Notes

forming part of the financial statements for the year ended March 31, 2019

1. CORPORATE INFORMATION

Dewan Housing Finance Corporation Limited ('DHFL'), 'the Company' was incorporated in India on April 11, 1984 and has been carrying on, as its main business of providing loans to Retail customers for construction or purchase of residential property, loans against property, loans to real estate developers and loans to SMEs. The company is registered with National Housing Bank (NHB) under Section 29A of the National Housing Bank Act, 1987.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation and Presentation

The standalone financial statements ("financial statements") have been prepared under historical cost convention on an accrual basis in accordance with the Indian Accounting Standards ("Ind AS") and the relevant provisions of the Companies Act, 2013 (the "Act") (to the extent notified). 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.

Effective April 01, 2018, the Company has adopted the Ind AS and the adoption was carried out in accordance with Ind AS 101 "First-time Adoption of Indian Accounting Standards" with April 01, 2017 being 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.

These financial statements have been prepared on a going concern basis. (Also refer note 54).

Historical cost convention

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period as required under Ind AS 109 "Financial Instruments".

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. The measurement and/ or disclosure in these financial statements has been accordingly determined except for share based payment transactions, leasing transactions and certain other transactions that are required to be valued in accordance with Ind AS 102, Ind AS 17 and Ind AS 36, respectively.

2.2 Presentation of financial statements

The Balance Sheet and the Statement of Profit and Loss are prepared 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 Lakh. Per share data is presented in Indian Rupee.

2.3 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. Revenue is measured at the fair value of the consideration received or receivable, as applicable.

a. Interest Income

The main source of revenue for the Company is Income from Housing and Other property loans. Repayment of housing and property loan is generally by way of Equated Monthly Instalments (EMIs) comprising of principal and interest. EMIs generally commence once the entire loan is disbursed. Pending commencement of EMIs, pre-EMI interest is payable every month/quarter/annual, as applicable, on the loan that has been disbursed. Interest is calculated either on annual rest or on monthly rest on the basis of agreed terms with the borrowers.

Interest income on housing and property loans and other financial instruments carried at amortised cost is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate ("EIR") applicable.

The EIR considers all fees, charges, transaction costs, and other premiums or discounts that are incremental and directly attributable to the specific financial instrument at the time of its origination.

The financial assets that are classified at Fair Value through Statement of Profit and Loss ("FVTPL"), transaction costs and processing fees collected are recognised in Statement of Profit and Loss at initial recognition.

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

b. Fee and Commission income:

Fee and commission, other than the fee that forms an integral part of EIR, are accounted on accrual basis.

c. Dividend Income

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

d. Investment income

The gains/losses on sale of investments are recognised in the Statement of Profit and Loss on trade date. Gain or loss on sale of investments is determined on the basis of weighted average cost.

e. Other operating revenue:

Prepayment charges, delayed payment interest and other such incomes where recovery is uncertain are recognized on receipt basis.

2.4 Property, plant and equipment and Intangible Assets

Property Plant and Equipment (PPE)

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 cost less accumulated depreciation and impairment losses, if any. The cost of PPE is its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the PPE ready for its intended use, other incidental expenses and interest on borrowing attributable to acquisition of qualifying PPE upto the date the asset is ready for its intended use.

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 the Statement of Profit and Loss.

PPE not ready for the intended use 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 less their residual values over their useful lives specified in Schedule II to the Act. 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.

Estimated useful life considered by the Company are:

Asset	Estimated Useful Life
Office Equipment	5 Years
Computers	3 Years
Furniture and fittings	10 Years
Vehicles	8 Years
Leasehold improvements	Lease Period
Leasehold Premises	Lease Period
Buildings	60 Years

Intangible assets

Intangible assets 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 net of tax/duty credits availed, if any, 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 3 to 6 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.

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

Deemed Cost of PPE on transition to Ind AS

For transition to Ind AS, 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 01, 2017 (transition date) measured as per the IGAAP and use that carrying value as its deemed cost as of the transition date.

Impairment of assets (other than financial assets)

As at the end of each financial 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. 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 was recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

2.5 Employee benefits

i. Defined contribution plan

The contribution to provident fund, pension fund, National Pension Scheme and employee state insurance scheme are considered as defined contribution plans and are charged as an expense in the Statement of Profit and Loss based on the amount of contribution required to be made as and when services are rendered by the employees.

ii. Defined benefits plan

The Company's Gratuity liability under the Payment of Gratuity Act, 1972 is determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method.

The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed periodically by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognition of the asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in Other Comprehensive Income (OCI). Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in Statement of Profit and Loss.

iii. 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.

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The cost of short-term compensated absences is accounted as under:

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

iv. Other 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 less the fair value of the plan assets out of which the obligations are expected to be settled.

v. Share-based payment arrangements

The share appreciation rights granted to employees pursuant to the Company's Stock Appreciation Rights Scheme are measured at the fair value of the rights at the grant date. The fair value of the rights 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 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 Other Equity.

2.6 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. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Operating Lease

Operating lease are recognized as expense in the Statement of Profit and Loss in line with contractual term to compensate the lessor's expected inflationary cost.

2.7 Financial instruments

Recognition of Financial Instruments

Financial instruments comprise of financial assets and financial 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. Financial assets primarily comprise of loans and advances, deposits, trade receivables and cash and cash equivalents. Financial liabilities primarily comprise of borrowings and trade payables.

Initial Measurement of Financial Instruments

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 the Statement of Profit and 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 the Statement of Profit and 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.

Classification of Financial Assets

- 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.

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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 elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies, in OCI; and

- the Company may irrevocably designate a debt instrument that meets the amortised cost or Fair Value through Other Comprehensive Income (FVTOCI) criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (referred to as the fair value option).

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or

- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or

- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee

Derivative Financial Instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps and cross currency swaps. Further details of derivative financial instruments are disclosed in Note 6.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

Embedded derivatives

Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of Ind AS 109 “Financial Instruments” are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

Hedge Accounting

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

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Note 44 sets out details of the fair values of the derivative instruments used for hedging purposes.

Fair Value Hedge

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the designated portion of hedging instrument and the change in the hedged item attributable to the hedged risk are recognised in profit or loss in the line item relating to the hedged item.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

Cash Flow Hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in Other Comprehensive Income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Amounts previously recognised in Other Comprehensive Income and accumulated in Equity relating to (effective

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portion as described above) are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from equity (but not as a re-classification adjustment) and included in the initial measurement of the cost of the non -financial asset or non-financial liability.

In cases where the designated hedging instruments are options and forward contracts, the Company has an option, for each designation, to designate on an instrument only the changes in intrinsic value of the options and spot element of forward contracts respectively as hedges. In such cases, the time value of the options is accounted based on the type of hedged item which those options hedge.

In case of transaction related hedged item in the above cases, the change in time value of the options is recognised in other comprehensive income to the extent it relates to the hedged item and accumulated in a separate component of equity i.e. Reserve for time value of options and forward elements of forward contracts in hedging relationship. This separate component is removed and directly included in the initial cost or other carrying amount of the asset or the liability (i.e. not as a re-classification adjustment thus not affecting other comprehensive income) if the hedged item subsequently results in recognition of a non-financial asset or a non-financial liability. In other cases, the amount accumulated is reclassified to profit or loss as a re-classification adjustment in the same period in which the hedged expected future cash flows affect profit or loss.

In case of time-period related hedged item in the above cases, the change in time value of the options is recognised in other comprehensive income to the extent it relates to the hedged item and accumulated in a separate component of equity i.e. Reserve for time value of options and forward elements of forward contracts in hedging relationship. The time value of options at the date of designation of the options in the hedging relationships is amortised on a systematic and rational basis over the period during which the options' intrinsic value could affect profit or loss. This is done as a re-classification adjustment and hence affects other comprehensive income.

In cases where only the spot element of the forward contracts is designated in a hedging relationship and the forward element of the forward contract is not designated, the Company makes the choice for each designation whether to recognise the changes in forward element of fair value of the forward contracts in profit or loss or to account for this element similar to the time value of an option (as described above).

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

Investment in equity instruments at FVTOCI

The Company subsequently measures all equity investments at fair value through profit or loss, unless the Company's management has elected to classify irrevocably some of its equity investments as equity instruments at FVTOCI.

The Company has not elected to classify any equity investment at FVTOCI.

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 individually 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.

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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 individually and together to achieve a particular business objective.

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. In contrast, for an equity investment designated as measured at FVTOCI, the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss but transferred within equity.

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

Financial assets at Fair Value through Profit or Loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects or initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in statement of profit or loss.

Subsequent Measurement of Financial assets

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.

The Company business model objective is to hold financial assets in order to collect contractual cash flows. The contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates. During the current year due to certain market conditions, the company has sold financial assets during the year by way of assignment transactions which does not impact the business model of the Company and hence the Company continues to carry the financial assets at amortised cost.

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 are applied prospectively.

Impairment

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

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.

The Company measures ECL based on category of loans at a collective level. The measurement of the loss allowance in respect of stage 3 developers' loans (other than those measured at FVTPL) is based on the present value of the asset's expected cash flows using the asset's original EIR.

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

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

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

- Stage 1 - Performing assets with zero to thirty days past due (DPD). Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2 and Stage 3.

- Stage 2 - Under-performing assets having 31 to 90 DPD. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.

- Stage 3 - Non-performing assets with overdue more than 90 DPD

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

The Financial assets for which the Company has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) derecognition of the financial asset.

Derecognition of financial assets

A financial asset is derecognised only when:

- The Company has transferred the rights to receive cash flows from the financial assets or

- retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial assets. In such cases, the financial assets is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

The Company transfers loans through assignment transactions. In accordance with the Ind AS 109, on derecognition of a financial asset under assignment transactions, the difference between the carrying amount and the consideration received shall be recognised in Statement of Profit and Loss.

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 derecognition event. The Company may apply enforcement activities to financial assets written off. Recoveries resulting from the Company's enforcement activities will result in gains.

Financial liabilities and equity

Classification as debt or equity

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

Equity 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.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain/loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

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.

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL. However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and

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commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies.

Financial liabilities at FVTPL

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

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

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

Derecognition 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 the statement of profit and loss.

2.8 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, balance in current account and Balances with banks in deposits accounts with original maturity of less than 3 months. 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.

2.9 Borrowing Costs

Interest expenses are calculated using EIR and all other borrowing costs are recognised in the Statement of Profit and Loss when they are incurred.

2.10 Foreign currencies

a. The functional currency and presentation currency of the Company is Indian Rupee. Functional currency of the Company has been determined based on the primary economic environment in which the Company operate considering the currency in which funds are generated, spent and retained.

b. Transactions in currencies other than the Company's functional currency are recorded on initial recognition using the exchange rate at the transaction date. At each Balance Sheet date, foreign currency monetary items are reported at the rates prevailing at the year-end Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated.

Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date at the closing spot rate are recognised in the Statement of Profit and Loss in the period in which they arise except for exchange differences on transactions entered into in order to hedge certain foreign currency risks;

2.11 Segments

Based on "Management Approach" as defined by Ind AS 108, The Chief Operating Decision Maker (CODM) evaluates the "Operating Segments". Operating segments are reported in a manner consistent with the internal reporting provided to the CODM. The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Income / costs which relate to the Company as a whole and are not allocable to segments on a reasonable basis have been included under Unallocated Income / Costs.

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2.12 Investments in Subsidiary, Associates and Joint Ventures

Investments in Subsidiary, Associates and Joint Ventures are measured at cost as per Ind AS 27 – Separate Financial Statements.

2.13 Earnings per share

Basic earnings per share has been computed by dividing net income by the weighted average number of shares outstanding during the year. Partly paid up shares are included as fully paid equivalents according to the fraction paid up. 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

2.14 Taxes on income

Income tax expense represents the sum of the tax currently payable and deferred tax. 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.

Current Tax

The tax currently payable is based on the estimated taxable profit for the year for the Company and is calculated using applicable tax rates and tax laws that have been enacted or substantively enacted. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current tax is calculated using applicable tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

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. Such deferred tax assets and liabilities are computed separately for each taxable entity. 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.

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.

Deferred tax assets include Minimum Alternative Tax (MAT) credit in accordance with the tax laws in India, which gives rise to future economic benefits in the form of adjustment of future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the balance sheet when the assets can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized.

2.15 Special Reserve

The company creates statutory reserve every year out of its profits in terms of section 36(1)(viii) of the Income Tax Act, 1961 read with section 29C of the National Housing Bank Act, 1987.

2.16 Provisions, contingent liabilities and contingent assets

- Provisions are recognised only when: an entity has a present obligation (legal or constructive) as a result of a past event; and
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation

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.

Notes

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Contingent liability is disclosed in case of:

- 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
- a present obligation arising from past events, when no reliable estimate is possible.

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 Assets:

Contingent assets are not recognised but disclosed in the financial statements.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

2.17 Commitments

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

- estimated amount of contracts remaining to be executed on capital account and not provided for;
- other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

2.18 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.

2.19 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.

2.20 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.

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.

2.21 Critical accounting judgements and key sources of estimation uncertainties

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable.

Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

Expected Credit Loss:

When determining whether the risk of default on a financial instrument 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 have been detailed in Note 44.

Effective Interest Rate:

The Company's EIR methodology, recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given.

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

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Fair valuation of Investments (other than investment in subsidiaries, associates and joint ventures) and certain developer and mortgage loans:

The Company measures some of its investments and certain developer and mortgage loans at fair value. In determining the fair value, the Company uses quoted prices in active markets for identical assets or based on inputs which are observable either directly or indirectly. However in certain cases, the Company adopts valuation techniques and inputs which are not based on market data. When market observable information is not available, the Company has applied appropriate valuation techniques and inputs to the valuation model.

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

Information about valuation techniques and inputs used in determining the fair value are disclosed in Note 42.

Evaluation of Business Model

Classification and measurement of financial instruments depends on the results of the solely payments of principal and interest on the principal amount outstanding ("SPPI") and the business model test. The Company determines the business model at a level that reflects how the Company's financial instruments are managed together to achieve a particular business objective.

The Company monitors financial assets measured at amortised cost that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those instruments. Also refer Note 55 in respect of change in business model in respect of certain mortgage and developer loans. All other loans are held at amortised cost based on the business model of collecting contractual cash flows on account of principal and interest.

Going Concern:

Information about the going concern consideration are disclosed in Note 54.

3. RECENT ACCOUNTING PRONOUNCEMENTS

3.1 Ind AS 116 Leases :

Ind AS 116 Leases was notified on 28th March, 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after April 01, 2019.

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. The Company is in the process of assessing the impact of the new standard.

3.2 Amendment to Ind AS 12 – Income taxes :

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Effective date for application of this amendment is annual period beginning on or after April 1, 2019.

The Company is currently evaluating the effect of this amendment on the financial statements.

4. EXPLANATION TO THE TRANSITION TO IND-AS

The transition as at April 1, 2017 to Ind AS was carried out from Previous GAAP. The exemptions and exceptions applied by the Company in accordance with Ind AS 101 First–time Adoption of Indian Accounting Standards are explained below:

Notes

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4.1 First-time adoption

Overall principle:

The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended March 31, 2019, the comparative information presented in these financial statements for the year ended March 31, 2018 and in the preparation of an opening Ind AS transition balance sheet as at April 1, 2017 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous Indian GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

Exemptions and Exceptions availed:

We have set out below the applicable Ind AS 101 optional and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

Ind AS Optional Exemptions:

Deemed cost for property, plant and equipment and other intangible assets

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets.

Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

Designation of previously recognized financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments at FVTPL on the basis of the facts and circumstances at the date of transition to Ind AS. The Company has designated certain investments in equity share as held at FVTPL on the basis of the facts and circumstances that existed at the transition date.

Derecognition of financial assets and financial liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the derecognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions. The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively.

Business Combination

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date. The Company elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated.

Share-based payments:

Ind AS 102 "Share based Payment" requires to measure equity-settled share-based payments to employees that were vested before the date of transition to Ind AS using fair value retrospectively. However, Ind AS 101 gives an option to measure equity-settled share-based payments at fair value prospectively from the transition date. Consequently, the Company has availed the option to fair value share based payments that vest after transition date.

Ind AS Mandatory Exceptions

Estimates:

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at 1 April 2017 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for Impairment of financial assets based on expected credit loss model in accordance with Ind AS at the date of transition as these were not required under previous GAAP.

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Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS. The Company has determined the classification of Financial Assets in terms of whether they meet the amortized cost criteria, FVTPL criteria or FVOCI criteria based on the facts and circumstances that existed as of transition date.

Impairment of financial assets:

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date.

4.2 Reconciliation of total equity between the figures reported under previous GAAP and Ind AS is given below :

(₹ in Lakh)

Particulars	Note	As at March 31, 2018	As at March 31, 2017
Total Equity as per previous GAAP		879,565	799,582
Adjustment on account of :			
Effective interest rate for Financial Assets and Liabilities recognised at amortised cost / net interest on credit impaired loan	1,2	15,557	31,662
Net gain on derecognition of Financial Instruments under amortised cost category	3	64,018	17,529
Expected Credit Loss (Impairment on Financial Instruments)	5	(41,796)	(20,808)
Fair Value of Investment	6	977	(920)
Deferred Tax Adjustments	7	10,570	1,899
Other Comprehensive Income	9	(5,638)	(5,720)
Total equity as per Ind AS		**923,253**	**823,224**

Reconciliation of net profit between the figures reported net of tax under previous GAAP and Ind AS is given below :

(₹ in Lakh)

Particulars	Note	For the year ended March 31, 2018
Net profit after tax as per previous GAAP		**117,214**
Adjustment on account of :		
Effective interest rate for Financial Assets and Liabilities recognised at amortised cost / net interest on credit impaired loan	1,2	(21,495)
Net gain on derecognition of Financial Instruments under amortised cost category	3	33,494
Expected Credit Loss (Impairment on Financial Instruments)	5	(15,121)
Fair valuation of Employee Stock Options / Employee Stock Appreciation Rights	8	(1,462)
Fair value of Investment	6	1,367
Reclassification of actuarial gain losses (net of tax) to OCI	4	217
Deferred Tax Adjustments	7	9,785
Net profit after tax as per Ind AS		**123,999**
Other Comprehensive Income (Net of taxes)	9	(134)
Total Comprehensive Income as per Ind AS		**123,865**

Notes

forming part of the financial statements for the year ended March 31, 2019

Notes :

1. Under previous GAAP, loans were carried at cost whereas under IND AS loans are measured based on entity's business model for managing the financial assets and contractual cash flow characteristics of the financial asset. The loans that meet the business model and contractual cash flow tests are measured at amortised cost and interest income is recognised as per effective interest rate method.

2. Under Previous GAAP, borrowings were recorded at cost and transaction costs were charged to Statement of Profit and Loss on a systematic basis over the tenure of the borrowing. Under Ind AS, transaction cost incurred towards origination of borrowings is required to be deducted from the carrying amount of borrowings on initial recognition. These cost are recognised in the Statement of Profit and Loss over the tenure of the borrowing as part of interest expense by applying effective interest rate method.

3. Under Previous GAAP, gain on derecognition of financial assets on account of assignment transactions is recognised over the contractual tenure of the loan asset. However, as per Ind AS – 109 gain on derecognition of financial assets (i.e difference between sale consideration and carrying value) is recognised in the Statement of Profit and Loss on transfer of the financial asset.

4. Under the previous GAAP, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability were forming part of the profit or loss for the year. Under Ind AS, these remeasurements are recognized in other comprehensive income instead of Statement of Profit and Loss.

5. Under previous GAAP, provision for loans was made as per the prudential Norms prescribed by the National Housing Bank. Under Ind AS, the provision on financial assets and commitments, needs to be calculated using the expected credit loss model.

6. Under previous GAAP, the investment in equity shares (other than investments in subsidiaries, associates and joint ventures), preference shares, security receipts and venture capital fund were carried at cost. However, under Ind AS, these are measured at fair value through profit and loss.

7. Indian 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. It also includes impact of deferred tax arising on account of transition to IND AS.

   Further, as required by the NHB, the Company had recognised deferred tax liability (DTL) in respect of the balance in the Special Reserve (created under section 36(1)(viii) of the Income-tax Act, 1961). The Company believes that the Special Reserve will not be utilised for payment of dividend or any other purpose and accordingly it does not result in a difference in tax base. Hence, DTL on Special Reserve has been reversed to comply with Ind AS 12 on Income Taxes.

8. Under Previous GAAP, the cost of equity-settled employee share-based payments including Employee Stock Appreciation Rights (ESAR) 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.

9. Under Previous GAAP, there was no concept of OCI. The Company designates certain Currency swaps and Interest rate swaps as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in Other Comprehensive Income and accumulated in the cash flow hedging reserve, and is transferred to the Statement of Profit and Loss upon the occurrence of the related forecasted transaction. Re-measurement of defined benefit plan liability are also recognised in OCI.

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5 CASH AND BANK BALANCE

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Cash and Cash Equivalents			
(i) Cash on hand	1,047	626	479
(ii) Balances with banks:			
- In Current Accounts	120,888	133,612	90,592
- In Deposit accounts	4,028	58,067	188,422
	125,963	**192,305**	**279,493**
Other Bank Balances			
(i) In other Deposit accounts	173,916	102,872	81,666
(ii) Earmarked balances with banks			
- Unclaimed Dividend Account	185	169	141
	174,101	103,041	81,807
Total	**300,064**	**295,346**	**361,300**

5.1 Short-term deposits are made for varying periods of between three months to thirteen months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

5.2 Fixed deposit with banks earns interest at fixed rate.

5.3 Balances with Banks in Deposit Accounts includes deposits under lien are as follows:-

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
SLR Requirement	72,514	63,748	43,084
Bank Guarantee	1,241	682	1,220
Securitisation comforts provided to various trustees/buyers	80,811	28,572	34,162
Sinking fund requirement of debentures provided to Trustee(s) of debentures (also refer note 54)	1,350	1,350	1,350
Collateral against derivatives	18,000	3,020	1,850
Margin Money towards CSGL account	-	5,500	-
Total	**173,916**	**102,872**	**81,666**

6 DERIVATIVE FINANCIAL INSTRUMENTS

The Company enters into derivatives for risk management purposes. Derivatives held for risk management purposes include hedges that either meet the hedge accounting requirements or hedges that are economic hedges.

The table below shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts.

Notes

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The notional amounts indicate the value of transactions outstanding at the year end and are not indicative of either the market risk or credit risk.

(₹ in Lakh)

PARTICULARS	March 31, 2019			March 31, 2018			April 1, 2017		
	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities
PART I									
(i) Currency derivatives:									
- Currency swaps-Principal only swaps	294,293	10,198	809	299,443	1,718	13,581	319,927	3,102	11,275
-F orwards	18,861	-	526	-	-	-	-	-	-
Subtotal (i)	**313,154**	**10,198**	**1,335**	**299,443**	**1,718**	**13,581**	**319,927**	**3,102**	**11,275**
(ii) Interest rate derivatives									
-Interest Rate Swaps	484,293	6,915	-	299,443	7,005	-	319,927	3,228	423
-Option arising out of investment agreement (Refer note 6.3)		-	28,916	-	-	-	-	-	-
Subtotal(ii)	**484,293**	**6,915**	**28,916**	**299,443**	**7,005**	**-**	**319,927**	**3,228**	**423**
Total Derivative Financial Instruments (i)+(ii)	**797,447**	**17,113**	**30,251**	**598,886**	**8,723**	**13,581**	**639,854**	**6,330**	**11,698**
PART II									
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:									
(i) Fair value hedging:									
- Interest rate derivatives	190,000	3,294	-	-	-	-	-	-	-
Subtotal (i)	**190,000**	**3,294**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
(ii) Cash flow hedging:									
- Currency derivatives	294,293	10,198	809	299,443	1,718	13,581	319,927	3,102	11,275
- Interest rate derivatives	294,293	3,621	-	299,443	7,005	-	319,927	3,228	423
- Forward	18,861	-	526	-	-	-	-	-	-
Subtotal (ii)	**607,447**	**13,819**	**1,335**	**598,886**	**8,723**	**13,581**	**639,854**	**6,330**	**11,698**
Total Derivative Financial Instruments (i)+(ii)	**797,447**	**17,113**	**1,335**	**598,886**	**8,723**	**13,581**	**639,854**	**6,330**	**11,698**

6.1 The Company has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under Ind AS for material foreseeable losses on such long term contracts (including derivative contracts) has been made in the books of account.

6.2 Refer Note 44(b) For Exchange Rate Risk.

6.3 Option arises out of investment made by Wadhawan Global Capital Limited (WGC) in Compulsory Convertible Debentures issued by DHFL Investments Limited as per agreement with WGC.

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forming part of the financial statements for the year ended March 31, 2019

7 RECEIVABLES

(₹ in Lakh)

Particulars	March 31, 2019	March 31, 2018	April 1, 2017
TRADE RECEIVABLES			
Unsecured considered good	476	4,274	242
Unsecured which have significant increase in credit risk	79	95	95
	555	**4,369**	**337**
Less: Provision for impairment	79	95	95
	476	**4,274**	**242**

7.1 Trade Receivables includes amounts due from the related parties ₹ 476 lakh (March 31, 2018 and April 1, 2017: ₹ 4,184 Lakh and ₹149 Lakh respectively. (Refer note 48)

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

7.3 Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

7.4 Reconciliation of impairment allowance is as under:

(₹ in Lakh)

Particulars	
As at April 1, 2017	95
Add: on addition	-
Less: on deletion	-
As at March 31, 2018	95
Add: on addition	-
Less: on deletion	16
As at March 31, 2019	79

8 HOUSING AND OTHER LOANS

(₹ in Lakh)

Particulars	March 31, 2019	March 31, 2018	April 1, 2017
AT AMORTISED COST			
Housing and other property loan	6,034,073	7,421,552	5,915,816
Loans to developers	152,862	1,897,363	1,400,987
Intercorporate deposit (Refer note 8.12) (unsecured)	565,269	62,743	2,647
Loan to others	2,577	2,801	1,027
Total Gross	6,754,781	9,384,459	7,320,477
Less: Impairment loss allowance (Refer note 44(b))	(119,899)	(138,667)	(92,081)
Total Net	**6,634,882**	**9,245,792**	**7,228,396**
AT FAIR VALUE			
Housing and other property loan	905,719	-	-
Loans to Developers	2,257,096	65,670	-
Total	**3,162,815**	**65,670**	**-**
Total	**9,797,697**	**9,311,462**	**7,228,396**

Notes

forming part of the financial statements for the year ended March 31, 2019

8.1 All loans are secured unless otherwise stated and all loans are disbursed in India.

8.2 Transfer of financial assets:-

The Company transfers loans in securitisation transactions. Generally in such transactions, the Company also provides credit enhancements to the transferee. Because of the existence of credit enhancements in such transactions, the Company continues to have the obligation to pay to the transferee, limited to the extent of credit enhancement provided, even if it does not collect the equivalent amounts from the original asset and hence continues to retain substantially all risks and rewards associated with such loan, and as a result of which such transfer does not meet the derecognition criteria, resulting in the transfer not being recorded as sale. Consequently, the proceeds received from such transfers are recorded as collateralised debt obligations.

8.3 Other property loans include mortgage loan, non residential property loan, plot loan for self construction where construction has not began in last three years and loan against the lease rental income from properties in accordance with directions of National Housing Bank (NHB). These also include loans granted to Small & Medium Enterprise (SME) and certain part are unsecured in terms of the particular scheme of an aggregate amount of ₹ 13,769 lakh (March 31, 2018 and April 1, 2017:-₹ 12,490 lakh and ₹ 9,265 lakh).

8.4 Loans given by the Company are secured by equitable mortgage/ registered mortgage of the property and assets financed and/or assignment of Life Insurance policies and/or personal guarantees and/or undertaking to create a security and/or hypothecation of assets and are considered appropriate and good.

8.5 The above include insurance portion amounting to ₹ 1,13,218 lakhs (March 31, 2018 and April 1, 2017:-₹ 160,334 lakh and ₹ 136,668 lakh) to meet the cost of the insurance premium to secure the borrower's life and thereby further secure the loan portfolio by way of risk mitigation method and to secure the Company's Housing loan portfolio against any eventuality.

8.6 The Company has repossessed certain assets under SARFAESI Act which are retained for the purpose of sale under the Rules and Regulations of SARFAESI Act involving ₹ 10,267 lakh as at March 31, 2019 (March 31, 2018 and April 1, 2017:-₹ 7,890 lakh and ₹ 7,890 lakh respectively), which are part of NPA portfolio for which necessary provisions have already been made. These assets are accounted as and when they are realised as per related accounting policy.

8.7 The Company has securitized / assigned pool of certain housing and property loans and managed servicing of such loan accounts. The balance outstanding in the pool, as at the reporting date aggregates ₹ 30,59,465 lakh (March 31, 2018 and April 1, 2017:-₹ 19,15,351 lakh and ₹ 1,146,374 lakh respectively). These assets have been de-recognised in the books of the Company. The Company is responsible for collection and getting servicing of this loan portfolio on behalf of buyers / investors. In terms of the said securitization/assignment agreements, the Company pays to buyer/investor on monthly basis the prorata collection amount as per individual agreement terms. The Company has purchased home loan pools in two tranches for a cumulative amount of ₹ Nil (March 31, 2018 and April 1, 2017:-₹ Nil and ₹ 30,863 lacs respectively) in compliance with RBIs norms on Securitisation, specific to Direct Assignment transactions, in terms of Minimum Holding Period (MHP) and Minimum Retention Requirement (MRR).

8.8 The company is not granting any loans against gold jewellery as collateral.

8.9 Housing and other property loans includes Nil as at March 31, 2019 (March 31, 2018 and April 1, 2017:-₹ 289 lakh and ₹ 315 lakh respectively) given to the key managerial persons of the Company under the normal course of business.

8.10 Loans to others include loan to employees which are secured by the hypothecation of respective assets against which these loans have been granted.

8.11 Two subsidiaries of the Company were amalgamated into the Company pursuant to the Scheme of amalgamation (Scheme) under Sections 391 to 394 of the Companies Act, 1956 approved by the Board of directors of all the three companies and sanctioned by the Hon'ble High Court of judicature at Bombay vide its order dated July 27, 2012 and by the Hon'ble High Court of judicature at Delhi vide its order dated January 4, 2013 which were filed with the Registrar of Companies on January 31, 2013 being the effective date for the amalgamation scheme. In terms of the above scheme, the Assets and Liabilities of the subsidiary companies were amalgamated with DHFL at their respective fair value in the earlier years. Proportionate Fair value appreciation surplus

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amounting to Nil (₹ 2,451 Lakh) has been amortised out of the Capital Reserve and ₹ 4,772 Lakh (₹ 2,826 lakh) has been amortised out of the General Reserve in terms of the valuation report of the scheme. (Refer note 4.1)

8.12 Intercorporate deposit includes ₹ 3,105 Lakh (March 31, 2018 and April 1, 2017 : NIL and NIL respectively) due from related party. (Refer note 48 and 51)

9 INVESTMENTS

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
	Nos of Units / Shares			(₹ in Lakh)		
AT COST						
Investments in Equity Instruments (Subsidiary)						
DHFL Advisory & Investments Pvt Ltd	75,010,000	75,010,000	75,010,000	7,501	7,501	7,501
Less : Provision for impairment in the value of investment				-7,501		
				-	7,501	7,501
Investment in DHFL Holding Limited	10,000	-	-	1	-	-
				1	**7,501**	**7,501**
Investments in Equity Instruments (Associate) (Refer note 49)						
Aadhar Housing Finance Ltd	-	-	14,900,000	-	-	1,490
DHFL Vysya Housing Finance Ltd	-	-	1,048,989	-	-	315
Aadhar Housing Finance Ltd (Formerly known as DHFL Vysya Housing Finance Ltd.) (Refer note 9.3)	-	2,301,090	-	-	1,805	-
Avanse Financial Services Ltd.	-	19,250,719	12,197,522	-	12,724	4,988
				-	**14,529**	**6,793**
Investments in Equity Instruments (Joint Venture) (Refer note 49)						
DHFL Pramerica Asset Managers Pvt Ltd	-	18,568,825	18,568,825	-	3,770	3,770
DHFL Pramerica Trustees Pvt Ltd	-	50,000	50,000	-	5	5
				-	**3,775**	**3,775**
Total				**1**	**25,805**	**18,069**
Investments in Equity Instruments of Associates and Joint Venture held for sale (refer note 49)						
Aadhar Housing Finance Ltd (Formerly known as DHFL Vysya Housing Finance Ltd.)	2,301,090	-		1,805	-	-
Avanse Financial Services Ltd	19,250,719	-		12,724	-	-
DHFL Pramerica Asset Managers Pvt Ltd	18,568,825	-		3,670	-	-
DHFL Pramerica Trustees Pvt Ltd	50,000	-		5	-	-
				18,204	-	-

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Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
		Nos of Units / Shares			(₹ in Lakh)	
AT FAIR VALUE THROUGH PROFIT OR LOSS						
Quoted Equity Instruments (other than Subsidiary, Associate and Joint Venture)				-	41	67
Unquoted Equity Instruments (other than Subsidiary, Associate and Joint Venture)				11,634	12,356	10,000
Mutual Funds				10,404	406,880	268,883
Venture Capital Fund				2,299	2,344	2,418
Security Receipts				63,231	66,628	-
Preference Share				3,556	14,201	-
Pass Through Certificates				25,700	-	-
Total				**116,824**	**502,450**	**281,368**
AT AMORTISED COST						
Debentures				14,157	192,659	200,991
Investment in Government securities (SLR)				71,028	65,974	42,353
Investment in Government securities				682	12,341	10,712
In Certificate of Deposits				-	-	789,174
Pass Through Certificates				14,126	9,399	10,809
Total				**99,993**	**280,373**	**1,054,039**
Grand Total				**235,022**	**808,628**	**1,353,476**

9.1 All investments are made within India.

9.2 Investment in Government and other SLR Securities aggregating ₹ 70,933 Lakh (March 31, 2018 and April 1, 2017: ₹ 66,526 Lakh and ₹ 42,530 Lakh respectively) carry a floating charge created in favor of depositors in the Fixed Deposit schemes of the Company (read with Note 19).

9.3 In terms of Scheme of Amalgamation, approved by National Company Law Tribunal on October 27, 2017, erstwhile Aadhar Housing Finance Limited has been merged with the DHFL Vysya Housing Finance Limited. Company has received 12,52,101 equity shares of DHFL Vysya Housing Finance Limited on merger in lieu of the shares held in erstwhile Aadhar Housing Finance Limited. Name of DHFL Vysya Housing Finance Limited has been changed to Aadhar Housing Finance Limited after merger.

9.4 The Company holds 100% of equity share capital of DHFL Investments Limited (DIL), however, based on the agreement dated March 31, 2017, the Company does not exercise control over DIL and hence is not considered as a subsidiary company for the purpose of preparation of these Ind AS financial statements.

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10 OTHERS FINANCIAL ASSETS (UNSECURED AND CONSIDERED GOOD)

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Interest accrued but not due on Fixed Deposit	3,092	3,139	4,515
Receivable on assigned loans*	87,385	60,415	17,529
Security Deposits (refer Note 10.1)	3,563	3,150	3,488
Interest accrued but not due on Investment	1,226	3,779	3,432
Receivable from Mutual Fund	10,449	1	-
Other Assets (refer note 10.2)	3,517	6,228	9,045
	109,232	76,712	38,009
Less: Provision for Impairment	109	64	16
Total	**109,123**	**76,648**	**37,993**

* Retained Interest

10.1 Security Deposits includes amounts due from the related parties ₹ 210 lakh (March 31, 2018 and April 1, 2017: ₹ 135 and ₹ 35 respectively). (refer note 48)

10.2 Other assets includes amounts due from the related parties ₹ 425 lakh (March 31, 2018 and April 1, 2017: ₹ 627 lakh and ₹ 882 lakh respectively). (refer note 48)

11 CURRENT TAX ASSETS (NET)

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Advance Tax (Net of Provision)	37,020	14,729	8,462
Total	**37,020**	14,729	8,462

12 DEFERRED TAX LIABILITIES (NET)

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Deferred Tax Liabilities	(90,531)	(71,523)	(59,443)
MAT Credit Entitlement	-	32,606	46,072
Deferred Tax Assets	134,812	48,480	32,615
Total	**44,281**	**9,563**	**19,244**

Notes

forming part of the financial statements for the year ended March 31, 2019

12.1 Deferred tax assets and liabilities in relation to:

Particulars	Opening balance as at April 1, 2017	Recognised in Profit and Loss	Recognised in Other Comprehensive Income	Utilisations /Adjustments	Closing balance as at March 31, 2018	Recognised in Profit and Loss	Recognised in Other Comprehensive Income	Utilisations /Adjustments	Closing balance as at March 31, 2019
Deferred Tax Liabilities									
On difference between book balance and tax balance of Property, Plant & Equipment	(22,948)	(596)	-	-	(23,544)	(470)	-	-	(24,014)
On account of measurement of Financial instrument at amortised cost	(8,802)	3,600	-	-	(5,202)	(16,871)	-	-	(22,073)
Fair value on Investment	(622)	(4,570)	-	-	(5,192)	4,537	-	-	(655)
Receivable on assigned loans	(4,900)	(11,989)	-	-	(16,889)	(7,540)	-	-	(24,429)
Others (refer note 8.11)	(22,171)		-	1,475	(20,696)	-	-	1,336	(19,360)
	(59,443)	**(13,555)**	**-**	**1,475**	**(71,523)**	**(20,344)**	**-**	**1,336**	**(90,531)**
Deferred Tax Assets									
On account of impairment on Financial Instruments	30,240	15,133	-	-	45,373	(12,286)	-	-	33,087
On account of provision for Employee Benefits	23	113	84	-	220	(184)	(36)	-	-
On Cash Flow Hedge Reserve	2,220		(32)		2,188		(701)	-	1,487
Fair value on Employee Stock Options/ Employee Stock Appreciation Rights Expenses	132	567	-		699	429	-	-	1,128
Fair Valuation of Loan	-	-	-	-	-	91,030	-	-	91,030
Fair Valuation of Derivative	-	-	-	-	-	8,080	-	-	8,080
MAT Credit Entitlement	46,072	-	-	(13,466)	32,606	-	-	(32,606)	-
	78,687	**15,813**	**52**	**(13,466)**	**81,086**	**87,069**	**(737)**	**(32,606)**	**1,34,812**
Net	**19,244**	**2,258**	**52**	**(11,991)**	**9,563**	**66,725**	**(737)**	**(31,270)**	**44,281**

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13 PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakh)

Description	Gross Block				Accumulated Depreciation				Net Block
	As at April 1, 2018	Additions	Deductions	As at March 31, 2019	As at April 1, 2018	Charge for the year	Deductions	As at March 31, 2019	As at March 31, 2019
Building	57,038	7	-	57,045	308	941	-	1,249	55,796
Leasehold Improvements	5,650	1,014	4,383	2,281	237	758	880	115	2,166
Furniture and Fixtures	3,017	321	491	2,847	285	400	114	571	2,276
Vehicles	302	167	81	388	39	82	64	57	331
Office Equipment	5,536	1,729	1,583	5,682	522	925	396	1,051	4,631
Leasehold Premises	9,326	-	-	9,326	163	162	-	325	9,001
Computers	5,424	519	371	5,572	511	1,185	216	1,480	4,092
Total	**86,293**	**3,757**	**6,909**	**83,141**	**2,065**	**4,453**	**1,670**	**4,848**	**78,293**

Previous Year

(₹ in Lakh)

Description	Gross Block				Accumulated Depreciation				Net Block
	As at April 1, 2017	Additions	Deductions	As at March 31, 2018	As at April 1, 2017	Charge for the year	Deductions	As at March 31, 2018	As at March 31, 2018
Building	5,507	51,531	-	57,038	-	308	-	308	56,730
Leasehold Improvements	861	4,986	197	5,650	-	431	194	237	5,413
Furniture and Fixtures	1,463	1,580	26	3,017	-	310	25	285	2,732
Vehicles	44	267	9	302	-	45	6	39	263
Office Equipment	2,233	3,448	145	5,536	-	594	72	522	5,014
Leasehold Premises	9,326	-	-	9,326	-	163	-	163	9,163
Computers	1,001	4,515	92	5,424	-	601	90	511	4,913
Total	**20,435**	**66,327**	**469**	**86,293**	**-**	**2,452**	**387**	**2,065**	**84,228**

The Company has availed the deemed cost exemption in relation to the property, plant and equipment on the date of transition and hence the net block carrying amount has been considered as the gross block carrying amount on that date. Refer below for the gross block value and the accumulated depreciation on April 1, 2017 under the previous GAAP.

Property, Plant and Equipment

Description	Gross Block	Accumulated Depreciation	Net Block
Buildings	6,180	673	5,507
Leasehold Improvements	3,353	2,492	861
Furniture and Fixtures	2,629	1,166	1,463
Vehicles	125	81	44
Office Equipment	3,597	1,364	2,233
Leasehold Premises	9,999	673	9,326
Computers	3,295	2,294	1,001
Total	**29,178**	**8,743**	**20,435**
Capital work-in-progress			54,615

13.1 Also refer note 17.2, note 18.2 and note 18.3 for charge creation on Property, Plant and Equipment.

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14 INTANGIBLE ASSETS

Description	Gross block				Accumulated Amortisation				Net block
	As at April 1, 2018	Additions	Deductions	As at March 31, 2019	As at April 1, 2018	Charge for the year	Deductions	As at March 31, 2019	As at March 31, 2019
Computer (Software)	1,062	8,086	-	9,148	311	662	-	973	8,175
Total	**1,062**	**8,086**	**-**	**9,148**	**311**	**662**	**-**	**973**	**8,175**
Intangible Assets under development (Software)									10,401

Previous Year

Description	Gross block				Accumulated amortisation				Net block
	As at April 1, 2017	Additions	Deductions	As at March 31, 2018	As at April 1, 2017	Charge for the year	Deductions	As at March 31, 2018	As at March 31, 2018
Computer (Software)	454	608	-	1,062	-	311	-	311	751
Total	**454**	**608**	**-**	**1,062**	**-**	**311**	**-**	**311**	**751**
Intangible Assets under development (Software)									12,905

The Company has availed the deemed cost exemption in relation to the intangible assets on the date of transition and hence the net block carrying amount has been considered as the gross block carrying amount on that date. Refer below for the gross block value and the accumulated amortisation on April 1, 2017 under the previous GAAP.

Intangible Assets

Description	Gross block	Accumulated depreciation	Net block
Computer (Software)	1,990	1,536	454
Total	**1,990**	**1,536**	**454**
Intangible Assets under development (Software)			8,762

15 OTHER NON-FINANCIAL ASSETS (UNSECURED AND CONSIDERED GOOD)

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Capital Advances	65	593	1,158
Employee Advance	12	14	13
Recoverable from employees (refer note 48)	643	-	-
Advance to Related Parties (refer note 48)	146	153	268
Advance to Vendors	2	157	479
Gratuity Fund (net)	683	156	222
Prepaid Expenses	684	2,188	895
Input tax credit Receivable	7,625	647	82
Total	**9,860**	**3,908**	**3,117**

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16 TRADE PAYABLES

There are no overdue amounts to Micro, Small and Medium Enterprises as at March 31, 2019 for which disclosure requirements under Micro, Small and Medium Enterprises Development Act, 2006 are applicable.

Trade Payables includes ₹ 3 Lakh (March 31, 2018 and April 1, 2017 : ₹ 1 Lakh and 10 lakh respectively) due to related parties. (Refer note 48).

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.

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)	Amounts 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		**-**	**-**	**-**

17 DEBT SECURITIES

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
AT AMORTISED COST			
Secured			
Redeemable non convertible debentures	4,234,394	2,854,697	2,850,114
Unsecured			
Redeemable non convertible debentures (Subordinated issue)	220,200	130,898	147,758
Commercial Papers (Net of unamortised discount as at March 31, 2019 : ₹ 1,682 Lakh (March 31, 2018 and April 1, 2017 ₹ 9,235 Lakh and ₹ 2,077 Lakh respectively)	83,318	595,765	297,423
Total	**4,537,912**	**3,581,360**	**3,295,295**

17.1 Terms of repayment and rate of interest in case of Debt Securities.

As At March 31, 2019

Particulars	Interest Rate	0-3 Years	3-5 Years	>5 Years	Grand Total
Secured					
Redeemable non convertible debentures	5.50% - 11.55%	2,321,155	1,051,575	861,664	4,234,394
Unsecured					
Redeemable non convertible debentures (Subordinated issue)	8.80% - 11.20%	50,826	29,509	139,865	220,200
Commercial Papers	6.62% - 9.00%	83,318	-	-	83,318

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As At March 31, 2018

Particulars	Interest Rate	0-3 Years	3-5 Years	>5 Years	Grand Total
Secured					
Redeemable non convertible debentures	5.50% - 11.55%	1,333,134	279,941	1,241,622	2,854,697
Unsecured					
Redeemable non convertible debentures (Subordinated issue)	9.40% - 11.35%	54,330	27,241	49,328	130,898
Commercial Papers	7.05% - 8.05%	595,765	-	-	595,765

As at April 1, 2017

Particulars	Interest Rate	0-3 Years	3-5 Years	>5 Years	Grand Total
Secured					
Redeemable non convertible debentures	5.50% - 11.55%	1,059,025	520,253	1,270,835	2,850,113
Unsecured					
Redeemable non convertible debentures (Subordinated issue)	9.40% - 11.35%	35,880	43,288	69,016	147,759
Commercial Papers	6.70% - 8.60%	297,423	-	-	297,423

17.2 Secured Non-Convertible Debentures/ZCD are secured by way of first charge to and in favour of Debenture Trustees jointly ranking pari passu inter-se, on the Company's whole of the present and future book debts, housing loan instalments/receivables, investments including all the receivables of the Company and other movable assets, wherever situated, excluding SLR assets, read with Note 18.3 hereinafter. They are further secured on pari passu basis by constructive delivery of various title deeds of certain immovable properties of the Company, to Union Bank of India, acting for itself and as an agent of other participating lenders and Debenture trustees, and are also guaranteed by the promoter directors of the Company.

17.3 Redeemable non convertible debentures also include amount outstanding for Zero Coupon Secured Redeemable Non-Convertible Debentures (ZCD) aggregating ₹ 102,449 Lakh (March 31, 2018 and April 1, 2017:- ₹ 236,535 lakh and ₹ 282,657 Lakh respectively), which are redeemable at premium on maturity. The accumulated premium payable on outstanding ZCD accrued till March 31, 2019 amounting to ₹ 40,449 Lakh (March 31, 2018 and April 1, 2017:- ₹ 73,045 Lakh and ₹ 65,367 lakhs respectively) is included above.

17.4 Unsecured Redeemable Non Convertible Subordinated Debentures aggregating to ₹ 221,900 Lakh (March 31, 2018 and April 1, 2017:- ₹ 1,33,180 Lakh and ₹ 1,50,680 Lakh), outstanding as at March 31, 2019, are subordinated to present and future senior indebtedness of the Company. It qualifies as Tier II capital in accordance with National Housing Bank (NHB) guidelines for assessing capital adequacy based on balance term to maturity. These debentures are redeemable at par on maturity on various periods.

17.5 During the year ended March 31, 2019, the Company has issued and allotted the following securities by way of public issue, 10,94,47,863 Secured Redeemable Non-Convertible Debentures ("NCDs") having face value of ₹1,000 each aggregating to ₹ 10,94,479 lakh in terms of the Shelf Prospectus and Tranche 1 Prospectus dated May 14, 2018 ("Prospectus"). The said NCDs were allotted on June 4, 2018 and listed on BSE Limited and NSE Limited.

17.6 During the year ended March 31, 2019, the Company has raised an amount of ₹ 98,972 lakh on April 18, 2018 by issue of INR denominated USD settled 10,00,00,00,000 Notes due in the year 2023 under the US$ 2,00,00,00,000 Medium Term Note Programme. These bonds were listed on London Stock Exchange (LSE-International Securities Market (ISM) Segment.

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18 BORROWINGS (OTHER THAN DEBT SECURITIES)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
SECURED			
At amortised cost			
Term Loans			
from Banks	3,175,938	3,682,780	3,281,427
from National Housing Bank	243,493	284,820	328,851
Term Loans from other parties			
External Commercial Borrowing	280,749	295,412	315,276
Cash credit facilities and Working Capital Demand Loan			
Loans repayable on demand	119,656	223,741	111,012
Collateralised debt obligations	240,585	15,023	-
Total	**4,060,421**	**4,501,776**	**4,036,566**
UNSECURED			
At amortised cost			
Intercorporate deposits	-	9,638	6,496
Total	**-**	**9,638**	**6,496**
Grand Total(A)	**4,060,421**	**4,511,414**	**4,043,062**
Borrowings in India	3,779,672	4,216,002	3,727,786
Borrowings outside India	280,749	295,412	315,276
Total (B) to tally with (A)	**4,060,421**	**4,511,414**	**4,043,062**

18.1 Collateralised debt obligation

Collateralised debt obligation represent amount received against Housing and other loan securitised, which does not qualify for derecognition. The Company is expected to recover the same within a period of 5 years. (Refer Note 8.2)

18.2 Terms of repayment and rate of interest in case of Borrowings:

As At March 31, 2019

Particulars	Interest Rate	0-3 Years	3-5 Years	>5 Years	Grand Total
Secured					
Term loan from Banks	Floating*	1,878,704	817,814	479,419	3,175,938
Term Loan from National Housing Bank	6.12%-8.95%	74,857	47,069	121,567	243,493
Term Loan from External Commercial Borrowing	Floating**	261,238	19,511	-	280,749

As At March 31, 2018

Particulars	Interest Rate	0-3 Years	3-5 Years	>5 Years	Grand Total
Secured					
Term loan from Banks	Floating*	1,908,828	1,029,308	744,644	3,682,780
Term Loan from National Housing Bank	6.12%-11.00%	92,564	47,155	145,101	284,820
Term Loan from External Commercial Borrowing	Floating**	161,612	133,800	-	295,412

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As At April 1, 2017

Particulars	Interest Rate	0-3 Years	3-5 Years	>5 Years	Grand Total
Secured					
Term loan from Banks	Floating*	1,626,217	937,338	717,872	3,281,427
Term Loan from National Housing Bank	6.12%-11.00%	108,830	51,385	168,636	328,851
Term Loan from External Commercial Borrowing	Floating**	80,653	229,302	5,321	315,276

*(Linked with MCLR/Base Rate of respective banks)
**(Linked with LIBOR)

18.3 All Secured loans, from the National Housing Bank (NHB), Other Banks, External Commercial Borrowing and Financial Institutions are secured by way of first charge to and in favour of participating banks, Institutions, National Housing Bank and Debenture Trustees jointly ranking pari passu, inter-se, on the Company's whole of the present and future book debts, housing loan instalments/ receivables, investments including all the receivables of the Company and other movable assets, wherever situated, excluding SLR assets. They are further secured on pari passu basis by constructive delivery of various title deeds of certain immovable properties of the Company, to Union Bank of India, acting for itself and as an agent of other participating lenders and Debenture trustees, and are also guaranteed by the promoter directors of the Company.

18.4 Loans repayable on demand and other short term loans comprising of Cash credit facilities from banks and are secured by a first charge by way of hypothecation of book debts of specific loan assets of the company and are further secured by negative lien on the underlying specific properties and / or secured by demand promissory notes. Certain Cash credit facilities are also secured by way of a first pari passu charge along with other secured loans read with Note 17.2. All cash credit facilities are repayable as per the contracted/ roll over term.

18.5 Pursuant to the refinancing arrangement with NHB, the Company has provided a non-disposal undertaking from the Promoters and Promoter Group with respect to their shareholdings in the Company and corporate guarantee from Wadhawan Global Capital Limited (promoter entity).

18.6 As described in Note 54, since in the first fortnight of July 2019, the consortium of bankers have agreed to enter into an Inter-creditor Agreement (ICA) for a potential restructuring of the Company's liabilities, the Company is confident that other lenders who may or may not have restrictive or compliance related covenants shall also be part of the proposed restructuring. Hence, no adjustment is considered necessary in respect of the covenants of borrowings.

19 DEPOSITS

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
AT AMORTISED COST			
Public Deposits			
Fixed Deposits	623,585	913,967	607,451
Other than Fixed Deposits	2,077	2,698	3,016
Other Deposits	33,178	48,579	26,105
Total	**658,840**	**965,244**	**636,572**

19.1 The National Housing Bank directives require all HFC's accepting public deposits to create a floating charge on the statutory liquid assets maintained in favour of depositors through the mechanism of a trust deed. The Company has accordingly appointed a SEBI approved trustee Company as trustee for the above by executing the trust deed. Accordingly, the public deposits of the Company as defined in paragraph 2(1)(y) of the Housing Finance Companies (NHB) Directions, 2010, are secured by floating charge on the Statutory Liquid Assets maintained in terms of sub-sections (1) & (2) of Section 29B of the National Housing Bank Act, 1987.

19.2 Fixed Deposits and Other Deposits, including short term fixed deposits and short term other deposits, are repayable as per individual contracted maturities ranging from 12 to 120 months from the date of deposit. The interest is payable on contracted terms depending upon the scheme opted by the depositor.

Notes

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20 SUBORDINATED LIABILITIES

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Unsecured			
Non-Convertible Debentures (Perpetual)	113,581	113,184	63,996
Total	**113,581**	**113,184**	**63,996**

20.1 All subordinated liabilities are issued in India

20.2 As At March 31, 2019

Particulars	Interest Rate	0-3 Years	3-5 Years	>5 Years	Grand Total
Unsecured					
Non-Convertible Debentures (Perpetual)	9.85% to 12.75%	-	-	113,581	113,581

As At March 31, 2018

Particulars	Interest Rate	0-3 Years	3-5 Years	>5 Years	Grand Total
Unsecured					
Non-Convertible Debentures (Perpetual)	9.85% to 12.75%	-	-	113,184	113,184

As At April 1, 2017

Particulars	Interest Rate	0-3 Years	3-5 Years	>5 Years	Grand Total
Unsecured					
Non-Convertible Debentures (Perpetual)	9.85% to 12.75%	-	-	63,996	63,996

21 OTHER FINANCIAL LIABILITIES

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Interest accrued but not due on borrowings	281,320	193,932	164,784
Unclaimed dividend	185	169	142
Unclaimed matured deposits and interest accrued thereon	8,878	10,341	7,674
Security and other deposits received	845	432	16
Creditors for Capital Expenditure	884	611	3,098
Amounts payable on Securitised Loans	105,174	61,580	35,644
Book Overdraft	-	217,184	-
Others	11,483	11,347	1,930
Total	**4,08,769**	**4,95,596**	**2,13,288**

21.1 As required under Section 124 of the Companies Act, 2013, the Company has transferred unclaimed dividend of the year 2010-11 ₹ 9 Lakh (₹ 7 Lakh) and towards unclaimed deposits and interest accrued thereon ₹ 26 Lakh (₹ 17 Lakh) to Investor Education & Protection Fund (IEPF) during the year. There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at the year end in respect of Unclaimed Matured Deposits and Unpaid Dividends. However, there has been a delay ranging from 1 to 16 days in transferring unclaimed public deposits aggregating ₹ 7 lakh.

Notes

forming part of the financial statements for the year ended March 31, 2019

21.2 Security and other deposits received includes amounts due to related parties ₹ 224 lakh (March 31, 2018 and April 1, 2017:-₹ 432 lakh and ₹ 1 lakh respectively). (refer note 48)

21.3 Amounts payable on Securitised Loans includes amounts due to related parties ₹ 15 lakh (March 31, 2018 and April 1, 2017:-₹ 20 lakh and ₹ 21 lakh respectively). (refer note 48).

21.4 Others includes amounts due to related parties ₹ 4,346 lakh (March 31, 2018 and April 1, 2017:-₹ 12 lakh and ₹ 12 lakh respectively). (refer note 48)

22 PROVISIONS

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Provision for Employee Benefits	1,015	629	67
Total	**1,015**	**629**	**67**

23 OTHER NON-FINANCIAL LIABILITIES

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Advance from Customer	15,155	13,113	8,150
Statutory Remittances	1,170	3,379	2,654
Total	**16,325**	**16,492**	**10,804**

24. SHARE CAPITAL

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	Number	₹	Number	₹	Number	₹
AUTHORISED						
Equity Shares of ₹ 10 each	578,000,000	57,800	578,000,000	57,800	578,000,000	57,800
ISSUED, SUBSCRIBED AND FULLY PAID UP						
Equity Shares of ₹ 10 each	313,823,024	31,382	313,658,847	31,366	313,152,205	31,315
	313,823,024	**31,382**	**313,658,847**	**31,366**	**313,152,205**	**31,315**

a) 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	₹	Number	₹	Number	₹
Equity shares outstanding as at the beginning of the year	313,658,847	31,366	313,152,205	31,315	291,797,988	29,180
Shares issued during the year	-	-	-	-	21,230,070	2,123
Shares allotted pursuant to exercise of stock options	164,177	16	506,642	51	124,147	12
Equity shares outstanding as at the end of the year	313,823,024	31,382	313,658,847	31,366	313,152,205	31,315

Notes

forming part of the financial statements for the year ended March 31, 2019

b) Terms / Rights attached to equity shares

The Company has only one class of shares i.e. equity. The shareholders have voting rights in the proportion of their shareholdings. The shareholders are entitled to dividend, if declared and paid by the Company. In the event of liquidation, these shareholders are entitled to receive remaining assets of the Company after distribution of all liabilities, in the proportion of their shareholdings.

c) 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	% holding	Number	% holding	Number	% holding
Wadhawan Global Capital Limited	117,049,714	37.30%	117,049,714	37.32%	117,049,714	37.38%

d) Employee Stock Option Plans:

Employee Stock Option Scheme 2008 (ESOS-2008) was implemented by the Company. 14,22,590 equity share options were granted under 'ESOS-2008' in 2008-09 to the employees as approved by the Nomination and Remuneration Committee of directors of the Company at ₹ 53.65 per share, the reconsidered price approved in the EOGM dated March 31, 2009.

Consequent to issue of Bonus Shares by the Company in earlier years, the adjusted exercise price is ₹ 26.83 per Equity Share and the total number of options also increased in the same ratio.

Employee Stock Option Scheme 2009 (ESOS-2009) was implemented by the Company. 12,75,000 equity share options were granted under 'ESOS-2009, Plan II' in 2009-10 and additional 12,34,670 equity share options were approved to be granted under 'ESOS-2009, Plan III' in 2010-11 to the employees by the Nomination and Remuneration Committee of directors of the Company at ₹ 141/- per share, the price approved in the Nomination and Remuneration Committee meeting held on November 25, 2009. The ESOP 2009 Plan II lapsed on November 25, 2015 and the ESOP 2009 Plan III was completed on June 30, 2017 upon allotment of the balance equity shares under the said plan.

Consequent to issue of Bonus Shares by the Company in earlier years, the adjusted exercise price is ₹ 70.50 per Equity Share and the total number of options also increased in the same ratio.

Pursuant to the resolution passed by the Board of Directors of the Company, at its meeting held on 16th January, 2015 and the special resolution passed by the Members of the Company on February 23, 2015 through Postal Ballot, the DHFL Employee Stock Appreciation Rights Plan 2015 ("DHFL ESAR Plan 2015" / "the Plan") was approved in accordance with the provisions of SEBI (SBEB) Regulations, exercisable into not more than 51,46,023 fully paid-up equity shares in aggregate, having face value of ₹ 10/- each. Consequent to the bonus shares issued by the Company to its Members in the ratio 1:1 during the financial year 2015-16, the total number of employee Stock Appreciation Rights (SARs) also increased in the same ratio i.e. exercisable into not more than 1,02,92,046 fully paid up equity shares. During the financial year 2017-18, the Members of the Company, approved amendment to the DHFL ESAR Plan 2015, inter-alia, for increasing the number of equity shares that can be allotted thereunder to 2,67,82,046 equity shares. ESARs granted are as under:

Particulars	Approval Date	No of ESARs	SAR Price (₹)
Grant I	21-Mar-15	1,550,100	380.00 (₹ 190/- per SAR Post Bonus issue)
Grant II	17-Nov-16	2,081,545	230.80
Grant III	13-Jul-17	3,247,100	434.90
Grant IV	13-Jul-17	550,000	300.08
Grant V	16-Oct-17	150,800	434.90
Grant VI	22-Jan-18	71,900	434.02
Grant VII	22-Mar-18	11,735,600	520.20
Grant VIII	27-Jun-18	240,000	643.65

Notes

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Movement in options:

Particulars	ESOS-2008	ESAR 2015
		Grant I to VIII
Number of options / ESAR's outstanding at the beginning of the year	30,380	18,032,328
Number of options / ESAR's granted during the year	-	240,000
Number of options / ESAR's forfeited / lapsed during the year	14,940	12,796,418
Number of options / ESAR's Vested during the year	-	599,979
Number of options / ESAR's Exercised during the year	15,440	240,250
Number of shares arising as a result of exercise of options	15,440	148,737
Money realized by exercise of options (in ₹)	414,255	1,487,370
Number of options outstanding at the end of the year	-	5,235,660
Number of options exercisable at the end of the year	-	599,979
Weighted Average exercise price & Option price (in ₹):		
Pre Bonus	53.65	380.00
Post Bonus	26.83	190.00 - 520.20

The Company follows fair value based method of accounting for determining compensation cost for its stock-based compensation scheme. The fair value of each stock options granted during the current year and previous year is mentioned in the table below. The fair value has been calculated by applying Black-Scholes-Merton model as valued by an independent valuer

Details of options granted during the current and previous financial year based on the graded vesting and fair value of the options are as under:-

Scheme	Grant Date	No. of options granted	Fair Value per Option
Grant III	13-Jul-17	3,247,100	153.96
Grant IV	13-Jul-17	550,000	153.96
Grant V	16-Oct-17	150,800	221.77
Grant VI	22-Jan-18	71,900	280.39
Grant VII	22-Mar-18	11,735,600	163.00
Grant VIII	27-Jun-18	240,000	196.64

The fair value has been calculated using the Black Scholes Option Pricing model, the Assumptions used in the model on a weighted average basis are as follows:

Particulars	2018-19	2017-18
1. Risk Free Interest Rate	7.57%	7.05%
2. Expected Life	2.95	4.13
3. Expected Volatility	37%	41%
4. Dividend Yield	1.32%	36.6%
5. Price of the underlying share in market at the time of the option grant (₹)	643.65	502.46

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Other Details:

1) Weighted Average Market Price on the date of Exercise is ₹ 643.10 (FY 2017-18 ₹ 486.48)

2) Remaining Contractual life for ESAR granted and outstanding as on March 31, 2019

Particulars	Remaining Contractual life for unvested SARs outstanding at the end of the year	Remaining Contractual life for SARs exercisable at the end of the year
Grant – I	2.88	0.03
Grant – II	3.71	0.02
Grant – III	3.88	2.21
Grant – IV	3.88	2.21
Grant – V	4.15	-
Grant – VI	4.42	-

Pursuant to the provision of the Companies Act, 2013, the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Share based Employee Benefits) Regulation 2014 (hereinafter referred to as Employee Stock Appreciation Rights 2015 (DHFL ESAR Plan 2015) and pursuant to the intention of all the grantees for cancellation and discontinuation of the said ESAR Scheme and also the recommendation of the Member of Nomination and Remuneration committee and based on the approval of the board of directors of the Company, 1,19,75,600 (One crore nineteen lakh seventy five thousand six hundred only) ESAR granted under Grant VII and Grant VIII issued under the DHFL ESAR Plan 2015 to the eligible employee of the Company are cancelled w.e.f. 20th March, 2019.

25 OTHER EQUITY

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Capital Reserve	-	-	2,451
Securities Premium	220,885	220,637	219,909
Debenture Redemption Reserve	117,000	117,000	117,000
General Reserve	131,733	135,171	116,522
Special Reserve	183,899	183,899	156,399
Employee Stock Option Outstanding	4,332	3,044	1,210
Other Comprehensive income-Cashflow hedge reserve	(3,832)	(5,637)	(5,720)
Retained Earnings	124,807	237,773	184,138
TOTAL	**778,824**	**891,887**	**791,909**

25.1 Movement in Other Equity

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
CAPITAL RESERVE			
At the beginning of the year	-	2,451	
Less: Utilised during the year	-	2,451	
	-	**-**	**2,451**
SECURITIES PREMIUM			
At the beginning of the year	220,637	219,909	
Add: On shares allotted upon exercise of stock options by the Employees	245	265	
Add: Received during the year	3	463	
	220,885	**220,637**	**219,909**

Notes

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Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
DEBENTURE REDEMPTION RESERVE			
At the beginning of the year	117,000	117,000	117,000
GENERAL RESERVE			
At the beginning of the year	135,171	116,522	
Less : Utilised during the year	3,438	1,351	
Add : Transfer from Statement of Profit and Loss Account		20,000	
Closing balance	**131,733**	**135,171**	**116,522**
STATUTORY RESERVE (SPECIAL RESERVE)			
(As per Section 29C of The National Housing Bank Act, 1987)			
Opening Balance	183,899	156,399	
Add : Transfer from Statement of Profit and Loss Account		27,500	
	183,899	**183,899**	**156,399**
EMPLOYEE STOCK OPTION OUTSTANDING			
At the beginning of the year	22,183	3,039	
Add: Additions on account of options granted during the year	472	25,512	
Less: Transferred to securities premium reserve upon exercise of stock options	(245)	(265)	
Less: Reduction on account of unvested options lapsed during the year	(16,232)	(6,050)	
Less: Reduction on account of vested options lapsed during the year	(82)	(53)	
	6,096	**22,183**	**3,039**
Less: Deferred employee compensation	(1,764)	(19,139)	(1,829)
	4,332	3,044	1,210
OTHER COMPREHENSIVE INCOME-CASHFLOW HEDGE RESERVE			
At the beginning of the year	(5,637)	(5,720)	
Add: Other comprehensive Income	1,805	83	
	(3,832)	**(5,637)**	**(5,720)**
RETAINED EARNINGS			
Opening Balance	237,773	184,138	
Add/(less): Other Comprehensive Income	93	(217)	
Add:- Profit for the year	(103,605)	123,999	
Amount available for appropriations	134,261	307,920	
Appropriations			
General Reserve	-	20,000	
Statutory Reserve (u/s 29C of the NHB Act, 1987)	-	27,500	
Interim Dividend Paid	-	9,408	
Tax on Interim Dividend	-	1,916	
Final Dividend Paid	7,841	9,407	
Tax on Final Dividend	1,613	1,916	
	9,454	**70,147**	
Closing Balance	**124,807**	**237,773**	**184,138**
TOTAL	**778,824**	**891,887**	**791,909**

Notes

forming part of the financial statements for the year ended March 31, 2019

25.2 Nature of Reserves

a) Capital reserve represents reserves created pursuant to the business combination up to year end.

b) Securities premium reserve represents premium received on equity shares issued, which can be utilised only in accordance with the provisions of the Companies Act, 2013 for specified purposes.

c) General reserve is created from time to time by transferring profits from retained earnings and can be utilised for purposes such as dividend payout, bonus issue, etc.

d) Statutory reserve is the reserve created by transferring the sum not less than 20% of its net profit after tax in terms of Section 29C of the National Housing Bank Act, 1987.

e) Stock options outstanding account relates to the stock options granted by the Company to employees under an Employee Stock options Plan.

f) Retained earnings represents profits that the Company earned till date, less any transfers to General Reserve, Statutory Reserves, Dividends and other distributions paid to the shareholders.

g) Debenture Redemption Reserve is the reserve created by transferring the sum from retained earning as per the requirement of the Companies Act, 2013. (Refer note 54)

h) Cashflow hedge Reserve:- It represents the cumulative gains/(losses) arising on revaluation of the derivative instruments designated as cash flow hedges through OCI.

25.3 Statement for Disclosure on Statutory / Special Reserves, as prescribed by NHB vide its circular no NHB(ND)/DRS/Pol. Circular.61/2013-14, dated: 7th April, 2014 and NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017:

(₹ in lakh)

Particulars	2018-19	2017-18
Balance at the beginning of the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	65,324	64,924
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under, Section 29C of the NHB Act, 1987	118,575	91,475
c) Total	**183,899**	**156,399**
Addition during the year		
Add: a) Amount transferred u/s 29C of the NHB Act, 1987	-	400
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	-	27,100
c) Total	**-**	**27,500**
Balance at the end of the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	65,324	65,324
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under, Section 29C of the NHB Act, 1987	118,575	118,575
c) Total	**183,899**	**183,899**

Notes

forming part of the financial statements for the year ended March 31, 2019

26 INTEREST INCOME

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
ON FINANCIAL ASSETS MEASURED AT AMORTISED COST		
Interest on Loans	983,477	887,364
Interest income from investments	3,575	4,040
Interest on deposits	21,510	7,656
Other interest Income	36,317	29,255
	1,044,879	**928,315**
ON FINANCIAL ASSETS MEASURED AT FAIR VALUE		
Interest on Loans	185,905	5,319
	185,905	**5,319**
Total	**1,230,784**	**933,634**

27 DIVIDEND INCOME

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Investment in Equity Instrument	679	256
Investment in Mutual Fund	556	13,475
Total	**1,235**	**13,731**

28 FEES AND COMMISSION INCOME

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Loan processing fee and other charges	22,256	30,545
Insurance Commission	5,291	6,664
Total	**27,547**	**37,209**

28.1 Insurance Commission income includes amount received from:-

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
1. DHFL Pramerica Life Insurance Company Ltd	2,783	3,119
2. Cholamandalam MS General Insurance Company Limited	336	1,635
3. DHFL General Insurance Company Limted	2,172	1,910
Total	**5,291**	**6,664**

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forming part of the financial statements for the year ended March 31, 2019

29 NET GAIN/ (LOSS) ON FAIR VALUE CHANGES

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
MEASURED AT FVTPL		
Fair Valuation of Loan		
Unrealised	(234,017)	-
Fair Valuation of Option in Equity Investment		
Unrealised	(28,916)	
Investment in equity shares measured at FVTPL		
Realised	491	885
Unrealised	(760)	2,208
	(269)	**3,093**
Investment in Preference shares measured at FVTPL		
Realised	39	-
Unrealised	1,315	85
	1,354	**85**
Investment in mutual fund measured at FVTPL		
Realised	11,846	25,059
Unrealised	39	13,634
	11,885	**38,693**
Investment in Security Receipts		
Unrealised	222	-
Investment in Venture Capital Fund		
Unrealised	(3)	(27)
Derivative Trading		
Realised	3,907	174
Total	**(245,837)**	**42,018**

30 NET GAIN ON DERECOGNITION OF FINANCIAL INSTRUMENTS UNDER AMORTISED COST CATEGORY

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
On assignment of portfolio	29,388	46,489
Sale of Bond and Debenture	(8,805)	1,230
Total	**20,583**	**47,719**

31 OTHER OPERATING REVENUE

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Others*	8,239	10,702
Total	**8,239**	**10,702**

* Mainly includes cheque return charges and servicing fees pertaining to securitisation transactions

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forming part of the financial statements for the year ended March 31, 2019

32 OTHER INCOME

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Rent Income	1,468	1,051
Miscellaneous Income	396	378
Total	**1,864**	**1,429**

33 FINANCE COSTS

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest expenses on financial liabilities measured at amortised cost		
Interest on deposits	76,711	74,004
Interest on borrowings	377,752	354,278
Interest on debt securities	432,088	310,738
Interest on Subordinated Liabilities	12,364	10,691
Interest on others	18	4
Finance charges	40,352	22,480
Total	**939,285**	**772,195**

34 IMPAIRMENT ON FINANCIAL INSTRUMENTS

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
On Financial instruments measured at Amortised Cost		
Loans	94,088	62,968
Investments	14,410	-
Total	**108,498**	**62,968**

35 EMPLOYEE BENEFITS EXPENSES

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries and Bonus	44,225	31,928
Contribution to Provident Fund and other Funds	1,964	1,624
Staff Training and Welfare Expenses	811	1,032
Share Based Payments to employees	1,533	2,441
Total	**48,533**	**37,025**

Notes

forming part of the financial statements for the year ended March 31, 2019

36 OTHER EXPENSES

(₹ in Lakh)

Particulars	For the year ended March 31, 2019		For the year ended March 31, 2018	
Rent		5,988		5,039
Rates and Taxes		386		513
Travelling and Conveyance		4,386		3,911
Printing and Stationery		640		704
Advertising		7,489		8,052
Training & Conference Expenses		185		298
Business Sourcing Expense		10,238		7,138
Insurance Charges		574		594
Legal & Professional Charges		7,133		4,294
Communication Expense		1,857		1,519
Repairs and Maintenance - Other than Buildings		2,616		2,662
Electricity Charges		974		911
Directors' Fees and Commission		42		94
Security Deposit written off		1,215		-
Loss on Sale of Property, plant and equipments		5,178		61
Expenditure on corporate social responsibility (CSR) under section 135 of the Companies Act, 2013		2,719		2,381
Office Maintenance		1,628		1,431
Recovery Expense		1,383		942
Bad debts written off	21,226		15,991	
Less: Provision utilized	21,226	-	15,991	-
General Office Expenses*		4,851		845
Total		**59,482**		**41,389**

* Includes reversal of trade mark licence fees income of ₹ 3,999 lakh (Previous year ₹ Nil) based on change by regulators.

36.1 Company is required to spend money on Corporate Social Responsibility (CSR) activity as per CSR Rules under the Companies Act 2013. During the year Company has spent ₹ 2,719 Lakh (₹ 2,381 Lakh) the required sum being ₹ 2,659 Lakh (₹ 2,298 Lakh).

Details of amount spent towards CSR given below: (₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Art and Culture	2	15
Early Childhood Care and Education	1,654	934
Education	284	322
Environment	3	2
Financial Literacy	242	141
Health and Medicine	9	26
Rural development	123	237
Skill Development	340	551
Sports	-	58
Others	62	95
Grand Total	**2,719**	**2,381**

Notes

forming part of the financial statements for the year ended March 31, 2019

36.2 Remuneration of Non Executive Directors consist of ₹ 42 lacs (₹ 35 lacs) towards sitting fee and ₹ Nil (₹ 60 lacs) as commission including GST.

36.3 Auditors Remuneration:-

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Audit Fees	250	150
Tax Audit Fees	11	11
Certification and Other Matters	270	84
Service Tax/GST	43	24
Grand Total	**574**	**269**

*Certification and other matters includes ₹ 169 lacs (P. Y. ₹ Nil) paid towards fees for public issue of Secured Non Convertible Debentures(NCD) and Masala Bond and debited to prepaid expenses and amortised over a period of NCD/Masala Bond.

37 TAXES

a) Income tax expenses

The major components of income tax expenses

i) Profit and Loss section

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Current tax expenses	53,832	48,362
Deferred tax	(66,725)	(2,259)
Total	**(12,893)**	**46,103**

ii) Other comprehensive income section

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Current tax expenses	-	-
Deferred tax	737	(52)
Total	**737**	**(52)**

Notes

forming part of the financial statements for the year ended March 31, 2019

b) Reconciliation of effective tax rate

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(Loss)/ Profit before tax	(116,498)	170,102
Enacted tax rate in India (including surcharge and cess)	34.944%	34.608%
Expected tax expenses	(40,709)	58,869
Effect of income that is exempt from taxation	(478)	(4,427)
Effect of expenses that are not deductible in determining taxable profit	1,004	1,372
Effect of income on investment which are treated as capital gains at lower rate	1,619	(1,621)
Effect of differential rate for deferred tax	29,098	937
Deduction under section 36(1)(viii) of the Income Tax Act 1961	-	(9,785)
Others	(2,690)	706
Total	**(12,156)**	**46,051**
Tax expense recognised in profit and loss	(12,893)	46,103
Tax expense recognised in other comprehensive income	737	(52)
Total	**(12,156)**	**46,051**

38 EARNINGS PER SHARE

The following is the computation of earnings per share on basic and diluted earnings per equity share:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Net profit after tax attributable to equity shareholders (₹ In Lakh)	(103,605)	123,999
Weighted average number of equity shares outstanding during the year (Nos)	313,769,497	313,529,855
Add: Effect of potential issue of shares / stock rights *	-	14,22,586
Weighted average number of equity shares outstanding during the year including potential shares outstanding (Nos)	313,769,497	314,952,441
Face value per equity share (₹)	10.00	10.00
Basic earnings per equity share (₹)	(33.02)	39.55
Diluted earnings per equity share (₹)	(33.02)	39.37

* not considered when anti-dilutive

39 CONTINGENT LIABILITIES

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Guarantees provided by bank on behalf of Company for Securitisation, Public issue of NCDs and Representative Office	22,710	10,730
Claims against the Company not acknowledged as debts	1,157	1,891
Undertaking provided by the Company for meeting the shortfall in collection, if any, at the time of securitisation of receivables done prior to April 1, 2017 and outstanding as at March 31, 2019. The outflows would arise in the event of short collection, in the Cash inflows of the pool of securtised receivable.	28,603	28,608

Notes

forming part of the financial statements for the year ended March 31, 2019

40 COMMITMENTS

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for as at March 31, 2019 ₹ 980 Lakh (March 31, 2018 ₹ 4007 Lakh and April 1,2017 ₹ 8380 Lakh respectively)

41 OPERATING LEASE

The Company has taken certain premises on cancellable operating lease basis. The tenure of such agreements ranges from 12 months to 120 months with options of renewal and premature termination of agreement Lease payments recognised in the Statement of Profit and Loss for the year in respect thereof are ₹ 4,370 Lakhs (Previous Year ₹ 3,967 Lakhs).

The Company has acquired premises under non-cancellable operating leases for periods ranging from 12 months to 108 months. Lease payments recognised in the Statement of Profit and Loss for the year in respect thereof are ₹ 1,618 Lakhs (Previous year ₹ 1,072 Lakhs).

Future minimum lease payments under non-cancellable operating leases are as follows :

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Not later than 1 Year	508	358	394
Later than 1 Year and not later than 5 years	633	219	401
More than 5 Years	1	14	49
Total	**1,142**	**591**	**844**

42 FINANCIAL INSTRUMENTS

i Fair value hierarchy

The company uses the following hierarchy to determine the fair values of its 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:

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

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

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There were no transfers between levels 1, 2 and 3 during the year.

The Company's recognises transfers in and transfers out of fair value hierarchy levels as at the end of the reporting period.

Notes

forming part of the financial statements for the year ended March 31, 2019

ii Accounting classifications and fair values

As at March 31, 2019

(₹ In Lakh)

Particulars	Measured at FVTPL				Measured at Amortised cost	Others*	Total
	Level 1	Level 2	Level 3	Total			
FINANCIAL ASSETS							
Cash and cash equivalents	-	-	-	-	125,963	-	125,963
Other bank Balances	-	-	-	-	174101	-	174,101
Derivative financial instruments	-	17,113	-	17,113	-	-	17,113
Receivables	-	-	-	-	476	-	476
Housing and other loans	-	-	3,162,815	3,162,815	6,634,882	-	9,797,697
Investments	10,404		106,420	116,824	99,993	18,205	235,022
Other financial assets	-	-	-	-	109,123	-	109,123
Total Financial Assets	**10,404**	**17,113**	**3,269,235**	**3,296,752**	**7,144,538**	**18,205**	**10,459,495**
FINANCIAL LIABILITIES							
Derivative financial instruments	-	1,335	28,916	30,251	-	-	30,251
Trade Payables	-	-	-	-	10,205	-	10,205
Debt Securities	-	-	-	-	4,537,912	-	4,537,912
Borrowings (Other than Debt Securities)	-	-	-	-	4,060,421	-	4,060,421
Deposits	-	-	-	-	658,840	-	658,840
Subordinated Liabilities	-	-	-	-	113,581	-	113,581
Other financial liabilities	-	-	-	-	408,769	-	408,769
Total Financial Liabilities	**-**	**1,335**	**28,916**	**30,251**	**9,789,728**	**-**	**9,819,979**

*Others includes investment in subsidiaries, associates and joint ventures which have been carried at cost

As at March 31, 2018

(₹ In Lakh)

Particulars	Measured at FVTPL				Measured at Amortised cost	Others*	Total
	Level 1	Level 2	Level 3	Total			
FINANCIAL ASSETS							
Cash and cash equivalents	-	-	-	-	192,305	-	192,305
Other bank Balances	-	-	-	-	103,041	-	103,041
Derivative financial instruments	-	8,723	-	8,723	-	-	8,723
Receivables	-	-	-	-	4,274	-	4,274
Housing and other loans	-	-	65,670	65,670	9,245,792	-	9,311,462
Investments	418,897		83,553	502,450	280,373	25805	808,628
Other financial assets	-	-	-	-	76,648	-	76,648
Total Financial Assets	**418,897**	**8,723**	**149,223**	**576,843**	**9,902,433**	**25805**	**10,505,081**
FINANCIAL LIABILITIES							
Derivative financial instruments	-	13,581	-	13,581	-	-	13,581
Trade Payables	-	-	-	-	10,412	-	10,412
Debt Securities	-	-	-	-	3,581,360	-	3,581,360
Borrowings (Other than Debt Securities)	-	-	-	-	4,511,414	-	4,511,414
Deposits	-	-	-	-	965,244	-	965,244
Subordinated Liabilities	-	-	-	-	113,184	-	113,184
Other financial liabilities	-	-	-	-	495,596	-	495,596
Total Financial Liabilities	**-**	**13,581**	**-**	**13,581**	**9,677,210**	**-**	**9,690,791**

Notes

forming part of the financial statements for the year ended March 31, 2019

*Others includes investment in subsidiaries, associates and joint ventures which have been carried at cost

As at April 1, 2017

(₹ In Lakh)

Particulars	Measured at FVTPL Level 1	Level 2	Level 3	Total	Measured at Amortised cost	Others*	Total
FINANCIAL ASSETS							
Cash and cash equivalents	-	-	-	-	279,493	-	279,493
Other bank Balances	-	-	-	-	81,807	-	81,807
Derivative financial instruments	-	6,330	-	6,330	-	-	6,330
Receivables	-	-	-	-	242	-	242
Housing and other loans	-	-	-	-	7,228,396	-	7,228,396
Investments	268,950		12,418	281,368	1,054,039	18,069	1,353,476
Other financial assets	-	-	-	-	37,993	-	37993
Total Financial Assets	**268,950**	**6,330**	**12,418**	**287,698**	**8,681,970**	**18,069**	**8,987,737**
FINANCIAL LIABILITIES							
Derivative financial instruments	-	11,698	-	11,698	-	-	11,698
Trade Payables	-	-	-	-	4,820	-	4,820
Debt Securities	-	-	-	-	3,295,295	-	3,295,295
Borrowings (Other than Debt Securities)	-	-	-	-	4,043,062	-	4,043,062
Deposits	-	-	-	-	636,572	-	636,572
Subordinated Liabilities	-	-	-	-	63,996	-	63,996
Other financial liabilities	-	-	-	-	213,288	-	213,288
Total Financial Liabilities	**-**	**11,698**	**-**	**11,698**	**8,257,033**	**-**	**8,268,731**

*Others includes investment in subsidiaries, associates and joint ventures which have been carried at cost

iii Fair value of the financial assets that are measured at amortised cost

As at March 31, 2019

(₹ in lakh)

Particulars	Carrying value	Fair value Level 1	Level 2	Level 3	Total
FINANCIAL ASSETS					
Investments	99,993	96,303		14,126	1,10,429
Total Financial Assets	**99,993**	**96,303**	**-**	**14,126**	**1,10,429**
FINANCIAL LIABILITIES					
Debt Securities	4,151,593	-	-	3,997,562	3,997,562
Borrowings (Other than Debt Securities)	239,029	-	-	241,453	241,453
Deposits	658,840	-	-	697,504	697,504
Subordinated Liabilities	113,581	-	-	115,138	115,138
Total Financial Liabilities	**5,163,043**	**-**	**-**	**5,051,657**	**5,051,657**

Notes

forming part of the financial statements for the year ended March 31, 2019

As at March 31, 2018

(₹ in lakh)

Particulars	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
FINANCIAL ASSETS					
Investments	280,373	285,019	-	9,399	294,418
Total Financial Assets	**280,373**	**285,019**	**-**	**9,399**	**294,418**
FINANCIAL LIABILITIES					
Debt Securities	2,705,369	-	-	2,792,595	2,792,595
Borrowings (Other than Debt Securities)	279,432	-	-	288,670	288,670
Deposits	965,244			968,991	968,991
Subordinated Liabilities	113,184	-	-	136,092	136,092
Total Financial Liabilities	**4,063,229**	**-**	**-**	**4,186,348**	**4,186,348**

As at April 1, 2017

(₹ in lakh)

Particulars	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
FINANCIAL ASSETS					
Investments	1,072,108	254,056	789,174	-	1,043,230
Total Financial Assets	**1,072,108**	**254,056**	**789,174**	**-**	**1,043,230**
FINANCIAL LIABILITIES					
Debt Securities	2,707,687	-	-	2,499,358	2,499,358
Borrowings (Other than Debt Securities)	321,879	-	-	326,575	326,575
Deposits	636,572			666,296	666,296
Subordinated Liabilities	63,996	-	-	80,242	80,242
Total Financial Liabilities	**3,730,134**	**-**	**-**	**3,572,471**	**3,572,471**

Notes:

a The fair value of the financial assets and liabilities are considered at the amount at which the instrument could be exchanged in current transaction between willing parties.

b The fair value of fixed rate financial liabilities are determined based on cash flows discounted using current borrowing rate.

c Housing and property loans measured at amortised costs are substantially repriced frequently, with interest rate reflecting current market price and hence the carrying value approximates their fair value.

d The Company considers that the carrying amounts recognised in the financial statements for financial assets and financial liabilities other than disclosed above approximate their fair values.

Notes

forming part of the financial statements for the year ended March 31, 2019

iv Valuation technique used to determine fair value of financial instruments measured at FVTPL:

a The fair value of a financial instrument on initial recognition is normally the transaction price (fair value of the consideration given or received). Subsequent to initial recognition, the Company determines the fair value of financial instruments that are quoted in active markets using the quoted prices and using valuation techniques for other instruments. Valuation techniques include discounted cash flow method, market comparable method, recent transactions happened in the Company and other valuation models. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

b Financial instruments carried at fair value (level 3 in hierarchy):

The fair values are measured using valuation techniques including the Discounted Cash Flow (DCF) model and market comparable method. The inputs to these models are taken from observable market where possible, but where this is not feasible, a degree of judgement is exercised in establishing fair values. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

v The following table presents the changes in level 3 financial instruments for the year ended March 31, 2019 and March 31, 2018:

(₹ in lakh)

Particulars	Housing and property loans measured at FVTPL	Pass through certificate	Security receipts	Venture capital fund	Unquoted equity / preference investments	Derivative financial instruments
As at April 01, 2017	-	-	-	2,418	10,000	-
Acquisitions	65,670	-	66,628	-	4,581	-
Disposal	-	-	-	(47)	-	-
Gains / (Losses) recognised in profit or loss	-	-	-	(27)	-	-
As at March 31, 2018	**65,670**	**-**	**66,628**	**2,344**	**14,581**	**-**
Acquisitions		32,500		-	-	28,916
Disposal	(65,670)	-	(3,618)	(39)	-	-
Reclassified from amortised cost category to FVTPL	3,488,160	-	-	-	-	-
Gains / (Losses) recognized in profit or loss	(325,345)	(6,800)	221	(6)	609	-
As at March 31, 2019	**3,162,815**	**25,700**	**63,231**	**2,299**	**15,190**	**28,916**

Notes

forming part of the financial statements for the year ended March 31, 2019

vi Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements. See (iv) above for the valuation techniques adopted.

(₹ in lakh)

Particulars	Fair value		
	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Housing and property loans measured at FVTPL	3,162,815	65,670	-
Pass through certificate	25,700	-	-
Security receipts	63,231	66,628	-
Venture capital fund	2,299	2,344	2,418
Unquoted equity / preference investments	15,190	14,581	10,000
Derivative financial instruments	28,916	-	-

(₹ in lakh)

Particulars	Significant unobservable inputs (refer notes below)	Impact on Fair value					
		As at March 31, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2018	As at April 1, 2017	As at April 1, 2017
		Increase in FV	Decrease in FV	Increase in FV	Decrease in FV	Increase in FV	Decrease in FV
Housing and property loans measured at FVTPL	a	1,24,383	1,17,880	6,567	6,567	-	-
Pass through certificate	a	257	257	-	-	-	-
Security receipts	b	6,323	6,323	6,663	6,663	-	-
Venture capital fund	b	230	230	234	234	242	242
Unquoted equity / preference investments	c	465	462	883	878	1,137	955
Derivative financial instruments	c	8,736	(8,736)	-	-	-	-

Notes:

a The expected internal rate of return considered for the purpose of discounting the estimated cash flows. An increase in the rate will result in decrease in the fair value and vice-versa. The impact disclosed above is based on change in the rate of return by 100 basis points.

b The fair value is impacted by the change in the net asset value declared. The impact above has been determined based on 10% change in the net asset value.

c Valuation factor includes equity multiples such as PE ratio, estimated cash flows. The impact above has been determined based on approx 5% to 10% change in the valuation factor.

43 MATURITY PATTERN

The table below shows an analysis of assets and liabilities 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.

Notes

forming part of the financial statements for the year ended March 31, 2019

(₹ Lakh)

Particulars	March 31, 2019			March 31, 2018			April 1, 2017		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS									
Financial assets									
Cash and cash equivalents	125,963	-	125,963	192,305	-	192,305	279,493	-	279,493
Other bank Balances	174,101	-	174,101	92,011	11,030	103,041	63,507	18,300	81,807
Derivative financial instruments	1,568	15,545	17,113	884	7,839	8,723	418	5,912	6,330
Receivables	476	-	476	4,274	-	4,274	242	-	242
Housing and Other loans	2,248,271	7,549,426	9,797,697	1,804,950	7,506,512	9,311,462	1,212,749	6,015,647	7228396
Investments	89,130	145,892	235,022	637,867	170,761	808,628	1,283,057	70,419	1353476
Other financial assets	30,752	78,371	109,123	21,769	54,879	76,648	20,095	17,898	37993
Total Financial Assets	**2,670,261**	**7,789,234**	**10,459,495**	**2,754,060**	**7,751,021**	**10,505,081**	**2,859,561**	**6,128,176**	**8987737**
NON-FINANCIAL ASSETS									
Current Tax Assets (Net)	-	37,020	37,020	-	14,729	14,729	-	8,462	8,462
Deferred tax assets	-	44,281	44,281	-	9,563	9,563	-	19,244	19,244
Property, plant and equipment	-	78,293	78,293	-	84,228	84,228	-	20,435	20,435
Capital Work-in-progress	-	-	-	-	-	-	-	54615	54615
Intangible assets under development	-	10,401	10,401	-	12,905	12,905	-	8,762	8,762
Other intangible assets	-	8,175	8,175	-	751	751	-	454	454
Other non-financial assets	9,860		9,860	3,908	-	3,908	3,117	-	3,117
Total Non-Financial Assets	**9,860**	**178,170**	**188,030**	**3,908**	**122,176**	**126,084**	**3,117**	**111,972**	**115,089**
Total Assets	**2,680,121**	**7,967,404**	**10,647,525**	**2,757,968**	**7,873,197**	**10,631,165**	**2,862,678**	**6,240,148**	**9,102,826**
LIABILITIES									
Financial Liabilities									
Derivative financial instruments	148	30,103	30,251	1,376	12,205	13,581	775	10,923	11,698
Trade Payables	10,205	-	10,205	10,412	-	10,412	4,820	-	4,820
Debt Securities	1,242,840	3,295,072	4,537,912	886,754	2,694,606	3,581,360	459,325	2,835,970	3,295,295
Borrowings (Other than Debt Securities)	787,032	3,273,389	4,060,421	867,164	3,644,250	4,511,414	684,202	3,358,860	4,043,062
Deposits	302,852	355,988	658,840	419,599	545,645	965,244	280,700	355,872	636,572
Subordinated Liabilities	-	113,581	113,581	-	113,184	113,184	-	63,996	63,996
Other financial liabilities	395,179	13,590	408,769	475,822	19,774	495,596	196,130	17,158	213,288
Total Financial Liabilities	**2,738,256**	**7,081,723**	**9,819,979**	**2,661,127**	**7,029,664**	**9,690,791**	**1,625,952**	**6,642,779**	**8,268,731**
Non-Financial Liabilities									
Provisions	1,015	-	1015	629	-	629	67	-	67
Other non-financial liabilities	16,325	-	16,325	16,492	-	16,492	10,804	-	10,804
Total Non-Financial Liabilities	**17,340**	**-**	**17,340**	**17,121**	**-**	**17,121**	**10,871**	**-**	**10,871**
Total liabilities	**2,755,596**	**7,081,723**	**9,837,319**	**2,678,248**	**7,029,664**	**9,707,912**	**1,636,823**	**6,642,779**	**8,279,602**

Notes:

1 The maturity analysis is prepared considering the prepayments on housing and other loans in line with historical trend.

2 For the purposes of the above disclosure, the maturity pattern of the loans measured at FVTPL has been determined based on the management's estimate of realization including through sale.

Notes

forming part of the financial statements for the year ended March 31, 2019

44 FINANCIAL RISK MANAGEMENT

a Liquidity Risk

Liquidity risk is the current and prospective risk arising out of an inability to meet financial commitments as they fall due, through available cash flows or through the sale of assets at fair market value. It includes both, the risk of unexpected increases in the cost of funding an asset portfolio at appropriate maturities and the risk of being unable to liquidate a position in a timely manner at a reasonable price.

The Company manages liquidity risk by maintaining sufficient cash and marketable securities and by having access to funding through an adequate amount of committed credit lines. Given the need to fund diverse products, the Company maintains flexibility in funding by maintaining availability under committed credit lines to meet obligations when due. Management regularly monitors the position of cash and cash equivalents vis-à-vis projections. Assessment of maturity profiles of financial assets and financial liabilities including debt financing plans and maintenance of Balance Sheet liquidity ratios are considered while reviewing the liquidity position.

We manage liquidity risk in accordance with our Asset Liability Management Policy. This policy is framed as per the current regulatory guidelines and is approved by the Board of Directors. The Asset Liability Management Policy is reviewed periodically to incorporate changes as required by regulatory stipulation or to realign the policy with changes in the economic landscape. The Asset Liability Committee (ALCO) of the Company formulates and reviews strategies and provides guidance for management of liquidity risk within the framework laid out in the Asset Liability Management Policy.

Also refer Note 54 on the going concern consideration.

Maturity Analysis of Financial assets and Financial Liabilities

As at March 31, 2019

(₹ In Lakh)

Particulars	Carrying Value	Due within 1 year	Due within 1 to 3 year	Due within 3 to 5 year	More than 5 year
FINANCIAL ASSETS					
Cash and cash equivalents	125,963	125,963	-	-	-
Other bank Balances	174,101	174,101	-	-	-
Derivative financial instruments	17,113	1,568	12,000	2,362	1,183
Receivables	476	476	-	-	-
Housing and Other loans	9,797,697	2,248,271	3,266,121	3,325,600	957,705
Investments	235,022	89,130	-	-	145,892
Other financial assets	109,123	30,752	24,936	24,936	28,499
Total	**10,459,495**	**2,670,261**	**3,303,057**	**3,352,898**	**1,133,279**
FINANCIAL LIABILITIES					
Derivative financial instruments	30,251	148	1,094	93	28,916
Trade Payables	10,205	10,205	-	-	-
Debt Securities	4,537,912	1,242,840	1,212,457	1,081,085	1,001,530
Borrowings (Other than Debt Securities)	4,060,421	787,032	1,653,009	953,313	667,067
Deposits	658,840	302,852	313,372	30,468	12,148
Subordinated Liabilities	113,581				113,581
Other financial liabilities	408,769	395,179	9,943	917	2,730
Total	**9,819,979**	**2,738,256**	**3,189,875**	**2,065,876**	**1,825,972**
Net	**639,516**	**(67,995)**	**113,182**	**1,287,022**	**(692,693)**

Notes

forming part of the financial statements for the year ended March 31, 2019

As at March 31, 2018

(₹ In Lakh)

Particulars	Carrying Value	Due within 1 year	Due within 1 to 3 year	Due within 3 to 5 year	More than 5 year
FINANCIAL ASSETS					
Cash and cash equivalents	192,305	192,305	-	-	-
Other bank Balances	103,041	92,011	11,030	-	-
Derivative financial instruments	8,723	884	3,889	3,950	-
Receivables	4,274	4,274	-	-	-
Housing and Other loans	9,311,462	1,804,950	3,036,086	3,227,064	1,243,362
Investments	808,628	637,867	-	-	170,761
Other financial assets	76,648	21,769	17,243	17,243	20,393
Total	**10,505,081**	**2,754,060**	**3,068,248**	**3,248,257**	**1,434,516**
FINANCIAL LIABILITIES					
Derivative financial instruments	13,581	1,376	6,054	6,151	-
Trade Payables	10412	10412	-	-	-
Debt Securities	3,581,360	886,754	1,096,475	307,182	1,290,949
Borrowings (Other than Debt Securities)	4,511,414	867,164	1,529,219	1,225,286	889,745
Deposits	965,244	419,599	455,347	71,882	18,416
Subordinated Liabilities	113,184				113,184
Other financial liabilities	495,596	475,822	15,752	2,369	1,653
Total	**9,690,791**	**2,661,127**	**3,102,847**	**1,612,870**	**2,313,947**
Net	**814,290**	**92,933**	**(34,599)**	**1,635,387**	**(879,431)**

As at April 1, 2017

(₹ In Lakh)

Particulars	Carrying Value	Due within 1 year	Due within 1 to 3 year	Due within 3 to 5 year	More than 5 year
FINANCIAL ASSETS					
Cash and cash equivalents	279,493	279,493	-	-	-
Other bank Balances	81,807	63,507	18,300		
Derivative financial instruments	6,330	418	1,200	4,604	108
Receivables	242	242	-	-	-
Housing and Other loans	7,228,396	1,212,749	2,472,184	2,545,982	997,481
Investments	1,353,476	1,283,057	-	-	70,419
Other financial assets	37,993	20,095	5,004	5,003	7,891
Total	**8,987,737**	**2,839,466**	**2,491,684**	**2,550,586**	**1,068,008**
FINANCIAL LIABILITIES					
Derivative financial instruments	11,698	775	2,218	8,508	197
Trade Payables	4,820	4,820	-	-	-
Debt Securities	3,295,295	459,325	931,291	564,469	1,340,210
Borrowings (Other than Debt Securities)	4,043,062	684,202	1,249,006	1,218,025	891,829
Deposits	636,572	280,700	288,001	55,331	12,540
Subordinated Liabilities	63,996				63,996
Other financial liabilities	213,288	196,130	13,951	2,340	867
Total	**8,268,731**	**1,625,952**	**2,484,467**	**1,848,673**	**2,309,639**
Net	**719,006**	**1,213,514**	**7,217**	**701,913**	**(1,241,631)**

Notes:

1 The maturity analysis is prepared considering the prepayments on housing and other loans in line with historical trend.

2 For the purposes of the above disclosure, the maturity pattern of the loans measured at FVTPL has been determined based on the management's estimate of realization including through sale.

Notes

forming part of the financial statements for the year ended March 31, 2019

b Interest Risk

Our core business is deposit taking, borrowing and lending as permitted by the National Housing Bank. These activities expose us to interest rate risk.

Interest rate risk is measured through earnings at risk from an earnings perspective and through duration of equity from an economic value perspective. Further, exposure to fluctuations in interest rates is also measured by way of gap analysis, providing a static view of the maturity and re-pricing characteristic of Balance Sheet positions. An interest rate sensitivity gap report is prepared by classifying all rate sensitive assets and rate sensitive liabilities into various time period categories according to contracted/behavioural maturities or anticipated re-pricing date. The difference in the amount of rate sensitive assets and rate sensitive liabilities maturing or being re-priced in any time period category, gives an indication of the extent of exposure to the risk of potential changes in the margins on new or re-priced assets and liabilities. In order to mitigate this risk, the Company strives to optimise its borrowings between short-term and long-term debt, and also between floating and fixed-rate instruments. It prepares interest rate risk reports periodically, and shares the findings with National Housing Bank. Further, to ensure that exposure to fluctuations in interest rates is kept within acceptable limits, the Company follows a prudent policy on the management of its assets and liabilities. Interest rate swaps are used on a limited basis for hedging interest rate mismatches, the ALCO periodically reviews the treasury operations, as well as the pricing of products, at specific intervals.

The Company also hedges interest rate risks by way of derivatives instruments like Interest rate swaps.

Exposure to interest rate risk

The Company's exposures to interest rates on financial assets and financial liabilities are detailed as under:

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
LOANS (GROSS):			
Fixed rate instruments	738,755	235,023	171,682
Floating rate instruments	6,016,026	9,149,436	7,148,795
Total	**6,754,781**	**9,384,459**	**7,320,477**
BORROWINGS:			
Fixed rate instruments	5,299,210	4,472,922	3,785,444
Floating rate instruments	4,071,544	4,698,280	4,253,481
Total	**9,370,754**	**9,171,202**	**8,038,925**

Interest Rate Sensitivity

The following table demonstrates the net sensitivity to a reasonably possible change in interest rate (all other variables being constant) of the Statement of Profit and Loss (after taxes) and equity:

(₹ in Lakh)

Particulars	Basis Points	For the year ended March 31, 2019	For the year ended March 31, 2018
Increase by basis points	50	6,325	14,479
Decrease by basis points	(50)	6,325	14,479

Exchange Rate Risk

The Board of Directors of the Company has an approved Foreign Exchange and Interest Rate Risk Management Policy Document. The Company manages the currency risk in accordance with the guidelines prescribed.

Notes

forming part of the financial statements for the year ended March 31, 2019

The Company's activities expose it to the financial risks of changes in foreign exchange rates and interest rates. The Company uses derivative contracts such as foreign exchange forward, cross currency contracts, interest rate swaps, foreign currency futures, options and swaps to hedge its exposure to movements in foreign exchange rates and interest rates. The use of these foreign exchange and forward contracts reduce the risk or cost to the Company and the Company does not use those for trading or speculation purposes. The Company uses hedging instruments that are governed by the policies of the Company which are approved by the Board of Directors, which provide written principles on the use of such financial derivatives consistent with the risk management strategy of the Company.

The exposure in foreign currency in respect of the External Commercial Borrowings has been fully hedged by foreign currency swap contract is as under (Also refer Note 6 in respect of details of derivative contracts):

As at	₹ in Lakh	USD in Lakh
March 31, 2019	280,749	4,117
March 31, 2018	295,412	4,594
April 1, 2017	315,276	4,933

Hedging Policy

The Company's hedging policy only allows for effective hedging relationships to be considered as hedges as per the relevant Ind AS. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Company enters into hedge relationships where the critical terms of the hedging instrument match with the terms of the hedged item, and so a qualitative and quantitative assessment of effectiveness is performed.

Cash Flow Hedge

The impact of the hedging instrument and hedged item on the balance sheet:

Hedging Instrument

(₹ in Lakh)

Particulars	Notional amount	Carrying amount of hedging instruments Assets	Carrying amount of hedging instruments liabilities	Line in the balance sheet	Weighted average contract / strike price of the hedging instrument	Change in the fair value in the hedging instrument used as the basis for recognising hedge ineffectiveness - (profit) / loss
March 31, 2019						
INR USD - Currency Swaps	294,293	10,198	809	Derivative Financial Instruments	Weighted Average 64.25 Ranging between 59.75 to 67.25	21,252
INR USD - Forward exchange contracts	18,861	-	526	Derivative Financial Instruments	Weighted Average 74.52 Ranging between 71.20 to 85.	-
Total	**313,154**	**10,198**	**1,335**			**21,252**

Notes

forming part of the financial statements for the year ended March 31, 2019

(₹ in Lakh)

Particulars	Notional amount	Carrying amount of hedging instruments Assets	Carrying amount of hedging instruments liabilities	Line in the balance sheet	Weighted average contract / strike price of the hedging instrument	Change in the fair value in the hedging instrument used as the basis for recognising hedge ineffectiveness - (profit) / loss
March 31, 2018						
INR USD - Currency Swaps	299,443	1,718	13,581	Derivative Financial Instruments	Weighted Average 64.25 Ranging between 59.75 to 67.25	(3,690)
Total	**299,443**	**1,718**	**13,581**			**(3,690)**
April 1, 2017						
INR USD - Currency Swaps	319,927	3,102	11,275	Derivative Financial Instruments	Weighted Average 64.25 Ranging between 59.75 to 67.25	-
Total	**319,927**	**3,102**	**11,275**			**-**

Hedged Item

(₹ in Lakh)

Particulars	Change in the value of hedged item used as the basis for recognising hedge ineffectiveness	Cash flow hedge reserve as at - (Debit)/ Credit -	Cost of hedging as at	Foreign Currency Monetary Items Translation Reserve
March 31, 2019				NA
External Commercial Borrowings	17,804	(3,832)	-	
March 31, 2018				NA
External Commercial Borrowings	2,967	(5,637)	-	
April 1, 2017				NA
External Commercial Borrowings	2,572	(5,720)	-	

The impact of the cashflow hedges in the statement of proft and loss and other comprehensive income:

Particulars	Hedging gains or losses recognised in other comprehensive income		
	March 31, 2019	March 31, 2018	April 1, 2017
Forward exchange contracts and Currency swaps	1,805	83	(5,720)

Fair Value Hedge

The impact of the hedging instrument and hedged item on the balance sheet:

Notes

forming part of the financial statements for the year ended March 31, 2019

Hedging Instrument

(₹ in Lakh)

Particulars	Notional amount	Carrying amount - Asset	Line in the balance sheet	Change in fair value used for measuring ineffectiveness for the period
Interest Rate Swap as at				
March 31, 2019	190,000	3,281	Derivative Financial Instruments	-
March 31, 2018	-	-		NA
April 1, 2017	-	-		NA

Hedged Item

(₹ in Lakh)

Particulars	Notional amount	Carrying amount - Asset	Line in the balance sheet	Change in fair value used for measuring ineffectiveness for the period
Fixed rate borrowing as at				
March 31, 2019	190,000	3,294	Debt Securities	-
March 31, 2018	-	-		NA
April 1, 2017	-	-		NA

The impact of the fair value hedges in the statement of profit and loss:

Particulars	Hedge ineffectiveness recognised in statement of profit and loss - Gain/ (Loss)			Line in the statement of profit and loss that includes hedge ineffectiveness
	March 31, 2019	**March 31, 2018**	**April 1, 2017**	
Interest Rate Swap	(13)	-	-	Finance Cost

c **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 the company. In its lending operations, the Company is principally exposed to credit risk.

The credit risk is governed by the Credit Policy approved by the Board of Directors. The Credit 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 corporate borrowers. The credit risk for retail borrowers is being managed at portfolio level for both Home loans and Other property 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.

Credit Risk Assessment Methodology:

Housing and other property loans:

Company's customers for retail loans are primarily Lower and middle income, salaried and self-employed individuals.

The Company's credit officers evaluate credit proposals on the basis of approved operating policies. The criteria typically include factors such as the borrower's income, the loan-to-value ratio and demographic parameters. Any deviations need to be approved at the designated levels.

Notes

forming part of the financial statements for the year ended March 31, 2019

External agencies such as field investigation agencies facilitate a comprehensive due diligence process including visits to offices and homes in the case of loans made to retail borrowers.

The Company has an established credit appraisal procedure leading to appropriate identification of credit risk for wholesale mortgage loans which involves critical assessment of quantitative and qualitative parameters subject to review and approval basis approved operating policies. A significant portion of wholesale mortgage loans are secured by a lien over appropriate assets of the borrower.

Company monitor's borrower account behavior as well as static data regularly to monitor the portfolio performance of each product segment regularly, and use these as inputs in revising its product programs, target market definitions and credit assessment criteria to meet the twin objectives of combining volume growth and maintenance of asset quality.

The loans are secured by the mortgage of the borrowers' property.

Loan to developers:

The Company has a framework for the appraisal and execution of project finance transactions. The Company believes that this framework creates optimal risk identification, allocation and mitigation and helps minimize residual risk.

The project finance approval process begins with a detailed evaluation of technical, commercial, financial, marketing and management factors and the sponsor's financial strength and experience.

As part of the appraisal process, a risk matrix is generated, which identifies each of the project risks, mitigating factors and residual risks associated with the project. After credit approval, a letter of intent is issued to the borrower, which outlines the principal financial terms of the proposed facility, sponsor obligations, conditions precedent to disbursement, undertakings from and covenants on the borrower.

After completion of all formalities by the borrower, a loan agreement is entered into with the borrower.

Project finance loans are generally fully secured and have full recourse against the borrower. In most cases, the Company has a security interest and first lien on all the fixed assets. Security interests typically include property as well as other tangible assets of the borrower, both present and future. The Corporation also takes additional credit comforts such as corporate or personal guarantees from one or more sponsors of the project.

The Company requires the borrower to submit periodic reports and continue to monitor the credit exposure until loans are fully repaid.

The Company's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising expected credit losses
Stage 1	0-30 days past due loans classified as stage 1	12-month ECL
Stage 2	31-90 days past due loans classified as stage 2	Lifetime ECL
Stage 3	> 90 days past due loans classified as stage 3	Lifetime ECL – credit-impaired

The key elements in calculation of ECL are as follows:

PD - The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. The PD has been determined based on seasoned historical portfolio data using the survival analysis methodology.

EAD - The Exposure at Default includes repayments scheduled by contract or otherwise, expected drawdowns on committed facilities, accrued interest from missed payments and loan commitments.

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

Notes

forming part of the financial statements for the year ended March 31, 2019

An analysis of changes in the gross carrying amount (excluding adjustment to carrying value on account of application of effective interest rate) and the corresponding ECL allowances in relation to lending is, as follows:

a Housing and Other Property Loan

The table below shows the credit quality and the exposure to credit risk based on the year-end stage classification. The amounts presented are gross of impairment allowances.

Reconciliation of Loan balances is given below:

(₹ in Lakh)

Particulars	March 31, 2019				March 31, 2018			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**6,895,953**	**441,024**	**84,575**	**7,421,552**	**5,705,351**	**156,574**	**53,891**	**5,915,816**
New assets added during the year	2,259,050	81,022	-	2,340,072	3,678,077	-	-	3,678,077
Assets derecognised under direct assignment	(1,747,976)	(1,668)	-	(1,749,644)	(1,149,519)	-	-	(1,149,519)
Repayment of Loans (excluding write offs)	(2,368,674)	(53,807)	(24,737)	(2,447,218)	(4,390,731)	(40,056)	(19,092)	(4,449,879)
Transfers to / from Stage 1	1,442,948	(27,310)	41,591	1,457,229	3,238,542	(22,591)	3,489	3,219,440
Transfers to / from Stage 2	(67,484)	81,137	(1,322)	12,331	(165,937)	356,776	(924)	189,915
Transfers to / from Stage 3	(90,307)	(60,013)	163,036	12,716	(27,526)	(11,616)	43,164	4,022
Considered at Fair Value	(683584)	(339599)	(1076)	(1024259)	-	-	-	-
Amounts written off	4,772	1,536	4,986	11,294	7,696	1,937	4,047	13,680
Gross carrying amount closing balance	**5,644,698**	**122,322**	**267,053**	**6,034,073**	**6,895,953**	**441,024**	**84,575**	**7,421,552**

Reconciliation of ECL balance is given below:

(₹ in Lakh)

Particulars	March 31, 2019				March 31, 2018			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance	**24,146**	**13,448**	**28,454**	**66,048**	**21,958**	**848**	**20,240**	**43,046**
ECL remeasurements due to changes in EAD/ assumptions (net)	(6,153)	1,003	(9,099)	(14,249)	(4,181)	(1,774)	(5,111)	(11,066)
Transfers to / from Stage 1	4,812	(1,073)	15,298	19,037	6,756	(1,001)	934	6,689
Transfers to / from Stage 2	(225)	3,188	(486)	2,477	(346)	15,804	(247)	15,211
Transfers to / from Stage 3	(301)	(2,358)	59,967	57,308	(57)	(515)	11,555	10,983
on Considered at Fair Value	(2,280)	(13,343)	(396)	(16,019)	-	-	-	-
on amounts written off	16	60	1,834	1,910	16	86	1,083	1,185
Closing balance	**20,015**	**925**	**95,572**	**1,16,512**	**24,146**	**13,448**	**28,454**	**66,048**

Notes:

1 The Expected Credit Loss shown above is computed on Exposure At Default (EAD) which comprises of the principal loan amount, EMI/PEMI and interest receivables.

2 Above includes Expected Credit Loss provision on Loan commitment amount to ₹ 834 Lakh (As at March 31, 2018 and April 1, 2017 : ₹ 453 Lakh and ₹ 188 Lakh respectively.

Notes

forming part of the financial statements for the year ended March 31, 2019

b Loans to Developers

Reconciliation of Loan balances is given below:

(₹ in Lakh)

Particulars	March 31, 2019				March 31, 2018			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**1,611,628**	**252,799**	**32,936**	**1,897,363**	**1,142,304**	**194,487**	**64,196**	**1,400,987**
New assets added during the year	784,695	6,152	-	790,847	819,154	90,403	-	909,557
Assets derecognised under direct assignment	135,300	-	-	135,300	-	-	-	-
Repayment of Loans (excluding write offs)	(163,989)	(57,721)	(27,970)	(249,680)	(1,726,671)	761,204	(40,996)	(1,006,463)
Transfers to / from Stage 1	(262,897)	262,897	-	-	1,502,801	(882,858)	7,750	627,693
Transfers to / from Stage 2	-	-	-	-	(56006)	93028	-	37022
Transfers to / from Stage 3	-	-	(4,436)	(4,436)	(4,284)	(3,465)	(325)	(8,074)
Considered at Fair Value	(1,994,632)	(464,126)	(5,214)	(2,463,972)	(65,670)	-	-	(65,670)
Amounts written off	37,507	-	9,933	47,440	-	-	2,311	2,311
Gross carrying amount closing balance	**147,612**	**1**	**5,249**	**152,862**	**1,611,628**	**252,799**	**32,936**	**1,897,363**

Reconciliation of ECL balance is given below:

(₹ in Lakh)

Particulars	March 31, 2019				March 31, 2018			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance	**43,467**	**11,150**	**15,807**	**70,424**	**25,848**	**6,453**	**15,232**	**47,533**
ECL remeasurements due to changes in EAD/ assumptions (net)	22,445	(2,275)	(15,275)	4,895	(35,286)	68,600	753	34,067
Transfers to / from Stage 1	(7,805)	11,596	-	3,791	57,745	(71,118)	(142)	(13,515)
Transfers to / from Stage 2	-	-	-	-	(2,152)	7,494	-	5,342
Transfers to / from Stage 3	-	-	(2,423)	(2,423)	(165)	(279)	6	(438)
on Considered at Fair Value	(59,221)	(20,471)	(2,847)	(82,539)	(2,523)	-	-	(2,523)
on amounts written off	1,114	-	5,424	6,538	-	-	(42)	(42)
Closing balance	**-**	**-**	**686**	**686**	**43,467**	**11,150**	**15,807**	**70,424**

Notes:

1 The Expected Credit Loss shown above is computed on Exposure At Default (EAD) which comprises of the principal loan amount, EMI/PEMI and interest receivables.

2 Above includes Expected Credit Loss provision on Loan commitment amount to Nil (As at March 31, 2018 and April 1, 2017: ₹ 4,767 Lakh and ₹ 2,481 Lakh respectively).

Notes

forming part of the financial statements for the year ended March 31, 2019

c Inter Corporate Deposits

Reconciliation of Inter Corporate loan balances is given below:

(₹ in Lakh)

Particulars	March 31, 2019				March 31, 2018			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**22,023**	**1,776**	**38,944**	**62,743**	**1,200**	**-**	**1,447**	**2,647**
New assets added during the year	606,125	-	-	606,125	893,327	-	-	893,327
Repayment of Loans	(103,599)	-	-	(103,599)	(833,231)	-	-	(833,231)
Transfers to / from Stage 1	(28,286)	28,286	-	-	-	-	-	-
Transfers to / from Stage 2	-	(1,776)	1,776	-	(1,776)	1,776	-	-
Transfers to / from Stage 3	(485,209)	-	485,209	-	(37,497)	-	37,497	-
Gross carrying amount closing balance	**11,054**	**28,286**	**525,929**	**565,269**	**22,023**	**1,776**	**38,944**	**62,743**

Reconciliation of ECL balance is given below:

(₹ in Lakh)

Particulars	March 31, 2019				March 31, 2018			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance	**675**	**54**	**1,447**	**2,176**	**36**	**-**	**1,447**	**1,483**
ECL remeasurements due to changes in EAD/ assumptions (net)	13,892	-	-	13,892	1842	-	-	1,842
Transfers to / from Stage 1	(782)	863	-	81	-	-	-	-
Transfers to / from Stage 2	-	(54)	-	(54)	(54)	54	-	-
Transfers to / from Stage 3	(13,413)	-	-	(13,413)	(1,149)	-	-	(1,149)
Closing balance	**372**	**863**	**1,447**	**2,682**	**675**	**54**	**1,447**	**2,176**

Note:

The Expected Credit Loss shown above is computed on Exposure At Default (EAD) which comprises of the principal loan amount and outstanding interest receivables.

d Reconciliation of ECL balance on loan to others are as given below:

	₹ In lakh
As at April 1, 2017	19
Add: on addition	-
Less: on deletion	-
As at March 31, 2018	19
Add: on addition	-
Less: on deletion	-
As at March 31, 2019	19

e Concentration of Loans & Advances

Particulars	As at 31-03-2019	As at 31-03-2018
Total Exposure to twenty largest borrowers/customers*	13,97,757	12,33,282
Percentage of Exposures to twenty largest borrowers /Customers to total Exposure on Borrowers /Customers	14.95%	13.42%

*Includes loans which are fair valued as at March 31, 2019

Notes

forming part of the financial statements for the year ended March 31, 2019

45 IMPAIRMENT ALLOWANCE FOR LOAN AGAINST FIXED DEPOSIT IS NIL AND THEREFORE RELATED DISCLOSURES AS REQUIRED BY IND AS 109 ARE NOT GIVEN IN THE FINANCIAL STATEMENT.

Capital Management

The Company's objectives when managing capital are to:

- 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
- 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 and Liquid investments) divided by Total 'equity' (as shown in the balance sheet). Also refer Note 54 on going concern consideration.

Particulars	Amount
Total borrowings net of cash and cash equivalents (₹ in Lakh)	92,44,791
Total Equity (₹ in Lakh)	8,10,206
Debt Equity Ratio	11.41

46 SEGMENT REPORTING

As per requirements of Ind AS 108 on 'Operating Segments', based on evaluation of financial information for allocation resources and assessing performance, the Company has identified a single segment i.e. providing loans for purchase or constructions of residential houses including all related activities. Accordingly, there are no separate reportable segments as per Ind AS 108.

The Company has its operations majorly within India and all revenue is generated within India.

47 a Employee benefits

Defined Contribution Plan

The company makes contributions to provident fund for qualifying employees to Regional Provident Fund Commissioner under defined. Amount recognised as an expense and included under the head "Contribution to Provident and Other Funds" of Statement of Profit and Loss are as follows:

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Contribution to provident fund	1,049	921
Contribution to pension fund	484	360

b Defined Obligation Benefit

The company provides gratuity to its employees which are defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

These gratuity plan typically expose the Company to actuarial risks such as: investment risk, interest risk, longevity risk and salary risk.

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. For other defined benefit plans, the discount rate is determined by reference to market yield at the end of reporting period on high quality corporate bonds when there is a deep market for such bonds; if the return on plan asset is below this rate, it will create a plan deficit.

Notes

forming part of the financial statements for the year ended March 31, 2019

Interest risk:

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan debt investments.

Longevity risk:

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk:

The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The following table sets out the funded status of the Gratuity and the amount recognised in the Financial Statements:

i **Changes in Defined Benefit Obligation**

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Liability at the beginning of the year	1,699	1,221
Current Service Cost	378	248
Past Service Cost	-	80
Interest cost	134	93
Benefits paid	(237)	(243)
Actuarial (gain) /losses	(151)	300
Liability at the end of the year	1,823	1,699

ii **Changes in Fair Value of Plan Assets**

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Fair Value of Plan Assets at the beginning of the year	1,856	1,443
Expected Return on Plan Assets	146	109
Contributions	723	483
Benefits Paid	(197)	(179)
Actuarial (loss)	(22)	(1)
Fair Value of Plan Assets at the end of the year	**2,506**	**1,855**

iii **Reconciliation of Fair Value of Assets and Obligations**

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Fair value of Plan Assets	2,506	1,855
Present Value of Obligation	1,823	1,699
Net Asset / (Liability) recognized in the Balance Sheet	**683**	**156**

Notes
forming part of the financial statements for the year ended March 31, 2019

iv Expenses recognized in Statement of Profit and Loss

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Current Service Cost	378	248
Net interest on net defined benefit assets	134	93
Past Service Cost	-	80
Expected Return on Plan Assets	(146)	(109)
Expenses recognized in the statement of profit and loss under employee benefits	**366**	**312**

v Expenses recognized in Other Comprehensive Income

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Actuarial (Gain)/Loss on Obligation for the Period	(151)	299
Return on Plan Assets, Excluding Interest Income	22	2
(Income) / Expenses recognized in the other comprehensive income	**(129)**	**301**

vi Expected benefit payments

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
1st Following Year	102	43
2nd Following Year	89	61
3rd Following Year	82	69
4thFollowing Year	108	62
5thFollowing Year	127	93
Sum of Year 6 to 10	739	679

vii Actuarial Assumptions

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Mortality Table (LIC)	2006-08	2006-08
Discount Rate (P. A.)	7.59%	7.87%
Expected rate of return on plan asset (per annum)	7.59%	7.87%
Rate of Escalation in Salary (P.A.)	6%	6%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factor including supply and demand in the employment market. The above information is certified by actuary.

The expected rate of return on plan asset is determined considering several applicable factors, mainly the composition of plan asset held, assessed risks, historical result of return on plan assets and the Company's policy for plan assets management.

Notes

forming part of the financial statements for the year ended March 31, 2019

Effect of change in assumptions

(₹ in Lakh)

Particulars	Plan Liabilities	Plan Asset
Projected Benefit Obligation on Current Assumptions	1,823	1,699
Delta Effect of +1% Change in Rate of Discounting	(172)	(186)
Delta Effect of -1% Change in Rate of Discounting	202	221
Delta Effect of +1% Change in Rate of Salary Increase	183	223
Delta Effect of -1% Change in Rate of Salary Increase	(165)	(191)
Delta Effect of +1% Change in Rate of Employee Turnover	22	25
Delta Effect of -1% Change in Rate of Employee Turnover	(26)	(30)

viii **Amount recognised in current year and previous year**

Gratuity :

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Defined benefit obligation	(1,823)	(1,699)
Fair value of plan asset	2,506	1,856
Surplus in the plan	683	156
Actuarial (gain)/loss on plan obligation	(151)	300
Actuarial (loss) on plan asset	(22)	(1)

48. AS PER IND AS 24 ON "RELATED PARTY DISCLOSURE" DETAILS OF TRANSACTIONS WITH RELATED PARTIES AS DEFINED THEREIN ARE GIVEN BELOW :

A) List of related parties where control exists:

(i) Subsidiaries

a. DHFL Advisory & Investments Private Limited

b. DHFL Holdings Limited

B) List of related parties with whom transactions have taken place during the year and relationship:

(i) Joint Ventures

a. DHFL Pramerica Asset Managers Private Limited

b. DHFL Pramerica Trustees Private Limited

(ii) Associate Companies

a. Avanse Financial Services Limited

b. Aadhar Housing Finance Limited (Formerly known as DHFL Vysya Housing Finance Limited)[1]

c. Aadhar Housing Finance Limited (Erstwhile)[1]

Notes

forming part of the financial statements for the year ended March 31, 2019

(iii) Enterprises over which KMP are able to exercise significant influence

a. Arthveda Fund Management Private Limited

b. Wadhawan Holdings Private Limited

c. Dish Hospitality Private Limited

d. WGC Management Services Private Limited

e. Wadhawan Sports Private Limited

f. Essential Hospitality Private Limited

g. DHFL General Insurance Limited (w.e.f. 1st Nov, 2017)

h. DHFL Pramerica Life Insurance Company Limited

i. Wadhawan Global Capital Limited

j. DHFL Changing Lives Foundation (w.e.f. 1st Nov, 2017)

(iv) Key Management Personnel

a. Mr. Kapil Wadhawan

b. Mr Dheeraj Wadhawan

c. Mr. Harshil Mehta (Upto 13th February, 2019)

d. G P Kohli (Non -executive Director)

e. Mannil Venugopalan (Non -executive Director)

f. Srinath Sridharan (Non -executive Director)

g. V K Chopra (Non -executive Director)

(v) Relatives of Key Managerial Personnel

a. Mrs Aruna Wadhawan

(1) In terms of Scheme of Amalgamation, approved by National Company Law Tribunal on October 27,2017, Erstwhile Aadhar Housing Finance Limited has been merged with the DHFL Vysya Housing Finance Limited. Name of DHFL Vysya Housing Finance Limited has been changed to Aadhar Housing Finance Limited after merger.

A) DETAILS OF TRANSACTIONS :

Nature of Transactions	Subsidiaries		Joint Ventures		Associate Companies/ Others*		Key Management Personnel	
	2018-2019	2017-18	2018-2019	2017-18	2018-2019	2017-18	2018-2019	2017-18
1) Investments								
Investments Made	1	-	-	-	-	7,736	-	-
2) Loans, Advances, Deposits and other assets			-					
Given **	6	25	-	-	3,075	2,920	1,343	
Returned/Written Off	25	-	-	-	1,215	-	767	0

Notes

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Nature of Transactions	Subsidiaries		Joint Ventures		Associate Companies/ Others*		Key Management Personnel	
	2018-2019	2017-18	2018-2019	2017-18	2018-2019	2017-18	2018-2019	2017-18
3) Borrowings, Security Deposits and other liabilities								
Received	-	-	-	-	0	416	-	-
Repayment/Adjusted	-	-	-	-	208		-	-
4) Income								
Commission	-	-	41	3	4,955	5,029	-	-
Trademark Licence Fees	-	-	-	-	- 3,999	4,384	-	-
Dividend	-	-	-	-	161	73	-	
Interest	13	-	-	-	353	57	2	2
Rent & Maintenance	-	-	3	6	1,417	1,042		
Other Income	-	-	-	-	389	113	0	0
Technical Fees	-	-	-	-	5	8	-	-
Servicing fees	-	-	-	-	17	-	-	-
5) Expenditure								
Remuneration	-	-	-	-		-	1,068	918
Rent Expenses	-	-	-	-	1,995	1,895	-	-
Brokerage and Marketing Fees	-	-	-	-	17	32	-	-
Insurance Charges	-	-	-	-	612	65	-	-
Service Charges	-	-	-	-		1	-	-
Canteen Expenses	-	-	-	-	140	115	-	-
Electricity Expenses	-	-	-	-	2	-	-	-
CSR Expenses	-	-	-	-	1,654	579	-	-
Professional Charges	-	-	-	-	1	-	-	-
Directors Sitting Fees	-	-	-	-	-	-	39	22
6) Sale of Loans (Securitisation)	-	-	-	-	37,894	-	-	-
7) Purchase/Sale of Securities (Net)	-	-	-	-	22,787	-	-	-
8) Sale & Purchase PPE	-	-	-	-	7	-	-	-
INCOME RECEIVED FROM :								
1) Commission								
DHFL Pramerica Life Insurance Co Ltd	-	-	-	-	2,783	3,119	-	-
DHFL Pramerica Asset Managers Pvt Ltd	-	-	41	3	-	-	-	-
DHFL General Insurance Ltd	-	-	-	-	2,172	1,910	-	-
2) Trademark Licence Fees								
DHFL General Insurance Ltd	-	-	-	-	(3,999)	4,384	-	-
3) Dividend								
Aadhar Housing Finance Ltd (Formerly known as DHFL Vysya Housing Finance Ltd)	-	-	-	-	161	73	-	-

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forming part of the financial statements for the year ended March 31, 2019

Nature of Transactions	Subsidiaries		Joint Ventures		Associate Companies/ Others*		Key Management Personnel	
	2018-2019	2017-18	2018-2019	2017-18	2018-2019	2017-18	2018-2019	2017-18
4) Interest								
DHFL Advisory & Investments P Ltd	13	-	-	-		-	-	-
Wadhawan Holding Pvt Ltd	-	-	-	-	338	57	-	-
Wadhawan Global Capital Ltd	-	-	-	-	15	-	-	-
Mr. Harshil Mehta	-	-	-	-		-	2	2
5) Rent & Maintenance Charges								
DHFL Pramerica Asset Managers Pvt Ltd	-	-	3	6	-	-	-	-
Arthveda Fund Management Pvt Ltd	-	-	-	-	2	66	-	-
Aadhar Housing Finance Ltd (Formerly DHFL Vysya)	-	-	-	-	163	152	-	-
Avanse Financial Services Ltd	-	-	-	-	506	307	-	-
WGC Management Services Pvt Ltd	-	-	-	-	229	218	-	-
DHFL General Insurance Ltd	-	-	-	-	502	299	-	-
DHFL Pramerica Life Insurance Company Ltd	-	-	-	-	15	-	-	-
6) Other Income								
Mr. Harshil Mehta	-	-	-	-	-	-	0	0
Aadhar Housing Finance Limited (Formerly known as DHFL Vysya Housing Finance Limited)	-	-	-	-	200	96	-	-
Avanse Financial Services Pvt Ltd	-	-	-	-	189	17	-	-
7) Technical Fees								
Avanse Financial Services Pvt Ltd	-	-		-	5	8	-	-
8) Service Charges								
Aadhar Housing Finance Ltd	-	-	-	-	17	-	-	-
EXPENDITURE :								
1) Rent, Rates & Taxes								
Wadhawan Holdings Private Limited	-	-	-	-	258	241	-	-
Essential Hospitality Private Limited	-	-	-	-	1,736	1,654	-	-
Arthveda Fund Management Private Limited	-	-	-	-	-	-	-	-
2) Remuneration								
Mr. Kapil Wadhawan	-	-	-	-	-	-	321	399
Mr. Harshil Mehta	-	-	-	-	-	-	747	519
Directors Sitting Fees								
Dheeraj Wadhawan	-	-	-	-	-	-	5	5
G P Kohli	-	-	-	-	-	-	14	8
Mannil Venugopalan	-	-	-	-	-	-	8	3

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forming part of the financial statements for the year ended March 31, 2019

Nature of Transactions	Subsidiaries		Joint Ventures		Associate Companies/ Others*		Key Management Personnel	
	2018-2019	2017-18	2018-2019	2017-18	2018-2019	2017-18	2018-2019	2017-18
Srinath Sridharan	-	-	-	-	-	-	1	-
V K Chopra	-	-	-	-	-	-	8	5
Vijaya Sampath	-	-	-	-	-	-	3	2
3) Brokerage and Marketing Fees								
Avanse Financial Services Ltd	-	-	-	-	17	32	-	-
4) Insurance Charges								
DHFL Pramerica Life Insurance Co Ltd	-	-	-	-	92	65	-	-
DHFL General Insurance Ltd	-	-	-	-	520	-	-	-
5) Canteen Expenses								
Dish Hospitality Private Limited	-	-	-	-	140	115	-	-
6) Professional Charges								
Aadhar Housing Finance Limited (Formerly known as DHFL Vysya Housing Finance Limited)	-	-	-	-	1	1	-	-
7) Interest Paid								
DHFL Pramerica Life Insurance Co Ltd	-	-	-	-	-	-	-	-
8) Electricity Expenses								
Arthveda Fund Management Private Limited	-	-	-	-	2	-	-	-
9) CSR Expenses								
DHFL Changing Lives Foundation	-	-		-	1,654	579		-
ASSETS \ LIABILITIES :								
1) Investments Made	-	-	-	-	-	-	-	-
Avanse Financial Services Ltd	-	-	-	-	-	7,736	-	-
DHFL Holding Ltd	1	-	-	-	-	-	-	-
2) Loans, Advances, Deposits paid and other assets								
DHFL Pramerica Life Insurance Co Ltd	-	-	-	-	11	-	-	-
DHFL Advisory & Investments P Ltd	6	25	-	-	-	-	-	-
DHFL Holding Ltd	0	-	-	-	-	-	-	-
DHFL General Insurance Ltd	-	-	-	-	64	100	-	-
Wadhawan Holding Private Ltd	-	-	-	-	-	2,820		-
Mr. Harshil Mehta	-	-	-	-	-	-	1,343	-
Wadhawan Global Capital Ltd	-	-	-	-	3,000	-	-	-

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forming part of the financial statements for the year ended March 31, 2019

Nature of Transactions	Subsidiaries		Joint Ventures		Associate Companies/ Others*		Key Management Personnel	
	2018-2019	2017-18	2018-2019	2017-18	2018-2019	2017-18	2018-2019	2017-18
3) Loans & Advances Received Back / Written Off								
DHFL Advisory & Investments Pvt Ltd	25	-	-	-	-	-	-	-
Essential Hospitality Private Ltd (Security Deposit)	-	-	-	-	1,215	-	-	-
Mr. Harshil Mehta	-	-	-	-	-	-	767	0
4) Security Deposit Received								
Avanse Financial Services Ltd	-	-	-	-	0	208	-	-
DHFL General Insurance Ltd	-	-	-	-	-	208	-	-
5) Repayment of Borrowings/ Deposits								
Avanse Financial Services Ltd	-	-	-	-	0	-	-	-
DHFL General Insurance Ltd	-	-	-	-	208	-	-	-
6) Sale of Loans (Securitisation)								
Aadhar Housing Finance Ltd	-	-	-	-	37,894	-	-	-
7) Sale / (Purchase) of Securities (Net)								
Aadhar Housing Finance Ltd	-	-	-	-	22,787	-	-	-
8) Sale/ (Purchase) PPE (Net)								
Avanse Financial Services Ltd	-	-	-	-	(0)	-	-	-
Aadhar Housing Finance Ltd	-	-	-	-	7	-	-	-

B) Details of transactions :

(₹ in lakh)

Nature of Transactions	Subsidiaries			Joint Ventures			Associate Companies/Others*			Key Management Personnel		
	2018-19	2017-18	2016-17	2018-19	2017-18	2016-17	2018-19	2017-18	2016-17	2018-19	2017-18	2016-17
CLOSING BALANCES	146	153	128	2	1	10	2,463	8,934	2,246	643	67	67
a) Loans, Advances, Deposits, trade receivables (net) and other assets	146	153	128	2	1	10	2,463	8,934	2,246	643	67	67
b) Borrowings / Security Deposits (Net)	-	-	-	-	-	-	224	432	17	-	-	-
c) Investments	7,502	7,501	7,501	3,775	3,775	3,775	14,529	14,529	6,793		-	-
CLOSING BALANCES :												
1) Loans, Advances, Deposits and other assets												
DHFL Advisory & Investments Pvt Ltd	146	153	128	-	-	-	-	-	-	-	-	-
Wadhawan Holding Private Ltd	-	-	-	-	-	-	2,958	2,820	-	-	-	-
Essential Hospitality Private Ltd	-	-	-	-	-	-	-	1,215	1,215	-	-	-
DHFL Holding Ltd	0	-	-	-	-	-	-	-	-	-	-	-

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(₹ in lakh)

Nature of Transactions	Subsidiaries			Joint Ventures			Associate Companies/Others*			Key Management Personnel		
	2018-19	2017-18	2016-17	2018-19	2017-18	2016-17	2018-19	2017-18	2016-17	2018-19	2017-18	2016-17
Wadhawan Global Capital Ltd	-	-	-	-	-	-	3,015	-	-	-	-	-
DHFL General Insurance Ltd	-	-	-	-	-	-	164	100	-	-	-	-
DHFL Pramerica Life Insurance Co. Ltd	-	-	-	-	-	10	21	10	-	-	-	-
Mr. Harshil Mehta	-	-	-	-	-	-	-	-	-	643	67	67
2) Trade Receivable and other assets												
Aadhar Housing Finance Limited (Refer Note 9)	-	-	-	-	-	-	237	105	-	-	-	-
DHFL Pramerica Life Insurance Co Ltd	-	-	-	-	-	-	33	954	150	-	-	-
DHFL Pramerica Asset Managers Pvt Ltd	-	-	-	2	1	0	-	-	-	-	-	-
Arthveda Fund Management Private Ltd	-	-	-	-	-	-	-	-	30	-	-	-
Aadhar Housing Finance Ltd (Formerly known as DHFL Vysya Housing Finance LTD)	-	-	-	-	-	-	-	606	922	-	-	-
Avanse Financial Services Ltd	-	-	-	-	-	-	163	5	-	-	-	-
DHFL General Insurance Ltd	-	-	-	-	-	-	-	3,120	-	-	-	-
WGC Management Services Pvt Ltd	-	-	-	-	-	-	41	-	-	-	-	-
3) Security Deposit Received												
Avanse Financial Services Ltd	-	-	-	-	-	-	208	208	0	-	-	-
DHFL General Insurance Ltd	-	-	-	-	-	-	-	208	-	-	-	-
Aadhar Housing Finance Ltd (Formerly known as DHFL Vysya Housing Finance Ltd)	-	-	-	-	-	-	16	16	16	-	-	-
4) Trade Payable and Other liabilities												
Dish Hospitality Private Ltd	-	-	-	-	-	-	3	1	10	-	-	-
Wadhawan Holding Private Ltd	-	-	-	-	-	-	25	-	40	-	-	-
(Erstwhile) Aadhar Housing Finance Ltd	-	-	-	-	-	-	-	-	21	-	-	-
DHFL General Insurance Ltd	-	-	-	-	-	-	4,126	-	-	-	-	-

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(₹ in lakh)

Nature of Transactions	Subsidiaries			Joint Ventures			Associate Companies/Others*			Key Management Personnel		
	2018-19	2017-18	2016-17	2018-19	2017-18	2016-17	2018-19	2017-18	2016-17	2018-19	2017-18	2016-17
Aadhar Housing Finance Ltd (Formerly known as DHFL Vysya Housing Finance Ltd)	-	-	-	-	-	-	15	-	-	-	-	-
5) Investments												
DHFL Advisory & Investments P Ltd	7,501	7,501	7,501	-	-	-	-	-	-	-	-	-
DHFL Pramerica Asset Managers Pvt Ltd	-	-	-	3,770	3,770	3,770	-	-	-	-	-	-
DHFL Pramerica Trustee Pvt Ltd	-	-	-	5	5	5	-	-	-	-	-	-
Erstwhile Aadhar Housing Finance Ltd	-	-	-	-	-	-	-	-	1,490	-	-	-
Aadhar Housing Finance Ltd (Formerly known as DHFL Vysya Housing Finance Ltd)	-	-	-	-	-	-	1,805	1,805	315	-	-	-
Avanse Financial Services Ltd	-	-	-	-	-	-	12,724	12,724	4,988	-	-	-
DHFL Holding Ltd	1	-	-	-	-	-	-	-	-	-	-	-

*Other includes Enterprises over which KMP are able to exercise significant influence.

Notes :

1) Related party relationship is as identified by the Company and relied upon by the Auditors.
2) The figures of income and expenses are net of service tax/ Goods and Services tax.
3) Transactions with the related parties are disclosed only till the relationship exists.
4) Previous years figures have been regrouped, rearranged and reclassified wherever necessary.
5) Term loans from banks and loans from NHB are further guaranteed by personal guarantees of Mr Kapil Wadhawan and Mr Dheeraj Wadhawan.
6) Loans from NHB are further guaranteed by personal guarantee of Mrs Aruna Wadhawan and Corporate Guarantee of Wadhawan Global Capital Private Limited.
7) Managerial remuneration excludes the contribution for gratuity as the incremental liability has been accounted by the Company as a whole.
8) There are no provisions for doubtful debts or amount written off or written back for debts due from or due to related parties.
9) The above transactions excludes receivable/ payable in respect of assignment transactions entered into by the Company where either the Company or the associate company is acting as collection agent.
10) Also refer note 6.3
11) Zero denotes amount less than ₹ 50,000

Notes

forming part of the financial statements for the year ended March 31, 2019

49 AS A PART OF THE COMPANY'S EFFORT TO SELL DOWN ITS NON-CORE INVESTMENTS IN ASSOCIATES TO GENERATE LIQUIDITY, THE COMPANY HAS ENTERED INTO BINDING SHARE PURCHASE AGREEMENT FOR –

a sale of 23,01,090 (9.15%) equity shares held in Aadhar Housing Finance Limited (AHFL) to private equity funds managed by Blackstone on 02nd February 2019 for a total consideration of ₹ 20,895 lakh. After obtaining applicable regulatory and other approval ₹ 16,363 lakh has been received by the Company on 10th June 2019 and balance of ₹ 4,532 lakh is expected over the period of next 6 months.

b sale of 1,92,50,719 (30.63%) equity shares held by the Company in Avanse Financial Services Limited (Avanse) to Olive Vine Investments Limited an affiliate of Warburg Pincus Group on 16th March 2019 for a consideration of ₹ 30,352 lakh.

c sale of its entire shareholding in DHFL Pramerica Asset Managers Private Limited,, to M/s PGLH of Delaware Inc. vide agreement dated 21st February '19, subject to related regulatory approvals. As per the same purchase consideration shall be based on the Asset under Management (AUM).

50 In the last week of January, 2019, News portal Cobrapost.com made allegations against the Company's management and its promoters. The Company received a series of questions from the portal shortly before the allegations were made public. The Audit Committee appointed an independent firm of Chartered Accountants (Independent Chartered Accountants) to review the allegations and report to the Committee. The report by Independent Chartered Accountants restricted its scope to the allegations which in their opinion pertained to the Company, highlighted certain procedural lapses and documentation deficiencies inter alia the fact that the end use monitoring of the funds loaned had not been performed despite a specific mandate by the finance Committee as part of the loan sanction conditions. The Statutory Auditors post their review of the Independent Chartered Accountants report, provided their observations and suggestions on the scope, coverage and findings by the Independent Chartered Accountants in the report as well as additional areas that needed to be covered. The management is in the process of determining the action to address the comments of the Statutory Auditors. As stated in the Action taken report tabled before the Audit Committee on 29th March, 2019, the Company has sought written explanations from the loanees for loans where end use monitoring was not effected. The Company is yet to receive responses from the loanees after which a decision on remedial measures including recalling the monies advanced will be made. The Company is undertaking fresh valuation in respect of the loans including underlying securities that were a subject matter of the allegations, from reputed valuation specialists and have been advised by the lawyers that agreements entered into with the loanees are legally enforceable. Necessary adjustments to the carrying values of the loans advanced will be made upon conclusion of the above actions.

51 The unsecured Inter Corporate Deposit (ICD) aggregating ₹ 565,269 lakh were outstanding as at March 31, 2019 and includes ICDs (net) of ₹ 482,014 lakh granted during the year. Of these, ICDs aggregating ₹ 40,870 lakh have since been repaid while ICDs aggregating ₹ 393,699 lakh are expected to be repaid shortly. Balance ICDs aggregating to ₹ 130,700 lakh are being converted into secured term loans. There are documentation deficiencies with respect to grant / rollover of ICDs which are being rectified. The ICDs have been advanced towards regular business activities and were either extended as a temporary loan pending full valuation of project funding or short term corporate requirements. Pending conclusion of these actions, the Management believes that no adjustments are required to the carrying value of the ICDs.

52 In respect of certain Project / Mortgage loans, the management is actively engaged with the loanees to remediate certain lacunae in loan documentation and expects to complete this exercise by September 2019. The management believes that deficiencies in documentation will not affect the enforceability of the underlying security. The Company is confident that the loans extended are secured and recoverable basis the cash flow arising from such project / mortgage loans. Pending completion of this exercise, no adjustments have been made to the carrying values of these loans aggregating to ₹ 2,407,772 lakh which has been largely dealt with in a manner stated in Note 55.

53 During the year, the housing finance sector has been under duress which has been compounded by the liquidity crunch in the real estate sector. Consequent to this, there have been instances where cheques received from the borrowers particularly from the project and mortgage loan customers were not banked at the instance of the borrowers. Entries for receipts were however accounted for in the customer accounts which were subsequently reversed. As at the year end, the collections recorded in this manner aggregated ₹ 187,526 lakh have been remediated at the year-end and the corresponding loans have been dealt with in a manner as stated in Note 55.

Notes

forming part of the financial statements for the year ended March 31, 2019

54 The Company is undergoing substantial financial stress since second half of the current financial year. The Company has suffered consistent downgrades in its credit ratings since February 2019. On 5th June 2019, the credit rating was reduced to 'default grade' despite there being no default till that date. The Company's ability to raise funds has been substantially impaired and the business has been brought to a standstill with there being minimal / virtually no disbursements. These developments may raise a significant doubt on the ability of the Company to continue as a going concern.

The Company is taking active steps to monetize its assets and is in discussions with multiple Indian banks and international financial institutions to sell off its retail as well as wholesale portfolio. It is in discussions with the consortium of bankers / lenders to restructure its borrowings and will take all the necessary steps to ensure that it meets its financial commitments. There have been discussions for stake sale by the promoters to a strategic partner with further equity infusion. The Company on July 1, 2019 had a meeting with the consortium of bankers wherein the bankers agreed to enter into an Inter-creditor Agreement (ICA) for a potential restructuring of company's liabilities. In view thereof, the requirements in respect of creation of debenture redemption reserve and the corresponding deposit in liquid assets shall be assessed upon conclusion of the restructuring plan. The Company is in the process of submitting a resolution plan to the lenders and the lenders are expected to give an in-principle approval to the plan by end of July 2019. The ability of the Company to continue as a going concern is predicated upon its ability to monetize its assets, secure funding from the bankers / investors, restructure its liabilities and recommence its operations. In view of all the actions that are currently underway, these financial statements have been prepared on the basis that the Company is a going concern.

55 Due to the current business environment, the Company no longer holds the project loans, SRA loans and wholesale mortgage loan portfolio for the purposes of solely collecting the principal and interest. The Management envisages to monetise the wholesale loan portfolio. Consequently, the said loans aggregating ₹ 3,488,160 lakh (including ₹ 1,648,717 lakh related to note 53) have been reclassified as Fair Value Through Profit or Loss (FVTPL) as at March 31, 2019 due to the change in business model. As required under Ind AS 109, these assets have been fair valued as at March 31, 2019 based on internal valuations which involve management's judgment and assumptions at ₹ 3,162,815 lakh and the resultant fair value loss aggregating ₹ 325,345 lakh (gross of reversal of provision) has been charged to the Statement of Profit and Loss.

56 The Company had commenced implementation of Expected Credit Loss (ECL) model as part of its Ind AS transition. During the course of the audit, deficiencies have been identified in the historical data used for the purpose of determination of the ECL provision. The Company is in the process of remediating the same, though does not consider the resultant impact to be material. Additionally, the Company has also taken external bureau supportive information (i.e. CIBIL score range band – Probability of default (PD) analysis) of our portfolio in comparison to Industry standards, which indicates that the PD of the Company's Portfolio is better than the Industry standard. Further, based on the Company's borrower profile and CIBIL score the Company is convinced of its assumptions supporting ECL calculation.

57 The Company has received a letter dated July 3, 2019, from the National Housing Bank containing observations emanating from the inspection carried out by NHB for the year ended March 31, 2018 as per the provisions of the National Housing Bank Act, 1987. There are observations in the letter inter-alia being impact on the Capital Adequacy Ratio of the Company as at March 31, 2018 reduced to 10.24%. NHB has directed the Company to provide a specific response to all the observations within a period of 21 days. The management does not concur with the observation of the NHB and will provide an appropriate response within the stipulated time. As mentioned in the note 55 above, on account of classification of project loans, SRA loans and wholesale mortgage loans as Fair Value through Profit or Loss (FVTPL) due to the change in business model as at March 31, 2019, has resulted in a charge of fair value loss aggregating to ₹ 325,345 Lakh (gross of reversal of provision) to the Statement of Profit and Loss. While the management does not agree with the observations of the NHB and will provide an appropriate response within the stipulated time, these financials statements have been prepared without providing the disclosures to be made in the financial statements as mandated under the NHB Guidelines. Necessary disclosures will be compiled and provided to the stakeholders at a later date upon conclusion of the matter. In view of these financial statements being prepared using Indian Accounting Standards (Ind AS) while the NHB observations relate to numbers compiled on the basis of regulatory guidelines, the Management believes that the aforesaid observations may not have any implications on the financial statements.

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forming part of the financial statements for the year ended March 31, 2019

58 The Company has recognized net deferred tax asset of ₹ 44,281 lakh as at March 31, 2019. Ind AS 12 – 'Income Taxes' requires the Company to determine the probability of sufficient future taxable income to utilize the deferred tax asset. Considering the factors described in Note 54, the Company is of the view that no adjustment is required to the carrying value of the deferred tax asset.

59 The Company has incurred expenditure aggregating ₹ 10,401 lakh for development of customised software for its operations and recording of transactions which has been carried as intangible asset under development as at March 31, 2019. Considering the factors described in Note 54, the Company is of the view that no adjustment is required to be made to the carrying value of the intangible asset under development pursuant to the requirements of Ind AS 36 on Impairment of Assets.

60 The National Housing Bank has imposed penalty of ₹ 0.65 lakh plus applicable taxes due to short provisioning on account of wrong assets classification of 12 rescheduled/ restructured Slum Redevelopment Project loans and 1 non housing loan amounting ₹ 89,307 lakh in terms of paragraph 29(6) of the Housing Finance Companies (NHB) Directions, 2010 in respect of financial year ended March 31, 2017.

61 There are no subsequent events other than disclosed in notes to the financial statements

62 APPROVAL OF FINANCIAL STATEMENTS

The Financial Statements were approved by the Board of Directors of the Company on July 22, 2019.

For and on behalf of the Board

Kapil Wadhawan
Chairman & Managing Director
(DIN – 00028528)

Dheeraj Wadhawan
(DIN – 00096026)
Director

Alok Kumar Misra
(DIN – 00163959)
Director

Dr. Deepali Pant Joshi
(DIN – 07139051)
Director

Sunjoy Joshi
(DIN – 00449318)
Director

Srinath Sridharan
(DIN – 03359570)
Director