Mar 31, 2021	For the year ended March 31, 2020
	On Financial Assets measured at Amortised Cost	On Financial Assets measured at Amortised Cost
Interest on Loans	1,387.01	1,260.18
Interest on deposits	4.45	4.66
Total	**1,391.46**	**1,264.84**

Note-24 FEE INCOME

(Amount in INR Millions)

Particulars	For the year ended Mar 31, 2021	For the year ended March 31, 2020
Application Fees	8.84	21.44
Total	**8.84**	**21.44**

Note -25 NET GAIN ON FAIR VALUE CHANGES

(Amount in INR Millions)

Particulars	For the year ended Mar 31, 2021	For the year ended March 31, 2020
(A) Net gain on financial instruments at fair value through profit or loss		
(i) On trading portfolio		
- Mutual Fund	109.55	28.65
(ii) On financial instruments designated at fair value through profit or loss	-	-
(B) Others	-	-
(C) Total Net gain on fair value changes	109.55	28.65
(D) Fair Value change:		
-Realised	101.69	18.43
-Unrealised	7.86	10.22
Total Net gain on fair value changes	**109.55**	**28.65**

Note 26 OTHER OPERATING INCOME

(Amount in INR Millions)

Particulars	For the year ended Mar 31, 2021	For the year ended March 31, 2020
Advertisement Income	62.49	27.85
Legal Charges Received	7.49	4.55
Other charges from customers	37.70	31.34
Total	**107.68**	**63.74**

Note- 27 OTHER INCOME

(Amount in INR Millions)

Particulars	For the year ended Mar 31, 2021	For the year ended March 31, 2020
Service Fees	15.09	10.43
Profit on sale of investment Property	3.28	5.15
Interest on refund of Income tax	0.26	-
Others	0.02	0.45
Total	**18.65**	**16.03**

Note-28 FINANCE COSTS

(Amount in INR Millions)

Particulars	For the year ended Mar 31, 2021 On Financial Liabilities measured at Amortised Cost	For the year ended March 31, 2020 On Financial Liabilities measured at Amortised Cost	For the year ended March 31, 2018 On Financial Liabilities measured at Amortised Cost
Interest on borrowings other than debt securities	797.73	665.52	1,62,47,405
Interest on Bank Overdraft	0.04	1.56	2,40,403
Interest on debt securities	1.48	-	
Interest on Lease Liabilty	2.60	1.22	-
Total	**801.85**	**668.30**	**1,64,87,808**

Note-29 IMPAIRMENT ON FINANCIAL INSTRUMENTS

The table below shows the ECL charges in terms of IND AS guidelines on financial instruments for the year recorded in the profit and loss based on evaluation stage:

(Amount in INR Millions)

Particulars	2020-21				2019-20			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Loans and advances to customers	13.92	43.21	18.07	75.20	10.11	11.31	22.62	44.04
Loan commitments	4.43	1.49	0.87	6.79	0.93	-0.03	0.17	1.07
Total impairment loss	**18.35**	**44.70**	**18.94**	**81.99**	**11.04**	**11.28**	**22.79**	**45.11**

Note-30 EMPLOYEE BENEFIT EXPENSES

(Amount in INR Millions)

Particulars	For the year ended Mar 31, 2021	For the year ended March 31, 2020
Salaries and Bonus	154.00	191.99
Contribution to Provident Fund and Other Funds	5.09	8.39
Staff Training and Welfare Expenses	4.27	7.03
Share Based Payments to employees	4.60	4.84
Total	**167.96**	**212.25**

Note-31 OTHER EXPENSES

(Amount in INR Millions)

Particulars	For the year ended Mar 31, 2021	For the year ended March 31, 2020
Auditors' Remuneration (Refer Note 1)	1.38	1.66
Bad Debts Written Off	8.07	9.13
Banking Charges	9.19	5.68
Corporate Social Responsibility (CSR) Expenses (Refer Note 2)	3.36	1.38
Directors' Fees and Commission	1.53	1.17
Electricity Charges	3.78	6.50
Legal Expenses	35.10	33.11
Postage, Telephone and Fax	7.71	9.34
Printing and Stationery	5.15	5.05
Lease Rent	9.35	15.16
Loss On Sale Of Fixed Assets	0.06	0.15
Software Expenses	10.99	6.36
Filing & Other Fees to ROC	0.06	0.02
Service Fee to Holding Company	13.08	13.08
Travelling and Conveyance	10.35	10.92
General Expenses	17.53	15.58
Total	**136.69**	**134.29**

1. Auditors' Remuneration

(Amount in INR Millions)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
a) For Audit	0.30	0.30
b) For Tax Audit	0.10	0.10
c) For Limited Review	0.15	0.15
d) For other services (Certification Fees)	0.82	1.08
e) For reimbursement of expenses	0.01	0.03
Total	**1.38**	**1.66**

2. Corporate Social Responsibility Expenses

(Amount in INR Millions)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Gross Amount Required to be spent during the year	3.36	1.07
Amount spent during the year on CSR	3.36	1.38

Note 32 -OTHER COMPREHENSIVE INCOME

(Amount in INR Millions)

Particulars	For the year ended Mar 31, 2021	Year ended March 31, 2020
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurement loss (gain) on defined benefit plan	0.37	(0.14)
Income tax relating to these items	(0.08)	0.04
Other comprehensive income for the year, net of tax	**0.29**	**(0.10)**

Note 33- Individual Loans

1.1 Credit quality of assets

(Amount in INR Millions)

Particulars	As at March 31, 2021				As at March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade*								
Performing	-	-	-	-	-	-	-	-
High grade	9,666.49	-	-	9,666.49	8,374.91	-	-	8,374.91
Standard grade	1,035.44	-	-	1,035.44	277.66	-	-	277.66
Sub-standard grade	-	425.14	-	425.14	-	150.24	-	150.24
Past due but not impaired	-	310.24	-	310.24	-	109.01	-	109.01
Restructured Assets	-	22.54	-	22.54	-	-	-	-
Non Performing								
Individually impaired	-		202.06	202.06	-	-	108.27	108.27
Total	**10,701.93**	**757.92**	**202.06**	**11,661.91**	**8,652.57**	**259.25**	**108.27**	**9,020.09**

1.2 An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to lending is, as follows:

(Amount in INR Millions)

Particulars	As at March 31, 2021				As at March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**8,652.57**	**259.25**	**108.27**	**9,020**	**7,720.69**	**105.68**	**37.88**	**7,864.25**
New assets originated or purchased	3,770.17	-	-	3,770.17	1,515.74	-	-	1,515.74
Assets derecognised or repaid (excluding write offs)	(1,105.23)	(12.84)	(2.22)	(1,120.29)	(310.88)	(30.24)	(18.78)	(359.90)
Transfers to Stage 1	99.86	(99.07)	(0.78)	-0.00	30.92	(29.06)	(1.86)	0.00
Transfers to Stage 2	(640.37)	645.00	(4.63)	-	(227.91)	235.25	(7.34)	(0.00)
Transfers to Stage 3	(75.07)	(34.43)	109.50	-	(75.99)	(22.38)	98.37	-
Amounts written off	-	-	(8.07)	(8.07)	-	-		-
Gross carrying amount closing balance	**10,701.93**	**757.92**	**202.06**	**11,661.91**	**8,652.57**	**259.25**	**108.27**	**9,020.09**

Reconciliation of ECL balance is given below:

(Amount in INR Millions)

Particulars	As at March 31, 2021				As at March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**21.45**	**14.32**	**34.01**	**69.78**	**11.33**	**3.02**	**11.38**	**25.73**
New assets originated or purchased	19.56		-	19.56	51.74	-	-	51.74
Assets derecognised or repaid (excluding write offs)	(2.04)	(1.58)	(4.37)	(7.99)	(0.93)	(0.79)	(5.97)	(7.69)
Transfers to Stage 1	5.83	(5.61)	(0.23)	(0.01)	1.45	(0.96)	(0.49)	-
Transfers to Stage 2	(1.53)	2.86	(1.33)	0.00	(11.73)	13.68	(1.95)	-
Transfers to Stage 3	(0.18)	(1.88)	2.07	0.01	(30.41)	(0.63)	31.04	-
Other movements (on account of change in EAD)	(7.76)	49.46	21.93	63.63	-	-	-	
Amounts written off	-	-			-	-	-	
ECL allowance - closing balance	**35.34**	**57.58**	**52.07**	**144.98**	**21.45**	**14.32**	**34.01**	**69.78**

* Internal Rating Grades are classified on below basis

Grade	Classification Basis	Stage
High grade	0 DPD	Stage 1
Standard grade	1-30 DPD	Stage 1
Sub-standard grade	31-60 DPD	Stage 2
Past due but not impaired	61-89 DPD	Stage 2
Restructured Assets	0 DPD & Rest	Stage 2
Individually impaired	>=90 DPD & Restructured	Stage 3

Loan Given Default $ (In %)

Particulars	As at March 31, 2021	As at March 31, 2020
LGD	23.42	28.78

Probability of Default $ (In %)

Particulars	As at March 31, 2021	As at March 31, 2020
Stage 1	1.5	0.85
Stage 2	33.46	17.68
Stage 3	100.00	100.00

$ PD & LGD includes management overlay due to COVID-19 pandemic (refer note no. 34)

E. Details of collateral received against loan portfolio :

Nature of security against advances :

Underline securities for the assets secured by tangible assets - Property & and book debts.

Advances (LTV band wise) :

LTV ratio	Gross carrying amount of advances	Cumulative loss allowance
Less than 50%	3,319.59	31.67
51% - 70%	2,864.01	29.27
71%-90%	5,478.31	84.04

Credit impaired advances (LTV band wise) :

LTV ratio	Gross carrying amount of advances	Cumulative loss allowance
Less than 50%	36.91	8.65
51% - 70%	35.44	8.30
71%-90%	129.70	35.13

Note 34 The outbreak of COVID-19 pandemic across the globe and in India has contributed to a significant volatility in the global and Indian financial markets and slowdown in the economic activities.

To cover additional challanges posed by COVID-19 pandemic, the management of the Company, based on current available information, has estimated overlays for the purpose of determination of the provision for impairment of financial assets carried at amortised cost. Based on the current indicators of future economic conditions, the Company considers these provisions to be adequate. Given the uncertainty over the potential macro-economic impact, the management has considered internal and external information up to the date of approval of these financial results.

The extent, to which the COVID-19 pandemic, including the current "second wave" that has significantly increased the number of cases in India, will continue to impact future results of the Company, will depend on the current as well as future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by the Company. Given the uncertainty over the potential macro-economic condition, the impact of the global health pandemic may be different from that estimated as at the date of approval of these financial results and the Company will continue to closely monitor any material changes to future economic conditions, which will be given effect to in the respective future period.

Note 35-Income Taxes relating to continuing operations

(Amount in INR Millions)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Current Tax		
In respect of the current year	105.88	79.45
In respect of prior years	-	(0.98)
On other comprehensive income	(0.08)	-
	105.81	**78.47**
Deferred Tax		
In respect of the current year	(12.50)	(10.15)
On other comprehensive income	-	-
	(12.50)	**(10.15)**
Total Income tax expense recognised in the current year relating to continuing operations	**93.31**	**68.32**

2. Reconciliation of Income Tax Expense for the year :

(Amount in INR Millions)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Standalone Profit before tax	427.86	311.64
Adjustments of allowable and non-allowable income and expenses:		
Effect of non-deductible expenses	70.38	24.89
Effect of Income considered separatey and other allowable deducations	(179.53)	(91.65)
Effect of Capital Gain on sale of shares,mutual funds, interest etc	101.69	28.65
Effect of Deduction under Chapter VI A	-	(0.69)
Earlier loss set off	-	-
Taxable Profits / (loss)	420.40	272.83
Income Tax Expenses	105.81	79.45
Computation of MAT payable on the book profits as per section 115JB		311.64
Less : Items deductible	-	(7.25)
Add : Items not deductible	-	30.71
Total Taxable Book Profits	-	335.11
MAT Tax Expesnes	-	58.55
Less : Mat Credit Entitlement credited in Profit and Loss Account	-	-
Income tax expense recognised in statement of profit and loss	105.81	79.45

3. Reconciliation of income tax rate is as follows:

(In %)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Normal Tax Rate	22.00	25.00
Surcharge (@ 12% of Normal Tax Rate)	2.20	3.00
Health and Education Cess	0.97	1.12
Total Tax Rate	**25.17**	**29.12**
Adjustments of Tax effect due to allowable and non-allowable income and expenses:		
Tax Effect of non-deductible expenses	4.14	2.33
Effect of Income considered separatey and other allowable deducations	(10.56)	(8.56)
Tax Effect of Capital Gain on sale of shares,mutual funds, interest etc	5.98	2.68
Tax Effect of Deduction under Chapter VI A	-	(0.06)
Tax Effect of Earlier loss set off / Current year loss carried Forward	-	-
Tax Effect on account of Deferred Tax Assets	(2.92)	(3.26)
Tax Effect on account of prior period adjustments	-	(0.32)
Effective Tax Rate	**21.81**	**21.92**
Tax Rate payable u/s 115JB of the Income Tax Act, 1961	**-**	**15.00**
Surcharge (@ 12% of Normal Tax Rate)	-	1.80
Health and Education Cess	-	0.67
Total Tax Rate payable under section 115JB of the Income Tax Act, 1961	**-**	**17.47**

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Note 36- Deferred Tax

The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

(Amount in INR Millions)

Particulars	Deferred Tax Assets	Deferred Tax Liabilities	Income Statement	OCI
	March 31, 2021	March 31, 2021	2020-21	2020-21
Provisions	2.59	-	0.60	-
Depreciation	3.57	-	0.22	-
Financial Instruments at FVTPL	-	1.98	(1.98)	-
Impairment allowance for financial assets	29.10	-	12.86	-
Unamortised Borrowing Cost	-	1.82	0.76	-
Unamortised Fees and Commission	4.32	-	(0.16)	-
Other Temporary Differences	0.35	-	0.20	-
Other Comprehensive Income	-	-	-	-
Adjusted against current tax	-	-	-	-
MAT Credit Entitlement	8.08	-	-	-
Total	48.02	3.80	12.50	-

(Amount in INR Millions)

Particulars	Deferred Tax Assets	Deferred Tax Liabilities	Income Statement	OCI
	March 31, 2020	March 31, 2020	2019-20	2019-20
Provisions	1.99	-	0.79	-
Depreciation	3.35	-	0.65	-
Financial Instruments at FVTPL	-	-	-	-
Impairment allowance for financial assets	16.24	-	12.39	-
Unamortised Borrowing Cost	-	2.58	7.91	-
Unamortised Fees and Commission	4.48	-	(36.55)	-
Other Temporary Differences	0.15	-	0.12	-
Other Comprehensive Income	-	-	(0.10)	-
Carry Forward Losses	-	-	24.95	-
MAT Credit Entitlement	8.08	-	-	-
Total	34.29	2.58	10.15	-

Note 37- Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. They have been classified to mature and/or be repaid within 12 months or after 12 months. With regard to loans and advances to customers, the Company uses the same basis of expected repayment as used for estimating the EIR.

(Amount in INR Millions)

PARTICULARS	As at March 31, 2021			As at March 31, 2020		
ASSETS	**Within 12 months**	**After 12 months**	**Total**	**Within 12 months**	**After 12 months**	**Total**
Cash and cash equivalents	167.77	-	167.77	159.87	-	159.87
Bank Balance other than (a) above	326.84	108.85	435.69	28.91	7.50	36.41
Trade Receivables	14.99	-	14.99	-	-	-
Loans	936.00	10,284.65	11,220.65	111.16	8,630.89	8,742.05
Investments	2,805.37	-	2,805.37	1,120.90		1,120.90
Other financial asset	4.95	2.74	7.69	1.82	5.06	6.88
Total Assets	**4,255.92**	**10,396.24**	**14,652.16**	**1,422.66**	**8,643.45**	**10,066.11**
LIABILITIES						
Financial Liabilities						
Payables						
-Trade Payables	30.76	-	30.76	17.92	-	17.92
-Other Payables	14.41	-	14.41	13.00	-	13.00
Debt Securities	248.49	-	248.49	-	-	-
Borrowings (Other than debt securities)	1,964.40	9,344.08	11,308.48	1,315.77	6,427.35	7,743.12
Other financial liabilities	430.33	6.18	436.51	37.96	2.59	40.55
Total liabilities	**2,688.39**	**9,350.26**	**12,040.65**	**1,384.65**	**6,429.94**	**7,814.59**
Net	**1,567.53**	**1,045.99**	**2,611.51**	**38.01**	**2,213.51**	**2,251.52**

Classification of assets and liabilities under the maturity buckets is based on the same estimates and assumptions as used by the Company for compiling the return submitted to the RBI. The Above is based on the information available with the company which has been relied upon by the auditor

Capital Management

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value. The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. Capital Management Policy, objectives and processes are under constant review by the Board. For details of Capital to Risk Assets Ratio (CRAR) refer Note no. 54.1

Note 38- Change in liabilities arising from financing activities

(Amount in INR Millions)

Particulars	As at April 1, 2020	Cash Flow	Other	As at March 31, 2021
Debt securities	-	248.49	-	248.49
Borrowings other than debt securities	7,743.12	3,565.36	-	11,308.48
Interest Accrued but not due on borrowings	0.34	13.19	-	13.53
Book Overdraft	-	348.08	-	348.08
Margin money	0.13	50.91	-	51.03
Payble to Holding Company	6.92	2.75	-	9.68
Others	25.54	-25.54	-	-
Lease Liability	7.62	6.57	-	14.19
Total liabilities from financing activities	**7,783.67**	**4,210.81**	**-**	**11,993.48**

Particulars	As at April 1, 2019	Cash Flow	Other	As at March 31, 2020
Debt securities	-	-	-	-
Borrowings other than debt securities	6,763.74	979.38	-	7,743.12
Interest Accrued but not due on borrowings	0.24	0.10	-	0.34
Book Overdraft	286.71	-286.71	-	-
Margin money	-	0.13	-	0.13
Payble to Holding Company	-	6.92	-	6.92
Others	-	25.54	-	25.54
Lease Liability	-	7.62	-	7.62
Total liabilities from financing activities	**7,050.69**	**733.98**	**-**	**7,783.67**

Note 39- Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions , regardless of whether that price is directly observable or estimated using a valuation technique.

IndAS 107, 'Financial Instrument - Disclosure' requires classification of the valuation method of financial instruments measured at fair value in the balance Sheet, using a three level fair-value-hierarchy (which reflects the significance of inputs used in the measurements). The hierarchy gives the highest priority to un-adjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair-value-hierarchy under Ind AS 107 are described below:

39.1 Financial instruments by category

(Amount in INR Millions)

Particulars	As at March 31, 2021		As at March 31, 2020	
	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial assets				
Investments		-	-	-
- Mutual funds	2,805.37	-	1,120.90	-
Trade receivables	-	14.99	-	-
Loans	-	11,220.65	-	8,742.05
Cash and cash equivalents	-	167.77	-	159.87
Bank Balances other than above	-	435.69	-	36.41
Other financial Assets	-	7.69	-	6.88
Total financial assets	**2,805.37**	**11,846.79**	**1,120.90**	**8,946.21**
Financial liabilities				
Borrowings	-	11,557.97	-	7,743.12
Trade payables	-	30.76	-	17.92
Other financial liability	-	436.51	-	40.55
Total financial liabilities	**-**	**12,025.24**	**-**	**7,801.59**

39.2 Fair value hierarchy

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

(Amount in INR Millions)

Financial assets and liabilities measured at fair value - recurring fair value measurements	Notes	Carrying Amount	Fair Value			Total
			Level 1	Level 2	Level 3	
As at March 31, 2021						
Financial assets						
Mutual funds	7	2,805.37	2,805.37	-	-	2,805.37
Total financial assets		**2,805.37**	**2,805.37**	-	-	**2,805.37**
Financial Liabilities		-	-	-	-	-
Total financial liabilities		-	-	-	-	-

Assets and liabilities which are measured at amortised cost for which fair values are disclosed	Notes	Carrying Amount	Fair Value			Total
			Level 1	Level 2	Level 3	
As at March 31, 2021						
Financial assets						
Cash and cash equivalents	3	167.77	167.77	-	-	167.77
Bank Balances other than above	4	435.69	435.69	-	-	435.69
Trade Receivables	5	14.99	-	-	14.99	14.99
Loans	6	11,220.65	-	-	11,220.65	11,220.65
Loans to employees		-	-	-	-	-
Other financial assets	8	7.69	-	-	7.69	7.69
Total financial assets		**11,847.79**	**603.46**	-	**11,243.32**	**11,846.79**
Financial Liabilities						
Trade Payable	14	30.76	-	-	30.76	30.76
Debt Securities		248.49	248.49	-	-	248.49
Borrowings (other than debt securities)	16	11,308.48	-	-	11,308.48	11,308.48
Other financial liability	17	436.51	-	-	436.51	436.51
Total financial liabilities		**12,024.24**	**248.49**	-	**11,775.75**	**12,024.24**

Assets and liabilities which are measured at amortised cost for which fair values are disclosed	Notes	Carrying Amount	Fair Value			Total
			Level 1	Level 2	Level 3	
As at March 31, 2020						
Financial assets						
Cash and cash equivalents	3	159.87	159.87	-	-	159.87
Bank Balances other than above	4	36.41	36.41	-	-	36.41
Trade Receivables	5	-	-	-	-	-
Loans	6	8,741.89	-	-	8,741.89	8,741.89
Loans to employees		0.16	-	-	0.00	0.16
Other financial assets	8	6.88	-	-	0.00	6.88
Total financial assets		**8,945.20**	**196.28**	-	**8,741.89**	**8,945.20**
Financial Liabilities						
Trade Payable	14	30.92	-	-	30.92	30.92
Borrowings (other than debt securities)	15	7,743.12	-	-	7,743.12	7,743.12
Other financial liability	16	40.55	-	-	40.55	40.55
Total financial liabilities		**7,814.59**	-	-	**7,814.59**	**7,814.59**

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the- counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

The carrying amounts of trade receivables, trade payables, capital creditors and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

The company gives loan at floating rate with terms including the fixed interest rate for initial period. The fair value of these loans approximates the Carrying amount.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

The Company's borrowings are at floating rates therefore fair value of these borrowings approximates the carrying value.

The fair value of Debentures approximates the carrying value.

Note 40 RISK MANAGEMENT

40.1. Risk Disclosures

Company's risk is managed through an integrated risk management framework, including ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability and each individual within the Company is accountable for the risk exposures relating to his or her responsibilities. The Company is exposed to credit risk, liquidity risk and interest rate risk.

It is the Company's policy to ensure that a robust risk awareness is embedded in its organisational risk culture.

40.2. Credit risk

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties.

40.2.1 Impairement assessment

40.2.1.1 Exposure at Default

EAD is taken as the gross exposure under a facility upon default of an obligor.The amortized principal and the
The advances have been bifurcated into following three stages:
Stage 1 – Advances with low credit risk and where there is no significant increase in credit risk. Hence, the advances up to 0-29 days are classified as Stage1
Stage 2 – Advances with significant increase in credit risk. Hence the advances up to 30 to 89 days are classified as Stage 2
Stage 3 – Advances that have defaulted / Credit impaired advances. Hence the advances with 90 days past due or Restructured Advances are classified as Stage 3

40.2.1.2 Significant increase in credit risk

The Company continuously monitors all assets subject to ECLs. In order to determine whether an instrument or a portfolio of instruments is subject to 12 months ECL or lifetime ECL, the Company assesses whether there has been a significant increase in credit risk since initial recognition. The Company considers an exposure to have significantly increased in credit risk if contractual payments are more than 30 days past due.

40.2.1.3 Definition of default and cure

The Company considers a financial instrument defaulted and therefore Stage 3 (credit impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

As a part of a qualitative assessment of whether a customer is in default, the Company also considers a variety of instances that may indicate inability to pay. When such events occur, the Company carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate. Such events include:
a) Significant financial difficulty of the borrower or issuer;
b) A breach of contract such as a default or past due event;
c) The restructuring of a loan or advance by the company on terms that the company would not consider otherwise; or
d) It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation

It is the Company's policy to consider a financial instrument as 'cured' and therefore re-classified out of Stage 3 when the borrower makes necessary payments & the borrower is not 90 days past due over such payments. The decision whether to classify an asset as Stage 2 or Stage 1 once cured depends on the updated credit grade, at the time of the cure, and whether this indicates there has been a significant increase in credit risk compared to initial recognition.

40.2.1.4 Probability of Default ("PD") estimation process

The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. Probability of Default is computed based on number of accounts that default during a year as a percentage of average number of accounts outstanding (refer note 34).

a) The Company has applied 12 months PD to stage 1 advances

b)The Lifetime PD is computed using basic exponentiation technique after considering the residual maturity of the respective loan.

c) PD of 100% is considered for Stage 3 assets.

40.2.1.5 Loss Given Default ("LGD")

The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that would be expected to receive, including from realisation of any prime/collateral security. LGD is computed based discounted expected recoveries at an account level based on collateral valuation after applying appropriate hair cut and appropriate recovery time. Accordingly, an average LGD is derived at the portfolio level

40.2.2 Analysis of risk concentration - Refer Note 54.12.3

40.2.3 Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Company has Guidelines are in place covering the acceptability and valuation of each type of collateral. The Company also adhers to the NHB guidelines in respect of maintainence of adequate Loan to Value Ratios.

The main types of collateral for home loans are mortgages over residential properties.

Management monitors the market value of collateral and requests additional collateral in accordance with the underlying agreement.

In case of defaults by customers, where the Company is unable to recover the dues, the Company through a legal process enforces the security and recover the dues.

40.2.4 In accordance with the instructions in the RBI circular dated April 07 2021 , all lending institutions shall refund / adjust 'interest on interest' to all borrowers, irrespective of whether moratorium had been fully or partially availed, or not availed. Pursuant to these instructions, the Indian Banks Association (IBA) in consullation with other industry participants / bodies published the methodology for calculation of the amount of such 'interest on interest'. Accordingly. the Company has estimated the said amount and made provision for refund/adjustment.

40.2.5 The outbreak of Covid-19 pandemic across the globe & India has contributed to a significant volatility and decline in the global and Indian financial markets and slowdown in the economic activities. Pursuant to the guidelines issued by RBI dated, March 27, 2020, April 17, 2020 and May 23, 2020 relating to COVID-19 Regulatory Package, the Company has granted moratorium on the payment of instalments falling due between March 01, 2020 and August 31, 2020 to the eligible borrowers. For the purpose of asset classification on all such accounts, the number of days past due as on March 31, 2021 excludes the moratorium period to the respective borrower, as per the policy.

40.2.6 Hon'able Supreme court vide order dated 23 March 2021, in the matter of Small Scale industrial Manufacturers Associations VS UOI & Ors. Has stated that interium relief granted vide an interim order dated 3 September 2020 stands vacated. Accordingly the company has classified non performing assets as per extant RBI guidlines

Note 40 RISK MANAGEMENT

40.1. Risk Disclosures

Company's risk is managed through an integrated risk management framework, including ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability and each individual within the Company is accountable for the risk exposures relating to his or her responsibilities. The Company is exposed to credit risk, liquidity risk and interest rate risk.

It is the Company's policy to ensure that a robust risk awareness is embedded in its organisational risk culture.

40.2. Credit risk

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties.

40.2.1 Impairement assessment

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EAD is taken as the gross exposure under a facility upon default of an obligor.The amortized principal and the
The advances have been bifurcated into following three stages:
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The Company considers a financial instrument defaulted and therefore Stage 3 (credit impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

As a part of a qualitative assessment of whether a customer is in default, the Company also considers a variety of instances that may indicate inability to pay. When such events occur, the Company carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate. Such events include:

a) Significant financial difficulty of the borrower or issuer;

b) A breach of contract such as a default or past due event;

c) The restructuring of a loan or advance by the company on terms that the company would not consider otherwise; or

d) It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation

It is the Company's policy to consider a financial instrument as 'cured' and therefore re-classified out of Stage 3 when the borrower makes necessary payments & the borrower is not 90 days past due over such payments. The decision whether to classify an asset as Stage 2 or Stage 1 once cured depends on the updated credit grade, at the time of the cure, and whether this indicates there has been a significant increase in credit risk compared to initial recognition.

40.2.1.4 Probability of Default ("PD") estimation process

The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. Probability of Default is computed based on number of accounts that default during a year as a percentage of average number of accounts outstanding (refer note 34).

a) The Company has applied 12 months PD to stage 1 advances

b)The Lifetime PD is computed using basic exponentiation technique after considering the residual maturity of the respective loan.

c) PD of 100% is considered for Stage 3 assets.

40.2.1.5 Loss Given Default ("LGD")

The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that would be expected to receive, including from realisation of any prime/collateral security. LGD is computed based discounted expected recoveries at an account level based on collateral valuation after applying appropriate hair cut and appropriate recovery time. Accordingly, an average LGD is derived at the portfolio level

40.2.2 Analysis of risk concentration - Refer Note 54.12.3

40.2.3 Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Company has Guidelines are in place covering the acceptability and valuation of each type of collateral. The Company also adhers to the NHB guidelines in respect of maintainence of adequate Loan to Value Ratios.

The main types of collateral for home loans are mortgages over residential properties.

Management monitors the market value of collateral and requests additional collateral in accordance with the underlying agreement.

In case of defaults by customers, where the Company is unable to recover the dues, the Company through a legal process enforces the security and recover the dues.

40.3. Liquidity risk and funding management

Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances. Such scenarios could occur when funding needed for illiquid asset positions is not available to the Company on acceptable terms. To limit this risk, management has arranged for diversified funding sources and adopted a policy of managing assets by monitoring future cash flows and liquidity on a daily basis.

Liquidity risk is managed in accordance with our Asset Liability Management Policy. This policy is framed as per the current regulatory guidelines and is approved by the Board of Directors. The Asset Liability Management Policy is reviewed periodically to incorporate changes as required by regulatory stipulation or to realign the policy with changes in the economic landscape. The Asset Liability Committee (ALCO) of the Company formulates and reviews strategies and provides guidance for management of liquidity risk within the framework laid out in the Asset Liability Management Policy.

Analysis of financial assets and liabilities by remaining contractual maturities is provided in Note no. 55.6

40.4 Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments.

The core business of the company is providing housing loans. The company borrows through various financial instruments to finance its core lending activity. These activities expose the company to interest rate risk.

Interest rate risk is measured through earnings at risk from an earnings perspective and through duration of equity from an economic value perspective. Further, exposure to fluctuations in interest rates is also measured by way of gap analysis, providing a static view of the maturity and re-pricing characteristic of Balance sheet positions. An interest rate sensitivity gap report is prepared by classifying all rate sensitive assets and rate sensitive liabilities into various time period categories according to contracted/behavioural maturities or anticipated re-pricing date. The difference in the amount of rate sensitive assets and rate sensitive liabilities maturing or being re-priced in any time period category, gives an indication of the extent of exposure to the risk of potential changes in the margins on new or re-priced assets and liabilities. The interest rate risk is monitored through above measures on a quarterly basis.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being considered as constant) of the Company's statement of profit and loss and equity.

Currency of borrowing	Increase / (decrease) in basis points	Sensitivity of profit or loss		Sensitivity of equity	
	2020-21	2020-21		2020-21	
Borrowings (INR)	25 Basis point Up	Impact on Profit before Tax	(28.51)	Impact on equity	(21.33)
	50 Basis point Up		(57.01)		(43.60)
	25 Basis point Down		28.51		21.80
	50 Basis point Down		57.01		43.60
Loans (INR)	25 Basis point Up	Impact on Profit before Tax	28.85	Impact on equity	21.59
	50 Basis point Up		57.70		43.18
	25 Basis point Down		(28.85)		(21.59)
	50 Basis point Down		(57.70)		(43.18)
	2019-20	2019-20		2019-20	
Borrowings (INR)	25 Basis point Up	Impact on Profit before Tax	(19.47)	Impact on equity	(13.80)
	50 Basis point Up		(38.95)		(27.61)
	25 Basis point Down		19.47		13.80
	50 Basis point Down		38.95		27.61
Loans (INR)	25 Basis point Up	Impact on Profit before Tax	22.23	Impact on equity	15.76
	50 Basis point Up		44.46		31.51
	25 Basis point Down		(22.23)		(15.76)
	50 Basis point Down		(44.46)		(31.51)

Operational Risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to operate effectively, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Company cannot expect to eliminate all operational risks, but it endeavors to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include maker-checker controls, effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, such as the use of internal audit.

During the year, the the Company has not come across any instances of fraud.

Capital Management :

Company's capital management objective is primarily to safeguard business continuity. The Company's capital raising policy is aligned to macro economic situation and incidental risk factors. The Company's cashflows are regularly monitored in sync with annual operating plans and long-term and other strategic investment plans. The operational funding requirements are met through debt and operating cash flows generated. The company believes this approach would create shareholder value in long run. Also, the company has adopted a conservative approach for ALM management with primacy to adequate liquidity. At present a large portion of the company's resource base is equity. Therefore the company enjoys a low gearing.

The Company maintains its capital structure in line with economic conditions and the risk characteristics of its activities and the board reviews the capital position on a regular basis.

Gearing ratio :

Particulars	**As at March 31, 2021**	**As at March 31, 2020**
The gearing ratio at each date were as follows :		
*Debt (I)	11,571.16	7,750.74
Cash and bank balances (II) (refer note 3)	167.77	159.87
Net debt (I - II)	**11,403.39**	**7,590.87**
Total equity	**2,650.07**	**2,315.32**
Net debt to equity ratio	4.30	3.28

* Debt includes debt securities, borrowings and lease liabilities.

Note 41A- Defined Contribution Plan

The Company's state governed provident fund scheme are defined contribution plan for its employees. The Contribution by the employer and employee together with interest accumulated there on are payable to the employee at the time of separation from company or retirement whichever is earlier. The benefit vests immediately on rendering of services by the employee.

(Amount in INR Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Employer's contribution to provident fund	2.82	2.65
Employer's contribution to National Pension Scheme	0.16	0.17
Total	**2.98**	**2.82**

Note 41B- Defined Benefit Plan

The Company has a defined benefit gratuity plan in India (funded). The Company's defined benefit gratuity plan is a final salary plan for its employees, which requires contributions to be made to a separately administered fund.The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at separation/retirement. The fund has the form of a trust and it is governed by the Board of Trustees, which consists of an equal number of employer and employee representatives. The Board of Trustees is responsible for the administration of the plan assets and for the definition of the investment strategy.

The following table sets out the status of the Defined Benefit Gratuity Plan as per the actuarial valuation by the independent Actuary appointed by the Company:-

Principal assumptions used for the actuarial valuations are as follows:

(Amount in INR Millions)

Particulars	Gratuity Plans	
	As at March 31, 2021	As at March 31, 2020
Discount Rate	5.58%	6.24%
Expected Rate of return on Plan Asset	5.58%	6.24%
Salary Escalation	5.00%	5.00%
Attrition Rate	20.00%	16.10%
Mortality Table	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

Movements in the present value of the defined benefit obligation are as follows:

(Amount in INR Millions)

Particulars	Gratuity Plans	
	As at March 31, 2021	As at March 31, 2020
Present Value of Benefit Obligation at the Beginning of the Period	5.49	3.31
Current Service Cost	2.23	2.03
Interest Cost	0.34	0.25
Past Service Cost (Vested Benefit)	-	-
Liability transferred In/ Acquisitions	-	-
Remeasurement (gains)/losses	-	-
Benefit Paid From the Fund	(0.18)	(0.04)
Direct Payment by the Company	-	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	(0.39)	(0.27)
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	0.23	0.39
Actuarial (Gains)/Losses on Obligations - Due to Experience	(0.12)	(0.16)
Present Value of Benefit Obligation at the End of the Period	**7.61**	**5.49**

Movements in the fair value of the plan assets are as follows:

(Amount in INR Millions)

Particulars	Gratuity Plans	
	As at March 31, 2021	As at March 31, 2020
Fair Value of Plan Assets at the Beginning of the Period	3.46	1.32
Interest income	0.22	0.10
Contributions by employer	2.10	2.00
Assets transferred In/Acquisitions	-	-
Expected Contributions by the employees	-	-
Benefit Paid From the Fund	(0.18)	(0.04)
Remeasurement gain (loss)	-	-
Return on Plan Assets, Excluding Interest Income	0.09	0.09
Fair Value of Plan Assets at the End of the Period	**5.69**	**3.46**

Amount recognized in the balance sheet from the Company's obligation in respect of its defined benefit plans is as follows:

(Amount in INR Millions)

Particulars	Gratuity Plans	
	As at March 31, 2021	As at March 31, 2020
(Present Value of Benefit Obligation at the end of the Period)	(7.61)	(5.49)
Fair value of plan assets	5.69	3.46
Funded status (Surplus/ (Deficit))	(1.92)	(2.03)
Net (Liability)/Asset Recognized in the Balance Sheet	**(1.92)**	**(2.03)**

Net Interest Cost for current period:

(Amount in INR Millions)

Particulars	Gratuity Plans	
	As at March 31, 2021	As at March 31, 2020
Present Value of Benefit Obligation at the Beginning of the Period	5.49	3.31
(Fair Value of Plan Assets at the Beginning of the Period)	(3.46)	(1.32)
Net Liability/(Asset) at the Beginning	2.03	1.99
Interest Cost	0.34	0.25
(Interest Income)	(0.22)	(0.10)
Net Interest Cost for Current Period	**0.13**	**0.15**

Amounts recognised in the statement of profit and loss in respect of these defined benefit plans are as follows:

(Amount in INR Millions)

Particulars	Gratuity Plans	
	As at March 31, 2021	As at March 31, 2020
Service cost:		
Current service cost	2.23	2.03
Expected Contributions by the employees	-	-
Past Service Cost (Amortised) Recognised	-	-
Past Service Cost (Vested Benefit) Recognised	-	-
Net interest expense	0.13	0.15
Expense Recognized	**2.36**	**2.18**

Amounts recognised in the Other Comprehensive Income (OCI) in respect of these defined benefit plans are as follows:

(Amount in INR Millions)

Particulars	Gratuity Plans	
	As at March 31, 2021	As at March 31, 2020
Return on plan assets (excluding amounts included in net interest expense)	(0.09)	(0.09)
Actuarial (gains) / losses on defined benefit obligations	(0.28)	(0.05)
Change in asset ceiling	-	-
Net (Income)/Expense For the Period Recognized in OCI	**(0.37)**	**(0.14)**

The fair value of the plan assets for the India at the end of the year 31st March 2021 for each category, are as follows:

(Amount in INR Millions)

Category of Assets	Gratuity Fund	
	As at March 31, 2021	As at March 31, 2020
Central Govt. Securities	-	-
State Govt. Securities	-	-
Debt Securities, Money Market Securities and Bank Deposits	-	-
Mutual Funds	-	-
Insurer Managed Funds	5.69	3.46
Others	-	-
Total	**5.69**	**3.46**

Maturity Analysis of benefit payments

(Amount in INR Millions)

Projected Benefits Payable in Future Years From the Date of Reporting	As at March 31, 2021	As at March 31, 2020
1st Following Year	0.53	0.28
2nd Following Year	0.73	0.34
3rd Following Year	1.24	0.48
4th Following Year	1.27	0.82
5th Following Year	1.08	0.83
Sum of Years 6 To 10	3.30	2.90
Sum of Years 11 and above	2.17	2.95

The estimates of future salary growth, factored in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. Such estimates are very long term and are not based on limited past experience / immediate future. Empirical evidence also suggests that in very long term, consistent high salary growth rates are not possible. The said estimates and assumptions have been relied upon by the auditors.

Senstivity analysis

(Amount in INR Millions)

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Sensitivity Level	1% increase	1% increase	1% decrease	1% decrease
Impact on defined benefit obligation (in ₹)				
1) Discount Rate	(0.35)	(0.32)	0.38	0.36
2) Future Salary Increases	0.38	0.36	(0.35)	(0.33)
3) Employee Turnover	(0.11)	(0.10)	0.12	0.10

Note :

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

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

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

-There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Note- 42 Employee Stock Option Plan

The Capri Global Capital Ltd (Holding Company) has granted 3,15,000 ESOPs to the employees of the Company. The ESOPs will be vested as per below mentioned schedule. A charge of Rs. 46,00,917/- is recoginised in the statement of Profit & Loss during the year ended March 31, 2021 (Year ended March 31, 2020 Rs. 48,43,584/-).

Financial Year in which options will vest	ESOPs equivalent to number of equity shares of face value of Rs 10/- each
2023-24	94,500
2024-25	94,500
2025-26	126,000

Note -43 Segment Information (IND-AS 108)

Operating Segment

The Company operates mainly in the business segment of fund based financing activity. All other activities revolve around the main business. Further, all activities are carried out within India. As such, there are no separate reportable segments as per the provisions of IND AS 108 on 'Operating Segments'.

Note 44- Related party disclosures

Compensation of key management personnel of the Company

Key management personnel are those individuals who have the authority and responsibility for planning and exercising power to directly or indirectly control the activities of the Company and its employees. The Company includes the members of the Board of Directors which include independent directors (and its sub-committees) and Executive Committee to be key management personnel for the purposes of Ind AS 24 Related Party Disclosures.

(Amount in INR Millions)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Short–term employee benefits	-	1.20
Total	**-**	**1.20**

Transactions with key management personnel of the Company

The following table provides the total amount of transactions, which have been entered into with key management personnel for the relevant financial year:

(Amount in INR Millions)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Director Sitting Fees	1.56	1.07
Total	**1.56**	**1.07**

Key management personnel of the Company:	**2021**
Mr. Rajesh Sharma	Managing Director
Mrs. Bhagyam Ramani	Independent Director
Mr. Beni Prasad Rauka	Independent Director
Mr. T.R. Bajalia	Independent Director
Mr. Raj Ahuja	Chief Financial Officer (Appointed w.e.f 15.12.2020)
Mr. Harish Agrawal	Company Secretary (Appointed w.e.f 07.11.2020)

Key management personnel of the Company:	**2020**
Mr. Rajesh Sharma	Managing Director
Mrs. Bhagyam Ramani	Independent Director
Mr. Beni Prasad Rauka	Independent Director
Mr. T.R. Bajalia	Independent Director

Trust Under Common Control

Money Matters Securities Private Limited Employee Group Gratuity Assurance Scheme

Transactions with related party of the Company

Name of related parties and related party

Considering only parties with whom transaction has entered during the FY 2020-21

a) Related parties where control exists:

Capri Global Capital Limited (Holding Company)

(Amount in INR Millions)

Statement Of Profit & Loss Item:	For the year ended March 31, 2021	For the year ended March 31, 2020
Income		
Service fees	15.09	10.43
Expenses		
Service fees	12.00	12.00

(Amount in INR Millions)

Balance Sheet Item (Closing Balance):	As at March 31, 2021	As at March 31, 2020
Payable to holding company	9.68	6.92

b) Fellow subsidiary companies

Capri Global Resources Private Limited

Capri Global Asset Reconstruction Private Limited (Till December 30 , 2019)

Capri Global Capital (Mauritius) Limited.(Till December 15, 2019)

c) Enterprises over which Management and/or their relatives have control:

Parshwanath Buildcon Private Limited

(Amount in INR Millions)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Rent	0.51	0.56
Total	**0.51**	**0.56**

Balance Sheet Item (Closing Balance):	As at March 31, 2021	As at March 31, 2020
Amount Payable	-	0.03
Total	**-**	**0.03**

d) Post-employment Benefit Plan

Money Matters Securities Private Limited Employee Group Gratuity Assurance Scheme

(Amount in INR Millions)

Statement Of Profit & Loss Item:	For the year ended March 31, 2021	For the year ended March 31, 2020
Employee Benefits	2.35	2.01
Total	**2.35**	**2.01**

e) Corporate Social Responsibility

Capri Foundation

(Amount in INR Millions)

Statement Of Profit & Loss Item:	For the year ended March 31, 2021	For the year ended March 31, 2020
Corporate Social Responsibility Expenses	3.36	1.30
Total	**3.36**	**1.30**

Note- 45 Leases

The changes in the carrying value of ROU assets are as follows:

(Amount in INR Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Gross carrying value		
Balance as at the beginning of the Year	17.31	17.31
Additions/Modifications	15.39	-
Terminations	-	-
Translation adjustments	-	-
Balance as at the end of the Year	32.70	17.31
Accumulated depreciation		
Balance as at the beginning of the Year	10.20	0
Depreciation	9.69	10.20
Terminations/modifications	-	-
Translation adjustments	-	-
Balance as at the end of the Year	19.89	10.20
Net Carrying Value at the end of the Year	**12.81**	**7.11**

The following is the movement in lease liabilities during the year:

(Amount in INR Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Lease liabilities		
Balance as at beginning of the Year	**7.62**	**17.31**
Additions/ Modification	15.39	-
Terminations/modifications	-	-
Finance expense	2.60	1.22
Payment of lease liabilities	11.42	10.91
Translation adjustments	-	-
Balance as at the End of the Year	**14.19**	**7.62**

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2021, on an undiscounted basis:

(Amount in INR Millions)

Tenure	31st March 2021	31st March 2020
Less than 1 year	6.76	5.49
1-3 years	5.17	2.76
3-5 years	0.75	-
More than 5 years	1.20	-
Total	**13.88**	**8.25**

The entity has adequate liquidity for payment of lease liabilities. The Company regularly monitor and pays lease rentals on timely manner as per the terms of respective leave and license agreement.

The Company has right to extend lease term as per mutually agreed terms laid down in respective leave and license agreement. The Company takes into account effect of extended lease term while recording the lease assets and lease liabilities accordingly.

Note 46-In accordance with IND AS - 33 Earnings per Share, the computation of earnings per share is set out below:

(Amount in INR Millions)

Particulars			**For Year Ended March 31, 2021**	**For Year Ended March 31, 2020**
Net Profit after tax as per Statement of Profit and Loss	(A)	Rs.	334.48	243.32
Weighted average number of equity shares for calculating Basic EPS	(B)	Nos.	60,714,280	60,714,280
Weighted average number of equity shares for calculating Diluted EPS	(C)	Nos.	60,714,280	60,714,280
Basic earnings per equity share (in Rupees) (Face value of Rs. 10/- per share)	(A)/(B)	Rs.	5.51	4.01
Diluted earnings per equity share (in Rupees) (Face value of Rs. 10/- per share)	(A)/(C)	Rs.	5.51	4.01

Particulars		**For Year Ended March 31, 2021**	**For Year Ended March 31, 2020**
Weighted average number of equity shares for calculating EPS	Nos.	60,714,280	60,714,280
Add : Equity shares for no consideration arising on grant of stock options under ESOP	Nos.	-	-
Weighted average number of equity shares in calculation of diluted EPS	Nos.	60,714,280	60,714,280

Note 47- The Company believes that no impairment of assets arises during the year as required under IND AS 36 "Impairment of Assets"

Note 48- CONTINGENT LIABILITIES
Income tax matters under dispute Rs. 0.73 Millions (March 31, 2020 Rs.1.01 Millions)

Note 49- Capital and other commitment

a) Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. NiL /- (31st March, 2020 Rs. 1.05 millions)

b) Other Commitments

Pending disbursements of sanctioned loans Rs. 2,227.40 millions (March 31, 2019 Rs. 1,339.42 Millions)

Note 50- The Company has sent confirmations to suppliers to confirm whether they are covered under The Micro, Small and Medium Enterprises Development Act 2006 (MSMED Act, 2006) as well as they have filled required memorandum with prescribed authorities. Out of the confirmations sent to the parties, some confirmation have been received till date of finalisation of Balance Sheet. Based on the confirmations received, there are no outstanding amounts payable to vendors covered under The Micro, Small and Medium Enterprises Development Act 2006. The Above is based on the information available with the company which has been relied upon by the auditor

Note 51- In the opinion of the Management, the Current Assets, Loans & Advances are realizable in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet. The provision for all known liabilities is adequate and not in excess of the amount reasonably necessary.

Note 52- The company has reported frauds aggregating Rs. NIL (March 31, 2020: 3.77 Millions) based on management reporting to risk committee and to the RBI through prescribed returns.

Note 53- Details of all collateral used as security for liabilities

Particulars	Carrying amount of financial assets	
	As at 31st March, 2021	As at 31st March, 2020
Assets type		
Loans receivable as collateral under lending agreements	11,367.36	8,875.08
Recievables from investment in securities as collateral	2,805.37	1,120.90
Cash and other bank balance collateral under lending agreements	603.47	196.28

Note 54- Disclosure Pursuant to RBI Notification - RBI/2020-21/16 DOR No. BP. BC/3/21.04.048/2020-21 dated 6 August 2020

(Amount in INR Millions)

Type of Borrower	(A) Number of accounts where resolution plan has been implemented under this window	(B) Exposure accounts mentioned at (A) before implementation of the plan	(C) Of (B) aggregate amount of debt that was Converted into other securities	(D) Additional funding sanctioned, if any, including between invocation of the plan and implementation	(E) Increase in Provision on account of the implementation of the resolution plan
Personal Loans	18	22.34	-	-	2.23

55 Disclosures have been given in terms of notification no. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by the National Housing Bank. The below mentioned notes have been prepared taking into consideration the notification No. NHB (ND)/DRS/Policy Circular No.89/2017-18 dated 14th June 2018.

55.1 Capital To Risk Assets Ratio (CRAR):

Particulars	Current Year	Previous Year
(i) CRAR (%)	31.16	43.45
(ii) CRAR - Tier I Capital (%)	29.92	42.54
(iii) CRAR - Tier II Capital (%)	1.23	0.91
(iv) Amount of subordinated debt raised as Tier- II Capital	-	-
(v) Amount raised by issue of Perpetual Debt Instruments	-	-

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

(INR In Millions)

Particulars	Current Year	Previous Year
Balance at the beginning of the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	91.10	42.10
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	-	-
c) Total	91.10	42.10
Addition / Appropriation / Withdrawal during the year	-	-
Add: a) Amount transferred u/s 29C of the NHB Act, 1987		
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	67.20	49.00
Less: a) Amount appropriated from the Statutory reserve u/s 29C of the NHB Act, 1987	-	-
b) Amount withdrawn from the Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account which has been taken into account for the purpose of provision u/s 29C of the NHB Act, 1987	-	-
Balance at the end of the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	34.59	34.59
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	123.71	5,6.51
c) Total	158.30	91.10

55.3 Investments

(INR In Millions)

Particulars				Current Year	Previous Year
(1)	Value of Investments				
	(i)	Gross Value of Investments			
		(a)	In India	2,805.37	1,129.72
		(b)	Outside India	Nil	Nil
	(ii)	Provisions for Depreciation			
		(a)	In India	Nil	Nil
		(b)	Outside India	Nil	Nil
	(iii)	Net Value of Investments			
		(a)	In India	2,805.37	1,129.72
		(b)	Outside India	Nil	Nil
(2)	Movement of provisions held towards depreciation on investments.				
	(i)	Opening balance		Nil	Nil
	(ii)	Add: Provisions made during the year		Nil	Nil
	(iii)	Less: Write-off/ write-back of excess provisions during the year		Nil	Nil
	(iv)	Closing balance		Nil	Nil

*** Previous year figures are disclosed based on IGAAP Financials.**

55.4 Derivatives

The company has not entered into any derivatives transactions.

55.5 Disclosures relating to Securitisation

Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction

Sr. No	Particulars	Current Year	Previous Year
(i)	No. of accounts	Nil	61
(ii)	Aggregate value (net of provisions) of accounts sold to SC / RC	Nil	66.16
(iii)	Aggregate consideration	Nil	75.00
(iv)	Additional consideration realized in respect of accounts transferred in earlier years	Nil	Nil
(v)	Aggregate gain / loss over net book value	NIL	8.84

55.6 Assets Liability Management (Maturity pattern of certain items of Assets and Liabilities)

Current Year (INR In Millions)											
Particulars	Upto 30/31 Days (1 month)	Over 1 month & upto 2 months	Over 2 months & upto 3	Over 3 months & upto 6 months	Over 6 month & upto 1 year	Over 1 year & upto 3 years	Over 3 years &up to 5 Years	Over 5 years & up to 7 Years	Over 7 years & up to 10 Years	Over 10 Years	Total
Liabilities											
Deposits	-	-	-	-	-	-	-	-	-	-	-
Borrowings from Bank	71.50	132.24	95.61	536.16	1,128.88	4,680.57	3,356.48	1,143.73	163.31	0	1130.85
Market Borrowing	-	-	-	-	250.00	-	-	-	-	-	250.00
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-
Advances	78.00	78.00	78.00	234.00	468.00	594.60	932.20	876.70	1,463.60	6,562.53	11,365.63
Investments	50.00	-	150.00	250.00	2355.37	-	-	-	-	-	2,805.37
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-

Previous Year (INR In Millions)											
Particulars	Upto 30/31 Days (1 month)	Over 1 month & upto 2 months	Over 2 months & upto 3	Over 3 months & upto 6 months	Over 6 month & upto 1 year	Over 1 year & upto 3 years	Over 3 years &up to 5 Years	Over 5 years & up to 7 Years	Over 7 years & up to 10 Years	Over 10 Years	Total
Liabilities											
Deposits	-	-	-	-	-	-	-	-	-	-	-
Borrowings from Bank	59.11	146.12	77.68	314.50	718.36	3,135.58	2,509.19	750.02	23.98	8.58	7,743.12
Market Borrowing	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-
Assets											
Advances	8.76	8.70	8.70	27.50	57.50	294.00	1,843.00	976.50	885.00	4,736.24	8,845.90
Investments	150.00	200.00	100.00	250.00	412.00	8.90					1,120.90
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-

*Classification of assets and liabilities under the maturity buckets is based on the same estimates and assumptions as used by the Company for compiling the return submitted to the RBI. The Above is based on the information available with the company which has been relied upon by the auditor.

55.7 Exposure

Exposure to Real Estate Sector

(INR In Millions)

		Category	Current Year	Previous Year
a)	Direct Exposure			
	(i)	Residential Mortgages -		
		Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (Individual housing loans up to 15 lakhs may be shown separately)		
		Loans <= 15 Lakhs	7,522.70	6,172.86
		Loans > 15 Lakhs	4,139.21	2,939.72
	(ii)	Commercial Real Estate -		
		Lending secured by mortgages on commercial real estates (office buildings, retail space, multi- purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits.	Nil	Nil
	(iii)	Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
		a) Residential	Nil	Nil
		b) Commercial Real Estate	Nil	Nil
	Indirect Exposure			
	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)		Nil	Nil

Exposure to Capital Market

The Company do not have any exposure to Capital Market. Hence the related disclosures are not applicable.

55.8 Details of financing of parent company products

These details are not applicable to company as the company is not financing any parent company products.

55.9 Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL)exceeded by the HFC

These details are not applicable to company as the company has not exceeded the SGL / GBL limit.

55.10 Unsecured Advances

The exposure to unsecured advances is Rs. Nil (Previous year Rs. Nil)

55.11 Miscellaneous

a) **The Company does not have any exposure to Capital Market. Hence the related disclosures are not applicable.**

b) **No registration obtained from other financial sector regulators.**

c) **Related party Transactions**
Details of all material transactions with related parties are disclosed in Note no. 42.

d) **Rating assigned by Credit Rating Agencies and migration of rating during the year**

Sr. No.	Instrument	Rating assigned	Agency	Date of Rating	Amount in Rs
1	Long Term Bank Facilities	CARE A-	CARE Ratings	01-July-2020	11,000.00
2	Long Term Bank Facilities	Acuite A+	Acuité Ratings & Research	23-Nov-2020	12,000.00
3	NCD	CARE A-	CARE Ratings	01-July-2020	2,000.00

e) **Revenue Recognition**
There have been no instances in which revenue recognition has been postponed pending resolution of significant Uncertainties.

55.12 Additional Disclosures

55.12.1 Provisions and Contingencies

		(INR In Millions)
Break up of 'Provisions and Contingencies' shown under the head Expenditure in Statement of Profit and Loss	**Current Year**	**Previous Year**
Provisions for depreciation on Investment	Nil	Nil
Provision made towards Income tax	105.88	42.35
Provision towards NPA	14.35	13.95
Provision for Standard Assets (with details like teaser loan, CRE, CRE-EH etc.)	67.64	30.51
Other Provision and Contingencies includes:		
Provision for depreciation on fixed assets	19.83	23.11
Provision for gratuity	2.10	2.18
Provision for leave encashment	4.31	3.38

* **Previous year figures are disclosed based on IGAAP Financials.**

Break up of Loan & Advances and Provisions thereon	Housing		Non-Housing	
	Current Year	Previous Year	Current Year	Previous Year
Standard Assets				
a) Total Outstanding Amount	10,175.19	8,435.87	1,284.17	567.89
b) Provisions made	83.00	46.84	9.92	3.81
Sub-Standard Assets				
a) Total Outstanding Amount	109.81	92.93	16.74	5.16
b) Provisions made	27.47	13.94	3.92	0.77
Doubtful Assets – Category-I				
a) Total Outstanding Amount	61.82	5.93	5.82	1.04
b) Provisions made	14.48	1.48	1.36	0.26
Doubtful Assets – Category-II				
a) Total Outstanding Amount	3.42	Nil	1.16	Nil
b) Provisions made	0.80	Nil	0.27	Nil
Doubtful Assets – Category-III				
a) Total Outstanding Amount	Nil	Nil	Nil	Nil
b) Provisions made	Nil	Nil	Nil	Nil
Loss Assets				
a) Total Outstanding Amount	3.77	3.77	Nil	Nil
b) Provisions made	3.77	3.77	Nil	Nil
TOTAL				
a) Total Outstanding Amount	10,354.01	8,538.49	1307.90	574.09
b) Provisions made	129.51	66.03	15.47	4.84

*** Previous year figures are disclosed based on IGAAP Financials.**

55.12.2 Draw Down from Reserves

The Company has not made any draw down from reserves during the previous year.

55.12.3 Concentration of Public Deposits, Advances, Exposures and NPAs

Concentration of Public Deposits

The disclosure of the concentration of deposits taken is not applicable as the company carries on the business of a housing finance institution without accepting public deposits.

Concentration of Loan and Advances

(INR In Millions)

		Current Year	Previous Year
	Total Exposure to twenty largest borrowers/customers	126.00	94.99
	Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the HFC on borrowers / customers	1.08%	0.91%

CAPRI GLOBAL HOUSING FINANCE LIMITED
Notes to Financial Statements for the Year ended on 31st March, 2021

Concentration of Exposures (Including Off-Balance Sheet Exposure)

			(INR In Millions)
		Current Year	**Previous Year**
	Total Exposure to twenty largest borrowers/customers	126.00	94.99
	Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the HFC on borrowers / customers	1.08%	0.91%

Concentration of NPAs

		(INR In Millions)
	Current Year	**Previous Year**
Total Exposure to top ten NPA accounts (Gross)	30.11	26.73

Sector-wise NPAs

Sl. No.	Sector	Percentage of NPAs to Total Advances in that sector
A.	**Housing Loans:**	
1.	Individuals	1.59%
2.	Builders/Project Loans	Nil
3.	Corporates	Nil
4.	Others	Nil
B.	**Non-Housing Loans:**	
1.	Individuals	2.06%
2.	Builders/Project Loans	Nil
3.	Corporates	Nil
4.	Others	Nil

Movement of NPAs

				(INR In Millions)
Particulars			**Current Year**	**Previous Year**
(i)	Net NPAs to Net Advances (%) (Excluding Standard Provision)		1.31%	0.98%
	Net NPAs to Net Advances (%) (Including Standard Provision)		0.41%	0.44%
(ii)	Movement of NPAs (Gross)			
	(a)	Opening balance	108.83	41.85
	(b)	Additions during the year	114.43	97.63

	(c)	Reductions during the year	20.72	30.65
	(d)	Closing balance	202.53	108.83
(iii)	Movement of Net NPAs			
	(a)	Opening balance	74.82	35.57
	(b)	Additions during the year	86.26	79.09
	(c)	Reductions during the year	10.62	26.05
	(d)	Closing balance	150.46	88.61
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)			
	(a)	Opening balance	34.01	6.28
	(b)	Provisions made during the year	28.16	18.54
	(c)	Write-off / write-back of excess provisions	10.10	4.60
	(d)	Closing balance	52.07	20.22

*** Previous year figures are disclosed based on IGAAP Financials.**

55.12.4 Overseas Assets

The company does not have any overseas assets.

55.12.5 Off-balance Sheet SPVs sponsored

The company has not sponsored any SPVs. Accordingly, the disclosure is not applicable.

55.12.6 Disclosure of Complaints

Customer Complaints

	Particulars	**Current Year**	**Previous Year**
(a)	No. of complaints pending at the beginning of the year	2	Nil
(b)	No. of complaints received during the year	112	40
(c)	No. of complaints redressed during the year	114	38
(d)	No. of complaints spending at the end of the year	0	2

Note 55.13

Provisioning detail as on 31st March 2021

(Amount in INR Millions)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	No. of Cases	Overdue Amount	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2			3	4	(5)=(3)-(4)	6	(7) = (4)-(6)
Performing Assets								
Standard	Stage 1*			10,701.93	35.30	10,666.63	29.02	6.28
	Stage 2*			757.43	57.62	699.81	1.84	55.78
Subtotal				**11,459.36**	**92.92**	**11,366.44**	**30.85**	**62.06**
Non-Performing Assets (NPA)								
Substandard	Stage 3	115	0.42	126.55	31.39	95.16	19.03	12.36
Doubtful - up to 1 year	Stage 3	46	0.68	67.64	15.84	51.80	16.91	-1.07
1 to 3 years	Stage 3	3	0.17	4.58	1.07	3.51	1.83	-0.76
More than 3 years	Stage 3		-	-	-	-	-	-
Subtotal for doubtful				72.22	16.91	55.31	18.74	-1.83
Loss	Stage 3	2	0.01	3.77	3.77	-	3.77	-
Subtotal for NPA				**75.99**	**20.68**	**55.31**	**22.51**	**-1.83**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1			2,188.23	7.70	2,180.53	-	7.70
	Stage 2			32.32	1.67	30.65	-	1.67
	Stage 3			6.85	1.61	5.25	-	1.61
Subtotal				**2,227.40**	**10.98**	**2,216.43**	**-**	**10.98**
Total	Stage 1			12,890.16	43.00	12,847.16	29.02	13.98
	Stage 2			789.75	59.29	730.46	1.84	57.45
	Stage 3			82.84	22.29	60.55	22.51	-0.22
	Total			**13,762.75**	**124.57**	**13,638.18**	**53.36**	**71.21**

Provisioning detail as on 31st March 2020

(Amount in INR Millions)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	No. of Cases	Overdue Amount	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2			3	4	(5)=(3)-(4)	6	(7) = (4)-(6)
Performing Assets								
Standard	Stage 1*			8,733.03	21.42	8,711.61	36.38	-14.97
	Stage 2*			270.73	14.36	256.38	14.27	0.08
Subtotal				9,003.76	35.77	8,967.99	50.65	-14.88
Non-Performing Assets (NPA)								
Substandard	Stage 3	74	0.36	98.09	28.23	69.86	14.71	13.52
Doubtful - up to 1 year	Stage 3	4	0.19	6.97	2.01	4.97	1.74	0.26
1 to 3 years	Stage 3			-	-	-	-	-
More than 3 years	Stage 3			-	-	-	-	-
Subtotal for doubtful				6.97	2.01	4.97	1.74	0.26
Loss	Stage 3	2	0.01	3.77	3.77	-	3.77	-
Subtotal for NPA				**108.83**	**34.01**	**74.82**	**20.22**	**13.78**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current	Stage 1			1,332.26	3.27	1,329.00	-	3.27
	Stage 2			4.61	0.18	4.42	-	0.18
	Stage 3			2.55	0.73	1.81	-	0.73
Subtotal				1,339.42	4.18	1,335.23	-	4.18
Total	Stage 1			10,065.29	24.68	10,040.61	36.38	-11.70
	Stage 2			275.34	14.54	260.80	14.27	0.27
	Stage 3			111.37	34.74	76.64	20.22	14.52
	Total			10,452.00	73.96	10,378.04	70.88	3.08

* Includes in stage 1 & Stage 2, Rs 27.82 Millions towards 5% provision under IRACP as per RBI Circular No. RBI/2019-20/220 dated April 17,2020 against respective amounts in SMA/overdue categories where the moratorium/ deferremnt was extended in terms of Para 2 & para 3 thereof. Details as given below;

DPD's	Amounts where Asset Classification benefit was extended	Provision
0	8,447.62	-
1-29	285.41	14.27
30-59	156.37	7.82
60-89	114.36	5.72
	9,003.76	**27.81**

Note 56:

a) Previous year's figures have been regrouped and reclassified wherever necessary to confirm to current year's presentation.

For and on behalf of the Board of Directors

(Rajesh Sharma) Managing Director DIN 00020037	**(Beni Prasad Rauka)** Independent Director DIN 00295213
(Raj Ahuja) Chief Financial Officer	**(Harish Agrawal)** Company Secretary

Place: Mumbai
Date: 27th May 2021