# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## 1 COMPANY OVERVIEW

GRUH Finance Limited ('GRUH' or 'the Company') incorporated in 1986 as a specialised Housing Finance Company domiciled in India as a limited company having its registered office at Ahmedabad. The principal business is to provide loans for purchase or construction of residential houses. The business is conducted through its branches in India and is supported by a network of Referral Associates for sourcing loans as well as deposits. The Company is a public limited company and its shares are listed in India on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE).

## 2 SIGNIFICANT ACCOUNTING JUDGMENT, ESTIMATES AND ASSUMPTIONS

### 2.1 Critical accounting Judgments

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

### 2.2 Expected Credit Loss

When determining whether the risk of default on other loans (i.e. developer loans) portfolio has increased significantly since initial recognition, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and credit assessment and including forward-looking information. In certain cases, the assessment based on past experience is required for future estimation of cash flows which requires significant judgment.

The inputs used and process followed by the Company in determining the increase in credit risk has been detailed in note to accounts on Impairment.

### 2.3 Fair Valuation of Investments

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset and liability, the Company uses market observable data to the extent it is available. When Level 1 inputs are not available, the Company has applied appropriate valuation techniques and inputs to the valuation model.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 37.

### 2.4 Income Taxes

The Company's tax jurisdiction is in India. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

## 3. SIGNIFICANT ACCOUNTING POLICIES

### 3.1 Basis of Preparation and Presentation

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, the relevant provisions of the Companies Act, 2013 (the Act) (to the extent notified) and the guidelines issued by the National Housing Bank (NHB) to the extent applicable. The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. The financial statements are presented in Indian Rupees (₹) which is the functional and the presentation currency and all values are rounded to the nearest crore, except when otherwise indicated.

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

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

A historical cost is a measure of value used in accounting in which the price of an asset on the balance sheet is based on its nominal or original cost when acquired by the Company.

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

Fair value measurements under Ind AS are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows :

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

### 3.2 Use of Estimates and Judgments

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates, judgments and assumptions. Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in the financial statements have been disclosed in Note 2.1. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

### 3.3 Presentation of Financial Statements

The Balance Sheet and the Statement of Profit and Loss are prepared on accrual basis and presented in the format prescribed in the Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 “Statement of Cash Flows”.

Amounts in the financial statements are presented in Indian Rupees in crore rounded off to two decimal places as permitted by Schedule III to the Act. Per share data are presented in Indian Rupee to two decimal places.

### 3.4 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured and there exists reasonable certainty of its recovery.

### 3.4.1 Interest and Dividend Income

Interest income on financial instruments at amortised cost is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate (EIR) applicable. Repayments of loans are by way of Equated Monthly Instalments (EMIs) comprising principal and interest. Interest on loans is computed either on annual rest, monthly rest or on a daily rest basis depending upon loan product. EMIs commence once the entire loan is disbursed. Pending commencement of EMIs, Pre-EMI interest is payable every month. Interest on financial instruments measured as at fair value is included within the fair value movement during the period.

The EIR is the rate that exactly discounts estimated future cash flows of the financial instrument through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount of the financial instrument. The future cash flows are estimated taking into account all the contractual terms of the instrument.

The calculation of the EIR includes all fees paid or received between parties to the contract that are incremental and directly attributable to the specific lending arrangement, transaction costs, and all other premiums or discounts. For financial assets at Fair Value through Profit or Loss (FVTPL), transaction costs are recognised in profit or loss at initial recognition.

The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets the interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets [i.e. the gross carrying amount less the allowance for expected credit losses (ECLs)].

Dividend income is recognised when the Company’s right to receive dividend is established by the reporting date.

3.4.2 Fees Income

Feesincome include fees other than those that are an integral part of EIR.

3.4.3 Other operational revenue

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

3.4.4 Exceptional items

An item of income or expense which its size, type or incidence requires disclosure in order to improve an understanding of the performance of the Company is treated as an exceptional item and the same is disclosed in the notes to accounts.

3.5 Property, Plant and Equipment (PPE)

Land and buildings held for use are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses.

PPE is recognised when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. PPE is stated at original cost less accumulated depreciation and cumulative impairment, if any, Cost includes professional fees related to the acquisition of PPE.

For transition to Ind AS, the Company has elected to adopt as deemed cost, the carrying value of PPE measured as per IGAAP less accumulated depreciation and cumulative impairment on the transition date of April 1, 2017.

PPE not ready for the intended uses on the date of the Balance Sheet are disclosed as "capital work-in-progress".

Depreciation is recognised using straight line method so as to write off the cost of the assets (other than freehold land) 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 expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life and residual values are also reviewed at each financial year end with the effect of any change in the estimates of useful life/residual value is accounted on prospective basis.

Where cost of a part of the asset ("asset component") is significant to total cost of the asset and useful life of that part is different from the useful life of the remaining asset, useful life of that significant part is determined separately and such asset component is depreciated over its separate useful life.



Depreciation for additions to/deductions from, owned assets is calculated pro rata to the period of use. Depreciation charge for impaired assets is adjusted in future periods in such a manner that the revised carrying amount of the asset is allocated over its remaining useful life.

Freehold land is not depreciated. The useful life of the property, plant and equipment held by the Company is as follows :

| Class of Assets | Useful life |
|---|---|
| Buildings | 60 years |
| Computer Hardware* | 4 years |
| Furniture & Fittings | 10 years |
| Office Equipment | 5 years |
| Vehicles* | 8 years |
| Application Software* | 4 years |

* For the above class of assets, based on internal assessment, the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence, the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

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

3.6 Intangible Assets

Intangible assets comprising application software are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at original cost less accumulated amortisation and cumulative impairment. Administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalised as a part of the cost of the intangible assets.

Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as "Intangible assets under development".

Intangible assets are amortised on straight line basis over the estimated useful life of 4 years. The method of amortisation and useful life are reviewed at the end of each accounting year with the effect of any changes in the estimate being accounted for on a prospective basis.

Amortisation on impaired assets is provided by adjusting the amortisation charge in the remaining periods so as to allocate the asset's revised carrying amount over its remaining useful life.

An intangible asset is derecognised on disposal or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

### 3.7 Impairment of Assets

As at the end of each accounting year, the Company reviews the carrying amounts of its PPE, and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the PPE, and intangible assets are tested for impairment so as to determine the impairment loss, if any.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is the higher of fair value less costs of disposal 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 the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If recoverable amount of an asset is estimated to be less than its carrying amount, such deficit is recognised immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the asset is reduced to its recoverable amount.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss is recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

### 3.8 Employee Benefits



#### 3.8.1 Share-based payment arrangements

The stock options granted to employees pursuant to the Company's Stock Options Schemes, are measured at the fair value of the options at the grant date. The fair value of the options is treated as discount and accounted as employee compensation cost over the vesting period on a straight line basis. The amount recognised as expense in each year is arrived at based on the number of grants expected to vest. If a grant lapses after the vesting period, the cumulative discount recognised as expense in respect of such grant is transferred to the general reserve within other equity.

#### 3.8.2 Defined Contribution Plans

##### 3.8.2.1 Superannuation Fund

Company's superannuation fund is administered through a trust which is recognised by the Income Tax Authorities and the contribution thereto is charged as an expense based on the amount of contribution required to be made.

#### 3.8.3 Defined Benefit Plans

##### 3.8.3.1 Provident Fundand State Pension Scheme

All employees of the Company are entitled to receive benefits under the Provident Fund. The Company makes a contribution to provident fund and the schemes thereunder, as recognised by the Income-tax authorities and administered by various trustees. The contributions are recognised as an expense in the year in which they are incurred. The Rules of the Company's Provident Fund administered by a Trust require that if the Board of Trustees is unable to pay interest at the rate declared for Employees' Provident Fund by the Government under para 60 of the Employees' Provident Fund Scheme, 1952 for the reason that the return on investment is less or for any other reason, then the deficiency shall be made good by the Company. The guidance on implementing Ind AS-19, Employee Benefits issued by the ICAI, states that benefits involving employer established provident funds, which require interest shortfalls to be provided, are to be considered as defined benefit plans.

Company's Contribution to State Plans namely Employee's Pension Scheme is charged as an expense based on the amount of contribution required to be made.

##### 3.8.3.2 Gratuity Benefits

For defined benefit plans in the form of gratuity fund and post retirement pension scheme for employees, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

#### 3.8.3.3 Short-Term Employee Benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

#### 3.8.3.4 Long-Term Employee Benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date, based on actuarial valuation.

## 3.9 Leases

The determination of whether an agreement is, or contains, a lease is based on the substance of the agreement at the date of inception.

### 3.9.1 Operating Leases

Lease rentals on assets under operating lease are charged to the Statement of Profit and Loss on a straight line basis over the term of the relevant lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

## 3.10 Financial Instruments

### 3.10.1 Financial instruments – initial recognition

#### 3.10.1.1 Date of recognition

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

#### 3.10.1.2 Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments, except in the case of financial assets and financial liabilities recorded at FVTPL, transaction costs are added to, or subtracted from, this amount. Trade receivables are measured at the transaction price. When the fair value of financial instruments at initial recognition differs from the transaction price, the Company accounts for the Day 1 profit or loss, as described below.

#### 3.10.1.3 Day 1 Profit or Loss

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 deferred and is only recognised in profit or loss when the inputs become observable, or when the instrument is derecognised.

### 3.10.2 Measurement categories of Financial Assets and Liabilities

The Company classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either :

- Amortised cost
- FVOCI (Fair Value Through Other Comprehensive Income),
- FVTPL (Fair Value Through Profit & Loss Account)

The Company classifies and measures Mutual Fund Investments at FVTPL. The Company may designate financial instruments at FVTPL, if so doing eliminates or significantly reduces measurement or recognition inconsistencies.

Financial liabilities, other than loan commitments are measured at FVTPL when the fair value designation is applied.

### 3.10.3 Financial Assets and Liabilities

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

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

If the transaction price differs from fair value at initial recognition, the Company will account for such difference as follows :

- if fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets, then the difference is recognised in profit or loss on initial recognition (i.e. day 1 profit or loss);
- In all other cases, the fair value will be adjusted to bring it in line with the transaction price (i.e. day 1 profit or loss will be deferred by including it in the initial carrying amount of the asset or liability).

After initial recognition, the deferred gain or loss will be released to profit or loss on a rational basis, only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

### 3.10.3.1 Financial Assets

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

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



Specifically :

- debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI), are subsequently measured at amortised cost;
- All other debt instruments (e.g. debt instruments managed on a fair value basis, or held for sale) and equity investments are subsequently measured at FVTPL.

  However, the Company may make the following irrevocable election / designation at initial recognition of a financial asset on an asset-by-asset basis :
- The Company may irrevocably designate a debt instrument that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (referred to as the fair value option).

### 3.10 3.1.1 Debt instruments at amortised cost or at FVTOCI

The Company assesses the classification and measurement of a financial asset based on the contractual cash flow characteristics of the asset and the Company's business model for managing the asset.

For an asset to be classified and measured at amortised cost or at FVTOCI, its contractual terms should give rise to cash flows that are meeting SPPI test.

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

Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI. An originated or an acquired financial asset can be a basic lending arrangement irrespective of whether it is a loan in its legal form.

3.10 3.1 2 Business Model Test for Financial Assets

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

The Company has more than one business model for managing its financial instruments which reflect how the Company manages its financial assets in order to generate cash flows. The Company's business models determine whether cash flows will result from collecting contractual cash flows, selling financial assets or both.

The Company considers all relevant information available when making the business model assessment. However this assessment is not performed on the basis of scenarios that the Company does not reasonably expect to occur, such as so-called 'worst case' or 'stress case' scenarios. The Company takes into account all relevant evidence available such as :

- how the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way in which those risks are managed; and
- How employees of the business are compensated (e.g. whether the compensation is based on the fair value of mutual funds of the assets managed or on the contractual cash flows collected of loans).

At initial recognition of a financial asset, the Company determines whether newly recognised financial assets are part of an existing business model or whether they reflect the commencement of a new business model. The Company reassesses its business models each reporting period to determine whether the business models have changed since the preceding period. For the current and prior reporting period the Company has not identified a change in its business models.

When a debt instrument measured at FVTOCI is derecognised, the cumulative gain/loss previously recognised in OCI is reclassified from equity to profit or loss.

Debt instruments that are subsequently measured at amortised cost or at FVTOCI are subject to impairment.



3.10 3.1 3 Financial assets at FVTPL

Financial assets at FVTPL are :

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

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

3.10 3.1.4 Reclassifications

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

3.10 3.1 5 Impairment

The Company recognises loss allowances for ECLs on the following financial instruments that are not measured at FVTPL :

- loans and advances to customers;
- debt investment securities;
- Loan commitments issue; and

ECLs are required to be measured through a loss allowance at an amount equal to :

- 12-month ECL, i.e. lifetime ECL that result from those default events on the financial instrument that are possible within 12 months after the reporting date, (referred to as Stage 1); or

- Full lifetime ECL, i.e. lifetime ECL that result from all possible default events over the life of the financial instrument, (referred to as Stage 2 and Stage 3).

  A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

  ECLs are a probability-weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flows due to the Company under the contract and the cash flows that the Company expects to receive arising from the weighting of multiple future economic scenarios, discounted at the asset's EIR.

- for undrawn loan commitments, the ECL is the difference between the present value of the difference between the contractual cash flows that are due to the Company if the holder of the commitment draws down the loan and the cash flows that the Company expects to receive if the loan is drawn down;

  The Company measures ECL on an individual basis, or on a collective basis for portfolios of loans that share similar economic risk characteristics. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original EIR, regardless of whether it is measured on an individual basis or a collective basis.

### 3.10 3.1 5.1 Credit-impaired financial assets

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

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

It may not be possible to identify a single discrete event—instead, the combined effect of several events may have caused financial assets to become credit-impaired. The Company assesses whether debt instruments that are financial assets measured at amortised cost or FVTOCI are credit-impaired at each reporting date. To assess if sovereign debt instruments are credit impaired, the Company considers factors such as bond yields, credit ratings and the ability of the borrower to raise funding.

A loan is considered credit-impaired when a concession is granted to the borrower due to a deterioration in the borrower's financial condition, unless there is evidence that as a result of granting the concession the risk of not receiving the contractual cash flows has reduced significantly and there are no other indicators of impairment. For financial assets where concessions are contemplated but not granted the asset is deemed credit impaired when there is observable evidence of credit-impairment including meeting the definition of default. The definition of default (see below) includes unlikeliness to pay indicators and a back-stop if amounts are overdue for 90 days or more.

### 3.10 3.1.6 Definition of default

Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default (PD) which affects both the measurement of ECLs and the identification of a significant increase in credit risk.

The Company considers the following as constituting an event of default :

- the borrower is past due more than 30 days on any material credit obligation to the Company, in case of retail loans which are EMI-based; or
- the borrower is past the due date on any material credit obligation to the Company, in case of other loans i.e. loan to the party other than individual (developer loans/others); or
- The borrower is unlikely to pay its credit obligations to the Company in full.

The definition of default is appropriately tailored to reflect different characteristics of different types of assets.

When assessing if the borrower is unlikely to pay its credit obligation, the Company takes into account both qualitative and quantitative indicators. The information assessed depends on the type of the asset, for example in other loans a qualitative indicator used is the breach of covenants, which is not relevant for retail lending. Quantitative indicators, such as overdue status and non-payment on another obligation of the same counterparty are key inputs in this analysis. The Company uses a variety of sources of information to assess default which are either developed internally or obtained from external sources.

### 3.10 3.1.7 Significant increase in credit risk

The Company monitors all financial assets, issued loan commitments that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Company will measure the loss allowance based on lifetime rather than 12-month ECL. The Company's accounting policy is not to use the practical expedient that financial assets with 'low' credit risk at the reporting date are deemed not to have had a significant increase in credit risk. As a result the Company monitors all financial assets, issued loan commitments that are subject to impairment for significant increase in credit risk.

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

Multiple economic scenarios form the basis of determining the probability of default (PD) at initial recognition and at subsequent reporting dates. Different economic scenarios will lead to a different probability of default. It is the weighting of these different scenarios that forms the basis of a weighted average probability of default that is used to determine whether credit risk has significantly increased.

For other loans, forward-looking information includes the future prospects of the industries in which the Company's counterparties operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various internal and external sources of actual and forecast economic information. For retail lending forward looking information includes the same economic forecasts as other loans with additional forecasts of local economic indicators, particularly for regions with a concentration to certain industries, as well as internally generated information of customer payment behaviour. The Company allocates its counterparties to a relevant internal credit risk grade depending on their credit quality. The quantitative information is a primary indicator of significant increase in credit risk and is based on the change in lifetime PD by comparing :

- the remaining lifetime PD at the reporting date;
- the remaining lifetime PD for this point in time that was estimated based on facts and circumstances at the time of initial recognition of the exposure.

  The PDs used are forward looking and the Company uses the same methodologies and data used to measure the loss allowance for ECL.

  The qualitative factors that indicate significant increase in credit risk are reflected in PD models on a timely basis. However the Company still considers separately some qualitative factors to assess if credit risk has increased significantly. For other loans there is particular focus on assets that are included on a 'watch list' given an exposure is on a watch list once there is a concern that the creditworthiness of the specific counterparty has deteriorated. For retail lending the Company considers the expectation of forbearance and payment holidays, credit scores and events such as unemployment, bankruptcy, divorce or death.

Given that a significant increase in credit risk since initial recognition is a relative measure, a given change, in absolute terms, in the PD will be more significant for a financial instrument with a lower initial PD than compared to a financial instrument with a higher PD.

As a back-stop when an asset becomes 30 days past due, the Company considers that a significant increase in credit risk has occurred and the asset is in stage 2 of the impairment model, i.e. the loss allowance is measured as the lifetime ECL.

### 3.10 3.1 8 Modification and de-recognition of financial assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date. In addition, the introduction or adjustment of existing covenants of an existing loan would constitute a modification even if these new or adjusted covenants do not yet affect the cash flows immediately but may affect the cash flows depending on whether the covenant is or is not met (e.g. a change to the increase in the interest rate that arises when covenants are breached).

The Company renegotiates loans to customers in financial difficulty to maximise collection and minimise the risk of default. Loan forbearance is granted in cases where although the borrower made all reasonable efforts to pay under the original contractual terms, there is a high risk of default or default has already happened and the borrower is expected to be able to meet the revised terms. The revised terms in most of the cases include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment), reduction in the amount of cash flows due (principal and interest forgiveness) and amendments to covenants.

When a financial asset is modified the Company assesses whether this modification results in de-recognition. In accordance with the

Company's policy a modification results in de-recognition when it gives rise to substantially different terms. To determine if the modified terms are substantially different from the original contractual terms the Company considers the following :

Qualitative factors, such as contractual cash flows after modification are no longer SPPI, change in currency or change of counterparty, the extent of change in interest rates, maturity, covenants. If these do not clearly indicate a substantial modification, then;

A quantitative assessment is performed to compare the present value of the remaining contractual cash flows under the original terms with the contractual cash flows under the revised terms, both amounts discounted at the original EIR. If the difference in present value is greater than an acceptable %, the Company deems the arrangement is substantially different leading to de-recognition.

In the case where the financial asset is derecognised the loss allowances for ECL is remeasured at the date of de-recognition to determine the net carrying amount of the asset at that date. The difference between this revised carrying amount and the fair value of the new financial asset with the new terms will lead to a gain or loss on de-recognition. The new financial asset will have a loss allowance measured based on 12-month ECL except in the rare occasions where the new loan is considered to be originated-credit impaired. This applies only in the case where the fair value of the new loan is recognised at a significant discount to its revised par amount because there remains a high risk of default which has not been reduced by the modification. The Company monitors credit risk of modified financial assets by evaluating qualitative and quantitative information, such as if the borrower is in past due status under the new terms.

When the contractual terms of a financial asset are modified and the modification does not result in de-recognition, the Company determines if the financial asset's credit risk has increased significantly since initial recognition by comparing :

- the remaining lifetime PD estimated based on data at initial recognition and the original contractual terms;
- The remaining lifetime PD at the reporting date based on the modified terms.

For financial assets modified, where modification did not result in de-recognition, the estimate of PD reflects the Company's ability to collect the modified cash flows taking into account the Company's previous experience of similar forbearance action, as well as various behavioural indicators, including the borrower's payment performance against the modified contractual terms. If the credit risk remains significantly higher than what was expected at initial recognition the loss allowance will continue to be measured at an amount equal to lifetime ECL. The loss allowance on forborne loans will generally only be measured based on 12-month ECL when there is evidence of the borrower's improved repayment behaviour following modification leading to a reversal of the previous significant increase in credit risk.

Where a modification does not lead to de-recognition the Company calculates the modification gain/loss comparing the gross carrying amount before and after the modification (excluding the ECL allowance). Then the Company measures ECL for the modified asset, where the expected cash flows arising from the modified financial asset are included in calculating the expected cash shortfalls from the original asset.

The Company derecognises a financial asset only when the contractual rights to the asset's cash flows expire (including expiry arising from a modification with substantially different terms), or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain/loss that had been recognised in OCI and accumulated in equity is recognised in profit or loss.

On de-recognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain/loss allocated to it that had been recognised in OCI is recognised in profit or loss. A cumulative gain/loss that had been recognised in OCI is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

### 3.10 3.1.9 Write-off

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

Presentation of allowance for ECL in the statement of financial position

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

- for financial assets measured at amortised cost : as a deduction from the gross carrying amount of the assets;
- for loan commitments as a provision;

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

### 3.10.4 Financial Liabilities and Equity

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

A financial liability is a contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Company or a contract that will or may be settled in the Company's own equity instruments and is a non-derivative contract for which the Company is or may be obliged to deliver a variable number of its own equity instruments, or a derivative contract over own equity that will or may be settled other than by the exchange of a fixed amount of cash (or another financial asset) for a fixed number of the Company's own equity instruments.

#### 3.10.4.1 Equity Instruments

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

When there is a repurchase of the Company's own equity instruments, it is recognised and deducted directly from equity. No gain/loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

#### 3.10.4.2 Transfer and servicing of assets

When the Company transfers loans through securitisation and direct assignment transactions, the transferred loans are de-recognised and gains/losses are accounted for, only if the Company surrenders the risks and rewards specified in the underlying securitised loan contract. In accordance with the Ind AS 109, on de-recognition of a financial asset under securitisation transactions, the difference between the carrying amount and the consideration received shall be recognised in the Statement of profit and loss.

#### 3.10.4.3 Financial liabilities

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

##### 3.10.4.3.1 De-recognition of financial liabilities

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

### 3.11 Cash and cash equivalents

Cash comprises of cash on hand and demand deposits with banks. Cash equivalents are short-term deposits with banks (with an original maturity of three months or less from the date of placement) and cheques on hand. Short term and liquid investments being subject to more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

### 3.12 Securities Premium Account

The issue expenses of securities which qualify as equity instruments are written off against securities premium account.

Equity-settled share-based payments to employees are measured by reference to the fair value of the options at the grant date using Black Scholes Model.

The fair value determined at the grant date of the equity-settled share-based payments, is charged to Profit and Loss on the straight-line basis over the vesting period of the option, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. The employee stock option outstanding account is shown net of unamortised deferred employee compensation expenses.

### 3.13 Borrowing Costs

Borrowing costs include interest expense calculated using the EIR.

### 3.14 Segments

The Company's main business is financing by way of loans for the purchase or construction of residential houses in India. All other activities of the Company revolve around the main business. This in the context of Ind AS 108 – "Operating Segments" specified under section 133 of the Companies Act, 2013, is considered to constitute one reportable segment.

### 3.15 Earnings Per Share

Basic earnings per share have been computed by dividing net income by the weighted average number of shares outstanding during the year. Diluted earnings per share has been computed using the weighted average number of shares and dilutive potential shares, except where the result would be anti-dilutive.

### 3.16 Taxes on Income

Income tax expense comprises current and deferred taxes. Income tax expense is recognized in the Statement of Profit and Loss except when they relate to items that are recognized outside profit or loss (whether in other comprehensive income or directly in equity), in which case tax is also recognized outside profit or loss.

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

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



Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

### 3.17 Goods and Services Input Tax Credit

Goods and Services tax input credit is accounted for in the books in the period in which the supply of goods or service received is accounted and when there is no uncertainty in availing/utilising the credits.

### 3.18 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised only when :

(i) An entity has a present obligation (legal or constructive) as a result of a past event; and

(ii) It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and

(iii) A reliable estimate can be made of the amount of the obligation

Provision is measured using the cash flows estimated to settle the present obligation and when the effect of time value of money is material, the carrying amount of the provision is the present value of those cash flows. Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.

Where the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under such contract, the present obligation under the contract is recognised and measured as a provision.

Contingent liability is disclosed by way of note in case of :

(i) A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and

(ii) A present obligation arising from past events, when no reliable estimate is possible.

Contingent Assets :

Contingent assets are not recognised in the financial statements.

Contingent assets are disclosed where an inflow of economic benefits is probable. Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

### 3.19 Commitments

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows :

a) Estimated amount of contracts remaining to be executed on capital account and not provided for;

b) Funding related loan commitment.

### 3.20 Non-Current Assets held for sale

Non-current assets are classified as held for sale if their carrying amount is intended to be recovered principally through a sale (rather than through continuing use) when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset and the sale is highly probable and is expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at lower of their carrying amount and fair value less costs to sell.

### 3.21 Statement of Cash Flows

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of :

i. changes during the period in inventories and operating receivables and payables transactions of a non-cash nature;

ii. non-cash items such as depreciation, provisions, deferred taxes, unrealised foreign currency gains and losses, and undistributed profits of associates and joint ventures; and

iii. All other items for which the cash effects are investing or financing cash flows.



Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of Balance Sheet.

### 3.22 Standards issued but not effective

Ind AS 116 Leases

The Company has not applied Ind AS 116 that has been issued but is effective from April 1, 2019.

(a) On 18 July 2017, the Accounting Standards Board (ASB) of the Institute of Chartered Accountants of India (ICAI) issued an Exposure Draft (ED) of Ind AS 116 Leases. Ind AS 116 is largely converged with IFRS 16.

Ind AS 116 is expected to replace Ind AS 17 from its proposed effective date, being annual periods beginning on or after 1 April 2019.

(b) The application of Ind AS 116 is not likely to have material impact on the Company's financial statements.

## 4 FIRST TIME ADOPTION OF IND AS (IND AS 101)

The Company has prepared financial statements for the year ended March 31, 2019, in accordance with Ind AS for the first time. For the periods upto and including the year ended March 31, 2018, the Company prepared its financial statements in accordance with the accounting standards notified under Section 133 of the Companies Act, 2013, read together with the Companies (Accounting Standards) Rules, 2006, as amended (Previous GAAP). Accordingly, the Company has prepared its financial statements to comply with Ind AS for the year ending March 31, 2019, together with comparative information as at and for the year ended March 31, 2018, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening Balance Sheet was prepared as at April 1, 2017 i.e. the transition date to Ind AS for the Company. Previous GAAP financials statements as on April 1, 2017 being transition date and for previous year ended March 31, 2018 have been restated as per Ind AS.

This note explains the principal adjustment made by the Company in restating its Previous GAAP financial statements, including the Balance Sheet as at April 1, 2017, and the financial statements as at and for the year ended March 31, 2018.

4.1 Exemptions availed :

4.1.1 Deemed Cost for Property, Plant and Equipment and Intangible Assets :

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

4.1.2 Classification and Measurement of Financial Assets :

The Company has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

4.1.3 Fair Value of Financials Assets and Liabilities :

As per Ind AS exemption, the Company has not fair valued the financial assets and liabilities retrospectively and has measured the same prospectively.

**Reconciliation of Total Comprehensive Income for the year ended March 31, 2018** (₹ in crore)

| Particulars | Note | Year ended March 31, 2018 | | |
|---|---|---|---|---|
| | | Previous GAAP* | Adjustments | Ind AS |
| **Revenue from Operations** | | | | |
| Interest Income | 4.1.6 | 1,631.03 | 11.56 | 1,642.59 |
| Fees Income | | 50.86 | - | 50.86 |
| Bad Debts Recovered | | 0.29 | - | 0.29 |
| Total Revenue from Operations | | 1,682.18 | 11.56 | 1,693.74 |
| **Expenses** | | | | |
| Finance Costs | 4.1.6 | 981.37 | 3.43 | 984.80 |
| Impairment on Financial Instruments (Expected Credit Loss) | | 32.49 | - | 32.49 |
| Employee Benefit Expenses | 4.1.7 & 4.1.8 | 54.52 | 3.05 | 57.57 |
| Depreciation and Amortisation | | 3.09 | - | 3.09 |
| Establishment Expenses | | 11.44 | - | 11.44 |
| Other Expenses | | 37.20 | - | 37.20 |
| Total Expenses | | 1,120.11 | 6.48 | 1,126.59 |
| Profit Before Tax | | 562.07 | 5.08 | 567.15 |
| Tax Expense | | | | |
| Current Tax | 4.1.8 | 166.00 | 0.11 | 166.11 |
| Deferred Tax (Net) | 4.1.5 | 33.39 | (35.10) | (1.71) |
| Total Tax Expense | | 199.39 | (34.99) | 164.40 |
| Profit for the period | | 362.68 | 40.07 | 402.75 |
| Other Comprehensive Income | | | | |
| (A) Items that will not be reclassified to Profit or (Loss) | | | | |
| (i) Re-measurements of defined benefit plans | 4.1.8 & 4.1.9 | - | (0.30) | (0.30) |
| (ii) Income Tax relating to items that will not be reclassified to Profit or (Loss) | 4.1.8 & 4.1.9 | - | 0.11 | 0.11 |
| Other Comprehensive Income | | - | (0.19) | (0.19) |
| Total Comprehensive Income for the period | | 362.68 | 39.88 | 402.56 |

* The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purposes of this note.

## Reconciliation of Equity

(₹ in crore)

| Particulars | Note | Balance Sheet As At March 31, 2018 | | | Opening Balance Sheet As At April 1, 2017 | | |
|---|---|---|---|---|---|---|---|
| | | Previous GAAP* | Adjustments | Ind AS | Previous GAAP* | Adjustments | Ind AS |
| **ASSETS** | | | | | | | |
| Financial Assets | | | | | | | |
| Cash and Cash Equivalents | | 17.47 | - | 17.47 | 11.01 | - | 11.01 |
| Bank Balances other than above | | 59.38 | - | 59.38 | 63.37 | - | 63.37 |
| Loans | 4.1.6 | 15,483.70 | (32.13) | 15,451.57 | 13,182.43 | (43.69) | 13,138.74 |
| Investments | 4.1.4 | 158.15 | (0.21) | 157.94 | 163.12 | (0.18) | 162.94 |
| Other Financial Assets | | 4.80 | - | 4.80 | 5.86 | - | 5.86 |
| Total Financial Assets | | 15,723.50 | (32.34) | 15,691.16 | 13,425.79 | (43.87) | 13,381.92 |
| Non-Financial Assets | | | | | | | |
| Current Tax Assets (Net) | | 30.40 | - | 30.40 | 29.69 | - | 29.69 |
| Deferred Tax Assets (Net) | 4.1.5 | (156.41) | 202.07 | 45.66 | (123.02) | 166.97 | 43.95 |
| Property, Plant and Equipment | | 14.12 | - | 14.12 | 13.12 | - | 13.12 |
| Other Intangible Assets | | 1.30 | - | 1.30 | 0.58 | - | 0.58 |
| Other Non-Financial Assets | | 2.53 | - | 2.53 | 3.39 | - | 3.39 |
| Total Non-Financial Assets | | (108.06) | 202.07 | 94.01 | (76.24) | 166.97 | 90.73 |
| Total Assets | | 15,615.44 | 169.73 | 15,785.17 | 13,349.55 | 123.10 | 13,472.65 |
| **LIABILITIES AND EQUITY** | | | | | | | |
| LIABILITIES | | | | | | | |
| Financial Liabilities | | | | | | | |
| Payables | | | | | | | |
| (A) Trade Payables | | | | | | | |
| (i) Total outstanding dues of micro enterprises and small enterprises | | - | - | - | - | - | - |
| (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises | | 2.87 | - | 2.87 | 5.18 | - | 5.18 |
| (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 | | - | - | - | - | - | - |
| Debt Securities | 4.1.6 | 4,813.44 | (4.41) | 4,809.03 | 2,387.00 | (4.80) | 2,382.20 |
| Borrowings (Other than Debt Securities) | | 7,685.69 | - | 7,685.69 | 8,091.24 | - | 8,091.24 |
| Deposits | | 1,439.40 | - | 1,439.40 | 1,468.83 | - | 1,468.83 |
| Subordinated Liabilities | 4.1.6 | 35.00 | (0.18) | 34.82 | 35.00 | (0.21) | 34.79 |
| Other Financial Liabilities | | 215.68 | - | 215.68 | 215.38 | - | 215.38 |
| Total Financial Liabilities | | 14,192.08 | (4.59) | 14,187.49 | 12,202.63 | (5.01) | 12,197.62 |
| Non-Financial Liabilities | | | | | | | |
| Provisions | | 6.53 | - | 6.53 | 6.27 | - | 6.27 |
| Other Non-Financial Liabilities | | 35.91 | - | 35.91 | 27.44 | - | 27.44 |
| Total Non-Financial Liabilities | | 42.44 | - | 42.44 | 33.71 | - | 33.71 |
| Total Liabilities | | 14,234.52 | (4.59) | 14,229.93 | 12,236.34 | (5.01) | 12,231.33 |
| EQUITY | | | | | | | |
| Equity | | 73.14 | - | 73.14 | 72.91 | - | 72.91 |
| Other Equity | | 1,307.78 | 174.32 | 1,482.10 | 1,040.30 | 128.11 | 1,168.41 |
| Total Equity | | 1,380.92 | 174.32 | 1,555.24 | 1,113.21 | 128.11 | 1,241.32 |
| Total Liabilities and Equity | | 15,615.44 | 169.73 | 15,785.17 | 13,349.55 | 123.10 | 13,472.65 |

* The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purposes of this note.

4.1.4 Investments :

Under Previous GAAP, the transaction cost incurred on acquisition, of Investments in Government Securities, were valued at Amortised Cost on Straight Line Method while under Ind AS such cost are included in the initial recognition amount of Investments in Government Securities and recognised against Interest Income using Effective Interest Method. Consequently, Investment in Government Securities on the date of transition has decreased by ₹ 0.17 crore and for the year ended March 31, 2018 has decreased by ₹ 0.03 crore.

Further, for the Investments in Mutual Funds the fair value changes are recognised in the Statement of Profit and Loss. On transitioning to Ind AS, these financial assets have been measured at their fair values which is higher than cost as per Previous GAAP. Consequently, Investments in Mutual Funds on the date of transition has increased by ₹ 0.01 crore and for year ended March 31, 2018 has increased by ₹ 2,600.00.

Above has led to decrease in profit before tax of ₹ 0.03 crore and profit after tax of ₹ 0.02 crore for the year ended March 31, 2018.

4.1.5 Deferred Tax :

The Previous GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the Balance Sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the Balance Sheet and its tax base.

The application of Ind AS 12 approach has resulted in the various transitional adjustments being temporary differences. Accordingly, the Company has accounted for such differences. These adjustments are recognised in co-relation to the underlying transaction either in retained earnings, OCI or profit and loss respectively.

4.1.6 Effective Interest Rate (EIR) :

a. Under Previous GAAP, transaction costs charged to customers was recognised upfront while under Ind AS, such costs are included in the initial recognition amount of financial asset and recognised as interest income using the effective interest method. Consequently loan to customers on date of transition have decreased by ₹ 43.68 crore and interest income for the year ended March 31, 2018 has increases by ₹ 11.56 crore and consequently Loan Assets has been increased by ₹ 11.56 crore.



b. Under Previous GAAP, transaction costs incurred on borrowings was charged to statement of profit and loss/securities premium upfront while under Ind AS, such costs are included in the initial recognition amount of financial liabilities and recognised as interest expense using the effective interest method. Consequently, Non-Convertible Debentures and Subordinated Liabilities on date of transition date have decreased by ₹ 4.80 crore and ₹ 0.21 crore respectively and interest expense for the year ended March 31, 2018 has increased by ₹ 3.43 crore. Non-Convertible Debentures as at March 31, 2018 has been increased by ₹ 0.39 crore and Subordinated Liabilities has been increased by ₹ 0.03 crore.

4.1.7 Share-Based Payments :

Under Previous GAAP, the cost of equity-settled employee share-based payments was recognised using the intrinsic value method.

Under Ind AS, the cost of equity-settled employee share-based payments is recognised based on the fair value of the options as on the grant date. The change does not affect total equity, but there is a decrease in profit before tax as well as profit after tax for the year ended March 31, 2018 by ₹ 3.36 crore and ₹ 2.18 crore respectively.

4.1.8 Defined Benefit Obligation :

Both under Previous GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Previous GAAP, the entire cost, including actuarial gain and losses, are charged to profit or loss. Under Ind AS, remeasurements (comprising of actuarial gains and losses, the effect of assets ceiling, excluding amounts included in net interest on the net defined benefit liability and return on plan assets excluding amount included in net interest on the net defined benefit liability) are recognised in Other Comprehensive Income (OCI). Thus, employee benefit expense is reduced by ₹ 0.30 crore and is recognised in OCI during the year ended March 31,2018.

The current tax amounting to ₹ 0.11 crore is also regrouped from profit or loss to OCI for the year ended March 31, 2018. The above change does not affect total equity as at March 31, 2018. However, profit before tax and profit for the year ended March 31, 2018, is increased by ₹ 0.30 crore and ₹ 0.19 crore respectively.

4.1.9 Other Comprehensive Income (OCI) :

Under Previous GAAP, there was no concept of OCI. Re-measurement of defined benefit plan liability is recognised in OCI.

GRUH FINANCE LIMITED
*We help you build homes*

## 5 CASH & CASH EQUIVALENTS

(₹ in crore)

| Particulars | As At March 31, 2019 | As At March 31, 2018 | As At April 1, 2017 |
|---|---|---|---|
| (i) Cash Balance | | | |
| Cash on Hand | 0.03 | 0.03 | 0.04 |
| Collection from customers pending deposition | 0.46 | 0.31 | 0.07 |
| (ii) Balances with banks | | | |
| In Current Accounts | 146.19 | 11.64 | 5.77 |
| In Deposit Accounts with original maturity of 3 months or less | 901.08 | - | - |
| (iii) Cheques on Hand | 5.08 | 5.49 | 5.13 |
| Total | 1,052.84 | 17.47 | 11.01 |

Short-term deposits are made for varying periods of upto three months, depending on the requirements of the Company, and earn interest at the respective short-term deposit rates.

## 6 BANK BALANCES OTHER THAN (5) ABOVE

(₹ in crore)

| Particulars | As At March 31, 2019 | As At March 31, 2018 | As At April 1, 2017 |
|---|---|---|---|
| (i) In other Deposit Accounts | | | |
| - Original Maturity more than 3 months | 83.20 | 57.52 | 61.82 |
| (ii) Earmarked balances with Banks | | | |
| - Unclaimed Dividend Accounts | 2.08 | 1.86 | 1.55 |
| Total | 85.28 | 59.38 | 63.37 |

Fixed deposit earns interest at fixed rate.

## 7 LOANS

At Amortised Cost

(₹ in crore)

| Particulars | As At March 31, 2019 | As At March 31, 2018 | As At April 1, 2017 |
|---|---|---|---|
| (A) Loans | | | |
| Home Loans | | | |
| Individual | 16,187.88 | 14,546.60 | 12,230.06 |
| Others | 335.55 | 320.12 | 390.71 |
| | 16,523.43 | 14,866.72 | 12,620.77 |
| Other Loans | | | |
| Individual | 343.49 | 373.08 | 416.72 |
| Others | 540.94 | 347.97 | 204.96 |
| | 884.43 | 721.05 | 621.68 |
| Total - Gross (A) | 17407.86 | 15,587.77 | 13,242.45 |
| Less : Provision for Expected Credit Losses | 119.58 | 136.20 | 103.71 |
| Total - Net (A) | 17,288.28 | 15,451.57 | 13,138.74 |
| (B) (i) Secured by Tangible Assets | 17,407.43 | 15,587.77 | 13,242.45 |
| (ii) Unsecured | 0.43 | - | - |
| Total - Gross (B) | 17,407.86 | 15,587.77 | 13,242.45 |

| Particulars | As At March 31, 2019 | As At March 31, 2018 | As At April 1, 2017 |
|---|---|---|---|
| Less : Provision for Expected Credit Losses | 119.58 | 136.20 | 103.71 |
| Total - Net (B) | 17,288.28 | 15,451.57 | 13,138.74 |
| (C) (I) Loans in India | | | |
| (i) Public Sector | - | - | - |
| (ii) Private Sector | 17,407.86 | 15,587.77 | 13,242.45 |
| Total - Gross (C) | 17,407.86 | 15,587.77 | 13,242.45 |
| Less : Provision for Expected Credit Losses | 119.58 | 136.20 | 103.71 |
| Total (I) - Net (C) | 17,288.28 | 15,451.57 | 13,138.74 |
| (II) Loans outside India | - | - | - |
| Less : Provision for Expected Credit Losses | - | - | - |
| Total (II) - Net (C) | - | - | - |

7.1 Loans includes ₹ 44.30 crore (Previous Year ₹ 36.70 crore) in respect of properties held for disposal under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002.

7.2 Loans includes ₹ 0.23 crore (Previous Year ₹ 0.25 crore) given to the related party of GRUH under the Staff Loan Scheme.

7.3 Collateral and Other Credit Enhancements :

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty.



Loans granted by GRUH are secured or partly secured by one or combination of following securities :

a) Equitable mortgage of property and / or

b) Pledge of shares, Units, Other Securities, assignments of Life Insurance policies and / or

c) Hypothecation of assets and / or

d) Bank guarantees, Company guarantees or Personal guarantees and / or

e) Undertaking to create a security.

The Company monitors the value of collateral and will request additional collateral in accordance with the loan agreement.

In its normal course of business, the Company does not physically repossess properties or other assets. Property acquisition is a last recourse which company exercise in case recovery become very difficult. Any surplus funds after settlement of outstanding loan are returned to the customers. As a result of this practice, the residential properties under legal repossession processes are not treated as non–current assets held for sale.

The tables below is the most informative and includes the total value of all collateral, any surplus collateral (i.e. the extent to which the value of collateral held is greater than the exposure to which it relates) and the net exposure to credit risk.

(₹ in crore)

| As At March 31, 2019 | Maximum Exposure To Credit Risk | Associated ECLs | Total Maximum Exposure To Credit Risk Net of ECL | Fair Value of Collaterals and Credit Enhancements held | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | Land and Building | Book debts, Inventory and other working capital items | Surplus Collateral | Total Collateral | Net Exposure |
| | A | B | C=A-B | D | E | F | G=D+E+F | H=C-G |
| Financial Assets | | | | | | | | |
| Cash and Cash Equivalent and other Bank Balances | 1,138.12 | - | 1,138.12 | - | - | - | - | 1,138.12 |
| Loans - Gross | | | | | | | | |
| Individual | 16,531.37 | 101.77 | 16,429.60 | 32,162.72 | - | - | 32,162.72 | (15,733.12) |
| Others | 876.49 | 17.81 | 858.68 | 3,054.29 | 256.23 | 66.76 | 3,377.28 | (2,518.60) |
| Debt Instruments at Amortised Cost - SLR | 146.26 | - | 146.26 | - | - | - | - | 146.26 |
| Other Financial Assets | 5.69 | - | 5.69 | - | - | - | - | 5.69 |
| Total Financial Assets at Amortised Cost (i) | 18,697.93 | 119.58 | 18,578.35 | 35,217.01 | 256.23 | 66.76 | 35,540.00 | (16,961.65) |
| Financial Assets at FVTPL | 2.01 | - | 2.01 | - | - | - | - | 2.01 |
| Total Financial Instruments at FVTPL (ii) | 2.01 | - | 2.01 | - | - | - | - | 2.01 |
| Total (i + ii) | 18,699.94 | 119.58 | 18,580.36 | 35,217.01 | 256.23 | 66.76 | 35,540.00 | (16,959.64) |



(₹ in crore)

| As At March 31, 2018 | Maximum Exposure To Credit Risk | Associated ECLs | Total Maximum Exposure To Credit Risk Net of ECL | Fair Value of Collaterals and Credit Enhancements held | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | Land and Building | Book debts, Inventory and other working capital items | Surplus Collateral | Total Collateral | Net Exposure |
| | A | B | C=A-B | D | E | F | G=D+E+F | H=C-G |
| Financial Assets | | | | | | | | |
| Cash and Cash Equivalent and other Bank Balances | 76.85 | - | 76.85 | - | - | - | - | 76.85 |
| Loans - Gross | | | | | | | | |
| Individual | 14,919.68 | 121.69 | 14,797.99 | 28,884.48 | - | - | 28,884.48 | (14,086.49) |
| Others | 668.09 | 14.51 | 653.58 | 2,566.90 | 269.20 | 30.53 | 2,866.63 | (2,213.05) |
| Debt Instruments at Amortised Cost - SLR | 155.93 | - | 155.93 | - | - | - | - | 155.93 |
| Other Financial Assets | 4.80 | - | 4.80 | - | - | - | - | 4.80 |
| Total Financial Assets at Amortised Cost (i) | 15,825.35 | 136.20 | 15,689.15 | 31,451.38 | 269.20 | 30.53 | 31,751.11 | (16,061.96) |
| Financial Assets at FVTPL | 2.01 | - | 2.01 | - | - | - | - | 2.01 |
| Total Financial Instruments at FVTPL (ii) | 2.01 | - | 2.01 | - | - | - | - | 2.01 |
| Total (i + ii) | 15,827.36 | 136.20 | 15,691.16 | 31,451.38 | 269.20 | 30.53 | 31,751.11 | (16,059.95) |

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(₹ in crore)

| As At April 1, 2017 | Maximum Exposure To Credit Risk | Associated ECLs | Total Maximum Exposure To Credit Risk Net of ECL | Fair Value of Collaterals and Credit Enhancements held: Land and Building | Book debts, Inventory and other working capital items | Surplus Collateral | Total Collateral | Net Exposure |
|---|---|---|---|---|---|---|---|---|
| | A | B | C=A-B | D | E | F | G=D+E+F | H=C-G |
| Financial Assets | | | | | | | | |
| Cash and Cash Equivalent and other Bank Balances | 74.38 | - | 74.38 | - | - | - | - | 74.38 |
| Loans - Gross | | | | | | | | |
| Individual | 12,646.78 | 92.01 | 12,554.77 | 24,601.07 | - | - | 24,601.07 | (12,046.30) |
| Others | 595.67 | 11.70 | 583.97 | 2,058.30 | 132.57 | 43.90 | 2,234.77 | (1,650.80) |
| Debt Instruments at Amortised Cost - SLR | 160.93 | - | 160.93 | - | - | - | - | 160.93 |
| Other Financial Assets | 5.86 | - | 5.86 | - | - | - | - | 5.86 |
| Total Financial Assets at Amortised Cost (i) | 13,483.62 | 103.71 | 13,379.91 | 26,659.37 | 132.57 | 43.90 | 26,835.84 | (13,455.93) |
| Financial Assets at FVTPL | 2.01 | - | 2.01 | - | - | - | - | 2.01 |
| Total Financial Instruments at FVTPL (ii) | 2.01 | - | 2.01 | - | - | - | - | 2.01 |
| Total (i + ii) | 13,485.63 | 103.71 | 13,381.92 | 26,659.37 | 132.57 | 43.90 | 26,835.84 | (13,453.92) |



**Individual Loans**

7.4 An analysis of changes in the gross carrying amount and the corresponding Expected Credit Loss allowances in relation to lending is as follows :

(₹ in crore)

| Particulars | 2018-19 Stage 1 | 2018-19 Stage 2 | 2018-19 Stage 3 | 2018-19 Total | 2017-18 Stage 1 | 2017-18 Stage 2 | 2017-18 Stage 3 | 2017-18 Total |
|---|---|---|---|---|---|---|---|---|
| Gross Carrying amount | | | | | | | | |
| Opening Balance | 14,059.30 | 790.29 | 70.09 | 14,919.68 | 12,037.19 | 569.04 | 40.58 | 12,646.81 |
| New Assets Originated | 4,196.06 | 16.48 | 0.43 | 4,212.97 | 4,604.74 | 39.17 | 0.73 | 4,644.64 |
| Assets derecognised or repaid (excluding write offs) | (2,573.31) | (23.06) | (4.05) | (2,600.42) | (2,335.87) | (31.98) | (2.84) | (2,370.69) |
| Transfers to/(from) Stage 1 | - | (76.03) | (4.02) | (80.05) | - | 242.60 | 4.16 | 246.76 |
| Transfers to/(from) Stage 2 | 76.03 | - | 52.85 | 128.88 | (242.60) | - | 28.54 | (214.06) |
| Transfers to/(from) Stage 3 | 4.02 | (52.85) | - | (48.83) | (4.16) | (28.54) | - | (32.70) |
| Amount written off | - | - | (0.86) | (0.86) | - | - | (1.08) | (1.08) |
| Gross Carrying amount Closing Balance | 15,762.10 | 654.83 | 114.44 | 16,531.37 | 14,059.30 | 790.29 | 70.09 | 14,919.68 |

Reconciliation of Expected Credit Loss allowances balance is given below :

(₹ in crore)

| Particulars | 2018-19 | | | | 2017-18 | | | |
|---|---|---|---|---|---|---|---|---|
| | Stage 1 | Stage 2 | Stage 3 | Total | Stage 1 | Stage 2 | Stage 3 | Total |
| ECL Allowance - | | | | | | | | |
| Opening Balance | 1.95 | 14.90 | 104.84 | 121.69 | 1.40 | 10.36 | 80.25 | 92.01 |
| New Assets Originated | 0.62 | 2.07 | 0.03 | 2.72 | 1.26 | 0.80 | 0.06 | 2.12 |
| Assets derecognised or repaid (excluding write offs) | (0.38) | (0.17) | (0.30) | (0.85) | (0.64) | (0.65) | (0.25) | (1.54) |
| Transfers to/(from) Stage 1 | - | (0.55) | (0.29) | (0.84) | - | 4.98 | 0.36 | 5.34 |
| Transfers to/(from) Stage 2 | 0.01 | - | 3.83 | 3.84 | (0.07) | - | 2.48 | 2.41 |
| Transfers to/(from) Stage 3 | - | (0.38) | - | (0.38) | - | (0.59) | - | (0.59) |
| Amount written off | - | - | (0.04) | (0.04) | - | - | (0.09) | (0.09) |
| Excess Provision/(reversed) | - | - | (24.37) | (24.37) | - | - | 22.03 | 22.03 |
| ECL Allowance - Closing Balance | 2.20 | 15.87 | 83.70 | 101.77 | 1.95 | 14.90 | 104.84 | 121.69 |

Stage 3 allowance includes excess provision of ₹ 74.42 crore as at March 31, 2019 (₹ 98.78 crore as at March 31, 2018 and ₹ 76.75 crore as at April 1, 2017).

## Other Loans

7.5 An analysis of changes in the gross carrying amount and the corresponding Expected credit loss allowances is as follows :

(₹ in crore)

| Particulars | 2018-19 | | | | 2017-18 | | | |
|---|---|---|---|---|---|---|---|---|
| | Stage 1 | Stage 2 | Stage 3 | Total | Stage 1 | Stage 2 | Stage 3 | Total |
| Gross carrying amount | | | | | | | | |
| Opening Balance | 668.09 | - | - | 668.09 | 595.64 | - | - | 595.64 |
| New Assets Originated | 722.75 | - | - | 722.75 | 614.05 | - | - | 614.05 |
| Assets derecognised or repaid | (514.35) | - | - | (514.35) | (541.60) | - | - | (541.60) |
| Gross carrying amount Closing Balance | 876.49 | - | - | 876.49 | 668.09 | - | - | 668.09 |

Reconciliation of Expected credit loss allowances balance is given below :

(₹ in crore)

| Particulars | 2018-19 | | | | 2017-18 | | | |
|---|---|---|---|---|---|---|---|---|
| | Stage 1 | Stage 2 | Stage 3 | Total | Stage 1 | Stage 2 | Stage 3 | Total |
| ECL Allowance - | | | | | | | | |
| Opening Balance | 14.51 | - | - | 14.51 | 11.70 | - | - | 11.70 |
| New Assets Originated | 11.45 | - | - | 11.45 | 23.83 | - | - | 23.83 |
| Assets derecognised or repaid | (8.15) | - | - | (8.15) | (21.02) | - | - | (21.02) |
| ECL Allowance - Closing Balance | 17.81 | - | - | 17.81 | 14.51 | - | - | 14.51 |

## 8 INVESTMENTS

(₹ in crore)

| Particulars | As At March 31, 2019 | | |
|---|---|---|---|
| | Amortised Cost | At Fair Value through Profit or Loss | Total |
| | (1) | (2) | (3)=(1)+(2) |
| Government Securities - SLR | 146.26 | - | 146.26 |
| Mutual Funds | - | 2.01 | 2.01 |
| Total - (A) | 146.26 | 2.01 | 148.27 |
| (i) Investments outside India | - | - | - |
| (ii) Investments in India | 146.26 | 2.01 | 148.27 |
| Total - (B) | 146.26 | 2.01 | 148.27 |

(₹ in crore)

| Particulars | As At March 31, 2018 | | |
|---|---|---|---|
| | Amortised Cost | At Fair Value through Profit or Loss | Total |
| | (1) | (2) | (3)=(1)+(2) |
| Government Securities - SLR | 155.93 | - | 155.93 |
| Mutual Funds | - | 2.01 | 2.01 |
| Total - (A) | 155.93 | 2.01 | 157.94 |
| (i) Investments outside India | - | - | - |
| (ii) Investments in India | 155.93 | 2.01 | 157.94 |
| Total - (B) | 155.93 | 2.01 | 157.94 |

(₹ in crore)

| Particulars | As At April 1, 2017 | | |
|---|---|---|---|
| | Amortised Cost | At Fair Value through Profit or Loss | Total |
| | (1) | (2) | (3)=(1)+(2) |
| Government Securities - SLR | 160.93 | - | 160.93 |
| Mutual Funds | - | 2.01 | 2.01 |
| Total - (A) | 160.93 | 2.01 | 162.94 |
| (i) Investments outside India | - | - | - |
| (ii) Investments in India | 160.93 | 2.01 | 162.94 |
| Total - (B) | 160.93 | 2.01 | 162.94 |

The above investments are made as Statutory Liquid Assets in accordance with norms prescribed by the National Housing Bank.

## 9 OTHER FINANCIAL ASSETS

(₹ in crore)

| Particulars | As At March 31, 2019 | As At March 31, 2018 | As At April 1, 2017 |
|---|---|---|---|
| Rent Deposits - Unsecured; considered good | 2.00 | 1.95 | 1.86 |
| Security Deposits - Unsecured; considered good | | | |
| To Related Party | 0.05 | 0.05 | 0.05 |
| To Others | 2.20 | 2.19 | 1.43 |
| Other Advances - Unsecured; considered good | 1.44 | 0.61 | 2.52 |
| Total | 5.69 | 4.80 | 5.86 |

Other Advances as at March 31, 2019 includes payment made during the year for merger related services amounting to ₹ 0.83 crore which shall be adjusted in combined merged entity on effective date.

## 10 CURRENT TAX ASSETS (NET)

(₹ in crore)

| Particulars | As At March 31, 2019 | As At March 31, 2018 | As At April 1, 2017 |
|---|---|---|---|
| Advance Tax [Net of Provision for Taxation of ₹ 913.37 crore (₹ 754.18 crore As At March 31, 2018 and ₹ 589.76 crore As At April 1, 2017)] | 28.14 | 30.40 | 29.69 |
| Total | 28.14 | 30.40 | 29.69 |

As At March 31, 2019 includes excess income tax refund received amounting to ₹ 1.07 crore.

## 11 DEFERRED TAX ASSETS (NET)

The major components of Deferred Tax Assets and Liabilities are :

(₹ in crore)

| Particulars | As At March 31, 2019 | | As At March 31, 2018 | | As At April 1, 2017 | |
|---|---|---|---|---|---|---|
| | Assets | Liabilities | Assets | Liabilities | Assets | Liabilities |
| a) Depreciation | - | 0.12 | - | 0.31 | - | 0.57 |
| b) Provision for Expected Credit Loss | 28.13 | - | 33.41 | - | 30.56 | - |
| c) Provision for Employee Benefits | 1.92 | - | 1.66 | - | 1.50 | - |
| d) Brokerage and Incentive on Deposits | - | 3.67 | - | 3.26 | - | 3.36 |
| e) Tax on Ind AS adjustments as per EIR method | 5.23 | - | 11.24 | - | 13.69 | - |
| f) Others | 6.12 | - | 2.92 | - | 2.13 | - |
| Total | 41.40 | 3.79 | 49.23 | 3.57 | 47.88 | 3.93 |
| Net Deferred Tax Asset | 37.61 | | 45.66 | | 43.95 | |

### Movement in Deferred Tax Assets

(₹ in crore)

| Particulars | Property, Plant and Equipment | ECL on Loans | Brokerage and Incentive on Deposits | Provision for Employee Benefits | Others | Tax on Ind AS adjust ments as per EIR method | Total |
|---|---|---|---|---|---|---|---|
| As At April 1, 2017 | (0.57) | 30.56 | (3.36) | 1.50 | 2.13 | 13.69 | 43.95 |
| (Charged)/Credited | | | | | | | |
| To Profit or Loss | 0.26 | 2.85 | 0.10 | 0.16 | 0.79 | (2.45) | 1.71 |
| To Other Comprehensive Income | - | - | - | - | - | - | - |
| As At March 31, 2018 | (0.31) | 33.41 | (3.26) | 1.66 | 2.92 | 11.24 | 45.66 |
| (Charged)/Credited | | | | | | | |
| To Profit or Loss | 0.19 | (5.28) | (0.41) | 0.26 | 3.20 | (6.01) | (8.05) |
| To Other Comprehensive Income | - | - | - | - | - | - | - |
| As At March 31, 2019 | (0.12) | 28.13 | (3.67) | 1.92 | 6.12 | 5.23 | 37.61 |

## 12 PROPERTY, PLANT AND EQUIPMENT

(₹ in crore)

| Particulars | Gross Block | | | | Depreciation | | | | Net Block | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As At 1.4.2018 | Additions | Deductions | As At 31.3.2019 | As At 1.4.2018 | For the year | Deductions | As At 31.3.2019 | As At 31.3.2019 | As At 31.3.2018 |
| Own Assets<br>Freehold Land | 0.97 | - | - | 0.97 | - | - | - | - | 0.97 | 0.97 |
| Office Building | 3.30 | - | - | 3.30 | 0.08 | 0.08 | - | 0.16 | 3.14 | 3.22 |
| Furniture and Fixtures | 6.35 | 0.74 | - | 7.09 | 0.81 | 0.88 | - | 1.69 | 5.40 | 5.54 |
| Vehicles | 0.22 | - | - | 0.22 | 0.05 | 0.03 | - | 0.08 | 0.14 | 0.17 |
| Office Equipments | 2.79 | 0.29 | 0.01 | 3.07 | 0.74 | 0.72 | (₹ 4,510) | 1.46 | 1.61 | 2.05 |
| Electrical Installation | 1.14 | 0.09 | - | 1.23 | 0.20 | 0.22 | - | 0.42 | 0.81 | 0.94 |
| Computers | 1.98 | 0.17 | - | 2.15 | 0.75 | 0.66 | - | 1.41 | 0.74 | 1.23 |
| Total | 16.75 | 1.29 | 0.01 | 18.03 | 2.63 | 2.59 | (₹ 4,510) | 5.22 | 12.81 | 14.12 |

## PROPERTY, PLANT AND EQUIPMENT

(₹ in crore)

| Particulars | Gross Block | | | | Depreciation | | | | Net Block | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As At 1.4.2017 | Additions | Deductions | As At 31.3.2018 | As At 1.4.2017 | For the year | Deductions | As At 31.3.2018 | As At 31.3.2018 | As At 31.3.2017 |
| Own Assets<br>Freehold Land | 0.97 | - | - | 0.97 | - | - | - | - | 0.97 | 0.97 |
| Office Building | 3.30 | - | - | 3.30 | - | 0.08 | - | 0.08 | 3.22 | 3.30 |
| Furniture and Fixtures | 4.88 | 1.47 | - | 6.35 | - | 0.81 | - | 0.81 | 5.54 | 4.88 |
| Vehicles | 0.22 | - | - | 0.22 | - | 0.05 | - | 0.05 | 0.17 | 0.22 |
| Office Equipments | 1.59 | 1.20 | - | 2.79 | - | 0.74 | - | 0.74 | 2.05 | 1.59 |
| Electrical Installation | 0.84 | 0.30 | - | 1.14 | - | 0.20 | - | 0.20 | 0.94 | 0.84 |
| Computers | 1.32 | 0.66 | - | 1.98 | - | 0.75 | - | 0.75 | 1.23 | 1.32 |
| Total | 13.12 | 3.63 | - | 16.75 | - | 2.63 | - | 2.63 | 14.12 | 13.12 |



12.1 Redeemable Non-Convertible Debentures are secured by the mortgage of specific immovable property created in favour of Debenture Trustees.

## 13 INTANGIBLE ASSETS

(₹ in crore)

| Particulars | Gross Block | | | | Amortisation | | | | Net Block | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As At 1.4.2018 | Additions | Deductions | As At 31.3.2019 | As At 1.4.2018 | For the year | Deductions | As At 31.3.2019 | As At 31.3.2019 | As At 31.3.2018 |
| Own Assets<br>Application Software | 1.76 | 1.84 | - | 3.60 | 0.46 | 0.81 | - | 1.27 | 2.33 | 1.30 |
| Total | 1.76 | 1.84 | - | 3.60 | 0.46 | 0.81 | - | 1.27 | 2.33 | 1.30 |

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## INTANGIBLE ASSETS

(₹ in crore)

| Particulars | Gross Block | | | | Amortisation | | | | Net Block | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As At 1.4.2017 | Additions | Deductions | As At 31.3.2018 | As At 1.4.2017 | For the year | Deductions | As At 31.3.2018 | As At 31.3.2018 | As At 31.3.2017 |
| Own Assets | | | | | | | | | | |
| Application Software | 0.58 | 1.18 | - | 1.76 | - | 0.46 | - | 0.46 | 1.30 | 0.58 |
| Total | 0.58 | 1.18 | - | 1.76 | - | 0.46 | - | 0.46 | 1.30 | 0.58 |

## PROPERTY, PLANT AND EQUIPMENT AS AT APRIL 1, 2017

(₹ in crore)

| Particulars | Gross Block | Accumulated Depreciation | Net Block |
|---|---|---|---|
| Own Assets | | | |
| Freehold Land | 0.97 | - | 0.97 |
| Office Building | 4.86 | 1.56 | 3.30 |
| Furniture and Fixtures | 11.42 | 6.54 | 4.88 |
| Vehicles | 0.28 | 0.06 | 0.22 |
| Office Equipments | 5.57 | 3.98 | 1.59 |
| Electrical Installation | 1.64 | 0.80 | 0.84 |
| Computers | 8.95 | 7.63 | 1.32 |
| Total | 33.69 | 20.57 | 13.12 |



## INTANGIBLE ASSETS AS AT APRIL 1, 2017

(₹ in crore)

| Particulars | Gross Block | Accumulated Amortisation | Net Block |
|---|---|---|---|
| Own Assets | | | |
| Application Software | 1.57 | 0.99 | 0.58 |
| Total | 1.57 | 0.99 | 0.58 |

## 14 OTHER NON-FINANCIAL ASSETS

(₹ in crore)

| Particulars | As At March 31, 2019 | As At March 31, 2018 | As At April 1, 2017 |
|---|---|---|---|
| Capital Advances - Unsecured; considered good | 0.14 | 0.87 | 0.99 |
| Prepaid Expenses - Unsecured; considered good | 4.58 | 1.66 | 2.40 |
| Total | 4.72 | 2.53 | 3.39 |

## 15 PAYABLES

A) Trade Payables

(₹ in crore)

| Particulars | As At March 31, 2019 | As At March 31, 2018 | As At April 1, 2017 |
|---|---|---|---|
| i) Total outstanding dues of micro enterprises and small enterprises | - | - | - |
| ii) Total outstanding dues of creditors other than micro enterprises and small enterprises | 2.83 | 2.87 | 5.18 |

The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of Information available with the Company. The amount of principal and interest outstanding during the year is given below.

(₹ in crore)

| Particulars | As At March 31, 2019 | As At March 31, 2018 | As At April 1, 2017 |
|---|---|---|---|
| a) Amount outstanding but not due as at year end | - | - | - |
| b) Amount due but unpaid as at the year end | - | - | - |
| c) Amount paid after appointed date during the year | - | - | - |
| d) Amount of interest accrued and unpaid as at year end | - | - | - |
| e) The amount of further interest due and payable even in the succeeding year | - | - | - |
| Total | - | - | - |



B) Other Payables

(₹ in crore)

| Particulars | As At March 31, 2019 | As At March 31, 2018 | As At April 1, 2017 |
|---|---|---|---|
| i) Total outstanding dues of micro enterprises and small enterprises | - | - | - |
| ii) Total outstanding dues of creditors other than micro enterprises and small enterprises | - | - | - |

## 16 DEBT SECURITIES - AT AMORTISED COST

(₹ in crore)

| Particulars | As At March 31, 2019 | As At March 31, 2018 | As At April 1, 2017 |
|---|---|---|---|
| Secured | | | |
| Non Convertible Debentures (Note 16.1, 16.2 and 16.3) | 4,299.53 | 4,092.59 | 2,382.20 |
| Unsecured | | | |
| Commercial Papers (Note 16.3) | 197.32 | 716.44 | - |
| Total (A) | 4,496.85 | 4,809.03 | 2,382.20 |
| Debt Securities in India | 4,496.85 | 4,809.03 | 2,382.20 |
| Debt Securities outside India | - | - | - |
| Total (B) | 4,496.85 | 4,809.03 | 2,382.20 |

16.1 Non-Convertible Debentures includes ₹ 1,314.42 crore (As At March 31, 2018 ₹ 1,313.75 crore and As At April 1, 2017 ₹ 1,313.08 crore) from a related party.

16.2 Redeemable Non-Convertible Debentures are secured by the mortgage of specific immovable property created in favour of Debenture Trustees and by a negative lien on all the assets of the Company excluding the Statutory Liquid Assets having floating charge in favour of the Public Deposit Trustees against the Public Deposits.

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

Nature of Security : mortgage of specific immovable property created in favour of Debenture Trustees and by a negative lien on all the assets of the Company excluding the Statutory Liquid Assets having floating charge in favour of the Public Deposit Trustees against the Public Deposits.

NCDs are not listed on any stock exchange.



Non-Convertible Debentures (NCDs) at Face Value repayable at par : (₹ in crore)

| Rate of Interest | Maturity Date | As At March 31, 2019 | As At March 31, 2018 | As At April 1, 2017 |
|---|---|---|---|---|
| 9.15 | 12-Apr-18 | - | 150.00 | 150.00 |
| 9.07 | 8-Jun-18 | - | 150.00 | 150.00 |
| 9.05 | 15-Mar-18 | - | - | 100.00 |
| 8.39 | 1-Nov-18 | - | 47.00 | 47.00 |
| 8.40 | 1-Jan-18 | - | - | 250.00 |
| 7.57 | 17-Nov-19 | 500.00 | 500.00 | 500.00 |
| 7.58 | 20-Mar-20 | 500.00 | 500.00 | 500.00 |
| 7.68 | 23-Mar-20 | 690.00 | 690.00 | 690.00 |
| 7.54 | 15-Mar-19 | - | 300.00 | - |
| 7.45 | 27-Mar-19 | - | 375.00 | - |
| 7.48 | 10-Jun-19 | 565.00 | 565.00 | - |
| 7.40 | 30-Sep-20 | 342.00 | 342.00 | - |
| 7.49 | 31-Oct-22 | 478.00 | 478.00 | - |
| 9.50 | 30-Oct-28 | 230.00 | - | - |
| 9.35 | 6-Apr-22 | 137.60 | - | - |
| 9.35 | 28-Apr-22 | 105.00 | - | - |
| 9.18 | 29-Mar-22 | 492.50 | - | - |
| 9.35 | 31-Oct-23 | 265.00 | - | - |
| Total | | *4,305.10 | *4,097.00 | *2,387.00 |

* Gross amount i.e. without considering the impact of unamortised expenses.

Nature of Security : Unsecured

Commercial Paper at Face Value repayable at par : (₹ in crore)

| Rate of Interest | Maturity Date | As At March 31, 2019 | As At March 31, 2018 | As At April 1, 2017 |
|---|---|---|---|---|
| 7.77 | 15-Mar-19 | - | 215.00 | - |
| 7.77 | 18-Mar-19 | - | 325.00 | - |
| 7.77 | 21-Mar-19 | - | 230.00 | - |
| 8.65 | 29-May-19 | 200.00 | - | - |
| Total | | *200.00 | *770.00 | - |

* Gross amount i.e. without considering the impact of unamortised expenses.

## 17 BORROWINGS (OTHER THAN DEBT SECURITIES) - AT AMORTISED COST

(₹ in crore)

| Particulars | As At March 31, 2019 | As At March 31, 2018 | As At April 1, 2017 |
|---|---|---|---|
| Secured | | | |
| (a) Term Loans | | | |
| - National Housing Bank (Note 17.1) | 3,706.20 | 2,048.19 | 3,771.24 |
| - Banks (Note 17.1) | 3,775.00 | 987.50 | 4,320.00 |
| (b) Other Loans | | | |
| - Cash Credit | 3,000.00 | 4,650.00 | - |
| Total (A) | 10,481.20 | 7,685.69 | 8,091.24 |
| Borrowings in India | 10,481.20 | 7,685.69 | 8,091.24 |
| Borrowings outside India | - | - | - |
| Total (B) | 10,481.20 | 7,685.69 | 8,091.24 |



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

NHB Refinance : (₹ in crore)

| Name of Security | Terms of repayment | As At March 31, 2019 | As At March 31, 2018 | As At April 1, 2017 |
|---|---|---|---|---|
| -Secured by negative lien on | 60 Quarterly Repayment from 01/04/2019 | 1,228.50 | - | - |
| the assets of the company | 60 Quarterly Repayment from 01/01/2019 | 724.40 | - | - |
| except : | 40 Quarterly Repayment from 01/04/2017 | 121.64 | 137.86 | 154.08 |
| a) charge on the specific | 40 Quarterly Repayment from 01/04/2017 | 115.35 | 130.75 | 146.15 |
| immovable property, created | 40 Quarterly Repayment from 01/01/2017 | 132.13 | 150.37 | 168.61 |
| favouring the Debenture Trustees | 40 Quarterly Repayment from 01/10/2016 | 20.68 | 23.63 | 26.58 |
| to secure the NCDs and | 60 Quarterly Repayment from 01/07/2016 | 13.92 | 15.10 | 16.29 |
| b) the charge created on the | 60 Quarterly Repayment from 01/07/2016 | - | - | 186.90 |
| Statutory Liquid Assets (SLA) | 60 Quarterly Repayment from 01/07/2016 | - | - | 466.08 |
| maintained to comply with the | 60 Quarterly Repayment from 01/07/2016 | 116.50 | 126.42 | 136.34 |
| requirement of SLR on the | 40 Quarterly Repayment from 01/07/2016 | 51.91 | 59.61 | 67.30 |
| public deposits raised by GRUH. | 40 Quarterly Repayment from 01/07/2016 | 37.70 | 43.29 | 48.87 |
| - Interest rates are ranging | 40 Quarterly Repayment from 01/07/2016 | 19.66 | 22.62 | 25.58 |
| between 6.00% to 9.65% | 8 Quarterly Repayment from 01/04/2016 | - | - | 114.49 |
| | 40 Quarterly Repayment from 01/04/2016 | 33.23 | 38.39 | 43.55 |

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| | | | | |
|---|---|---|---|---|
| | 40 Quarterly Repayment from 01/04/2016 | 16.64 | 19.20 | 21.76 |
| | 40 Quarterly Repayment from 01/04/2016 | 15.47 | 17.87 | 20.27 |
| | 40 Quarterly Repayment from 01/04/2016 | 33.30 | 38.44 | 43.58 |
| | 40 Quarterly Repayment from 01/10/2015 | 46.05 | 53.77 | 61.49 |
| | 40 Quarterly Repayment from 01/07/2015 | 11.79 | 13.84 | 15.90 |
| | 40 Quarterly Repayment from 01/07/2015 | 48.14 | 56.54 | 64.94 |
| | 40 Quarterly Repayment from 01/07/2015 | 0.56 | 0.66 | 0.75 |
| | 56 Quarterly Repayment from 01/07/2015 | 5.28 | 5.83 | 6.37 |
| | 52 Quarterly Repayment from 01/07/2015 | 3.43 | 3.82 | 4.22 |
| | 60 Quarterly Repayment from 01/04/2015 | 13.22 | 14.78 | 16.34 |
| | 60 Quarterly Repayment from 01/04/2015 | 124.73 | 136.73 | 148.73 |
| | 28 Quarterly Repayment from 01/04/2015 | 2.86 | 4.01 | 5.16 |
| | 28 Quarterly Repayment from 01/04/2015 | 1.65 | 2.30 | 2.97 |
| | 56 Quarterly Repayment from 01/04/2015 | 1.20 | 1.33 | 1.45 |
| | 28 Quarterly Repayment from 01/04/2015 | 2.05 | 2.89 | 3.73 |
| | 28 Quarterly Repayment from 01/04/2015 | 1.19 | 1.67 | 2.15 |
| | 28 Quarterly Repayment from 01/04/2015 | 2.51 | 3.55 | 4.59 |
| | 60 Quarterly Repayment from 01/10/2014 | - | - | 81.30 |
| | 60 Quarterly Repayment from 01/10/2014 | - | - | 138.69 |
| | 60 Quarterly Repayment from 01/10/2014 | 1.36 | 1.50 | 1.63 |
| | 60 Quarterly Repayment from 01/10/2014 | 78.83 | 86.75 | 94.67 |
| | 48 Quarterly Repayment from 01/10/2014 | 3.12 | 3.57 | 4.01 |
| | 56 Quarterly Repayment from 01/10/2014 | 134.43 | 149.39 | 164.35 |
| | 60 Quarterly Repayment from 01/07/2014 | 73.99 | 81.59 | 89.19 |
| | 60 Quarterly Repayment from 01/07/2014 | - | - | 83.03 |
| | 56 Quarterly Repayment from 01/07/2014 | 0.61 | 0.68 | 0.75 |
| | 44 Quarterly Repayment from 01/07/2014 | 2.94 | 3.45 | 3.96 |
| | 56 Quarterly Repayment from 01/07/2014 | 1.86 | 2.08 | 2.29 |
| | 56 Quarterly Repayment from 01/04/2014 | - | - | 133.84 |
| | 60 Quarterly Repayment from 01/04/2014 | 7.75 | 8.57 | 9.38 |
| | 48 Quarterly Repayment from 01/04/2014 | 14.91 | 17.21 | 19.50 |
| | 48 Quarterly Repayment from 01/04/2014 | 42.64 | 49.20 | 55.76 |
| | 48 Quarterly Repayment from 01/01/2014 | 0.70 | 0.81 | 0.92 |
| | 52 Quarterly Repayment from 01/01/2014 | 0.42 | 0.48 | 0.53 |
| | 48 Quarterly Repayment from 01/10/2013 | 0.38 | 0.44 | 0.50 |
| | 48 Quarterly Repayment from 01/10/2013 | 0.17 | 0.20 | 0.22 |
| | 28 Quarterly Repayment from 01/10/2013 | 0.01 | 0.02 | 0.04 |
| | 28 Quarterly Repayment from 01/10/2013 | 0.02 | 0.04 | 0.06 |
| | 28 Quarterly Repayment from 01/10/2013 | 0.34 | 0.68 | 1.03 |
| | 28 Quarterly Repayment from 01/10/2013 | 0.46 | 0.92 | 1.38 |
| | 28 Quarterly Repayment from 01/10/2013 | 0.27 | 0.54 | 0.81 |
| | 28 Quarterly Repayment from 01/10/2013 | 0.47 | 0.93 | 1.40 |
| | 48 Quarterly Repayment from 01/10/2013 | 0.52 | 0.61 | 0.70 |
| | 48 Quarterly Repayment from 01/10/2013 | 0.11 | 0.13 | 0.15 |

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| | | | | |
|---|---|---|---|---|
| | 28 Quarterly Repayment from 01/10/2013 | 0.06 | 0.13 | 0.19 |
| | 28 Quarterly Repayment from 01/10/2013 | 0.41 | 0.81 | 1.22 |
| | 28 Quarterly Repayment from 01/10/2013 | 0.87 | 1.73 | 2.60 |
| | 28 Quarterly Repayment from 01/10/2013 | 0.40 | 0.80 | 1.20 |
| | 28 Quarterly Repayment from 01/10/2013 | 0.75 | 1.50 | 2.25 |
| | 48 Quarterly Repayment from 01/07/2013 | 0.52 | 0.61 | 0.71 |
| | 48 Quarterly Repayment from 01/07/2013 | 0.12 | 0.14 | 0.16 |
| | 28 Quarterly Repayment from 01/07/2013 | 0.39 | 0.91 | 1.43 |
| | 28 Quarterly Repayment from 01/07/2013 | 0.30 | 0.70 | 1.10 |
| | 28 Quarterly Repayment from 01/07/2013 | 0.68 | 1.59 | 2.51 |
| | 28 Quarterly Repayment from 01/07/2013 | 0.37 | 0.86 | 1.35 |
| | 28 Quarterly Repayment from 01/07/2013 | 0.03 | 0.07 | 0.11 |
| | 28 Quarterly Repayment from 01/07/2013 | 0.01 | 0.03 | 0.05 |
| | 28 Quarterly Repayment from 01/07/2013 | 0.04 | 0.10 | 0.16 |
| | 28 Quarterly Repayment from 01/07/2013 | 0.16 | 0.37 | 0.58 |
| | 28 Quarterly Repayment from 01/07/2013 | 0.37 | 0.87 | 1.37 |
| | 28 Quarterly Repayment from 01/07/2013 | 0.15 | 0.35 | 0.55 |
| | 28 Quarterly Repayment from 01/07/2013 | 0.31 | 0.72 | 1.13 |
| | 56 Quarterly Repayment from 01/07/2013 | 0.51 | 0.57 | 0.64 |
| | 56 Quarterly Repayment from 01/07/2013 | 0.19 | 0.21 | 0.23 |
| | 52 Quarterly Repayment from 01/07/2013 | 1.51 | 1.73 | 1.96 |
| | 52 Quarterly Repayment from 01/07/2013 | 1.16 | 1.33 | 1.50 |
| | 28 Quarterly Repayment from 01/07/2013 | 0.37 | 0.86 | 1.35 |
| | 28 Quarterly Repayment from 01/07/2013 | 0.18 | 0.42 | 0.66 |
| | 28 Quarterly Repayment from 01/07/2013 | 0.29 | 0.69 | 1.08 |
| | 28 Quarterly Repayment from 01/07/2013 | 0.29 | 0.69 | 1.08 |
| | 28 Quarterly Repayment from 01/07/2013 | 0.02 | 0.05 | 0.09 |
| | 28 Quarterly Repayment from 01/07/2013 | 0.02 | 0.04 | 0.06 |
| | 28 Quarterly Repayment from 01/04/2013 | 0.02 | 0.07 | 0.11 |
| | 28 Quarterly Repayment from 01/04/2013 | 0.18 | 0.53 | 0.89 |
| | 28 Quarterly Repayment from 01/04/2013 | 0.21 | 0.64 | 1.07 |
| | 28 Quarterly Repayment from 01/04/2013 | 0.14 | 0.41 | 0.69 |
| | 28 Quarterly Repayment from 01/04/2013 | 0.22 | 0.67 | 1.12 |
| | 60 Quarterly Repayment from 01/04/2013 | 124.63 | 139.29 | 153.95 |
| | 54 Quarterly Repayment from 01/04/2013 | 96.00 | 109.72 | 123.44 |
| | 28 Quarterly Repayment from 01/04/2013 | 0.03 | 0.10 | 0.17 |
| | 28 Quarterly Repayment from 01/04/2013 | 0.04 | 0.12 | 0.20 |
| | 28 Quarterly Repayment from 01/04/2013 | 0.77 | 2.31 | 3.85 |
| | 28 Quarterly Repayment from 01/04/2013 | 0.47 | 1.41 | 2.35 |
| | 28 Quarterly Repayment from 01/04/2013 | 0.23 | 0.70 | 1.17 |
| | 28 Quarterly Repayment from 01/04/2013 | 0.40 | 1.19 | 1.99 |
| | 52 Quarterly Repayment from 01/04/2013 | 1.93 | 2.22 | 2.52 |
| | 52 Quarterly Repayment from 01/04/2013 | 0.35 | 0.40 | 0.45 |
| | 28 Quarterly Repayment from 01/04/2013 | 0.04 | 0.12 | 0.21 |

| | | | | |
|---|---|---|---|---|
| | 28 Quarterly Repayment from 01/04/2013 | 0.39 | 1.19 | 1.99 |
| | 28 Quarterly Repayment from 01/04/2013 | 0.48 | 1.43 | 2.38 |
| | 28 Quarterly Repayment from 01/01/2013 | 0.05 | 0.26 | 0.46 |
| | 28 Quarterly Repayment from 01/01/2013 | 0.61 | 3.05 | 5.49 |
| | 28 Quarterly Repayment from 01/01/2013 | 0.37 | 1.87 | 3.37 |
| | 40 Quarterly Repayment from 01/01/2013 | 0.50 | 0.66 | 0.81 |
| | 40 Quarterly Repayment from 01/01/2013 | 2.50 | 3.27 | 4.04 |
| | 40 Quarterly Repayment from 01/01/2013 | 55.01 | 71.94 | 88.88 |
| | 40 Quarterly Repayment from 01/01/2013 | 98.17 | 128.38 | 158.58 |
| | 28 Quarterly Repayment from 01/10/2012 | - | 5.24 | 10.56 |
| | 28 Quarterly Repayment from 01/10/2012 | - | 2.91 | 5.87 |
| | 40 Quarterly Repayment from 01/10/2012 | - | - | 8.26 |
| | 40 Quarterly Repayment from 01/10/2012 | - | - | 137.21 |
| | 40 Quarterly Repayment from 01/10/2012 | - | 0.04 | 0.14 |
| | 40 Quarterly Repayment from 01/10/2012 | - | 0.53 | 1.89 |
| | 40 Quarterly Repayment from 01/10/2012 | - | 0.37 | 1.25 |
| | 28 Quarterly Repayment from 01/10/2012 | - | - | 43.56 |
| | 28 Quarterly Repayment from 01/10/2012 | - | 8.41 | 25.33 |
| | 28 Quarterly Repayment from 01/10/2012 | - | 0.05 | 0.15 |
| | 28 Quarterly Repayment from 01/10/2012 | - | 0.27 | 1.19 |
| | 28 Quarterly Repayment from 01/10/2012 | - | 0.58 | 1.98 |
| | 28 Quarterly Repayment from 01/10/2012 | - | 0.66 | 2.26 |
| | 28 Quarterly Repayment from 01/10/2012 | - | 0.31 | 1.26 |
| | 28 Quarterly Repayment from 01/10/2012 | - | 0.06 | 0.20 |
| | 28 Quarterly Repayment from 01/10/2012 | - | 0.66 | 1.99 |
| | 28 Quarterly Repayment from 01/10/2012 | - | 0.04 | 0.11 |
| | 28 Quarterly Repayment from 01/10/2012 | - | 0.31 | 0.93 |
| | 28 Quarterly Repayment from 01/01/2012 | - | 0.09 | 0.46 |
| | 28 Quarterly Repayment from 01/01/2012 | - | 1.09 | 5.47 |
| | 28 Quarterly Repayment from 01/01/2012 | - | 0.54 | 2.90 |
| | 28 Quarterly Repayment from 01/10/2011 | - | - | 4.44 |
| | 28 Quarterly Repayment from 01/10/2011 | - | - | 2.77 |
| | 28 Quarterly Repayment from 01/10/2011 | - | - | 0.34 |
| | 28 Quarterly Repayment from 01/07/2011 | - | - | 0.06 |
| | 28 Quarterly Repayment from 01/07/2011 | - | - | 3.84 |
| | 28 Quarterly Repayment from 01/07/2011 | - | - | 0.34 |
| | 28 Quarterly Repayment from 01/04/2011 | - | - | 1.75 |
| | 28 Quarterly Repayment from 01/04/2011 | - | - | 0.35 |
| | 28 Quarterly Repayment from 01/04/2011 | - | - | 0.06 |
| | 28 Quarterly Repayment from 01/04/2011 | - | - | 0.44 |
| | 28 Quarterly Repayment from 01/01/2011 | - | - | 0.17 |
| | 28 Quarterly Repayment from 01/01/2011 | - | - | 0.30 |
| | 60 Quarterly Repayment from 01/04/2006 | - | 0.14 | 0.60 |
| Total | | 3,706.20 | 2,048.19 | 3,771.24 |

Banks :

(₹ in crore)

| Name of Security | Terms of repayment | As At March 31, 2019 |
|---|---|---|
| -Secured by negative lien on the assets of the company except :<br>a) charge on the specific immovable property, created favouring the Debenture Trustees to secure the NCDs and<br>b) the charge created on the Statutory Liquid Assets (SLA) maintained to comply with the requirement of SLR on the public deposits raised by GRUH.<br>- Interest rates are ranging between 7.50% to 9.25% | Quarterly Repayment of ₹ 15.625 crore from June 2017 over 5 years<br>Bullet repayment at the end of 6th year from Sept 2017<br>Annual Repayment of ₹ 100 crore from Oct 2019 over 5 years<br>Annual Repayment of ₹ 100 crore from Dec 2019 over 5 years<br>Half yearly repayment of ₹ 25 crore from Dec 2019 over 5 years<br>Half yearly repayment of ₹ 25 crore from Dec 2019 over 5 years<br>Annual repayment of ₹ 100 crore from Dec 2019 over 5 years<br>Annual repayment of ₹ 100 crore from Jan 2020 over 5 years<br>Annual repayment of ₹ 100 crore from Mar 2020 over 5 years<br>Annual repayment of ₹ 100 crore from Mar 2020 over 5 years | 125.00<br>300.00<br>500.00<br>500.00<br>250.00<br>100.00<br>500.00<br>500.00<br>500.00<br>500.00 |
| Total Secured | | 3,775.00 |

(₹ in crore)

| Name of Security | Terms of repayment | As At March 31, 2018 |
|---|---|---|
| -Secured by negative lien on the assets of the company except :<br>a) charge on the specific immovable property, created favouring the Debenture Trustees to secure the NCDs and<br>b) the charge created on the Statutory Liquid Assets (SLA) maintained to comply with the requirement of SLR on the public deposits raised by GRUH.<br>- Interest rates are ranging between 7.35% to 8.05% | Quarterly Repayment of ₹ 15.625 crore from June 2017 over 5 years<br>Annual Repayment of ₹ 100 crore from March 2019 over 5 years<br>Bullet repayment at the end of 6th year from Sept 2017 | 187.50<br>500.00<br>300.00 |
| Total Secured | | 987.50 |



(₹ in crore)

| Name of Security | Terms of repayment | As At April 1, 2017 |
|---|---|---|
| -Secured by negative lien on the assets of the company except :<br>a) charge on the specific immovable property, created favouring the Debenture Trustees to secure the NCDs and<br>b) the charge created on the Statutory Liquid Assets (SLA) maintained to comply with the requirement of SLR on the public deposits raised by GRUH.<br>- Interest rates are ranging between 8.40% to 9.00% | Quarterly Repayment of ₹ 15.625 crore from June 2017 over 4 years<br>Bullet repayment at the end of 1 year from Nov'2016<br>Bullet repayment at the end of 1 year from March'2017<br>Bullet repayment at the end of 1 year from March'2017<br>Bullet repayment at the end of 1 year from March'2017<br>Bullet repayment at the end of 1 year from March'2017 | 250.00<br>2,500.00<br>682.00<br>182.00<br>241.00<br>465.00 |
| Total Secured | | 4,320.00 |

## 18 DEPOSITS

(₹ in crore)

| Particulars | As At March 31, 2019 | As At March 31, 2018 | As At April 1, 2017 |
|---|---|---|---|
| At Amortised Cost | | | |
| Public Deposits (Note 18.1) | 1,494.25 | 1,439.40 | 1,468.83 |
| Total | 1,494.25 | 1,439.40 | 1,468.83 |

18.1 Public deposits as defined in paragraph 2(1)(y) of the Housing Finance Companies (NHB) Directions, 2010, are secured by floating charge and Lien in favour of the Trustees for Depositors on the Statutory Liquid Assets maintained in terms of sub-sections (1) & (2) of Section 29B of the National Housing Bank Act, 1987.

## 19 SUBORDINATED LIABILITIES

(₹ in crore)

| Particulars | As At March 31, 2019 | As At March 31, 2018 | As At April 1, 2017 |
|---|---|---|---|
| Unsecured | | | |
| Non Convertible Subordinated Debentures (Note 19.1 & 19.2) | | | |
| - From Related Party | 11.94 | 11.93 | 11.92 |
| - From Others | 22.91 | 22.89 | 22.87 |
| Total (A) | 34.85 | 34.82 | 34.79 |
| Subordinated Liabilities in India | 34.85 | 34.82 | 34.79 |
| Subordinated Liabilities outside India | - | - | - |
| Total (B) | 34.85 | 34.82 | 34.79 |

19.1 Unsecured Non-Convertible Subordinated Debentures

Redeemable unsecured Non-Convertible Subordinated Debentures, for value aggregating to ₹ 35 crore are subordinated debt to present and future senior indebtedness of the Company and qualify as Tier II Capital under National Housing Bank's (NHB) guidelines for assessing capital adequacy. These NCDs are redeemable at par on March 22, 2023 (₹ 10 crore) and on March 25, 2023 (₹ 25 crore).

19.2 Maturity Profile

Subordinated Liabilities repayable at par :

(₹ in crore)

| Rate of Interest | Maturity date | As At March 31, 2019 | As At March 31, 2018 | As At April 1, 2017 |
|---|---|---|---|---|
| 9.75 | 22-Mar-23 | 10.00 | 10.00 | 10.00 |
| 9.75 | 25-Mar-23 | 25.00 | 25.00 | 25.00 |
| Total | | *35.00 | *35.00 | *35.00 |

* Gross amount i.e. without considering the impact of unamortised expenses.

These debentures are subordinated to present and future senior indebtedness of the Company and qualify as Tier II capital under National Housing Bank's (NHB) guidelines for assessing capital adequacy. Based on the balance term to maturity as at March 31, 2019, 60% (Previous Year 80%) of the face value of the subordinated debt is considered as Tier II capital for the purpose of capital adequacy computation.

## 20 OTHER FINANCIAL LIABILITIES

(₹ in crore)

| Particulars | As At March 31, 2019 | As At March 31, 2018 | As At April 1, 2017 |
|---|---|---|---|
| Interest Accrued but not due on Borrowings | 59.57 | 107.11 | 128.78 |
| Unclaimed Dividend | 2.08 | 1.86 | 1.55 |
| Unclaimed Matured Deposits | 57.52 | 9.52 | 26.39 |
| Book Overdraft | - | 37.37 | 38.02 |
| Security Deposits received | 0.43 | 0.40 | 0.38 |
| Others | 95.21 | 59.42 | 20.26 |
| Total | 214.81 | 215.68 | 215.38 |

As required under Section 125 of the Companies Act 2013, the Company has transferred ₹ 0.20 crore (Previous Year ₹ 0.16 crore) to the Investor Education and Protection Fund (IEPF) during the year. As of March 31, 2019, no amount was due for transfer to the IEPF.

## 21 PROVISIONS

(₹ in crore)

| Particulars | As At March 31, 2019 | As At March 31, 2018 | As At April 1, 2017 |
|---|---|---|---|
| Provision for Employee Benefits | 7.80 | 6.53 | 6.27 |
| Total | 7.80 | 6.53 | 6.27 |

## 22 OTHER NON-FINANCIAL LIABILITIES

(₹ in crore)

| Particulars | As At March 31, 2019 | As At March 31, 2018 | As At April 1, 2017 |
|---|---|---|---|
| Instalment Received in Advance | 21.47 | 18.01 | 16.66 |
| Statutory Remittances | 15.67 | 14.46 | 8.16 |
| Others | 4.80 | 3.44 | 2.62 |
| Total | 41.94 | 35.91 | 27.44 |

## 23 EQUITY SHARE CAPITAL

(₹ in crore)

| Particulars | As At March 31, 2019 | As At March 31, 2018 | As At April 1, 2017 |
|---|---|---|---|
| Authorised | | | |
| 100,00,00,000 Equity Shares of ₹ 2 each (Previous Year 50,00,00,000 Equity Shares of ₹ 2 each) | 200.00 | 100.00 | 100.00 |
| | 200.00 | 100.00 | 100.00 |
| Issued, Subscribed And Fully Paid Up | | | |
| 73,36,87,512 Equity Shares of ₹ 2 each (Previous Year 36,57,20,011 Equity Shares of ₹ 2 each) | 146.74 | 73.14 | 72.91 |
| | 146.74 | 73.14 | 72.91 |



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

| Particulars | As At March 31, 2019 | | As At March 31, 2018 | | As At April 1, 2017 | |
|---|---|---|---|---|---|---|
| | Number | ₹ in crore | Number | ₹ in crore | Number | ₹ in crore |
| Equity shares outstanding as at the beginning of the year | 36,57,20,011 | 73.14 | 36,45,64,484 | 72.91 | 36,36,81,740 | 72.74 |
| Shares issued as fully paid-up Bonus Shares | 36,57,20,011 | 73.14 | - | - | - | - |
| Shares allotted pursuant to exercise of stock options | 22,47,490 | 0.46 | 11,55,527 | 0.23 | 8,82,744 | 0.17 |
| Equity shares outstanding as at the end of the year | 73,36,87,512 | 146.74 | 36,57,20,011 | 73.14 | 36,45,64,484 | 72.91 |

Aggregate number of shares allotted as fully paid-up by way of Bonus Shares (During 5 years immediately preceding March 31, 2019) :

During the year 2018-19, pursuant to approval of shareholders at the 32nd Annual General Meeting (AGM) of GRUH held on May 30, 2018, GRUH allotted 36,57,20,011 Bonus Equity Shares of ₹ 2 each as fully paid-up shares in the proportion of 1 : 1. In order to facilitate issue of bonus shares, the authorised share capital of the Company has been increased from ₹ 100 crore to ₹ 200 crore.

During the year 2014-15, pursuant to approval of shareholders at the 28th Annual General Meeting (AGM) of GRUH held on May 28, 2014, GRUH allotted 18,01,31,150 Bonus Equity Shares of ₹ 2 each as fully paid-up shares in the proportion of 1 : 1. In order to facilitate issue of bonus shares, the authorised share capital of the Company has been increased from ₹ 50 crore to ₹ 100 crore.

Terms/Rights attached to Equity Shares :

GRUH has one class of share referred to as equity shares having a face value of ₹ 2 each. Each shareholder is entitled to one vote per share held and dividends, if any, proposed by the Board of Directors subject to the approval of the shareholders at the ensuing Annual General Meeting.

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

| Particulars | As At March 31, 2019 | | As At March 31, 2018 | | As At April 1, 2017 | |
|---|---|---|---|---|---|---|
| | Number | ₹ in crore | Number | ₹ in crore | Number | ₹ in crore |
| Holding Company - HDFC Limited | 41,15,55,700 | 82.31 | 21,18,77,850 | 42.38 | 21,30,77,850 | 42.62 |
| % of Shareholding | 56.09 | - | 57.93 | - | 58.45 | - |
| Axis Mutual Fund (Various Schemes) | 4,91,53,207 | 9.83 | 1,83,89,796 | 3.68 | 1,20,78,611 | 2.42 |
| % of Shareholding | 6.70 | - | 5.03 | - | 3.31 | - |

Previous Years figures are pre-bonus.

Shares reserved for issue under option :

During the year, GRUH has issued 22,47,490 (Previous Year 11,55,527) shares on exercise of options granted to its employees and Directors under ESOS Scheme.

As at March 31, 2019, GRUH has following Employee Stock Option Schemes, the features of the same are as follows :

| Scheme | ESOS - 2011 - Tranche II | ESOS - 2015 - Tranche I | ESOS - 2015 - Tranche II |
|---|---|---|---|
| Date of grant | October 25, 2011 | January 30, 2015 | April 14, 2018 |
| Number of options granted | 51,050 | 45,00,000 | 6,26,000 |
| Exercise price per option | ₹ 548.80 | ₹ 268.20 | ₹ 612.55 |
| Date of vesting | The vesting will be as under :<br>30% on October 25, 2012<br>35% on October 25, 2013<br>35% on October 25, 2014 | The vesting will be as under :<br>30% on January 30, 2016<br>35% on January 30, 2017<br>35% on January 30, 2018 | The vesting will be as under :<br>30% on April 14, 2019<br>35% on April 14, 2020<br>35% on January 14, 2021 |
| Exercise Period | Within 3 years from the date of respective vesting. | Within 3 years from the date of respective vesting. | Within 3 years from the date of respective vesting. |
| Method of settlement | Through allotment of Ten Equity Share for each option granted. | Through allotment of Two Equity Share for each option granted. | Through allotment of Two Equity Share for each option granted. |

Further details of the stock option plan are as follows :

| Particulars | ESOS - 2015 Tranche I | ESOS - 2015 Tranche II |
|---|---|---|
| Options Outstanding at start of the year | 16,63,449 | Nil |
| Options granted during the year | Nil | 6,26,000 |
| Options not vested at the start of the year | Nil | Nil |
| Options Lapsed during the year | 83,630 | 70,300 |
| Options Exercised during the year | 11,23,745 | Nil |
| Options vested but not exercised at end of the year | 4,56,074 | Nil |
| Options not vested at end of the year | Nil | 5,55,700 |
| Weighted Average Exercise Price per Option | ₹ 268.20 | ₹ 612.55 |

The Board of Directors at its meeting held on March 14, 2019, upon the recommendation of the Nomination and Remuneration Committee of Directors of the Company, approved the issue of additional 90,00,000 equity shares of ₹ 2 each of the Company to eligible employees under existing Employee Stock Option Scheme 2015, in terms of SEBI (Share Based Employee Benefits) Regulations, 2014 and amendment of the Employee Stock Option Scheme 2015 by increasing the number of stock options to be granted to eligible employees. Subsequently, members of the Company with requisite majority have, on April 22, 2019, passed the said special resolution through postal ballot/e-voting.

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The fair value of options have been estimated on the date of grant using Black-Scholes Model. The key assumptions used for calculating fair value are as follows :

| Particulars | ESOS - 2015 Tranche I Vesting on | | | ESOS - 2015 Tranche II Vesting on | | |
|---|---|---|---|---|---|---|
| | Jan 30, 2016 | Jan 30, 2017 | Jan 30, 2018 | April 14, 2019 | April 14, 2020 | Jan 14, 2021 |
| Estimated Value of Stock Option (₹) | 79.00 | 88.00 | 98.00 | 140.00 | 196.00 | 227.00 |
| Share Price at Grant Date (₹) | 268.20 | 268.20 | 268.20 | 612.55 | 612.55 | 612.55 |
| Exercise Price (₹) | 268.20 | 268.20 | 268.20 | 612.55 | 612.55 | 612.55 |
| Expected Volatility of Share Price (%) | 37.00 | 33.00 | 32.00 | 25.00 | 32.00 | 33.00 |
| Dividend Yield Rate (%) | 0.80 | 1.00 | 1.10 | 0.60 | 0.80 | 0.90 |
| Expected Life of Options (in days) | 455 | 821 | 1,186 | 455 | 821 | 1,186 |
| Risk Free Rate of Interest (%) | 7.89 | 7.84 | 7.78 | 7.14 | 7.38 | 7.47 |

Proposed Dividend

The final dividend proposed for the year is as follows :

| Particulars | 2018-19* | 2017-18** |
|---|---|---|
| On Equity Shares of ₹ 2 each | | |
| Dividend Per Equity Share (₹) | 2.00 | 1.65 |
| Dividend Proposed (%) | 100.00 | 165.00 |

* Proposed by the Board of Directors at their meeting held on April 30, 2019. As per the Companies (Accounting Standard) Amendment Rules, 2016, the same will be recorded after approval of shareholders at their ensuing Annual General Meeting to be held on July 19, 2019.

** Dividend has been adjusted to give impact of Bonus Shares issued during June'2018.



Amount remitted during the year in foreign currency towards dividend paid to non-resident shareholders are as under :

| Particulars | Current Year | Previous Year |
|---|---|---|
| Year to which the dividend relates | 2017-18 | 2016-17 |
| Number of non-resident shareholders | 1 | 1 |
| Number of shares held by them | 12,50,000 | 12,50,000 |
| Gross amount of dividend (₹ in crore) | 0.41 | 0.35 |

## 24 OTHER EQUITY

(₹ in crore)

| Particulars | Note | As At March 31, 2019 | As At March 31, 2018 | As At April 1, 2017 |
|---|---|---|---|---|
| Securities Premium | 24.1 | 83.07 | 119.84 | 89.07 |
| General Reserve | 24.2 | 320.39 | 234.95 | 154.95 |
| Statutory Reserve | 24.3 | 651.18 | 546.18 | 439.93 |
| Additional Reserve | 24.4 | 27.74 | 27.74 | 27.74 |
| Employee Stock Option Reserve | 24.5 | 10.51 | 12.75 | 9.39 |
| Retained Earnings | | 651.81 | 540.64 | 447.33 |
| Total | | 1,744.70 | 1,482.10 | 1,168.41 |

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(₹ in crore)

| Particulars | As At March 31, 2019 | As At March 31,2018 |
|---|---|---|
| Securities Premium | | |
| Opening Balance | 119.84 | 89.07 |
| Add : Received during the year | 29.69 | 30.77 |
| Add : Transferred from Employee Stock Option Reserve pursuant to Stock Options Exercised | 7.27 | - |
| Less : Utilised for issue of fully paid-up Bonus Shares | 73.14 | - |
| Less : Utilised during the year for Bonus Issue Expenses | 0.59 | - |
| [Net of tax effect of ₹ 0.32 crore (Previous Year ₹ Nil)] | | |
| | 83.07 | 119.84 |
| Securities Premium is used to record the premium on issue of shares. | | |
| The reserve is utilised in accordance with the Provisions of the Act | | |
| General Reserve | | |
| Opening Balance | 234.95 | 154.95 |
| Add : Transferred from Employee Stock Option Reserve pursuant to Stock Options Lapsed | 0.44 | - |
| Add : Transfer from Statement of Profit and Loss Account | 85.00 | 80.00 |
| | 320.39 | 234.95 |
| Statutory Reserve (Note 24.3 and Note 41.2) | | |
| (As per Section 29C of the National Housing Bank Act, 1987 and section 36(1)(viii) of Income tax Act, 1961) | | |
| Opening Balance | 546.18 | 439.93 |
| Add : Transfer from Retained Earnings | 105.00 | 106.25 |
| Less : Utilised during the Year | - | - |
| | 651.18 | 546.18 |
| Additional Reserve (Note 24.4 and 41.2) | | |
| (created in addition to minimum required u/s 29C of NHB Act, 1987) | | |
| Opening Balance | 27.74 | 27.74 |
| Add : Transfer from Retained Earnings | - | - |
| Less : Utilised during the Year | - | - |
| | 27.74 | 27.74 |
| Employee Stock Option Reserve | | |
| Opening Balance | 12.75 | 9.39 |
| Add : Charge for the Year | 5.47 | 3.36 |
| Less : Transferred to Security Premium pursuant to Stock Options Exercised | 7.27 | - |
| Less : Transferred to General Reserve pursuant to Stock Options Lapsed | 0.44 | - |
| | 10.51 | 12.75 |
| Retained Earnings | | |
| Opening Balance | 540.64 | 447.33 |
| Add : Profit for the year | 447.20 | 402.75 |
| Amount available for Appropriations | 987.84 | 850.08 |
| Less : Appropriations | | |
| General Reserve | 85.00 | 80.00 |
| Statutory Reserve (As per section 29C of the NHB Act, 1987 and section 36(1)(viii) of Income Tax Act, 1961) | 105.00 | 106.25 |
| Dividend pertaining to Previous Year paid during the year | 120.69 | 102.20 |
| Tax on dividend pertaining to Previous Year paid during the year | 24.81 | 20.80 |
| Remeasurement of Defined Benefit Plans | 0.53 | 0.19 |
| Balance carried forward to Balance Sheet | 651.81 | 540.64 |

24.1 Securities Premium Reserve : Securities premium reserve is credited when shares are issued at premium. It can be used to issue bonus shares, to provide for premium on redemption of shares or debentures, write-off equity related expenses like underwriting costs, etc.

24.2 General Reserve : It is a free reserve which is created by appropriation from profits of the current year and/or undistributed profits of previous years, before declaration of dividend duly complying with any regulations in this regard.

24.3 As per section 29C of the National Housing Bank Act, 1987, GRUH is required to transfer at least 20% of its net profit every year to reserve before any dividend is declared. For this purpose any Special Reserve created by GRUH under section 36(1)(viii) of the Income Tax Act, 1961 is considered to be an eligible transfer. GRUH has transferred an amount of ₹ 105.00 crore (Previous Year ₹ 106.25 crore) to Statutory Reserve in terms of section 36 (1)(viii) of the Income Tax Act, 1961. GRUH doesn't anticipate any withdrawal from Statutory Reserve in foreseeable future.

24.4 Additional Reserve has been created over the years in terms of section 29C of the NHB Act, 1987 out of the distributable profits of the Company.

24.5 Employee Stock Option Reserve : The Company has a share option scheme under which options to subscribe for the Company's shares have been granted to employees including key management personnel. The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, as part of their remuneration.

## 25 INTEREST INCOME

(₹ in crore)

| Particulars | Current Year | | | Previous Year | | |
|---|---|---|---|---|---|---|
| | On Financial Assets Measured at Amortised Cost | Interest Income on Financial Assets classified at Fair Value through Profit or Loss | Total | On Financial Assets Measured at Amortised Cost | Interest Income on Financial Assets classified at Fair Value through Profit or Loss | Total |
| Interest on Loans | 1,854.50 | - | 1,854.50 | 1,617.23 | - | 1,617.23 |
| Interest income from Investments (Note 25.1) | 12.77 | - | 12.77 | 11.27 | - | 11.27 |
| Interest on Bank Deposits | 47.37 | - | 47.37 | 4.34 | - | 4.34 |
| Interest Income on Income Tax Refund | 5.30 | - | 5.30 | - | - | - |
| Surplus from deployment in Cash Management Schemes of Mutual Funds (Note 25.2) | - | 52.23 | 52.23 | - | 9.75 | 9.75 |
| Total | 1,919.94 | 52.23 | 1,972.17 | 1,632.84 | 9.75 | 1,642.59 |

25.1 Interest Income on Investments are Interest on Long-Term SLR Investments which are held-to-maturity.

25.2 Surplus from deployment in Cash Management Schemes of Mutual Funds is in respect of Investments held as Current Investments.

## 26 FINANCE COSTS

On Financial Liabilities Measured at Amortised Cost

(₹ in crore)

| Particulars | Current Year | Previous Year |
|---|---|---|
| Interest On | | |
| Loans | 526.48 | 296.73 |
| Non-Convertible Debentures | 335.24 | 300.71 |
| Subordinated Liabilities | 3.45 | 3.45 |
| Commercial Papers | 303.66 | 252.79 |
| Deposits | 132.37 | 131.12 |
| Total | 1,301.20 | 984.80 |

## 27 IMPAIRMENT OF FINANCIAL INSTRUMENTS

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

(₹ in crore)

| Particulars | Current Year | | | | Previous Year | | | |
|---|---|---|---|---|---|---|---|---|
| | Stage 1 | Stage 2 | Stage 3 | Total | Stage 1 | Stage 2 | Stage 3 | Total |
| Loans and advances to customers | 3.55 | 0.97 | (21.15) | (16.63) | 3.36 | 4.54 | 24.59 | 32.49 |
| Total Impairment Loss | 3.55 | 0.97 | (21.15) | (16.63) | 3.36 | 4.54 | 24.59 | 32.49 |

## 28 EMPLOYEE BENEFIT EXPENSES (Note 41)

(₹ in crore)

| Particulars | Current Year | Previous Year |
|---|---|---|
| Salaries and Bonus | 54.12 | 49.45 |
| Contribution to Provident Fund and Other Funds | 3.26 | 2.89 |
| Staff Training and Welfare Expenses | 1.91 | 1.87 |
| Share Based Payments to Employees | 5.47 | 3.36 |
| Total | 64.76 | 57.57 |

## 29 ESTABLISHMENT EXPENSES

(₹ in crore)

| Particulars | Current Year | Previous Year |
|---|---|---|
| Rent (Note 29.1) | 7.31 | 6.50 |
| Rates and Taxes | 0.14 | 0.21 |
| Electricity Charges | 1.45 | 1.38 |
| Repairs and Maintenance - Building | 0.22 | 0.01 |
| Office Maintenance | 3.77 | 3.18 |
| Insurance Charges | 0.17 | 0.16 |
| Total | 13.06 | 11.44 |



29.1 In accordance with the Indian Accounting Standard on 'Leases' (Ind AS 17), the following disclosure in respect of operating leases are made :

GRUH has taken office premises under operating lease for a period ranging from 11 months to 180 months. These are cancellable and have no specific obligation for renewal. The total lease payments for current year amounts to ₹ 7.31 crore (Previous year ₹ 6.50 crore) which is recognised in the Statement of Profit and Loss under 'Rent Expenses'.

## 30 OTHER EXPENSES

(₹ in crore)

| Particulars | Current Year | Previous Year |
|---|---|---|
| Travelling and Conveyance | 2.51 | 2.19 |
| Printing and Stationery | 1.87 | 2.07 |
| Postage, Telephone and Fax | 1.57 | 1.56 |
| Data Centre and Data Communication Expenses | 5.14 | 2.76 |
| Advertising and Business Promotion | 3.98 | 4.87 |
| Legal and Professional Charges | 9.22 | 9.18 |
| Repairs and Maintenance - Other than Building | 1.77 | 1.41 |
| Staff Recruitment Expenses | 0.03 | 0.16 |
| Bad Debt written off | 0.86 | 1.08 |
| Expenses for Recovery | 1.89 | 1.05 |
| Directors' Fees and Commission (Note 36) | 1.40 | 1.07 |
| Auditor's Remuneration (Note 30.1) | 0.73 | 0.43 |
| Miscellaneous Expenses (Note 30.2) | 14.85 | 9.37 |
| Total | 45.82 | 37.20 |

30.1 Payments to Auditors (₹ in crore)

| Nature of Service | Current Year | Previous Year |
|---|---|---|
| a) Statutory Audit Fees | 0.19 | 0.14 |
| b) Tax Audit Fees | 0.04 | 0.04 |
| c) For Other services | 0.45 | 0.23 |
| d) For reimbursement of expenses | 0.00 | 0.02 |
| e) Payments made to a firm in which some of the partners of the audit firm are partners - Income Tax Service | 0.05 | - |
| Total | 0.73 | 0.43 |

30.2 Expenditure incurred for Corporate Social Responsibility are ₹ 6.23 crore (Previous Year ₹ 4.37 crore)
Disclosure on Corporate Social Responsibility (CSR) activities u/s 135 of the Companies Act, 2013 is as under :
(a) Gross amount required to be spent by GRUH during the year : ₹ 9.11 crore (Previous year ₹ 7.36 crore)
(b) Amount spent, utilised and charged during the year on :

(₹ in crore)

| Particulars | Current Year | | | Previous Year | | |
|---|---|---|---|---|---|---|
| | In Cash | Yet to be paid in Cash | Total | In Cash | Yet to be paid in Cash | Total |
| (i) Construction / acquisition of any Asset | - | - | - | - | - | - |
| (ii) On purposes other than (i) above : | | | | | | |
| a) Contribution to various Trusts / NGOs / Societies / Agencies and utilisation thereon | 5.99 | - | 5.99 | 4.27 | - | 4.27 |
| b) Expenditure on Administrative Overheads for CSR | 0.24 | - | 0.24 | 0.10 | - | 0.10 |
| Total | 6.23 | - | 6.23 | 4.37 | - | 4.37 |



## 31 TAX EXPENSE

1. Income Tax recognised in Profit or Loss (₹ in crore)

| Particulars | Current Year | Previous Year |
|---|---|---|
| Current Tax | | |
| In respect of the current year | 159.79 | 166.11 |
| Deferred Tax (Net) | | |
| In respect of the current year | 8.05 | (1.71) |
| Total Tax Expense recognised in the current year relating to Continuing Operations | 167.84 | 164.40 |

2. Reconciliation of Income Tax Expense of the year can be reconcilied to the accounting Profit as follows : (₹ in crore)

| Particulars | Current Year | Previous Year |
|---|---|---|
| Profit Before Tax | 615.04 | 567.15 |
| Income Tax Expense | 214.92 | 196.28 |
| Effect of Expenses for which deduction under tax laws is allowed | (45.73) | (32.51) |
| Others | (1.35) | 0.63 |
| Income Tax Expense recognised in Statement of Profit and Loss | 167.84 | 164.40 |

The tax rate used for the reconciliations above is the corporate tax rate of 34.944% for the year 2018-19 and 34.608% for the year 2017-18 payable by the Company in India on taxable profit under tax law in Indian jurisdiction.

**32** The Board of Directors of the Company, at its meeting held on January 7, 2019, approved a Scheme of Amalgamation, for the merger of GRUH Finance Limited with Bandhan Bank Limited with effect from proposed Appointed Date of January 1, 2019. In this regards, Competition Commission of India, BSE and NSE have approved proposed scheme of merger. The scheme remains subject to receipt of approvals of National Company Law Tribunal, Shareholders and Creditors of the Company. The effective date shall be based on the receipt of the aforesaid approvals. Pending the same, the proposed transaction does not have any impact on the current financial statements of the Company as at and for the year ended March 31, 2019.

## 33 EARNINGS PER SHARE

In accordance with the Indian Accounting Standard (Ind AS 33) on 'Earnings Per Share' :

The reconciliation between the Basic and the Diluted Earnings Per Share is as follows : (Amount in ₹)

| Particulars | Current Year | Previous Year |
|---|---|---|
| Basic Earnings Per Share | 6.10 | 5.51 |
| Effect of outstanding Stock Options | 0.01 | 0.02 |
| Diluted Earnings Per Share | 6.09 | 5.49 |

The Basic Earnings Per Share has been computed by dividing the adjusted Profit After Tax by the weighted average number of equity shares for the respective periods; whereas the Diluted Earnings Per Share has been computed by dividing the adjusted Profit After Tax by the weighted average number of equity shares, after giving dilutive effect of the outstanding Stock Options for the respective periods. The relevant details as described above are as follows :

| Particulars | Current Year | Previous Year |
|---|---|---|
| Weighted Average number of shares for computation of Basic Earnings Per Share | 73,22,51,622 | 73,06,11,864 |
| Diluted effect of outstanding Stock Options | 5,05,273 | 15,30,002 |
| Weighted Average number of shares for computation of Diluted Earnings Per Share | 73,27,56,895 | 73,21,41,866 |

The number of equity shares considered in the above computation includes 36,57,20,011 equity shares allotted as fully paid-up Bonus Shares during the year. The figures for the previous year have been adjusted for the Bonus Shares.

## 34 SEGMENT REPORTING

The Company's main business is to provide loans for purchase or construction of residential houses. All other activities of the Company revolve around the main business. As such, there are no separate reportable segments, as per the Ind AS 108 "Operating Segments" specified under section 133 of the Companies Act, 2013.



## 35 MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. With regard to loans and advances to customers, the Company uses the same basis of expected repayment behaviour as used for estimating the EIR. Issued debt reflect the contractual coupon amortisations.

(₹ in crore)

| ASSETS | As At March 31, 2019 | | | As At March 31, 2018 | | | As At April 1, 2017 | | |
|---|---|---|---|---|---|---|---|---|---|
| | Within 12 Months | After 12 Months | Total | Within 12 Months | After 12 Months | Total | Within 12 Months | After 12 Months | Total |
| Cash and Cash Equivalents | 1,052.84 | - | 1,052.84 | 17.47 | - | 17.47 | 11.01 | - | 11.01 |
| Bank Balances other than above | 38.07 | 47.21 | 85.28 | 59.38 | - | 59.38 | 30.37 | 33.00 | 63.37 |
| Loans | 997.07 | 16,291.21 | 17,288.28 | 966.79 | 14,484.78 | 15,451.57 | 852.01 | 12,286.73 | 13,138.74 |
| Investments | 21.95 | 126.32 | 148.27 | 75.00 | 82.94 | 157.94 | 5.01 | 157.93 | 162.94 |
| Other Financial Assets | - | 5.69 | 5.69 | - | 4.80 | 4.80 | - | 5.86 | 5.86 |
| Current Tax Asset | - | 28.14 | 28.14 | - | 30.40 | 30.40 | - | 29.69 | 29.69 |
| Deferred Tax Assets (Net) | - | 37.61 | 37.61 | - | 45.66 | 45.66 | - | 43.95 | 43.95 |
| Property, Plant and Equipment | - | 12.81 | 12.81 | - | 14.12 | 14.12 | - | 13.12 | 13.12 |
| Other Intangible Assets | - | 2.33 | 2.33 | - | 1.30 | 1.30 | - | 0.58 | 0.58 |
| Other Non-Financial Assets | 1.84 | 2.88 | 4.72 | 1.54 | 0.99 | 2.53 | 2.27 | 1.12 | 3.39 |
| Total Assets | 2,111.77 | 16,554.20 | 18,665.97 | 1,120.18 | 14,664.99 | 15,785.17 | 900.67 | 12,571.98 | 13,472.65 |

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(₹ in crore)

| LIABILITIES | As At March 31, 2019 | | | As At March 31, 2018 | | | As At April 1, 2017 | | |
|---|---|---|---|---|---|---|---|---|---|
| | Within 12 Months | After 12 Months | Total | Within 12 Months | After 12 Months | Total | Within 12 Months | After 12 Months | Total |
| Financial Liabilities | | | | | | | | | |
| Trade Payables | | | | | | | | | |
| (i) total outstanding dues of creditors other than micro enterprises and small enterprises | 2.83 | - | 2.83 | 2.87 | - | 2.87 | 5.18 | - | 5.18 |
| Debt Securities | 2,451.94 | 2,044.91 | 4,496.85 | 1,737.94 | 3,071.09 | 4,809.03 | 349.79 | 2,032.41 | 2,382.20 |
| Borrowings (Other than Debt Securities) | 4,099.16 | 6,382.04 | 10,481.20 | 5,107.39 | 2,578.30 | 7,685.69 | 653.78 | 7,437.46 | 8,091.24 |
| Deposits | 525.15 | 969.10 | 1,494.25 | 466.90 | 972.50 | 1,439.40 | 491.78 | 977.05 | 1,468.83 |
| Subordinated Liabilities | - | 34.85 | 34.85 | - | 34.82 | 34.82 | - | 34.79 | 34.79 |
| Other Financial Liabilities | 173.01 | 41.80 | 214.81 | 199.59 | 16.09 | 215.68 | 149.95 | 65.43 | 215.38 |
| Non-Financial Liabilities | | | | | | | | | |
| Provisions | 4.20 | 3.60 | 7.80 | 3.09 | 3.44 | 6.53 | 3.13 | 3.14 | 6.27 |
| Other Non Financial Liabilities | 41.94 | - | 41.94 | 35.91 | - | 35.91 | 27.44 | - | 27.44 |
| Total Liabilities | 7,298.23 | 9,476.30 | 16,774.53 | 7,553.69 | 6,676.24 | 14,229.93 | 1,681.05 | 10,550.28 | 12,231.33 |

## 36 RELATED PARTY DISCLOSURES

As per the Indian Accounting Standard on 'Related Party Disclosures' (Ind AS 24), details of related parties, nature of the relationship, with whom company has entered transactions and the balances in related party accounts at year end, are as mentioned below. All these transactions with related parties were carried out in ordinary course of business and on arm's length basis.



(a) Holding Company

Housing Development Finance Corporation Limited (HDFC)

(b) Fellow Subsidiary Companies

(i) HDFC Life Insurance Co. Limited

(ii) HDFC ERGO General Insurance Co. Limited

(c) Fellow Associate Company

HDFC Bank Limited

(d) Chairman (Non-Executive and Non-Independent)

Mr. Keki M. Mistry

(e) Non-Executive and Non-Independent Director

(i) Ms. Renu S. Karnad (up to March 8, 2019)

(ii) Mr. K. G. Krishnamurthy

(f) Independent Directors

(i) Mr. Prafull Anubhai (up to March 31, 2019)

(ii) Mr. S. G. Mankad

(iii) Mr. Biswamohan Mahapatra

(iv) Mr. Pankaj Patel

(v) Mr. Rajesh Gupta

(vi) Ms. Bhavna Doshi

(g) Key Management Personnel

(i) Mr. Sudhin Choksey, Managing Director

(ii) Mr. Kamlesh Shah, Executive Director

(iii) Mr. Marcus Lobo, Company Secretary

(iv) Mr. Hitesh Agrawal, Chief Financial Officer

(h) Entity in which Independent Director exercise significant influence

M/s SNG & Partners, Advocates & Solicitors

(i) Entities in which Key Management Personnel exercise significant influence

(i) GRUH Finance Limited Employees' Provident Fund Trust

(ii) GRUH Finance Limited Employees' Gratuity Trust Fund

(iii) GRUH Finance Limited Officers' Superannuation Fund

The nature and volume of transactions with the above related parties during the year were as follows :

(₹ in crore)

| Name of Entity | Nature of transaction | Transactions for the year ended March 31, 2019 | Receivable/ (Payable) As At March 31, 2019 | Transactions for the year ended March 31, 2018 | Receivable/ (Payable) As At March 31, 2018 | Receivable/ (Payable) As At April 1, 2017 |
|---|---|---|---|---|---|---|
| HDFC Limited | Dividend paid | 69.92 | Nil | 59.66 | Nil | Nil |
| HDFC Life Insurance Co. Limited | Staff Welfare Expenses | 0.01 | Nil | Nil | Nil | Nil |
| | Prepaid Expense | Nil | 0.02 | Nil | Nil | Nil |
| | Security Deposit | Nil | 0.05 | Nil | 0.05 | 0.05 |
| HDFC ERGO | Insurance premium paid | 0.06 | Nil | 0.04 | Nil | Nil |
| General Insurance Co. Limited | Prepaid Insurance premium | Nil | 0.02 | Nil | 0.01 | 0.01 |
| | Interest on Sub Debt* | 1.17 | (0.02) | 1.17 | (0.02) | (0.02) |
| | Subordinated Debt* | Nil | (12.00) | Nil | (12.00) | (12.00) |
| HDFC Bank Limited | Deposit Placed | 600.00 | Nil | Nil | Nil | Nil |
| | Deposit Matured | 600.00 | Nil | Nil | Nil | Nil |
| | Interest on Deposit | 1.26 | Nil | Nil | Nil | Nil |
| | Bank Charges | 1.31 | Nil | 0.99 | Nil | Nil |
| | Book Balance of Current A/cs | Nil | 126.33 | Nil | (37.37) | (38.02) |
| | NCDs* | Nil | (1,315.00) | Nil | (1,315.00) | (1,315.00) |
| | Interest on NCDs* | 99.94 | Nil | 99.94 | Nil | Nil |
| Key Management Personnel | Mr. Sudhin Choksey | 4.21 | Nil | 3.77 | Nil | Nil |
| Managerial Remuneration | Mr. Kamlesh Shah | 1.44 | Nil | 1.31 | Nil | Nil |
| | Mr. Marcus Lobo | 0.54 | Nil | 0.48 | Nil | Nil |
| | Mr. Hitesh Agrawal | 0.29 | Nil | 0.23 | Nil | Nil |
| Post Employment Benefit | Mr. Sudhin Choksey | 0.94 | (0.95) | 0.84 | (0.79) | (0.64) |
| | Mr. Kamlesh Shah | 0.42 | (0.44) | 0.37 | (0.38) | (0.33) |
| | Mr. Marcus Lobo | 0.16 | (0.16) | 0.13 | (0.14) | (0.12) |
| | Mr. Hitesh Agrawal | 0.05 | (0.04) | 0.03 | (0.03) | (0.02) |
| Exercise of Stock Option | Mr. Sudhin Choksey | 2.82 | Nil | 3.30 | Nil | Nil |
| | Mr. Kamlesh Shah | 2.55 | Nil | Nil | Nil | Nil |
| | Mr. Marcus Lobo | 0.65 | Nil | 0.76 | Nil | Nil |
| | Mr. Hitesh Agrawal | 0.48 | Nil | Nil | Nil | Nil |
| Share Based Payments | Mr. Sudhin Choksey | Nil | Nil | 0.28 | Nil | Nil |
| | Mr. Kamlesh Shah | Nil | Nil | 0.12 | Nil | Nil |
| | Mr. Marcus Lobo | Nil | Nil | 0.07 | Nil | Nil |
| | Mr. Hitesh Agrawal | Nil | Nil | 0.05 | Nil | Nil |
| Repayment of Loan | Mr. Hitesh Agrawal | 0.02 | Nil | 0.02 | Nil | Nil |
| Interest Income | Mr. Hitesh Agrawal | 0.01 | Nil | 0.01 | Nil | Nil |
| Loan (Secured) | Mr. Hitesh Agrawal | Nil | 0.23 | Nil | 0.25 | 0.27 |
| M/s SNG & Partners | Professional Service | 0.04 | Nil | 0.04 | Nil | Nil |
| Employees' Provident | Contribution | 1.63 | Nil | 1.41 | Nil | Nil |
| Fund Trust | Amount Receivable | Nil | Nil | Nil | Nil | 0.78 |
| | Advance Given | 1.09 | Nil | 4.12 | Nil | Nil |
| | Advance Received back | (1.09) | Nil | (4.90) | Nil | Nil |
| Employees' Gratuity | Contribution | 1.37 | Nil | 0.88 | Nil | Nil |
| Trust Fund | Advance Given | 1.11 | Nil | 0.75 | Nil | Nil |
| | Advance Received back | (1.11) | Nil | (0.75) | Nil | Nil |
| | Amount Payable | Nil | (1.37) | Nil | (0.88) | (1.44) |
| Officers' Superannuation | Contribution | 1.07 | Nil | 0.89 | Nil | Nil |
| Fund | Advance Given | 1.03 | Nil | 1.39 | Nil | Nil |
| | Advance Received back | (1.03) | Nil | (1.39) | Nil | Nil |

* without Ind AS adjustment

There are no transactions other than sitting fees and commission paid to non-executive directors. During the year, total ₹ 1.40 crore (Previous year ₹ 1.07 crore) was paid to non-executive directors towards sitting fees and commission. Details are as under :

(₹ in crore)

| Name of Directors | Current Year | | | Previous Year | | |
|---|---|---|---|---|---|---|
| | Sitting Fees | Commission | Total | Sitting Fees | Commission | Total |
| Mr. Keki M. Mistry | 0.08 | - | 0.08 | 0.04 | - | 0.04 |
| Ms. Renu S. Karnad (up to March 8, 2019) | 0.03 | - | 0.03 | 0.01 | - | 0.01 |
| Mr. K. G. Krishnamurthy | 0.07 | - | 0.07 | 0.04 | - | 0.04 |
| Mr. Prafull Anubhai (up to March 31, 2019) | 0.13 | 0.15 | 0.28 | 0.10 | 0.14 | 0.24 |
| Mr. S. G. Mankad | 0.06 | 0.15 | 0.21 | 0.06 | 0.14 | 0.20 |
| Mr. Biswamohan Mahapatra | 0.05 | 0.15 | 0.20 | 0.04 | 0.14 | 0.18 |
| Mr. Pankaj Patel | 0.02 | 0.15 | 0.17 | 0.02 | 0.03 | 0.05 |
| Mr. Rajesh Gupta | 0.08 | 0.15 | 0.23 | 0.03 | - | 0.03 |
| Ms. Bhavna Doshi | 0.09 | 0.04 | 0.13 | (₹ 20,000) | - | (₹ 20,000) |
| Mr. S. M. Palia (up to March 31, 2017) | - | - | - | - | 0.14 | 0.14 |
| Mr. Rohit C. Mehta (up to March 31, 2017) | - | - | - | - | 0.14 | 0.14 |
| Total | 0.61 | 0.79 | 1.40 | 0.34 | 0.73 | 1.07 |

## 37 FAIR VALUE MEASUREMENTS

Financial Instruments by Category

(₹ in crore)

| Particulars | As At March 31, 2019 | | | As At March 31, 2018 | | | As At April 1, 2017 | | |
|---|---|---|---|---|---|---|---|---|---|
| | FVTPL | FVTOCI | Amortised Cost | FVTPL | FVTOCI | Amortised Cost | FVTPL | FVTOCI | Amortised Cost |
| Financial Assets | | | | | | | | | |
| Investments | | | | | | | | | |
| - Mutual Funds | 2.01 | - | - | 2.01 | - | - | 2.01 | - | - |
| - Government Securities | - | - | 146.26 | - | - | 155.93 | - | - | 160.93 |
| Loans (Net of ECL) | - | - | 17,288.28 | - | - | 15,451.57 | - | - | 13,138.74 |
| Cash and Cash Equivalents | - | - | 1,052.84 | - | - | 17.47 | - | - | 11.01 |
| Bank Balance other than above | - | - | 85.28 | - | - | 59.38 | - | - | 63.37 |
| Other Financial Assets | - | - | 5.69 | - | - | 4.80 | - | - | 5.86 |
| Total Financial Assets | 2.01 | - | 18,578.35 | 2.01 | - | 15,689.15 | 2.01 | - | 13,379.91 |
| Financial Liabilities | | | | | | | | | |
| Trade Payables | - | - | 2.83 | - | - | 2.87 | - | - | 5.18 |
| Debt Securities | - | - | 4,496.85 | - | - | 4,809.03 | - | - | 2,382.20 |
| Borrowings (Other than Debt Securities) | - | - | 10,481.20 | - | - | 7,685.69 | - | - | 8,091.24 |
| Deposits | - | - | 1,494.25 | - | - | 1,439.40 | - | - | 1,468.83 |
| Subordinated Liabilities | - | - | 34.85 | - | - | 34.82 | - | - | 34.79 |
| Other Financial Liabilities | - | - | 214.81 | - | - | 215.68 | - | - | 215.38 |
| Total Financial Liabilities | - | - | 16,724.79 | - | - | 14,187.49 | - | - | 12,197.62 |

(i) 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.

(₹ in crore)

| Financial Assets and Liabilities measured at Fair Value - recurring Fair Value Measurements | Carrying Value | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|---|
| As At March 31, 2019 | | | | | |
| Financial Assets at FVTPL | | | | | |
| Mutual Funds | 2.01 | 2.01 | - | - | 2.01 |
| Total Financial Assets at FVTPL | 2.01 | 2.01 | - | - | 2.01 |

(₹ in crore)

| Financial Assets and Liabilities measured at Fair Value - recurring Fair Value Measurements | Carrying Value | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|---|
| As At March 31, 2019 | | | | | |
| Financial Assets | | | | | |
| Investments | | | | | |
| Government Securities | 146.26 | - | - | 146.26 | 146.26 |
| Loans (Net of ECL) | 17,288.28 | - | - | 17,170.88 | 17,170.88 |
| Cash and cash equivalents | 1,052.84 | - | - | 1,052.84 | 1,052.84 |
| Bank Balances other than above | 85.28 | - | - | 85.28 | 85.28 |
| Other Financial Assets | 5.69 | - | - | 5.69 | 5.69 |
| Total Financial Assets | 18,578.35 | - | - | 18,460.95 | 18,460.95 |
| Financial Liabilities | | | | | |
| Trade Payables | 2.83 | - | - | 2.83 | 2.83 |
| Debt Securities | 4,496.85 | - | - | 4,460.98 | 4,460.98 |
| Borrowings (Other than Debt Securities) | 10,481.20 | - | - | 10,418.89 | 10,418.89 |
| Deposits | 1,494.25 | - | - | 1,474.14 | 1,474.14 |
| Subordinated Liabilities | 34.85 | - | - | 35.46 | 35.46 |
| Other Financial Liabilities | 214.81 | - | - | 214.81 | 214.81 |
| Total Financial Liabilities | 16,724.79 | - | - | 16,607.11 | 16,607.11 |

(₹ in crore)

| Financial Assets and Liabilities measured at Fair Value - recurring Fair Value Measurements | Carrying Value | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|---|
| As At March 31, 2018 | | | | | |
| Financial Assets at FVTPL | | | | | |
| Mutual Funds | 2.01 | 2.01 | - | - | 2.01 |
| Total Financial Assets at FVTPL | 2.01 | 2.01 | - | - | 2.01 |



(₹ in crore)

| Financial Assets and Liabilities measured at Fair Value - recurring Fair Value Measurements | Carrying Value | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|---|
| As At March 31, 2018 | | | | | |
| Financial Assets | | | | | |
| Investments | | | | | |
| Government Securities | 155.93 | - | - | 155.93 | 155.93 |
| Loans (Net of ECL) | 15,451.57 | - | - | 15,328.24 | 15,328.24 |
| Cash and Cash Equivalents | 17.47 | - | - | 17.47 | 17.47 |
| Bank Balances other than above | 59.38 | - | - | 59.38 | 59.38 |
| Other Financial Assets | 4.80 | - | - | 4.80 | 4.80 |
| Total Financial Assets | 15,689.15 | - | - | 15,565.82 | 15,565.82 |
| Financial Liabilities | | | | | |
| Trade Payables | 2.87 | - | - | 2.87 | 2.87 |
| Debt Securities | 4,809.03 | - | - | 4,709.22 | 4,709.22 |
| Borrowings (Other than Debt Securities) | 7,685.69 | - | - | 7,610.04 | 7,610.04 |
| Deposits | 1,439.40 | - | - | 1,418.56 | 1,418.56 |
| Subordinated Liabilities | 34.82 | - | - | 35.55 | 35.55 |
| Other Financial Liabilities | 215.68 | - | - | 215.68 | 215.68 |
| Total Financial Liabilities | 14,187.49 | - | - | 13,991.92 | 13,991.92 |

(₹ in crore)

| Financial Assets and Liabilities measured at Fair Value - recurring Fair Value Measurements | Carrying Value | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|---|
| As At April 1, 2017 | | | | | |
| Financial Assets at FVTPL | | | | | |
| Mutual Funds | 2.01 | 2.01 | - | - | 2.01 |
| Total Financial Assets at FVTPL | 2.01 | 2.01 | - | - | 2.01 |

(₹ in crore)

| Financial Assets and Liabilities measured at Fair Value - recurring Fair Value Measurements | Carrying Value | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|---|
| As At April 1, 2017 | | | | | |
| Financial Assets | | | | | |
| Investments | | | | | |
| Government Securities | 160.93 | - | - | 160.93 | 160.93 |
| Loans (Net of ECL) | 13,138.74 | - | - | 12,971.86 | 12,971.86 |
| Cash and Cash Equivalents | 11.01 | - | - | 11.01 | 11.01 |
| Bank Balances other than above | 63.37 | - | - | 63.37 | 63.37 |
| Other Financial Assets | 5.86 | - | - | 5.86 | 5.86 |
| Total Financial Assets | 13,379.91 | - | - | 13,213.03 | 13,213.03 |
| Financial Liabilities | | | | | |
| Trade Payables | 5.18 | - | - | 5.18 | 5.18 |
| Debt Securities | 2,382.20 | - | - | 2,326.07 | 2,326.07 |
| Borrowings (Other than Debt Securities) | 8,091.24 | - | - | 7,983.17 | 7,983.17 |
| Deposits | 1,468.83 | - | - | 1,440.43 | 1,440.43 |
| Subordinated Liabilities | 34.79 | - | - | 35.63 | 35.63 |
| Other Financial Liabilities | 215.38 | - | - | 215.38 | 215.38 |
| Total Financial Liabilities | 12,197.62 | - | - | 12,005.86 | 12,005.86 |

Level 1 : Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2 : The fair value of financial instruments that are not traded in an active market 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.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.



(ii) Valuation technique used to determine fair value

The carrying amounts of cash and cash equivalents, other bank balances, trade payables and other financial liabilities are considered to be the same as their fair values, due to their short-term nature.

The fair values for loans, investment in government securities and other financial assets were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

The fair values of debt securities, borrowings other than debt securities, deposits and subordinated liabilities are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

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

## 38 FINANCIAL RISK MANAGEMENT

### Credit Risk

Credit risk is the risk of loss that may occur from the failure of any party to abide by the terms and conditions of any contract, principally the failure to make required payments of amounts due to company. In lending operations, the Company is principally exposed to credit risk.

The credit risk is governed by various Product Policies. The Product Policy outlines the type of products that can be offered, customer categories, the targeted customer profile and the credit approval process and limits.

The Company measures, monitors and manages credit risk at an individual borrower level and at the group exposure level for other borrowers. The credit risk for retail borrowers is being managed at portfolio level for both Home loans and Non Home Loans. The Company has a structured and standardized credit approval process, which includes a well-established procedure of comprehensive credit appraisal. The Risk Management Policy addresses the recognition, measurement, monitoring and reporting of the Credit risk. The Company has additionally taken the following measures : -

- Borrower group exposure limits as per applicable regulations.
- Establishment of a team to enhance focus on monitoring of process implementation at the branches and to facilitate proactive action wherever required.
- Enhanced monitoring of retail product portfolios through periodic review.

### Credit Approval Authorities

The Board of Directors has approved delegation of loan sanctioning powers to Managing Director and member of the management team on a graded level of the loan amount.

## Credit Risk Assessment Methodology

### Retail Loans

Company's customers for retail loans are primarily low, middle and high-income, salaried and self-employed individuals. All retail loans are also subjected to risk based pricing wherein the individual cases are graded on a credit score linked to multiple parameters of appraisal.

The Company's credit officers evaluate credit proposals on the basis of active credit policies as on the date of approval. The criteria typically include factors such as the borrower's income & obligations, the loan-to-value ratio, Fixed obligation to income ratio and demographic parameters subject to regulatory guidelines. Any deviations need to be approved at the designated levels.

The various process controls such as KYC check, Credit Bureau Report analysis are undertaken. Company's staff performs comprehensive due diligence process including visits to customer's business and residence premises.

Company analyses the portfolio performance of each product segment regularly, and use these as inputs in revising the product programs, target market definitions and credit assessment criteria to meet the twin objectives of combining volume growth and maintenance of asset quality. The retail loans are fully secured and have full recourse against the borrower. The Company has a equitable mortgage over the collateral Immovable Properties. Whereever the state laws provide, the memorandum of deposit of title deeds are also registered.

### Other Loans

The Company has a framework for the appraisal and execution of project finance transactions and it believes that such framework enables optimal risk identification, allocation and mitigation and helps minimize risk in the transaction.

The project finance approval process undertakes detailed evaluation of credit, technical, commercial and financial besides capacity and capability of developer/promoter. A credit scan by obtaining CIBIL and legal litigation reports of key developer/promotor further strengthens credit evaluation. As part of the appraisal process, a risk matrix is prepared to assess project risks in terms of its viability and implementation of projects and other risks associated with the project.

Project finance loans are fully secured by equitable mortgage with registered MOD of the prime property being land on which project is to be executed besides lien on constructed units. The Company creates lien on the receivables arising from sale of constructed units. Cash flows are being escrowed in favour of the company besides setting up the escrowing of sale proceeds as per the RERA Act. The Company also obtains personal guarantees of the developer/key promoters. Besides, monthly reports on progress of work, sales booking and sales proceeds are being collected from borrowers which are being monitored until loans are fully repaid.



### Risk Management and Portfolio Review

The Company ensures effective monitoring of credit facilities through a risk-based asset review framework under which the frequency of asset review is determined depending on the risk associated with the product.

For both Retail and other borrowers, the company staff verifies adherence to the terms of the credit approval prior to the commitment and disbursement of credit facilities.

The Company monitors compliance with the terms and conditions for credit facilities prior to disbursement. It also reviews the completeness of documentation, creation of security and compliance with regulatory guidelines.

The Company, regularly reviews the credit quality of the portfolio and various sub-portfolios. A summary of the reviews carried out is submitted to the concern teams.

The Company reviews adherence to policies and processes, carries out audit through internal auditor and briefs the Audit Committee and the Board periodically.

### Expected Credit Loss

Expected Credit loss is a calculation of the present value of the amount expected to be lost on a financial asset, for financial reporting purposes. Credit risk is the potential that the obligor and counterparty will fail to meet its financial obligations to the lender. This requires an effective assessment and management of the credit risk at both individual and portfolio level.

Probability of Default (PD)represents the likelihood of default over a defined time horizon, Exposure at Default (EAD) represents how much the counterparty is likely to be borrowing at the time of default, Loss Given Default (LGD)represents the proportion of EAD that is likely to be lost post-default.The definition of default is taken as 90 days or above past due for all retail and other loans.The ECL is computed as a product of PD, LGD and EAD.

Delinquency buckets have been considered as the basis for the staging of all loans with0-30 days past due loans classified as Stage 1, 31-89 days past due loans classified as Stage 2 and90 days or above past due loans classified as Stage 3.

For individual and other loans vintage analysis has been used to create PD terms structure which incorporates both 12 months PD for Stage 1 loans and life time PD for stage 2 and 3 loans. The vintage analysis captures a vintage default experience across a particular portfolio by tracking the yearly slippages from advances originating in a particular year. The vintage slippage experience/default rate is then used to build the PD term structure. This methodology has been used to create the LGD vintage which takes into account the recovery experience across accounts of a particular portfolio post default. The recoveries are tracked and discounted to the date of default using the interest rate.

Reconciliation of Loss Allowance

(₹ in crore)

| Particulars | Loss Allowance measured at life-time expected losses | | |
|---|---|---|---|
| | Loss Allowance measured at 12 month expected losses (Stage 1) | Financial Assets for which credit risk has increased significantly and not credit-impaired (Stage 2) | Financial Assets for which credit risk has increased significantly and credit impaired (Stage 3) |
| Loss allowance on April 1, 2017 | 13.10 | 10.36 | 80.25 |
| Add (Less) : Changes in loss allowances | 3.36 | 4.54 | 24.59 |
| Loss allowance on March 31, 2018 | 16.46 | 14.90 | 104.84 |
| Add (Less) : Changes in loss allowances | 3.55 | 0.97 | (21.15) |
| Loss allowance on March 31, 2019 | 20.01 | 15.87 | 83.70 |

Significant estimates and judgements

Impairment of financial assets

The impairment provisions for financial assets disclosed above are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Liquidity risk :

(i) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period :

(₹ in crore)

| Floating rate | March 31, 2019 | March 31, 2018 | April 1, 2017 |
|---|---|---|---|
| - Expiring within one year | - | 1,264.14 | 2,919.14 |
| - Expiring beyond one year | - | - | - |
| Total | - | 1,264.14 | 2,919.14 |

The facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the facilities may be drawn at any time in INR and have an average maturity of 12 months from sanction date.

(ii) Maturities of financial liabilities

The Company's financial liabilities into relevant maturity groupings based on their contractual maturities for essential for an understanding of the timing of the cash flows.

The amounts disclosed in note 35 are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Market risk

(i) Cash flow and fair value interest rate risk

The Company's core business is borrowing and lending, deposit taking as permitted by the National Housing Bank. These activities expose the Company 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. Company monitors interest rate risk through above measures on a regular basis.

(a) Interest rate risk exposure

The exposure of the Company's borrowing (including debt securities, deposits and subordined liabilities) at face value to interest rate changes at the end of the reporting period are as follows :

(₹ in crore)

| Particulars | March 31, 2019 | March 31, 2018 | April 1, 2017 |
|---|---|---|---|
| Variable rate borrowings | 7,005.86 | 5,959.97 | 5,526.44 |
| Fixed rate borrowings | 9,577.69 | 8,086.03 | 6,491.71 |
| Total borrowings | 16,583.55 | 14,046.00 | 12,018.15 |

(b) Sensitivity

Since 93% of the Company's Loan Assets are at variable rate of interest, the Company is in a position to pass on increase in cost of borrowings/benefit on reduction of cost of borrowings to its customers. As a result, the interest rate risk arising on account of movement in cost of borrowings is significantly low. However, for any reason, if the Company was not in a position to pass on cost/benefit to its customers, then an impact on profit could have been as under :

(₹ in crore)

| Particulars | Impact on Profit Before Tax | |
|---|---|---|
| | Current Year | Previous Year |
| Interest rates – increase by 10 basis points (10 bps)* | (7.01) | (5.96) |
| Interest rates – decrease by 10 basis points (10 bps)* | 7.01 | 5.96 |

* Holding all other variables constant

(ii) Price risk

(a) Exposure

The Company's exposure to price risk arises from investments held by the Company and classified in the balance sheet at fair value through profit or loss. The Company's exposure to Mutual Funds is not significant and hence the Company's exposure to price risk is insignificant.

## 39 CAPITAL MANAGEMENT

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

The Company has complied with the applicable capital requirements over the reported period.

39 (i) Risk management

The Company's objectives when managing capital are to :

1. Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
2. Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.Consistent with others in the industry, the Company monitors capital on the basis of the following gearing ratio : Net debt (total borrowings net of cash and cash equivalents) divided by Total 'equity' (as shown in the balance sheet).

The Company's strategy is to maintain a gearing ratio within 16 times as stipulated by National Housing Bank. The gearing ratios were as follows :

(₹ in crore)

| Particulars | As At March 31, 2019 | As At March 31, 2018 | As At April 1, 2017 |
|---|---|---|---|
| Net Debt | 15,454.32 | 13,951.47 | 11,966.05 |
| Total Equity | 1,891.44 | 1,555.24 | 1,241.32 |
| Net Debt to Equity Ratio (in times) | 8.17 | 8.97 | 9.64 |

Loan covenants

Under the terms of the major borrowing facilities, the Company has complied with the covenants throughout the reporting period. As at March 31, 2019, the ratio of net finance cost to EBITDA was 67.78% (Previous Year – 63.33%).

## 40. Disclosure as required by National Housing Bank :

The following disclosures have been given in terms of National Housing Bank's notification no. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 and in terms of the circular no. NHB/ND/DRS/Pol-No.35/2010-11 dated October 11, 2010. Further, the disclosures which are for regulatory and supervisory purpose, have been made so as to comply with NHB's Policy Circular No. NHB(ND)/DRS/Policy Circular No. 89/2017-18 dated June 14, 2018 which requires Housing Finance Companies to continue to follow the extent provisions of National Housing Bank Act, 1987 and Housing Finance Companies (NHB) Directions 2010 including framework on prudential norms and other related circulars issued in this regards by NHB from time to time and the same have been prepared in accordance with Accounting Standards prescribed under section 133 of the Companies Act, read with the Companies (Accounting Standards) Rules, 2006, as amended (Indian GAAP).

## 40.1 Capital

| Particulars | Current Year | Previous Year |
|---|---|---|
| (i) CRAR (%) | 20.30 | 18.90 |
| (ii) CRAR – Tier I Capital (%) | 19.26 | 17.68 |
| (iii) CRAR – Tier II Capital (%) | 1.04 | 1.22 |
| (iv) Amount of subordinated debt as Tier- II Capital (₹ in crore)* | 35.00 | 35.00 |
| (v) Amount raised by issue of Perpetual Debt Instruments (₹ in crore) | - | - |

* As per NHB master Directions, 2010, based on balance term to maturity as at March 31, 2019, ₹ 21 crore (previous year ₹ 28 crore) of the face value of subordinated debt is considered as Tier II capital for computation of Capital Adequacy Ratio.

## 40.2 Reserve Fund u/s 29C of National Housing Bank Act, 1987

(₹ in crore)

| Sr. No. | 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 | 27.74 | 27.74 |
| (b) | Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve u/s 29C of the NHB Act, 1987 | 546.18 | 439.93 |
| | | 573.92 | 467.67 |
| | 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 u/s 29C of the NHB Act, 1987 | 105.00 | 106.25 |
| | Less : | | |
| (a) | Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987 | - | - |
| (b) | Amount withdrawn from the Special Reserve u/s 36 (1)(viii) of Income Tax Act, 1961 which has been taken into account for the purpose of provision u/s 29C of the NHB Act, 1987 | - | - |
| | Balance at the end of the year | 678.92 | 573.92 |
| (a) | Statutory Reserve u/s 29C of the NHB Act, 1987 | 27.74 | 27.74 |
| (b) | Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve u/s 29C of the NHB Act, 1987 | 651.18 | 546.18 |
| | | 678.92 | 573.92 |



## 40.3 Investments

(₹ in crore)

| Particulars | Current Year | Previous Year |
|---|---|---|
| Value of Investments | | |
| (i) Gross value of Investments* | | |
| (a) In India | 144.54 | 153.12 |
| (b) Outside India | - | - |
| (ii) Provisions for Depreciation | | |
| (a) In India | - | - |
| (b) Outside India | - | - |
| (iii) Net value of Investments | | |
| (a) In India | 144.54 | 153.12 |
| (b) Outside India | - | - |

*Net of Provision for Loss to arise on redemption of Investments.

| Movement of provisions held towards depreciation on investments | Current Year | Previous Year |
|---|---|---|
| (i) Opening balance | - | - |
| (ii) Add : Provisions made during the year | - | - |
| (iii) Less : Provision written back for investment matured/redeemed during the year | - | - |
| (iv) Closing balance | - | - |

No provision for diminution, other than temporary, in the value of investments is required.

40.4 During the year, GRUH has not entered into any a) derivative transaction, b) securitisation, assets reconstruction and assignment transaction, c) purchase/sale of Non-performing financial assets d) Capital market transaction and exposure, e) financing of Parent Company product, f) finance of any unsecured advances i.e. advances against intangible securities such as rights, licenses, authoritations etc. as collateral security except as disclosed in note 7 and g) transaction in foreign currency apart from dividend payment to Non-resident shareholder as per note 23.

40.5 GRUH has not exceeded limit prescribed by National Housing Bank for Single Borrower Limit (SBL) and Group Borrower Limit (GBL).

40.6 GRUH do not have an exposure to teaser rate loans.

40.7 Assets liability Management (Note 40.24)

Assets and Liabilities are classified in the maturity buckets as per the guidelines issued by the National Housing Bank.

Maturity pattern of certain items of Assets and Liabilities As At March 31, 2019 : (₹ in crore)

| Maturity Buckets | Liabilities | | | | Assets | | | |
|---|---|---|---|---|---|---|---|---|
| | Deposits | Borrowings from Banks | Market Borrowings | Foreign currency Liability | Advances | Investments | Deposits with Banks | Foreign currency Asset |
| 1 day to 30 days (one month) | 100.13 | - | - | - | 80.40 | - | 750.00 | - |
| Over one month up to 2 months | 53.99 | - | 200.00 | - | 80.16 | - | 150.00 | - |
| Over 2 months up to 3 months | 31.69 | 116.04 | 565.00 | - | 82.53 | - | - | - |
| Over 3 months up to 6 months | 120.50 | 116.04 | - | - | 243.67 | 18.09 | - | - |
| Over 6 months up to 1 year | 281.08 | 3,867.08 | 1,690.00 | - | 465.23 | - | 34.96 | - |
| Over 1 year up to 3 years | 727.59 | 2,178.19 | 834.50 | - | 1,789.15 | 102.90 | 31.98 | - |
| Over 3 years up to 5 years | 199.83 | 2,325.47 | 1020.60 | - | 1,583.17 | 2.98 | 13.86 | - |
| Over 5 years up to 7 years | 31.89 | 668.70 | - | - | 1,719.77 | - | - | - |
| Over 7 years up to 10 years | 15.55 | 604.68 | 230.00 | - | 2,609.11 | 20.57 | - | - |
| Over 10 years | - | 605.00 | - | - | 8,723.43 | - | - | - |
| Total | 1,562.25 | 10,481.20 | 4,540.10 | - | 17,376.62 | 144.54 | 980.80 | - |

Maturity pattern of certain items of Assets and Liabilities as at March 31, 2018 (₹ in crore)

| Maturity Buckets | Liabilities | | | | Assets | | | |
|---|---|---|---|---|---|---|---|---|
| | Deposits | Borrowings from Banks | Market Borrowings | Foreign currency Liability | Advances | Investments | Deposits with Banks | Foreign currency Asset |
| 1 day to 30 days (one month) | 52.88 | 400.00 | 150.00 | - | 78.99 | - | 0.75 | - |
| Over one month up to 2 months | 20.87 | - | - | - | 79.32 | - | 8.18 | - |
| Over 2 months up to 3 months | 27.61 | 94.28 | 150.00 | - | 79.54 | - | 2.97 | - |
| Over 3 months up to 6 months | 59.45 | 91.56 | - | - | 231.19 | - | 29.89 | - |
| Over 6 months up to 1 year | 320.26 | 4,521.55 | 1,492.00 | - | 448.25 | 70.09 | 12.00 | - |
| Over 1 year up to 3 years | 783.22 | 841.24 | 2,597.00 | - | 1,715.04 | 29.68 | - | - |
| Over 3 years up to 5 years | 160.49 | 661.05 | 513.00 | - | 1,628.91 | 38.22 | - | - |
| Over 5 years up to 7 years | 20.58 | 695.83 | - | - | 1,758.93 | 3.02 | - | - |
| Over 7 years up to 10 years | 12.95 | 318.85 | - | - | 2,758.40 | 12.11 | - | - |
| Over 10 years | - | 61.33 | - | - | 6,789.82 | - | - | - |
| Total | 1,458.31 | 7,685.69 | 4,902.00 | - | 15,568.39 | 153.12 | 53.79 | - |

40.8 Exposure to Real Estate Sector

| Sr. No. | Category | Current Year | Previous Year |
|---|---|---|---|
| 1 | Direct Exposure | | |
| (a) | Residential Mortgages :<br>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 lacs shown separately). | (i) Loans ≤ ₹ 15 Lacs : ₹ 12,935.78 crore<br>(ii) Loans > ₹ 15 Lacs : ₹ 3,227.85 crore<br>(iii) Total : ₹ 16,163.63 crore | (i) Loans ≤ ₹ 15 Lacs : ₹ 11,471.52 crore<br>(ii) Loans >₹ 15 Lacs : ₹ 3,060.49 crore<br>(iii) Total : ₹ 14,532.01 crore |
| (b) | Commercial Real Estate :<br>Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction etc.) Exposure would also include non-fund based (NFB) limits. | ₹ 1,212.99 crore | ₹ 1,036.38 crore |
| (c) | Investments in Mortgage Backed Securities (MBS) and other securitised exposures -<br>(i) Residential<br>(ii) Commercial Real Estate | Nil | Nil |
| 2 | Indirect Exposure<br>Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs) | Nil | Nil |

40.9 GRUH has not obtained registration from any other financial sector regulator.

40.10 National Housing Bank (NHB) has not raised any stricture or direction in their inspection carried out during the year. NHB has not imposed any penalty on GRUH during the year.

40.11 As per the Accounting Standard on 'Related Party Disclosures', details of the related parties, nature of the relationship with whom Company has entered transactions, remuneration of directores and balances in related party account at the year end, are given in Note no. 36. There were no material transaction with related parties and all these transactions with related parties were carried out in ordinary course of business at arm's length price.

40.12 GRUH carries following ratings from ICRA and CRISIL :

| Instrument | ICRA | CRISIL |
|---|---|---|
| Long-term# | AAA* | AAA |
| Short-term | A1 (+) | A1 (+) |
| Fixed Deposits# | MAAA | FAAA |

# indicates 'on watch with negative implications' post merger announcement on January 7, 2019.

40.13 During the year, a) no prior period items occurred which has impact on profit and loss account, b) no change in any accounting policy except implementation of Ind AS required by Ministry of Company Affairs, c) there were no circumstances in which revenue recognition has been postponed pending the resolution of significant uncertainties, and d) there is no withdrawal from Reserve fund.

40.14 GRUH has no subsidiary company. Hence, requirement of consolidated financial statements is not applicable to GRUH.

40.15 Provisions and Contingencies charged under NHB norms as per Indian GAAP during the year in terms of NHB's Policy Circular No. NHB(ND)/DRS Policy Circular No. 89/2017-18 dated June 14, 2018 :

(₹ in crore)

| Sr. No. | Particulars | Current Year | Previous Year |
|---|---|---|---|
| 1 | Provision for depreciation on Investment | - | - |
| 2 | Provision made towards Income tax | 161.50 | 166.00 |
| | Provision for Loan Assets | | |
| 3 | Provision towards Non-Performing Assets | - | 29.51 |
| 4 | Provision for Standard Assets* | 1.64 | 2.98 |
| | Individual Home Loans | - | 2.47 |
| | Individual NRP Loans | (0.41) | (0.39) |
| | Commercial Real Estate – Residential-Housing | 0.12 | (0.53) |
| | Commercial Real Estate – Non-Housing | 1.93 | 1.43 |
| | Teaser rate loans | - | - |
| 5 | Provision for Contingencies | (16.63) | - |

* includes provision require on Installment due from borrowers and Loan Against Deposits

The movement in Provision for Loan Assets during the year is as under :

Current Year : (₹ in crore)

| Particulars | Standard Assets | NPAs | Prov. for Contingencies | Total |
|---|---|---|---|---|
| Opening Balance | 66.10 | 53.47 | 16.63 | 136.20 |
| Reversed during the year | (66.10) | (53.47) | (16.63) | (136.20) |
| Charged during the year | 67.74 | 53.47 | - | 121.21 |
| Net Charged during the year | 1.64 | - | (16.63) | (14.99) |
| Closing Balance | 67.74 | 53.47 | - | 121.21 |

Previous Year : (₹ in crore)

| Particulars | Standard Assets | NPAs | Prov. for Contingencies | Total |
|---|---|---|---|---|
| Opening Balance | 63.12 | 23.96 | 16.63 | 103.71 |
| Reversed during the year | (63.12) | (23.96) | - | (87.08) |
| Charged during the year | 66.10 | 53.47 | - | 119.57 |
| Net Charged during the year | 2.98 | 29.51 | - | 32.49 |
| Closing Balance | 66.10 | 53.47 | 16.63 | 136.20 |

Break up of Provisions : (₹ in crore)

| Provision for | As At March 31, 2019 | As At March 31, 2018 |
|---|---|---|
| Standard Assets | 67.74 | 66.10 |
| Non-Performing Assets | 53.47 | 53.47 |
| Contingencies | - | 16.63 |
| Total | 121.21 | 136.20 |

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Break up of Loans & Advances and Provisions thereon : (₹ in crore)

| Sr. No. | Particulars | Housing | | Non-Housing | |
|---|---|---|---|---|---|
| | | Current Year | Previous Year | Current Year | Previous Year |
| | Standard Assets | | | | |
| a) | Total Outstanding Amount* | 16,438.26 | 14,832.18 | 870.06 | 717.62 |
| b) | Provisions made | 59.04 | 58.92 | 8.70 | 7.18 |
| | Sub-Standard Assets | | | | |
| a) | Total Outstanding Amount | 50.08 | 40.04 | 5.85 | 2.48 |
| b) | Provisions made | 7.51 | 6.01 | 0.88 | 0.37 |
| | Doubtful Assets - Category - I | | | | |
| a) | Total Outstanding Amount | 32.45 | 14.11 | 4.98 | 0.18 |
| b) | Provisions made | 8.11 | 3.53 | 1.25 | 0.04 |
| | Doubtful Assets - Category-II | | | | |
| a) | Total Outstanding Amount | 12.32 | 8.05 | 0.95 | 0.85 |
| b) | Provisions made | 4.93 | 3.22 | 0.38 | 0.34 |
| | Doubtful Assets - Category-III | | | | |
| a) | Total Outstanding Amount | 7.12 | 4.31 | 0.69 | 0.07 |
| b) | Provisions made | 7.12 | 4.31 | 0.69 | 0.07 |
| | Loss Assets | | | | |
| a) | Total Outstanding Amount | - | - | - | - |
| b) | Provisions made | - | - | - | - |
| | Total | | | | |
| a) | Total Outstanding Amount | 16,540.23 | 14,898.69 | 882.53 | 721.20 |
| b) | Provisions made | 86.71 | 75.99 | 11.90 | 8.00 |

* Standard Assets and total outstanding amount includes instalment due from borrowers and Loan Against Deposit alongwith interest accrued but not due and provision thereon. There are no teaser rate loans and hence no provision on same is required.



### 40.16 Concentration of Public Deposits

(₹ in crore)

| Particulars | Current Year | Previous Year |
|---|---|---|
| Total Deposits of twenty largest depositors | 487.86 | 460.45 |
| Percentage of Deposits of twenty largest depositors to Total Deposits of GRUH | 31.23 | 31.57 |

### 40.17 Concentration of Loans & Advances

(₹ in crore)

| Particulars | Current Year | Previous Year |
|---|---|---|
| Total Loans & Advances to twenty largest borrowers | 906.06 | 710.81 |
| Percentage of Loans & Advances to twenty largest borrowers to Total Advances of GRUH | 5.20 | 4.57 |

### 40.18 Concentration of all exposure (including off-balance sheet exposure)

(₹ in crore)

| Particulars | Current Year | Previous Year |
|---|---|---|
| Total Loans & Advances to twenty largest borrowers/customers | 1,144.70 | 913.89 |
| Percentage of exposures to twenty largest borrowers/customers to Total exposure of GRUH | 6.58 | 5.58 |

### 40.19 Concentration of Non-Performing Assets (NPAs)

(₹ in crore)

| Particulars | Current Year | Previous Year |
|---|---|---|
| Total Exposure to top ten NPA accounts | 15.62 | 9.55 |

### 40.20 Sector-wise NPAs - Percentage of NPAs to total Advances in that sector

| Sr. No. | Sector | Current Year | | Previous Year | |
|---|---|---|---|---|---|
| | | ₹ in crore | % | ₹ in crore | % |
| A | Housing Loans : | | | | |
| 1 | Individuals | 101.97 | 0.63 | 66.52 | 0.46 |
| 2 | Builders/Project Loans | - | - | - | - |
| 3 | Corporates | - | - | - | - |
| 4 | Others | - | - | - | - |
| B | Non-Housing Loans : | | | | |
| 1 | Individuals | 12.47 | 3.71 | 3.57 | 0.97 |
| 2 | Builders/Project Loans | - | - | - | - |
| 3 | Corporates | - | - | - | - |
| 4 | Others | - | - | - | - |
| | Total | 114.44 | 0.66 | 70.09 | 0.45 |

### 40.21 Movement of NPAs

(₹ in crore)

| Sr. No. | Sector | Current Year | Previous Year |
|---|---|---|---|
| I | Net NPAs to Net Advances (%) | 0.35 | - |
| II | Movement of NPAs (Gross) | | |
| | a) Opening balance | 70.09 | 40.58 |
| | b) Additions during the year | 68.03 | 44.72 |
| | c) Reductions during the year | 23.68 | 15.21 |
| | d) Closing balance | 114.44 | 70.09 |
| III | Movement of Net NPAs | | |
| | a) Opening balance | - | - |
| | b) Additions during the year | 60.97 | - |
| | c) Reductions during the year | - | - |
| | d) Closing balance | 60.97 | - |
| IV | Movement of provisions for NPAs and Contingencies (excluding provisions on standard assets) | | |
| | a) Opening balance | 70.09 | 40.58 |
| | b) Additions during the year | 53.47 | 70.09 |
| | c) Write-back of provisions | 70.09 | 40.58 |
| | d) Closing balance | 53.47 | 70.09 |

40.22 GRUH does not have any overseas assets and any off balance sheet Special Purpose Vehicle (SPV) which requires to be consolidated as per accounting norms.

### 40.23 Customer complaints

| Sr. No. | Particulars | Current Year | Previous Year |
|---|---|---|---|
| 1 | No. of complaints pending at the beginning of the year | 21 | 211 |
| 2 | No. of complaints received during the year | 3,849 | 4,009 |
| 3 | No. of complaints redressed during the year | 3,847 | 4,199 |
| 4 | No. of complaints pending at the end of the year | 23 | 21 |

### 40.24 CATEGORY-WISE SUMMARY OF BORROWINGS & LOANS

Borrowings Break up :

(₹ in crore)

| Particulars | As At March 31, 2019 | As At March 31, 2018 | As At April 1, 2017 |
|---|---|---|---|
| Bonds and Debentures | 4,340.10 | 4,132.00 | 2,422.00 |
| Commercial Paper | 200.00 | 770.00 | - |
| Bank Borrowings | 10,481.20 | 7,685.69 | 8,091.24 |
| Public Deposits | 1,562.25 | 1,458.31 | 1,504.91 |
| Total | 16,583.55 | 14,046.00 | 12,018.15 |

Loan Assets Break up : (₹ in crore)

| Particulars | As At March 31, 2019 | As At March 31, 2018 | As At April 1, 2017 |
|---|---|---|---|
| Individual Home Loans | 16,163.63 | 14,532.01 | 12,243.45 |
| Individual NRP Loans | 336.64 | 368.34 | 405.23 |
| Developer Loans | 876.35 | 668.04 | 595.64 |
| Total | 17,376.62 | 15,568.39 | 13,244.32 |

**41** In compliance with the Indian Accounting Standard on 'Employee Benefits' (Ind AS 19), following disclosures have been made :

### 41.1 Defined Contribution Plans

GRUH has recognised the following amounts in Statement of Profit and Loss which are included under Contribution to Provident Fund and Other Funds : (₹ in crore)

| Particulars | Current Year | Previous Year |
|---|---|---|
| Superannuation Fund | 1.07 | 0.89 |

### 41.2 State Plans

GRUH has recognised expenses of ₹ 0.56 crore (Previous Year ₹ 0.55 crore) in Statement of Profit and Loss for Contribution to State Plan namely Employees' Pension Scheme.

### 41.3 Defined Benefit Plans

(a) Contribution to Provident Fund :

The Company makes Provident Fund contributions to defined contribution retirement benefit plans for employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions as specified under the law are paid to the provident fund set up as a trust by the Company.

The Company recognised ₹ 1.07 crore (Previous Year ₹ 0.86 crore) for provident fund contribution in the Statement of Profit and Loss which is included under Contribution to Provident Fund and Other Funds.

The Rules of GRUH's Provident Fund administered by a Trust require that if the Board of the Trustees are unable to pay interest at the rate declared for Employees' Provident Fund by the Government under para 60 of the Employees' Provident Fund Scheme, 1952 for the reason that the return on investment is less or for any other reason, then the deficiency shall be made good by GRUH. Having regard to the assets of the fund and the return on the investments, GRUH does not expect any deficiency in the foreseeable future.

(b) Leave Encashment/Compensated Absences :

Salaries and Bonus includes ₹ 1.30 crore (Previous Year ₹ 1.05 crore) towards provision made as per actuarial valuation in respect of accumulated leave salary encashable on retirement.

(c) Contribution to Gratuity Fund :

Risks associated with defined benefit plan

Gratuity is a defined benefit plan and Company is exposed to the following risks :

Interest rate risk : A fall in the discount rate which is linked to the G-Sec rate will increase the present value of the liability requiring higher provision. Since Gratuity Trust's investments are carried at book value, they are generally not exposed to interest rate risk.

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

Investment Risk : The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Asset Liability Matching Risk : Company's Gratuity fund is administered through a trust which is recognised by the Income Tax Authorities and the contribution thereto is charged as an expense based on the amount of contribution determined by actuary. Company's Gratuity trust faces insignificant ALM risk as to the matching cash flow. Since the trust invests in line of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk. Further, trust's more than 95% of funds are invested in securities/Fixed Deposit with banks with Interest frequency of Quarterly/Half-yearly/Annual which also reduced ALM risk. Trust has also invested in equity Mutual Funds and Fixed Deposit with banks which are easily redeemable.

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

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The details of GRUH's post-retirement benefit plans for its employees are given below which is certified by the actuary and relied upon by the auditors :

(₹ in crore)

| Particulars | Current Year | Previous Year |
|---|---|---|
| Change in the Benefit Obligations | | |
| Present value of defined benefit obligation at the beginning of the year | 10.57 | 9.23 |
| Current Service Cost | 0.49 | 0.47 |
| Interest Cost | 0.83 | 0.69 |
| Benefits Paid | (0.47) | (0.48) |
| Actuarial Loss/(Gain) | 0.87 | 0.66 |
| Present value of defined benefit obligation at the end of the year | 12.29 | 10.57 |
| Fair Value of Plan Assets | | |
| Fair Value of Plan Assets at the beginning of the year | 9.69 | 7.79 |
| Expected Return on Plan Assets | 0.77 | 0.58 |
| Contributions | 0.88 | 1.44 |
| Benefits Paid | (0.47) | (0.48) |
| Actuarial (Loss)/Gain on Plan Assets | 0.05 | 0.36 |
| Fair Value of Plan Assets at the end of the year | 10.92 | 9.69 |
| Total Actuarial Loss/(Gain) to be recognised | 0.82 | 0.30 |
| Actual Return on Plan Assets | | |
| Expected Return on Plan Assets | 0.77 | 0.58 |
| Actuarial (Loss)/Gain on Plan Assets | 0.05 | 0.36 |
| Actuarial Return on Plan Assets | 0.82 | 0.94 |
| Amount Recognised in the Balance Sheet | | |
| Present value of defined benefit obligation at the end of the year | 12.29 | 10.57 |
| Fair Value of Plan Assets at the end of the year | 10.92 | 9.69 |
| Amount recognised in the Balance Sheet under "Provision for Retirement Benefits" | 1.37 | 0.88 |
| Expense Recognised in Statement of Profit and Loss | | |
| Current Service Cost | 0.49 | 0.47 |
| Net Interest Cost | 0.06 | 0.11 |
| Expense recognised in Statement of Profit and Loss under "Employee Benefit Expenses" | 0.55 | 0.58 |
| Expense Recognised in Statement of Other Comprehensive Income (OCI) | | |
| Actuarial (Gain)/Losses on Obligation for the period | 0.87 | 0.66 |
| Return on Plan Assests, Excluding Interest Income | (0.05) | (0.36) |
| Net (Income)/Expense For the Period Recognized in Statement of OCI | 0.82 | 0.30 |
| Reconciliation of the Liability Recognised in the Balance Sheet | | |
| Opening Net Liability | 0.88 | 1.44 |
| Expense Recognised | 1.37 | 0.88 |
| Contribution by GRUH | (0.88) | (1.44) |
| Amount recognised in the Balance Sheet under "Provision for Retirement Benefits" | 1.37 | 0.88 |



Investment Patternin (%) :

| Particulars | As At March 31, 2019 | As At March 31, 2018 |
|---|---|---|
| Central Government Securities | 30.44 | 18.94 |
| State Government Securities / Securities guaranteed by State / Central Government | 29.67 | 33.71 |
| Public Sector / Financial Institutional Bonds | 14.40 | 7.32 |
| Private Sector Bonds | 20.38 | 23.01 |
| Special Deposit Scheme | 0.11 | 0.12 |
| Investment in Insurance Company Scheme | - | 9.71 |
| Equity Fund | 4.45 | 3.77 |
| Others (including bank balances) | 0.55 | 3.42 |
| Total | 100.00 | 100.00 |

Based on the above allocation and the prevailing yields on these assets, the long-term estimate of the expected rate of return on fund assets has been arrived at.

Principal actuarial assumptionsat the Balance Sheet Date (expressed as weighted averages) :

| Particulars | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Discount Rate (%) | 7.79 | 7.86 |
| Expected Return on Plan Assets (%) | 7.79 | 7.86 |
| Attrition Rate (%) | 2.00 | 2.00 |
| Annual increase in Salary Cost (%) | 3.00 | 3.00 |

The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors.

Amount for the current and previous periods are as follows : (₹ in crore)

| Particulars | 2018-19 | 2017-18 | 2016-17 | 2015-16 | 2014-15 |
|---|---|---|---|---|---|
| Present value of Defined Benefit Obligation | 12.29 | 10.57 | 9.23 | 7.47 | 6.22 |
| Fair Value of Plan Assets | 10.92 | 9.69 | 7.79 | 6.41 | 6.09 |
| Surplus/(Deficit) in the Plan | (1.37) | (0.88) | (1.44) | (1.06) | (0.13) |
| Experience adjustments on plan Liabilities (loss)/Gain | (0.83) | (0.82) | (0.78) | (0.79) | (0.45) |
| Experience adjustments on plan assets (loss)/Gain | 0.05 | 0.36 | 0.05 | 0.06 | 0.01 |

Sensitivity Analysis : (₹ in crore)

| Change in Assumptions | Current Year | Previous Year |
|---|---|---|
| Impact on defined benefit obligation (in crore) | | |
| 100 basis points increase in discount rate | (0.24) | (0.22) |
| 100 basis points decrease in discount rate | 0.25 | 0.23 |
| 100 basis points increase in future salary | 0.26 | 0.24 |
| 100 basis points decrease in future salary | (0.25) | (0.23) |



The sensitivity analysis has been determined by holding other assumptions constant and hence the same 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.

Maturity Analysis of the Benefit Payments from the Gratuity Trust Fund : (₹ in crore)

| Particulars | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Within the next 12 months (next annual reporting period) | 5.57 | 3.94 |
| From 2 to 4 years | 2.07 | 2.30 |
| From 5 to 10 years | 4.55 | 4.55 |
| Beyond 10 years | 6.67 | 6.01 |
| Total expected payments | 18.86 | 16.80 |

**42** Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is ₹ 0.21 crore (Previous Year ₹ 0.69 crore).

**43** Contingent liability in respect of Income-tax demands net of amounts provided for and disputed by GRUH amounts to ₹ 9.92 crore (Previous Year ₹ 7.87 crore). Out of this, ₹ 7.64 crore has been paid/adjusted and will be received as refund, if the matters are decided in favour of GRUH.

There has been a Supreme Court judgement dated February 28, 2019, relating to components of salary structure that need to be taken into account while computing the contribution to provident fund under the Employees' Provident Funds and Miscellaneous Provident Act, 1952. There are interpretative aspects related to the Judgement including the effective date of application. The Company will continue to assess any further developments in this matter for the implications on financial statements, if any.

**44** There are no indications which reflects that any of the assets of GRUH had got impaired from its potential use and therefore no impairment loss was required to be accounted in the current year as per Indian Accounting Standard on 'Impairment of Assets' (Ind AS 36).

**45** Figures less than ₹ 50,000 which are required to be shown separately, have been shown as actual in brackets.