

# UMMEED HOUSING FINANCE PRIVATE LIMITED

Regd. Off.: 318, DLF Magnolias, Sector-42, Golf Course Road, Gurgaon – 122002, Haryana

Corp. Off.: Unit No.809-815, 8th Floor, Tower-A, Emaar Digital Greens, Golf Course Extn. Road, Sector 61, Gurugram-122102

CIN: U65922HR2016PTC057984

## **BOARD'S REPORT**

To the Members,

The Directors of your Company have pleasure in submitting their audited accounts on the business and operations of **Ummeed Housing Finance Private Limited** ("the Company") for the year ended March 31<sup>st</sup>, 2019.

### **(1) THE FINANCIAL SUMMARY & HIGHLIGHTS**

The standalone performance of the Company for the financial year ended March 31, 2019 is summarized below:

*(In Indian Rupees)*

Particulars	FY 2017-18	FY 2018-19
Net Sales / Income from operations	110,967,924	370,459,700
Other Income	15,668,998	49,393,909
<b>Total Income</b>	<b>126,636,922</b>	<b>419,853,609</b>
<b>Profit/(Loss) before Interest, Depreciation &amp; Tax</b>	<b>18,291,924</b>	<b>181,260,176</b>
Less: a. Interest	13,371,194	145,107,654
b. Depreciation & Amortization	1,771,812	4,465,749
<b>Profit before Tax</b>	<b>3,148,918</b>	<b>31,686,773</b>
Less: a. Current tax	977,861	12,122,055
b. Current tax expense relating to prior years	-	
c. MAT credit entitlement	(977,861)	1,225,865
d. Deferred tax charge	(3,687,702)	(6,150,250)
<b>Net Profit /(Loss) after Tax</b>	<b>6,836,620</b>	<b>24,489,103</b>
EPS (Basic)	0.45	1.53
EPS (Diluted)	0.34	1.01

During the financial year 2018-19, the company has closed the year with an AUM of Rs 302.32 Crores and generated a revenue of Rs 41.98 Crores against Rs 12.66 Crores of previous financial year. There has been an increase in revenue by 231% on y-o-y basis and consequently an increase in PAT to Rs 2.45 Crores against Rs 0.68 Crores of previous year.

### **(2) RESERVES**

The Company does not propose to transfer any amount to the General Reserves.

### **(3) DIVIDEND**

The Directors of the Company have not recommended dividend for the financial year ended March 31, 2019

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## **(4) COMPANY'S AFFAIRS**

Your Company offers a range of housing loan and Loan against Property to lower- and middle-income Indian families. It also undertakes several steps to help that segment of people who have informal income source and therefore, having limited access to organized finance from Banks or other financial institutions.

During the year under review your Company has 18 hubs as compared to the 8 hubs for the corresponding period during the previous financial year. These hubs are located in the states of Delhi NCR, Haryana, Rajasthan and Uttar Pradesh.

## **(5) CHANGE IN THE NATURE OF BUSINESS**

During the year under review there was no change in the nature of the business of the Company

## **(6) MATERIAL CHANGES AND COMMITMENTS, IF ANY**

There were no material changes occurred subsequent to the close of the financial year of the Company to which the balance sheet relates and the date of the report like settlement of tax liabilities, operation of patent rights, depression in market value of investments, institution of material cases by or against the company, sale or purchase of capital assets or destruction of any assets etc

## **(7) CHANGE IN SHARE CAPITAL OF THE COMPANY**

### **(a) Authorized Share Capital**

The Authorized Share Capital of your Company has been increased Rs 473,000,000 to (Rupees Four Hundred Seventy Three Million only) Rs 523,580,000 (Rupees Five Twenty Three Million Five Eighty Thousand only) consisting of (i) 16,300,000 (Sixteen Million Three Hundred Thousand) equity shares of face value of INR 10/- (Indian Rupees Ten only) each; and (ii) 17,742,000 (Seventeen Million Seven Forty Two Thousand Only) fully and compulsorily convertible cumulative preference share of face value of INR 20/- (Indian Rupees Twenty only) (iii) 574,000 (Five Seventy Four Thousand Only) Optionally Convertible Non-Cumulative Redeemable Preference Shares of face value of INR 10/- (Indian Rupees Ten only) each, in the Extra-ordinary General Meeting held on August 29, 2018.

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## (b) Paid Up Share Capital

During the year under review your Company has issued and allotted 5,73,399 /- Incentive Shares, Optionally Convertible non-cumulative Redeemable Preference Shares (OCRPS) to Mr Ashutosh Sharma, Managing Director and Mr Sachin Grover, Executive Director of the Company on private placement basis. Further, an allotment of 7,685,840 Series-C compulsorily convertible cumulative preference shares (“Series C CCPS”) has been made along with 100 Equity shares of the Company.

The details of the allotment during the year mentioned below:

Date of Board Meeting	No. of Shares/ FV/ Premium	Name of the allottees
September 05, 2018	519,810 Optionally Convertible non-cumulative Redeemable Preference Shares (OCRPS) of FV Rs. 10 /- (Rupees Ten only) each and Premium of Rs. 38.52/- (Rupees Thirty Eight point Five Two only)	Mr Ashutosh Sharma
September 05, 2018	53,589 Optionally Convertible non-cumulative Redeemable Preference Shares (OCRPS) of FV Rs. 10 /- (Rupees Ten only) each and Premium of Rs. 38.52/- (Rupees Thirty Eight point Five Two only)	Mr Sachin Grover
September 18, 2018	100 Equity shares of FV Rs. 10 /- (Rupees Ten only) each and Premium of Rs. 74.57/- (Rupees Seventy Four and fifty seven paise only))	Lightstone Fund S.A. RAIF for and on behalf of Lightstone Global Fund
September 18, 2018	7,094,614 Compulsorily Convertible Cumulative Preference Shares (Series-C CCPS) of Rs. 20 /- (Rupees Twenty only) each and premium of Rs. 64.57/- Rupees Sixty-Four and Fifty Seven Paise only)	Lightstone Fund S.A. RAIF for and on behalf of Lightstone Global Fund

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September 18, 2018	591,226 Compulsorily Convertible Preference Shares (Series-C CCPS) of Rs. 20 /- (Rupees Twenty only) each and premium of Rs. 64.57/- Rupees Sixty Four and Fifty Seven Paise only)	Lok Capital Growth Fund
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## (c) Issue of Non-Convertible Debentures

The Company has issued and allotted 30,188 Non-Convertible Debentures (NCDs) having face value of Rs 10,000 each aggregating to Rs 301,880,000/- (Rupees Thirty Crores Eighteen Lakhs Eighty Thousand only).

The details of the allotment of said NCDs are as follows:

Date of issue and allotment	Number of Securities	Mode of issuance	Issue price	Coupon rate	Maturity date	Amount raised
March 23, 2018 and November 20, 2018	16,188	Private placement	Rs. 10,000 (per debenture)	12.2224% payable semi-annually	74 months from the deemed date of allotment (being November 16, 2018)	Rs. 16,18,80,000/- (Rupees Sixteen Crore Eighteen Lakh and Eighty Thousand)
March 23, 2018 and December 28, 2018	14,000	Private placement	Rs. 10,000 (per debenture)	13.00% payable semi-annually	74 months from the deemed date of allotment (being November 16, 2018)	Rs 14,00,00,000/- (Rupees Fourteen Crore Only)

## (8) CREDIT RATING

During the year under review, the Company had its instruments rated and re-affirmed, as under:

Rating Agency	Rating	Date	Nature of Securities	Revision and reason thereof, if any
CARE	BBB	Nov 05, 2018	Bank Loan	Revised from CARE BBB-; Stable (Triple B Minus; Outlook: Stable)

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CARE	BBB	Nov 05,2018	NCDs	Revised from CARE BBB-; Stable (Triple B Minus; Outlook: Stable)
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## (9) INVESTOR EDUCATION AND PROTECTION FUND

Since there was no unpaid/unclaimed Dividend declared and paid last year, the provisions of Section 125 of the Companies Act, 2013 do not apply.

## (10) DIRECTORS:

The details of directors or key managerial personnel who were appointed or have resigned during the year.

### (a) Director:

During the year under review your Board of Directors has approved the appointment of:

- (i) Ms Geeta Mathur as an Additional (Independent) Director of the Company w.e.f. February 27<sup>th</sup>, 2019; and
- (ii) Mr Kartik Srivatsa as an Additional Director of the Company w.e.f. February 27<sup>th</sup>, 2019.

Pursuant to the 'Fit and Proper' Policy adopted by the Company under the Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016, the Company has received the 'Fit and Proper' declarations from Ms Geeta Mathur and Mr Kartik Srivatsa. Further, the Company has also obtained signed Deed of Covenant from the newly appointed Directors.

The Board of Directors consists as follows:

#	Name of Directors	Nominee/ Independent / Representative of/ Chairman if any
1	Mr. Ashutosh Sharma	Managing Director
2	Mr. Sachin Grover	Whole-Time Director
3	Mr Inderjit Walia	Independent Director
4	Ms. Geeta Mathur	Additional Independent Director
5	Mr Alok Prasad (Resigned w.e.f June 22, 2019)	Non-Executive Director
6	Mr Vishal Mehta	Non-Executive Director
7	Mr Anurag Bhargava	Non-Executive Director
8	Mr Kartik Srivastava	Additional Director

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The Company has received declarations from the Independent Directors, viz. Mr Inderjit Walia (DIN: 01812849) and Ms. Geeta Mathur (DIN: 02139552) stating that they meet the criteria of independence as provided in Section 149(6) of the Act.

(b) Key Managerial Personnel:

Ms Rupul Jhanjee had tender her resignation from the post of the Company Secretary w.e.f September 15<sup>th</sup>, 2018. Pursuant to her resignation Ms. Priyanka Deshpande had been appointed as the Company Secretary of the Company w.e.f September 27, 2018

Further, Ms Priyanka Deshpande tender her resignation w.e.f May 10, 2019 and Mr Pankaj Kumar has been appointed as the Company Secretary of the Company. The appointment of Mr Pankaj Kumar had been approved by the Board in the meeting held on May 10<sup>th</sup>, 2019.

(c) Number of Meetings of the Board

The Members of the Board and their Attendance at Board and General Meetings

During the FY 2019, Thirteen (13) Board meetings were held: May 15, 2018, May 21, 2018, June 07, 2018, July 18, 2018, August 28, 2018, September 01, 2018, September 05, 2018, September 06, 2018, September 09, 2018, September 25, 2018, December 5, 2018, December 26, 2018, and February 27, 2019

The details of attendance of the Directors at Board Meetings held during FY 2017-18 and at the last AGM are given below:

#	Name of the Director	Designation	No. of meetings attended	AGM Attendance
1	Mr. Ashutosh Sharma	Managing Director	13	Yes
2	Mr. Sachin Grover	Whole-Time Director	13	Yes
3	Mr. Alok Prasad	Non-Executive Director	12	-
4	Mr. Vishal Mehta	Non-Executive Director	13	-
5	Mr. Anurag Bhargava	Non-Executive Director	03	-
6	Mr. Inderjit Walia	Independent Director	13	-
7	Ms Geeta Mathur	Additional Independent Director	-	-
8	Mr Kartik Srivastava	Additional Director	-	-

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## (d) Committees of the Board

The Board has constituted Committees with specific terms of reference to focus on specific issues and ensure expedient resolution of diverse matters. These include the Audit Committee, Asset Liability Committee (“ALCO”), Risk Management Committee (“RMC”), Nomination and Remuneration Committee (“NRC”), Internal Complaint Committee (“ICC”), Borrowing Committee, Customer Service and Grievance Redressal Committee, Asset Liability Management support group, Identification Committee, Review Committee and IT Strategy Committee. The Board of Directors and the Committees also take decisions by circular resolutions which are noted by the Board / respective Committees of the Board, at their next meetings. The Minutes of the Meetings of all Committees of the Board are circulated to the Board of Directors, for their noting.

### (i) Audit Committee: -

- The Audit Committee of the Board deals with accounting policies and commercial matters, financial reporting, Compliance Report and internal control systems, appointment of internal and external auditors and fixing their remuneration, adequacy of internal audit function
- All recommendations made by the Committee during the year were accepted by the Board
- The Audit Committee of the Company met two times during the year under review on June 07, 2018. The attendance status of the Members at these meetings is provided below.

#	Name of the Member	Number of Meetings attended
1.	Mr. Ashutosh Sharma	1
2.	Mr. Alok Prasad	1
3.	Mr. Vishal Mehta	1
4.	Mr. Inderjit Walia	1

- The Audit Committee of the Company was re-constituted in line with the provisions of Housing Finance Companies – Corporate Governance (NHB) Directions, 2016, in the Board Meeting held on February 27, 2019, comprises of following members:

#	Name of the Member	Designation
1.	Ms. Geeta Mathur	Chairperson
2.	Mr. Inderjit Walia	Member
3.	Mr. Kartik Srivatsa	Member

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## (ii) Nomination and Remuneration Committee: -

During the year under review the Nomination and Remuneration Committee of the Company met on September 13, 2018. This Committee was re-constituted in line with the provisions of Housing Finance Companies – Corporate Governance (NHB) Directions, 2016, in the Board Meeting held on February 27, 2019, comprises of following members.

#	Name of the Member	Designation
1.	Mr. Inderjit Walia	Chairperson
2.	Ms. Geeta Mathur	Member
3.	Mr Vishal Mehta	Member
4.	Mr. Ashutosh Sharma	Member

## (iii) Other Committees

The Company has constituted various Committees as per the requirement under Housing Finance Companies (NHB) Circulars/Directions issued from time to time. The list of the Committees and their members as on March 31, 2019 as follows:

#	Name of the Committee	Name of the Member
1	Risk Management Committee	(a) Mr Ashutosh Sharma (b) Mr Sachin Grover (c) Mr Rajendra Gupta (d) Mr Sharad Singh
2	Asset Liability Management Committee (ALCO)	(a) Mr Ashutosh Sharma (b) Mr Sachin Grover (c) Mr Alok Prasad (d) Mr Bikash Kumar Mishra
3	Borrowing Committee	(a) Mr Ashutosh Sharma (b) Mr Sachin Grover (c) Mr Bikash Kumar Mishra
4	Internal Compliant Committee	(a) Ms Vandana Jain, Presiding Officer (b) Ms Rupul Jhanjee (c) Mr. Sachin Grover (d) Ms Jinni Sinha
5	Customer Service and Grievance Redressal	(a) Mr. Sachin Grover, Chairman (b) Mr. Shariq Khan (c) Ms. Beena Mishra



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6	Asset Liability Management support group	(a) Mr. Shariq Khan (b) Mr. Sumit Jain (c) Mr. Arpit Agarwal
7	Identification Committee	(a) Mr. Sachin Grover, Presiding Officer (b) Mr. Shariq Khan (c) Mr Sharad Singh
8	Review Committee	(a) Mr Ashutosh Sharma, Presiding Officer (b) Mr Alok Prasad (c) Mr Inderjit Walia
9	IT Strategy Committee	(a) Mr Inderjit Walia (b) Mr. Sachin Grover (c) Mr Harvinder Gandhi (d) Mr. Ankit Gupta

## (11) DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5), the Board confirms that: -

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with the proper explanation relating to the material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the Financial Year and of the loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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## **(12) INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS**

Your Company has in place adequate internal financial controls with reference to financial statements. The internal financial control system is designed to ensure that all financial and other records are reliable for preparing financial statements, other data and for maintaining accountability of assets.

## **(13) DEPOSITS**

The Company did not hold any public deposits at the beginning of the year, nor has it accepted any public deposits during the year under review

## **(14) PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

The provisions of Section 186 of the Act pertaining to granting of loans to any persons or bodies corporate and giving of guarantees or providing security in connection with loans to any other bodies corporate or persons are not applicable to the Company since the Company is a Housing Finance Company.

## **(15) EMPLOYEES STOCK OPTIONS PLAN (ESOP)**

Your Company has formulated Employee Stock Option Plan (ESOP) with an intent to reward the employees of the Company for their performance and to motivate them to contribute to the growth and profitability of the Company. The Company also intends to use these schemes/plan to retain talent working with the Company.

Your Company has with the approval of Board of Directors and pursuant to the special resolution passed by the members of the Company at the Extra-ordinary General Meeting (EGM) of the Company held on May 25<sup>th</sup>, 2017, formulated Ummeed Employee Stock Option Plan 2017 (“ESOP 2017” or “Plan”). The said stock plan The ESOP 2017 was introduced in due compliance with the provisions of the Companies Act, 2013 and Companies (Share Capital and Debentures) Rules, 2014 (“SCD Rules”).

During the financial year under review, the members of the Company, approved amendments in Ummeed Employee Stock Option Plan 2017 (“ESOP 2017” or “Plan”) in their meeting held on May 22, 2018. The amendments made thereunder was not prejudicial to the interest of the employees

The applicable disclosures as stipulated under the provisions of Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 for the year ended March 31, 2019 as annexed herewith **Annexure- I**

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## **(16) RELATED PARTY TRANSACTIONS**

The Company has adopted a Policy and a Framework on Related Party Transactions for the purpose of identification, monitoring and approving of such transactions and appended as Annexure-II

During the financial year, Company has not entered into any contract or arrangement with the related party under Section 188 of the Companies Act, 2013.

## **(17) CORPORATE SOCIAL RESPONSIBILITY**

The provisions of Section 135 of the Act in respect of Corporate Social Responsibility are not applicable to the Company.

## **(18) CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

As the operations of your company do not consume high levels of energy, hence no steps were needed to be taken for Conservation of Energy. There was no Technology Absorption, pursuant to Section 134(3)(m) of the Companies Act, 2013, read with rule 8(3) of the Companies (Accounts) Rules, 2014 and the Directors have nothing to report on conservation of energy and technology absorption.

Further the Company has no foreign exchange earnings and outgo. Therefore, no information has been provided as required under section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014.

## **(19) RISK MANAGEMENT**

As a lending entity, Company is exposed to various risks such as credit risk, market risk, liquidity risk, legal risks, interest rate risk, and operational risk. It emphasizes on risk management practices to ensure an appropriate balance between risks and returns. The Company has risk management framework commensurate with its size and operations. The Company has started its business operations during the FY 2016-17 and has established a comprehensive Risk Management Framework to review and oversee various risks relating to its business.

The Company has dedicated Credit, Operations and Compliance functions. Further, as part of assurance exercise, review of MIS and various functions including those outsourced are conducted on periodical basis by the MD / COO and the Senior Management. The company also engage with external consultants to assist with legal and technical risks management as needed. The Company has constituted its Risk management Committee, which meet periodically and analyse the risk exposure related to specific issues and formulate the mitigation strategies for the business activities. The policy is annexed herewith as Annexure-III.

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## **(20) VIGIL MECHANISM / WHISTLE BLOWER POLICY**

Your Company believes conducting the affairs of its business in a fair and transparent manner by adopting highest standard of professionalism, honesty, integrity and ethical behavior

As per the provisions of Section 177(9) of the Companies Act, 2013, your Company formulated and adopted a Whistle Blower Policy and Vigil Mechanism for employee and Directors of the Company in order to report instances of unethical behavior, violation of Company's Code of Conduct

## **(21) SIGNIFICANT AND MATERIAL ORDERS PASSED**

There are no significant material orders passed by the Regulators / Courts/ Tribunals which would impact the going concern status of the Company and its future operations

## **(22) AUDITORS**

M/s S. R. Batliboi & Associates LLP, were appointed as as Statutory Auditors for a term of 5 financial years commencing from the conclusion of 2<sup>nd</sup> Annual General Meeting held on 21<sup>st</sup> August 2017 until the conclusion of Annual General Meeting of the Company for the financial year ended 2021-22, subject to ratification by the members at every Annual General Meeting, if required under law

## **(23) AUDITORS' REPORT**

The observation made in the Auditors' Report read together with relevant notes thereon are self-explanatory and hence, do not call for any further comments under Section 134 of the Companies Act, 2013

## **(24) SECRETARIAL STANDARDS**

The Company is in compliance with SS -1 i.e. Secretarial Standard on Meetings of the Board of Directors and SS – 2 i.e. Secretarial Standard on General Meetings, issued by the Institute of Company Secretaries of India.

## **(25) CORPORATE INSOLVENCY RESOLUTION PROCESS INITIATED UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (IBC)**

During the year under review there was no application filed by or against the Company for corporate insolvency process under IBC before the NCLT

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## (26) EXTRACT OF THE ANNUAL RETURN

A copy of the Annual Return of your Company prepared pursuant to the provisions of Section 92(3) of the Companies Act, 2013, for the period ended March 31, 2019, will be available on Company's website.

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

Pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (SHWW Act), the Company has formulated and adopted "The Sexual Harassment of Woman at the Workplace Prevention, Prohibition and Redressal Policy".

Further, as required under the SHWW Act, the Company has constituted an ICC comprising of Senior Executives and one independent Member. The Committee is responsible for ensuring compliance in terms of provisions of SHWW Act, from time to time.

Pursuant to implementation of SHWW Act, the status of complaints received and resolved during the year under review, is as follows:

Number of complaints received	Nil
Number of complaints disposed	Nil

## (28) DISCLOSURE PURSUANT TO NATIONAL HOUSING BANK ACT, 1987 READ WITH THE HOUSING FINANCE COMPANIES (NHB) DIRECTIONS, 2010

Since the Company is a Non-Public Deposit accepting Housing Finance Company, therefore the requirement of making disclosure in pursuance to direction 10 (1) and 10 (2) of The Housing Finance Companies (NHB) Directions, 2010 is not applicable.

# **UMMEED HOUSING FINANCE PRIVATE LIMITED**

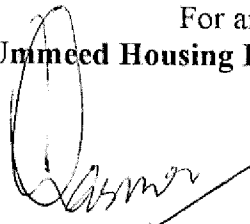
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## **(29) ACKNOWLEDGEMENT**

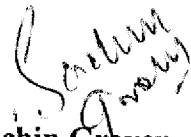
Your Directors wish to place on record their sincere appreciation and acknowledge with gratitude the support and consideration extended by various statutory authorities, the bankers, shareholders, employees and society at large and look forward for their continued support & co-operation.

The Directors would also like to place on record their appreciation for the hard work and dedication of the employees of the Company at all levels

For and on behalf of the Board  
**Ummeed Housing Finance Private Limited**



**Ashutosh Sharma**  
**Managing Director**  
**DIN: 02582205**



**Sachin Grover**  
**Executive Director**  
**DIN: 07387359**

**Date: 27<sup>th</sup> June 2019**  
**Place: Gurgaon**

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## Annexure-I

The details of the employee stock options pursuant to the provisions of Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 as on March 31<sup>st</sup>, 2019, under Ummeed Stock Option Plan 2017 (“ESOP 2017” or “Plan”) to are given below:

Details	ESOP 2017*
Options granted	The total options granted under ESOP 2017 as on date is 11,28,496
Options vested	2,56,067
Options exercised	Nil
The total number of shares arising as a result of exercise of option	Nil
Options lapsed	Nil
The exercise price	Nil
Variation of terms of options	The ESOP 2017 was formulated and approved by the shareholders of the Company in the year 2017.  The amendment with respect to the exercise of options was made in the year 2018 with due approval from the Board of Directors and shareholders of the Company
Money realized by exercise of options	Nil
Total number of options in force	2,56,067
<b>Employee wise details of options granted to</b>	
Key Managerial Personnel	Mr. Sachin Grover – 759,061
Any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year	Mr. Rajendra Gupta – 1,54,549 Mr. Bikash Mishra – 82,426
Identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant;	Nil

*\*Ummeed Stock Option Plan 2017- became effective from May 25, 2018, as per the terms of the scheme*

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## Annexure-II

### Related Party Transaction Policy

#### 1. SCOPE

##### 1.1 Policy Objective

The Policy intends to define a governance framework for proper approval and reporting of transactions between Ummeed Housing Finance Pvt. Ltd. (hereinafter referred to as “the Company”) and its Related Parties. This Policy has been framed with the objective of ensuring compliance with the provisions pertaining to Related Party Transactions in the **Companies Act, 2013 (“Act”)**, **the Rules made thereunder** and the applicable provisions of the “**Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016**” (“NHB Directions”).

##### 1.2 Review of Policy

The Policy shall be reviewed as and when required by the applicable rules and regulations.

##### 1.3 Policy Approval

The Board of Directors or the Audit Committee of the Board may review and may amend this policy, as and when required by the applicable laws, rules and regulations.

#### 2. POLICY STANDARDS

All Related Party Transactions should be reported to the Audit Committee and referred for approval to the relevant authorities in accordance with this Policy.

##### 2.1 Definitions

2.1.1 “**Audit Committee or Committee**” means a committee of the Board of Directors of the Company constituted under provisions of the NHB Directions and the Companies Act, 2013.

2.1.2 “**Board**” means the Board of Directors of the Company constituted under provisions of the Companies Act, 2013.

2.1.3 “**Key Managerial Personnel**” means key managerial personnel as defined under the Companies Act, 2013 and includes

- i) Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-Time Director;
- ii) Chief Financial Officer; and
- iii) Company Secretary.



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2.1.4 **“Material Related Party Transaction”** means a transaction with a Related Party shall be considered material if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the company as per the last audited financial statements of the Company or such limits as may be prescribed either in the Companies Act, 2013 or other applicable regulatory directions, from time to time.

2.1.5 **“Related Party”**: An entity shall be considered as related to the Company if:

- i) Such entity is a related party under Section 2(76) of the Companies Act, 2013; or
- ii) Such entity is a related party under the applicable Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI)

2.1.6 **“Related Party Transaction”** shall mean all transactions between the Company on one hand and one or more related party on the other hand including contracts, arrangements and transactions as envisaged in Section 188(1) of the Companies Act, 2013 and/ or applicable Accounting Standards issued by the ICAI.

## 2.2 Identification of Potential Related Party Transactions

For identification of the Related Parties, a Related Parties (RP) list will be prepared basis intimations received from the Directors/ KMPs or changes in management or shareholding structure from time to time. The updated RP List will be shared with the all relevant functions and shall be referred for monitoring of the transactions and ensuring compliance at their end.

Each director and Key Managerial Personnel shall be responsible for providing notice to the Board or Audit Committee of any potential Related Party Transaction involving him or her or his or her Relative, including any additional information about the transaction that the Board/Audit Committee may reasonably request. The Board/Audit Committee will determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this policy.

The Company’s directors and KMP shall endeavor to intimate such notice of any potential Related Party Transaction well in advance so that the Audit Committee/ the Board has adequate time to obtain and review information about the proposed transaction. All Related Party Transactions for the period will be placed for approval / noting / ratification by the Board of Directors/ Audit Committee, in accordance with this Policy. To review a Related Party Transaction, the Board / Audit Committee will be provided with all the relevant

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information pertaining to the Related Party Transaction, including the name of the related party, the nature of the relationship, nature of the transaction, whether the transaction is in the 'Ordinary Course of Business', whether the transaction is at 'Arm's Length' and any other matter, as may be required.

## 2.3 Prior approval required for Related Party Transactions and Omnibus Approval

All Related Party Transactions defined/ stipulated under the Companies Act, 2013 shall require prior approval from the Audit Committee. For any ratification or exception, parameters mentioned in this Policy shall be followed.

The Audit Committee may grant omnibus approval, on an annual basis, for Related Party Transactions proposed to be entered into by the Company subject to the following conditions:

- a) The Audit Committee shall lay down the criteria for granting the omnibus approval in line with the policy on Related Party Transactions of the Company and such approval shall be applicable in respect of transactions which are repetitive in nature;
- b) The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the Company;
- c) Such omnibus approval shall specify (i) the name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into, (ii) the indicative base price / current contracted price and the formula for variation in the price if any and (iii) such other conditions as the Audit Committee may deem fit.

Provided that where the need for Related Party Transaction cannot be foreseen and aforesaid details are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rs.1 crore per transaction.

Omnibus approval shall not be made for transactions in respect of selling or disposing of the undertaking of the company and/or any other transaction the Audit Committee may deem not fit for omnibus approval.

Additionally, other related party transactions prescribed under the Accounting Standards issued by the ICAI shall be presented to the Audit Committee for its review and noting.

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## 2.4 Ordinary Course of Business

The phrase “Ordinary Course of Business” has not been defined under the Act or Rules made thereunder. However, the Company will adopt a reasonable approach/ methodology to demonstrate ‘Ordinary Course of Business’ which shall, *inter alia*, include the Nature of the transaction, the frequency / regularity / length of time the company is engaged such transaction, such transaction/ action is consistent with the past practices and was taken in the ordinary course of the normal day-to-day operations of such company, common commercial practice i.e. customarily taken, in the ordinary course of the normal day-to-day operations of other companies that is in the same / similar line of business.

## 2.5 Arm’s Length Pricing

For transactions between two related parties to be considered to be at Arm’s Length Pricing, the transaction should be conducted between the two parties as if the parties were unrelated, so that there is no conflict of interest i.e. Arm’s Length Pricing is the condition or the fact that the two related parties transact as independent (un-related) parties and on an equal footing from one or more of the following aspects viz. nature of goods/ services, risk assumed, assets/ resources employed, key terms/ covenants.

## 2.6 Review and Approval of Related Party Transactions

Related Party Transactions will be referred to the next regularly scheduled meeting of the Audit Committee for review /noting and/ or approval as above. Any member of the Committee who has a potential interest in any Related Party Transaction will recuse himself or herself and abstain from discussion and/ or voting on the approval of the Related Party Transaction. In the event the management determines that it is impractical or undesirable to wait until a meeting of the Committee for the approval of a Related Party Transaction, due to business exigency or otherwise, such transaction may be approved by the Committee by way of circular resolution in accordance with this Policy and statutory provisions for the time being in force.

To review a Related Party Transaction, the Committee will be provided with all relevant material information of the Related Party Transaction, including the terms of the transaction, business purpose of the transaction, benefits to the Company and to the Related Party, and any other relevant matters. In determining whether to approve a Related Party Transaction, the Committee may consider the following factors, among others, to the extent relevant to the Related Party Transaction:

- 2.6.1 Whether the terms of the Related Party Transaction are fair and on arm’s length basis to the Company and would apply on the same basis if the transaction did not involve a Related Party;
- 2.6.2 Whether there are any compelling business reasons for the Company to enter into the Related Party Transaction and the nature of alternative transactions, if any;

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- 2.6.3 Whether the Related Party Transaction would affect the independence of an independent director;
- 2.6.4 Whether the proposed transaction includes any potential reputational risk issues that may arise as a result of or in connection with the proposed transaction;
- 2.6.5 Whether the Company was notified about the Related Party Transaction before its commencement and if not, why pre-approval was not sought and whether subsequent ratification is allowed and would be detrimental to the Company; and
- 2.6.6 Whether the Related Party Transaction would present an improper conflict of interest for any director or Key Managerial Personnel of the Company, taking into account the size of the transaction, the overall financial position of the director, Executive Officer or other Related Party, the direct or indirect nature of the director's, Key Managerial Personnel's or other Related Party's interest in the transaction and the ongoing nature of any proposed relationship and any other factors the Board/ Committee deems relevant.

If the Audit Committee determines that a Related Party Transaction should be brought before the Board, or if the Board in any case decides to review any such matter or it is mandatory under any law for Board to approve the Related Party Transaction, then the considerations set forth above shall apply to the Board's review and approval of the matter, with such modification as may be necessary. Further, the Audit Committee shall review, at least on a quarterly basis, the details of Related Party Transactions entered by the Company pursuant to each of the omnibus approval given.

## **2.7 Notwithstanding the foregoing, the following Related Party Transactions shall not require approval of the Audit Committee:**

- i) Any transaction that involves the providing of compensation to a director or Key Managerial Personnel in connection with his or her duties to the Company or any of its subsidiaries or associates, including the reimbursement of reasonable business and travel expenses incurred in the ordinary course of business.
- ii) Any transaction in which the Related Party's interest arises solely from ownership of securities issued by the Company and all holders of such securities receive the same benefits pro rata as the Related Party.

## **2.8 Related Party Transactions not approved under this Policy**

In the event the Company becomes aware of a transaction with a Related Party that has not been approved under this Policy prior to its consummation, the matter shall be reviewed by the Audit Committee. The Audit Committee shall consider the relevant facts and circumstances regarding the Related Party Transaction and failure to report RP Transaction. The Committee, while deciding on the matter, shall evaluate all options available to the Company, including ratification, revision or termination of the Related Party Transaction and shall take any such action it deems appropriate including immediate discontinuation or rescission of the transaction. The Audit Committee, while considering a Related Party Transaction, will have authority to modify or waive any procedural requirements of this Policy.

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## **2.9 Internal Process Framework**

The Company shall institute an appropriate internal process framework to ensure requisite approvals/ noting of all Related Party Transactions to comply with this Policy.

## **2.10 Communication to all the Directors and concerned employees**

The relevant aspects of this Policy will be communicated to all the directors and concerned employees/ officials of the Company.

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## Annexure-III

### RISK MANAGEMENT POLICY

#### 1. Introduction and Background

Risk in the context of business is defined as probability of liability, loss or any other negative occurrence that is caused by external or internal vulnerabilities. Generally, various risks can be managed through preemptive action and, accordingly, the risks need to be identified and proper mitigation mechanisms need to put in place.

Ummeed Housing Finance Pvt. Ltd. ("the Company"), being a financial company, is exposed to various types of risks.

The objective of the Risk Management Policy is to ensure that such risks are understood, monitored and managed appropriately.

Key principles underlying the risk management framework at the Company are as under:

- 1.1 The Board of Directors will have oversight on all the risks assumed by the Company. Specific Committees of the Board will be constituted to facilitate focused oversight of various risks and proper management of the same.
- 1.2 Various committees/ authorities will be constituted/ designated across the Company to facilitate independent evaluation, monitoring and reporting of various risks.
- 1.3 The policies approved by the Board of Directors/ or the Committees constituted by it, from time to time, will form the governing framework for each type of risk. The business activities will be undertaken within such policy framework.

#### 2. Types of risk- Approach to management of various risks are outlined below:

##### 2.1 Credit Risk

Credit Risk may be defined as the risk of default that may arise in event of the Company's borrower, or counter party, failing to meet its payment obligations regarding the terms agreed with the Company. It includes both uncertainties involved in repayment of the Company's dues and repayment of dues on time.

The Credit Risk can result from:

- a) Default due to over-indebtedness or business failure;
- b) Deficiencies in credit appraisal and underwriting mechanism;

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- c) Absence of defined policy parameters;
- d) Exposure to activities with a high probability of variation in earnings;
- e) Credit Concentration Risk, arising out of concentrated exposure to a particular geographical location/territory or to an activity in which a large group of borrowers are engaged in, vulnerable to external events;

All credit risk related aspects shall be governed by the Credit Policies (Credit Policy). The Credit Policy will outline types of products, customer categories, target customer profile, credit approval process, exposure limits etc. The Credit Policy shall be approved by the Board of Directors or by the official(s)/ group of officials authorized by the Board of Directors.

The authority matrix for approval of credit limits shall be approved by the Board of Directors or by the official(s)/ group of officials authorized by the Board of Directors.

The Company, through its Operations team, will manage operating risks in various back-office processes of the Company's business. The Operations Team will follow standardized processes and checklists backed by the robust IT systems.

The Company, with the assistance of various external agencies, will manage fraud-related risks.

The Company will follow standardized recovery process.

## 2.2 Market and Liquidity Risk

Liquidity Risk may arise largely due to maturity mismatch associated with assets and liabilities of the Company. Liquidity risk stems from the inability of the company to fund increase in assets, manage unplanned changes in funding sources and meet financial commitments when required.

Due to the high reliance on external sources of funds, the Company is exposed to various funding and liquidity risks comprising:

- **Funding Concentration Risk-** Concentration of a single source of funds exposes the Company to an inability to raise funds in a planned and timely manner and resort to high cost emergency sources of funds. Further, concentration of funding sources can also result in a skewed maturity profile of liabilities and resultant Asset-Liability mismatch.

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- **Asset-Liability Mismatch-** A skewed asset-liability profile can lead to severe liquidity shortfall and result in significantly higher costs of funds; especially so during times of crises.
- **Interest Rate risk-** Interest Rate risk comprises the risk of increase in cost of funds due to an overall increase in the interest rates economy as well as sharp movements in interest rates across maturity profiles of the liabilities. It refers to loss in earnings, due to movement in interest rates. Interest rate risk is largely in the form of Re-Pricing Risk, arising from timing differences in the maturity and repricing of its assets and liabilities.
- **Leverage Risk-** A high degree of leverage can severely impact the liquidity profile of the Company and lead to stress while servicing its liabilities.

The management of interest rate and liquidity risks will be defined in the Asset Liability Management (ALM) Policy. The ALM policy will covers the functioning of Asset Liability Management Committee (ALCO), ALM process and the limits pertaining to interest rate and liquidity risks. The ALM Policy will be approved by the Board of Directors.

Similarly, the Investment Policy will address issues related to treasury investments as well as long-term investments. The Investment Policy will cover the authorization, product guidelines, limits, classification, valuation norms, audit control and reporting.

## 2.3 Operational Risk

Operational risk arises due to Errors in processes, Frauds & unforeseen Natural calamities/ events. Though the occurrence of such instances could be less, the impact in value terms could be significant.

Operational risk will be managed through standardized & efficient operational processes, robust IT systems and back-up plans that help minimize errors & fraud occurrence.

The fraud-related risks will be managed through proper field verifications, profile checks etc.

## 2.4 Money Laundering Risk

As per the Prevention of Money Laundering Act 2002 (PMLA), "Offence of Money Laundering" is defined as "Whosoever directly or indirectly attempts to indulge or knowingly assists or knowingly is a party or is actually involved in



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any process or activity connected with the proceeds of crime and projecting it as untainted property shall be guilty of offence of money-laundering.

The Audit Committee or any other committee as delegated by the Board will have oversight on the Know Your Customer (KYC) and Anti-Money Laundering (AML) initiatives of the Company. The KYC and AML Policy and framework shall be put in place, in line with the statutory/ regulatory requirements. Pursuant to such Policy, adequate Know Your Customer (KYC) procedures shall be framed for identification and verification of customers of different business groups and for monitoring/ reporting of suspicious transactions. The Company shall appoint one of its directors as the Designated Director to ensure overall compliance with the obligations prescribed by the PMLA and the Rules thereunder.

Further, a senior level officer as the Principal Officer (PO) will be appointed by the Board of Directors of the Company for overseeing and managing the KYC & AML policies and processes. The PO will be responsible for ensuring compliance, monitoring transactions, and sharing and reporting information as required under the law/regulations.

## **2.5 Regulatory Compliance**

The designated Compliance Officer shall ensure that all regulatory guidelines are disseminated across the Company and are adhered to. He shall also have the responsibility of coordinating the regulatory audits and correspondence with the regulatory authorities.

## **2.6 Credit Concentration Compliance**

The Company shall endeavor to spread the business across different customer profiles, programmes and product segment. The business mix would be governed by stipulated distribution as provided in the Credit Policy which would be reviewed periodically.

The Company shall ensure adherence with the credit concentration norms prescribed by National Housing Bank.

## **2.7 Credit Concentration Compliance**

- a) Legal risk is the risk of potential loss to an institution which is primarily caused by: a defective transaction; or
- b) a claim (including a defense to a claim or a counterclaim) being made or some other event occurring which results in a liability for the

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institution or other loss (for example, as a result of the termination of a contract) or;

- c) failing to take appropriate measures to protect assets (for example, intellectual property) owned by the institution; or
- d) change in law.

To mitigate this risk, the Company shall have standardized agreement and documentation with its counterparties for various business purposes which shall be vetted by the internal or the external legal counsel.

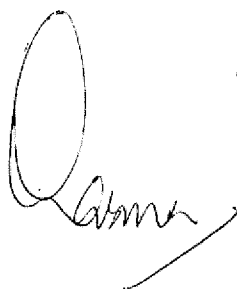
## 2.8 Reputational Risk

Reputational risk could be defined as the risk of potential loss to the Company's brand, reputation, earnings, capital or liquidity from any association, action or inaction which could be perceived by stakeholders to be inappropriate, unethical or inconsistent with the Company's values and beliefs. This may also arise due to deterioration of its reputation and/or standing because of negative perceptions about it among its various stakeholders, viz., its customers, employees, shareholders, suppliers and regulatory authorities.

It may arise when some incident leads to reputation damage due to various factors including mis-selling, adverse media campaign, unfair trade practices, regulatory action, liquidity issue, etc.

To manage this risk, the Company shall, inter alia, ensure the following:

- a) All media communications would be handled by the dedicated team/ authority.
- b) Timely response to statutory/ regulatory queries/ requirements.
- c) Regular training of the employees.
- d) Response to the customers' queries and needs within committed turn-around time.
- e) Quick remedial actions to customer's/ stakeholder's/ media feedback (including social media).



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**INDEPENDENT AUDITOR'S REPORT**

To the Members of Ummeed Housing Finance Private Limited

**Report on the Audit of the Financial Statements****Opinion**

We have audited the accompanying financial statements of Ummeed Housing Finance Private Limited ("the Company"), which comprise the Balance sheet as at March 31, 2019, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit and its cash flows for the year ended on that date.

**Basis for Opinion**

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

**Other Information**

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibility of Management for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



## **Responsibility of Management for the Financial Statements (continued)**

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

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

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

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

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

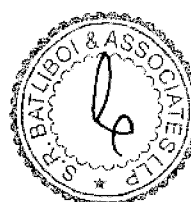
- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▶ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

## **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;



# **S.R. BATLIBOI & ASSOCIATES LLP**


Chartered Accountants

- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid financial statements comply with the Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014 as amended;
- (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

  
per **Amit Kabra**

Partner

Membership Number: 094533

Place of Signature: Gurugram

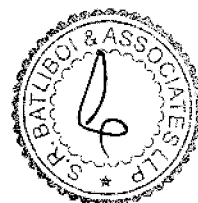
Date: June 27, 2019



**Annexure 1 referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) According to the information and explanations given by the management, there are no immovable properties, included in property, plant and equipment/fixed assets of the Company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act, 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/services of the Company.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, cess and other statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, goods and service tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to customs duty and excise duty are not applicable to the Company.
- (c) According to the records of the Company, there are no dues of income-tax, goods and service tax and cess which have not been deposited on account of any dispute.
- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders.
- (ix) According to the information and explanations given by the management, the Company has not raised money by way of initial public offer / further public offer and hence not commented upon.

Further, monies raised by the Company by way of debt instruments are in the nature of non-convertible debentures and term loans and were applied for the purpose for which they were raised, though idle/surplus funds which were not required for immediate utilization have been gainfully invested in liquid assets payable on demand.



# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud/material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act is not applicable to the Company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given by the management, the Company has complied with provisions of section 42 of the Companies Act, 2013 in respect of the private placement of shares during the year. According to the information and explanations given by the management, we report that the amounts raised, have been used for the purposes for which the funds were raised.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

**For S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

  
per **Amit Kabra**

Partner

Membership Number: 094533

Place of Signature: Gurugram

Date: June 27, 2019



**ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF UMMEED HOUSING FINANCE PRIVATE LIMITED**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Ummeed Housing Finance Private Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

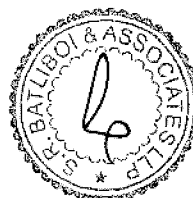
Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

**Meaning of Internal Financial Controls over Financial Reporting with reference to these Financial Statements**

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





# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

## **Inherent Limitations of Internal Financial Controls over Financial Reporting with reference to these Financial Statements**

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

  
per Amit Kabra

Partner

Membership Number: 094533

Place of Signature: Gurugram

Date: June 27, 2019



Ummeed Housing Finance Private Limited  
Balance Sheet as at 31 March 2019

	Notes	(Amount in INR unless otherwise stated)	
		March 31, 2019	March 31, 2018
<b>Equity and liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	3	51,52,04,879	36,09,13,680
Reserves and surplus	4	<u>82,96,34,164</u>	<u>31,73,10,366</u>
		<u>1,34,48,39,043</u>	<u>67,82,24,046</u>
<b>Non-current liabilities</b>			
Long-term borrowings	5	1,54,51,04,568	43,73,20,311
Long-term provisions	6	<u>1,75,79,805</u>	<u>59,78,888</u>
		<u>1,56,26,84,373</u>	<u>44,32,99,199</u>
<b>Current liabilities</b>			
Short-term borrowings			
Trade payables	7	41,64,64,747	16,62,73,141
Total outstanding dues of micro enterprises and small enterprises	8	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,32,24,922	25,91,044
Other current liabilities	8	43,80,36,206	16,62,84,737
Short-term provisions	6	<u>1,61,10,728</u>	<u>21,72,962</u>
		<u>88,38,36,602</u>	<u>33,73,21,884</u>
<b>Total</b>		<u>3,79,13,60,018</u>	<u>1,45,88,45,129</u>
<b>Assets</b>			
<b>Non-current assets</b>			
Property, Plant and Equipment			
Tangible Assets	9.1	1,29,87,712	1,05,60,612
Intangible assets	9.2	66,47,758	16,28,791
Deferred tax assets (net)	10	98,37,952	36,87,702
Loans and advances	11	<u>2,90,43,43,347</u>	<u>1,04,10,63,169</u>
		<u>2,93,38,16,769</u>	<u>1,05,69,40,274</u>
<b>Current assets</b>			
Current investments	13	31,76,30,460	17,94,29,914
Cash and bank balances	14	36,77,18,656	17,03,96,596
Loans and advances	11	13,19,20,920	3,61,47,927
Other current assets	12	<u>4,02,73,213</u>	<u>1,59,30,418</u>
		<u>85,75,43,249</u>	<u>40,19,04,855</u>
<b>Total</b>		<u>3,79,13,60,018</u>	<u>1,45,88,45,129</u>
Summary of significant accounting policies	2.1		
The accompanying notes are an integral part of the financial statements			

As per our report of even date

For S. R. BATLIBOI & ASSOCIATES LLP  
ICAI Firm registration number : 101049VV/E300004  
Chartered Accountants

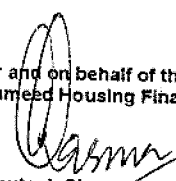
per   
Partner  
Membership number: 094533

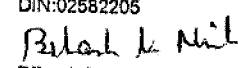


Date: June 27, 2019  
Place: Gurugram

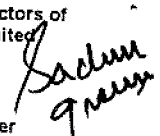


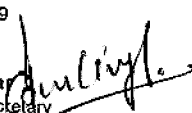
For and on behalf of the Board of Directors of  
Ummeed Housing Finance Private Limited

  
Ashutosh Sharma  
Managing Director  
DIN: 02582205

  
Bikash Mishra  
Financial Controller  
M No.: 068171

Date: June 27, 2019  
Place: Gurugram

  
Sachin Grover  
Director  
DIN: 07387359

  
Pankaj Kumar  
Company Secretary  
M No.: 35483

Umneed Housing Finance Private Limited  
Statement of Profit and Loss for the year ended 31 March 2019

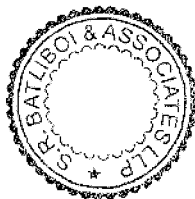
		(Amount in INR unless otherwise stated)	
	Notes	March 31, 2019	March 31, 2018
<b>Income</b>			
Revenue from operations	15	39,96,28,735	11,89,63,108
Other income	16	2,02,24,874	76,73,814
<b>Total revenue</b>		<b>41,98,53,609</b>	<b>12,66,36,922</b>
<b>Expenses</b>			
Employee benefit expenses	17	15,46,03,817	6,83,72,663
Finance costs	18	15,41,28,549	1,60,54,666
Depreciation and amortization expenses	19	44,65,749	17,71,812
Other expenses	20	6,71,64,052	3,34,82,862
Provisions and write-offs	21	78,04,669	38,06,001
<b>Total expenses</b>		<b>38,81,66,836</b>	<b>12,34,88,004</b>
<b>Profit before tax</b>		<b>3,16,86,773</b>	<b>31,48,918</b>
<b>Tax expenses:</b>			
Current tax			
'Pertaining to profit for the current period		1,21,22,055	9,77,861
'Adjustment of tax relating to earlier periods		-	-
'MAT Credit		12,25,865	(9,77,861)
Deferred tax		(61,50,250)	(36,87,702)
<b>Total tax expense</b>		<b>71,97,670</b>	<b>(36,87,702)</b>
<b>Profit after tax</b>		<b>2,44,89,103</b>	<b>68,36,620</b>
<b>Earnings per equity share</b>	22		
[Nominal value of share Rs. 10 (March 31, 2018: Rs. 10)]			
Basic (Computed on the basis of total profit for the year)		1.53	0.45
Diluted (Computed on the basis of total profit for the year)		1.01	0.34

Summary of significant accounting policies 2.1  
The accompanying notes are an integral part of the financial statements

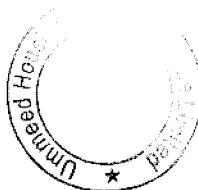
As per our report of even date

For S. R. BATLIBOI & ASSOCIATES LLP  
ICAI Firm registration number : 101049W/E300004  
Chartered Accountants

per Amit Kabra  
Partner  
Membership number: 094533



Date: June 27, 2019  
Place: Gurugram



For and on behalf of the Board of Directors of  
Umneed Housing Finance Private Limited

Ashutosh Sharma  
Managing Director  
DIN: 02582205

Sachin Grover  
Director  
DIN: 07387359

Bilal K. Nish

Bikash Mishra  
Financial Controller  
M No.: 068171

Pankaj Kumar  
Company Secretary  
M No.: 35483

Date: June 27, 2019  
Place: Gurugram

**Ummeed Housing Finance Private Limited**  
**Statement of Cash Flows for the year ended March 31, 2019**

	(Amount in INR unless otherwise stated)	
	March 31, 2019	March 31, 2018
<b>Cash flow from operating activities</b>		
Profit before tax		
Adjustments to reconcile profit before tax to net cash flows:	3,16,86,773	31,48,918
Expenses on employee stock option		
Depreciation and amortization	99,16,275	56,91,071
Loss on discrad of Fixed Assets	44,65,749	17,71,812
Interest Income	2,35,111	-
Income from mutual funds	(2,91,69,035)	(79,95,184)
Dividend income on mutual funds	(87,37,411)	(8,88,676)
Interest on term loans from banks/ FI's	(26,84,539)	(67,85,138)
	14,50,85,248	1,33,63,296
<b>Operating Loss before working capital changes</b>	<b>16,07,98,171</b>	<b>83,06,099</b>
Movements in working capital :		
Change in trade payables	1,06,33,878	4,43,713
Change in provisions	1,34,16,628	55,31,185
Change in other current liabilities	26,15,10,679	17,54,02,405
Change in loans and advances	(1,96,22,85,335)	(95,33,75,854)
Change in other current assets	(1,66,34,255)	(80,86,114)
Cash used in operations	(1,54,25,60,234)	(77,17,78,586)
Direct taxes paid (net of refunds)	(3,41,300)	-
<b>Net cash flow used in operating activities (A)</b>	<b>(1,54,29,01,534)</b>	<b>(77,17,78,586)</b>
<b>Cash flows from Investing activities</b>		
Interest income received	2,38,08,094	49,38,968
Income from mutual funds	87,37,411	8,88,676
Dividend income on mutual funds	26,84,539	57,58,918
Purchase of property, plant and equipment	(1,21,46,927)	(1,04,12,931)
Purchase of current investments	(1,04,32,99,993)	(90,57,00,000)
Sale proceeds from current investments	90,50,99,447	78,66,00,652
<b>Net Cash used in Investing Activities (B)</b>	<b>(11,51,17,429)</b>	<b>(11,79,25,717)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of preference share capital (including securities premium)	65,05,64,888	35,99,85,503
Proceeds from issuance of equity share capital (Including securities premium)	8,458	20,14,563
Proceeds from borrowings	1,56,68,80,000	57,64,50,000
Repayment of borrowings	(21,60,19,048)	(1,66,32,536)
Interest paid	(12,77,29,551)	(1,22,35,517)
Share issue expense	(1,83,63,726)	(1,27,125)
<b>Net Cash from financing activities (C)</b>	<b>1,85,53,41,023</b>	<b>90,94,54,888</b>
<b>Net Increase in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>19,73,22,060</b>	<b>1,97,60,585</b>
Cash & Cash Equivalents at the Beginning of the Year	17,03,96,596	15,06,46,011
<b>Cash and cash equivalents at the end of the year (refer note 13)</b>	<b>36,77,18,656</b>	<b>17,03,96,596</b>

Summary of significant accounting policies

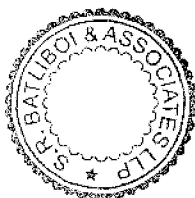
The accompanying notes are an integral part of the financial statements

2.1

As per our report of even date

For **S. R. BATLIBOI & ASSOCIATES LLP**  
 ICAI Firm registration number : 101049W/E300004  
 Chartered Accountants

per **Amit Kabra**  
 Partner  
 Membership number: 094533



Date: June 27, 2019  
 Place: Gurugram



For and on behalf of the Board of Directors of  
**Ummeed Housing Finance Private Limited**

**Ashutosh Sharma**  
 Managing Director  
 DIN:02582205

**Sachin Grover**  
 Director  
 DIN:07387359

**Bikash Mishra**  
 Financial Controller  
 M No.: 068171

**Pankaj Kumar**  
 Company Secretary  
 M No.: 35483

Date: June 27, 2019  
 Place: Gurugram

## 1. Corporate information

Ummeed Housing Finance Private Limited ('the Company') is a Company domiciled in India as a private limited company. The Company was incorporated on January 27, 2016. The Company is registered with National Housing Bank (NHB) and is engaged in the long term financing activity in the domestic markets to provide housing finance.

The Company is engaged in the business of providing housing loans. Company is having registered office at 318, DLF Magnolias, Sector-42, Golf Course Road, Gurugram Haryana - 122002 and maintain books of accounts at Corporate office at Unit 809-815, 8th floor, Tower A, Emaar Digital Greens Golf Course Extension Road, Sector-61 Gurugram - 122102.

## 2. Basis of preparation

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The financial statements of the Company have been prepared to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013 ('the Act'), read together with paragraph 7 of the Companies (Accounts) Rule 2014; the Companies (Accounting Standards) Amendment Rules, 2016 and the guidelines issued by the National Housing Bank to the extent applicable. The financial statements have been prepared on an accrual basis under the historical cost convention. The accounting policies applied by the Company are consistent with those used in the previous year.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act. The Company has ascertained its operating cycle as 12 months for the above purpose.

### 2.1 Summary of significant accounting policies

#### a. Use of Estimates

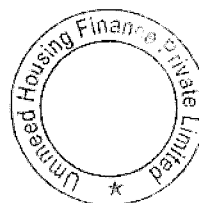
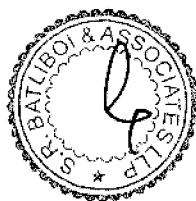
The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

#### b. Property, plant and equipment

All Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebate are deducted in arriving at the purchase price.

Gains or losses arising from de-recognition or disposal of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the assets and are recognized in the statement of profit and loss when the assets is derecognized.

Assets costing INR 5,000 or less are fully depreciated in the year of purchase. Depreciation is charged on a proportionate basis for all assets purchased and sold during the year.



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## 2.1 Summary of significant accounting policies (continued)

### c. Depreciation

The Company depreciates its fixed assets on Straight Line Method (SLM) over the useful lives of assets estimated by management. Depreciation for assets purchased or sold during a period is proportionately charged. Management estimates for useful lives of tangible fixed assets are set out below:

	Useful lives (years)
Computers	3
Computer servers and networks	6
Office equipment	5
Furniture and Fixture	10
Motor Vehicle*	5

\*The Company depreciates its fixed assets on Straight Line Method (SLM) over the useful lives of assets estimated by management. During the year, Management changed its estimated life where useful life of Motor vehicle has been reduced to 5 Years from 8 Years.

### d. Intangible assets

Intangible assets are amortized on a straight line basis over the estimated useful economic life. The Company uses a rebuttable presumption that the useful life of an intangible asset will not exceed six years from the date when the asset is available for use. If persuasive evidence exists to the affect that useful life of an intangible asset exceeds six years, the Company amortizes the intangible asset over the best estimate of its useful life.

### e. Impairment of Property, plant and equipment and intangible assets

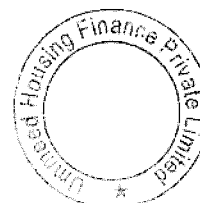
The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets, net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

### f. Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis except for investments in the units of unquoted mutual funds in the nature of current investments that have been valued at the net asset value declared by the mutual fund in respect of each particular scheme, in accordance with the NHB directions. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

On disposal of an investment the difference between carrying amount and net disposal proceeds are charged or credited to the statement of profit and loss.



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## 2.1 Summary of significant accounting policies (continued)

### g. Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs are expensed in the period they occur.

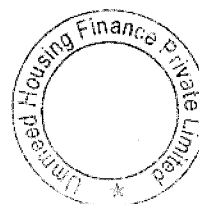
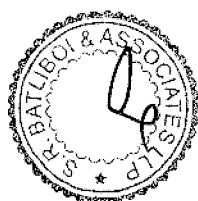
### h. Retirement and other employee benefits

- i. Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service.
- ii. Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Actuarial gains and losses for defined benefit plans are recognised in full in the period in which they occur in the statement of profit and loss.
- iii. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date.
- iv. Accumulated leave, which is expected to be utilised within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.
- v. The Company recognizes termination benefit as a liability and an expense when the Company has a present obligation as a result of past event, 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.

### i. 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.

- i. Interest Income is recognised on a time proportion accrual basis taking into account the amount outstanding and the interest rate implicit in the underlying agreements. Income or any other charges on non-performing assets is recognised only when realised and any such income recognised before the assets became non-performing and remaining unrealised is reversed. Income on loans assigned through direct assignment is recognised over the tenure of the assignment transaction.
- ii. Interest income on deposits with banks is recognised on a time proportion accrual basis taking into account the amount outstanding and the interest rate applicable.
- iii. Loan processing fees are recognized upfront on disbursement of loan.
- iv. Penal interest is recognized on cash basis.
- v. Dividend income is recognized when the Company's right to receive dividend is established by the reporting date.
- vi. All other income is recognised on an accrual basis.



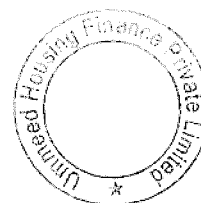
## 2.1 Summary of significant accounting policies (continued)

### j. Foreign Currency Translation

- i. All transactions in foreign currency are recognised at the exchange rate prevailing on the date of the transaction.
- ii. Foreign currency monetary items are reported using the exchange rate prevailing at the close of the financial year.
- iii. Exchange differences arising on the settlement of monetary items or on the restatement of Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or expenses in the year in which they arise.

### k. Income taxes

- i. Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961, enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss.
- ii. Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss.
- iii. Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognised for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.
- iv. The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.
- v. Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the MAT Credit Entitlement asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.





## 2.1 Summary of significant accounting policies (continued)

### l. Provisions

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

### m. Contingent liability

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

### n. Cash and Cash equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash in hand and cash at bank and short-term investments with an original maturity of three months or less.

### o. Classification and provisioning for Standard Assets and Non-Performing Assets (NPAs) / Write off

Housing loans and other loans are classified as per the Housing Finance Companies (NHB) Directions, 2010 ("the NHB Directions"), into performing and non-performing assets. Further, non-performing assets are classified into sub-standard, doubtful and loss assets and provision made based on criteria stipulated by the NHB Directions. Additional provisions are made against all non-performing assets over and above the provisions stated in the NHB Directions, if in the opinion of the management higher provision is necessary.

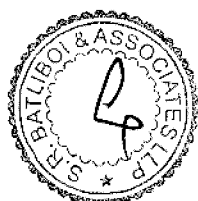
The Company maintains standard provision to cover potential credit losses, which are inherent in any loan portfolio but not identified, in accordance with the "NHB Directions".

The Company reviews the stressed cases periodically and if it considers that recovery in such assets is not probable, then it can classify such assets as "loss assets" and write off the same in Profit and loss account.

Company is required to maintain provision @ 0.25% on standard Assets in respect of Individual Housing Loans and 0.40% on remaining loans as per notification no NHB.HFC.DIR.18/MD&CEO/2017 dated 02nd August 2017 however company is maintaining provision @ 0.4% on all standard assets including housing loans to Individual.

### p. Earnings per shares

The Company reports basic and diluted earnings per share in accordance with Accounting Standard 20- "Earnings per Share" notified under section 133 of the Companies Act 2013. Basic earnings per share is computed by dividing the net profit after tax attributable to Equity shareholders outstanding during the year. Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by weighted average number of equity shares considered for deriving the basic EPS and weighted average number of shares that could have been issued upon conversion of all potential equity shares.



**2.1 Summary of significant accounting policies (continued)**

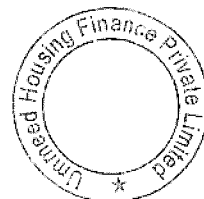
**q. Shared based payments**

In case of stock option plan, measurement and disclosure of the employee share-based payment plans is done in accordance with the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India as applicable for equity-settled share based payments.

The cost of equity-settled transactions is measured using the intrinsic value method and recognised, together with a corresponding increase in the "Stock options outstanding account" in reserves. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit recognised in the statement of profit and loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.



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(Amount in INR unless otherwise stated)

### 3. Share capital

	March 31, 2019	March 31, 2018
<b>Authorized shares</b>		
1,63,00,000 (March 31, 2018: 1,63,00,000) equity shares of Rs. 10/- each	16,30,00,000	16,30,00,000
1,77,42,000 (March 31, 2018: 1,55,00,000) 0.001% Cumulative, Non-Participative and Compulsorily Convertible(CCPS) Preference shares of Rs. 20/- each	35,48,40,000	31,00,00,000
5,74,000 (March 31, 2018: NIL) Optionally Convertible Non Cumulative Redeemable (OCNCRPS) Preference shares of Rs. 10/- each	57,40,000	-
<b>Total Authorized shares capital</b>	<b>52,35,80,000</b>	<b>47,30,00,000</b>
<b>Issued, subscribed and fully paid-up shares</b>		
1,59,80,416 (March 31, 2018: 1,59,80,316) equity shares of Rs. 10/- each	15,98,04,160	15,98,03,160
1,77,41,366 (March 31, 2018: 1,00,55,526) 0.001% Cumulative, Non-Participative and Compulsorily Convertible Preference shares of Rs. 20/- each	35,48,27,320	20,11,10,520
5,73,399 (March 31, 2018: NIL) Optionally Convertible Non Cumulative Redeemable Preference shares of Rs. 10/- each (partly paid up Rs 1)	5,73,399	-
<b>Total issued, subscribed and fully paid-up share capital</b>	<b>51,52,04,879</b>	<b>36,09,13,680</b>

During the current year, the authorised share capital of the Company was increased vide approval of equity shareholders from ₹ 47,30,00,000 divided into 1,63,00,000 equity shares of ₹ 10 each and 1,55,00,000 Preference shares(CCPS) of ₹ 20 each to ₹ 52,35,80,000 divided into 1,63,00,000 equity shares of ₹ 10 each, 1,77,42,000 preference shares(CCPS) of ₹ 20 each and 5,74,000 preference shares (OCNCRPS) of ₹ 10 each.

#### (a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

##### Equity shares

	March 31, 2019		March 31, 2018	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the year	1,59,80,316	15,98,03,160	1,06,37,409	10,63,74,090
Issued during the year	100	1,000	70,599	7,05,990
Conversion during the year	-	-	52,72,308	5,27,23,080
Outstanding at the end of the year	<b>1,59,80,416</b>	<b>15,98,04,160</b>	<b>1,59,80,316</b>	<b>15,98,03,160</b>

##### Preference shares(CCPS)

	March 31, 2019		March 31, 2018	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the year	1,00,55,526	20,11,10,520	79,08,512	15,81,70,240
Issued during the year	78,85,840	15,37,16,800	74,19,322	14,83,86,440
Conversion during the year	-	-	52,72,308	10,54,46,160
Outstanding at the end of the year	<b>1,77,41,366</b>	<b>35,48,27,320</b>	<b>1,00,55,526</b>	<b>20,11,10,520</b>

##### Preference shares(OCNCRPS)

	March 31, 2019		March 31, 2018	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the year	-	-	-	-
Issued during the year	5,73,399	57,33,990	-	-
Outstanding at the end of the year	<b>5,73,399</b>	<b>57,33,990</b>	-	-

#### (b) Terms/ rights attached to equity shares

The Company has a single class of equity shares having a par value of Rs. 10 per share (previous year Rs. 10 per share). Each holder of equity share is entitled to one vote per share in proportion of the share of the paid-up capital of the Company held by the shareholder. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after discharging all liabilities of the Company, in proportion to their shareholdings.

#### (c) Terms / Rights attached to Compulsorily Convertible Preference Shares

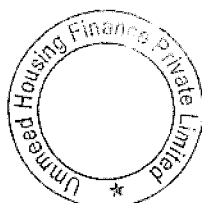
During the year ended 31 March 2019, the Company had issued Series "C" Compulsorily Convertible Preference Shares (CCPS). The details of the Series "C" CCPS as follows:

The Company had issued 76,85,840 Series "C" CCPS having face value of Rs. 20 per share at a minimum preferential dividend rate of 0.001% per annum (the "Preferential Dividend") to Lightstone Global Fund (70,94,614 shares) and Lok Capital Growth Fund (5,91,226 shares). The Preferential Dividend is non-cumulative and shall be payable in Indian Rupees, as and when declared. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. The holders of the CCPS shall be entitled to receive notice of and vote on all matters that are submitted to the vote of the Shareholders (including the holders of Equity Shares).

Each Series C CCPS may be converted into Equity Shares at any time at the option of the holder of that Series C CCPS. However, the same shall be automatically converted into Equity shares of the Company upon the occurrence of earlier of (i) 1 (one) day prior to the expiry of 20 (twenty) years from the Series C Closing Date; or (ii) in connection with an IPO, prior to the filing of a prospectus (or equivalent document, by whatever name called) by the Company with the competent authority or such later date as may be permitted under Law; or (iii) upon occurrence of a Liquidation Event, if required.

Each Series "C" CCPS shall be converted into 1 (one) Equity Share at an initial ratio of 1:1 ("Series C CCPS Conversion Ratio"). The Series "C" CCPS shall be converted into at Equity Shares at the Conversion Price determined in accordance with the Shareholder's Agreement.

In the event of liquidation of the Company the holders of preference shares will have priority over equity shares in the payment of dividend and repayment of capital.



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(Amount in INR unless otherwise stated)

**(d) Terms / Rights attached to Optionally Convertible Non Cumulative Redeemable Preference Shares**

The Company has a class of Optionally Convertible Non Cumulative Redeemable preference shares having par value of Rs. 10 per share. During the year ended 31 March 2019, the Company issued:

5,73,399 OCNCRPS at face value of Rs.10 per share to Mr.Ashutosh Sharma (5,19,810 shares) and Mr.Sachin Grover (53,589 shares). Each Incentive shares were issued at Rs 48.52/- (Indian Rupees Forty Eight point Five Two only) ("Issue Price"). However, upon allotment the allottees were required to pay only INR 1 (one) per Incentive Share, and the balance issue price of INR 47.52 (Indian Rupees Forty Seven point Five Two only) ("Balance Issue Price") per Incentive Share shall be paid immediately prior to conversion of Incentive Shares as specified under Schedule "c" of the Agreement dated August 22, 2018

Each Incentive shares may be converted into Equity Shares shall be converted into 1 (one) Equity Share subject to adjustment on account of any share splits, share consolidations, recapitalizations, or like events. The Incentive shares which are fully paid and subject to conditions specified under the said Agreement, shall carry 1 (one) vote on an as if paid-up and converted basis. Further, each Incentive Shares shall be entitled to dividend at the rate of 0.001% per annum until they are converted into Equity Shares.

In any Liquidation Event, the Incentive Shares shall not be treated in preference or priority to the Equity Securities of the Investors, whether pending conversion or after conversion.

**(e) Details of shareholders holding more than 5% shares in the Company**

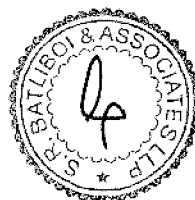
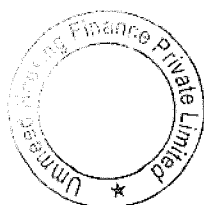
Name of the shareholder	March 31, 2019		March 31, 2018	
	Number of shares	% of share holding	Number of shares	% of share holding
<b>Equity shares of Rs. 10 each fully paid</b>				
Ashutosh Sharma	1,02,50,000	64.14%	1,02,50,000	64.14%
Lok Capital Growth Fund	52,72,508	32.99%	52,72,508	32.99%
<b>Preference shares(CCPS) of Rs. 20 each fully paid</b>				
Duane Park Private Limited	57,27,513	32.28%	57,27,513	52.78%
Lok Capital Growth Fund	49,19,239	27.73%	43,28,013	47.22%
Lightstone Global Fund	70,94,614	39.99%	-	-
<b>Preference shares(OCNCRPS) of Rs. 10 each fully paid</b>				
Ashutosh Sharma	5,19,810	90.65%	-	-
Sachin Grover	53,589	9.35%	-	-

**4. Reserves and surplus**

	March 31, 2019	March 31, 2018
<b>Securities premium account</b>		
Balance as per the last financial statements	33,36,29,372	6,81,25,788
Add: premium on issue of preference shares (CCPS)	49,62,74,889	18,70,48,054
Add: premium on issue of equity shares	7,457	9,85,82,655
Less: Share issue expenses	(1,83,63,726)	(1,27,125)
<b>Closing Balance</b>	<b>81,15,47,792</b>	<b>33,36,29,372</b>
<b>Statutory reserves (Under Section 29 C of the NHB Act)*</b>		
Balance as per the last financial statements	13,67,324	-
Add: Additions / transfers during the year	67,09,454	13,67,324
<b>Closing balance</b>	<b>80,76,778</b>	<b>13,67,324</b>
<b>Employee Stock Option Outstanding</b>		
Balance as per last financial statements	56,91,071	-
Add: Compensation options granted during the year	99,16,275	56,91,071
<b>Closing balance</b>	<b>1,56,07,346</b>	<b>56,91,071</b>
<b>Deficit in the statement of profit and loss</b>		
Balance as per last financial statements	(2,33,77,401)	(2,88,46,697)
Less: Profit for the year	2,44,89,103	68,36,620
Less: Transfer to Statutory reserves (@ 20% of profit after tax as required by section 29C of the NHB Act)*	(67,09,454)	(13,67,324)
<b>Net deficit in the statement of profit and loss</b>	<b>(55,97,752)</b>	<b>(2,33,77,401)</b>
<b>Total reserves and surplus</b>	<b>82,96,34,164</b>	<b>31,73,10,366</b>

#Statutory reserve represents the reserve fund created under Section 29C of the National Housing Bank of India Act, 1987 (NHB Act). Under Section 29C, a Housing Finance Company is required to transfer a sum not less than twenty percent of its net profit every year as disclosed in statement of profit and loss before any dividend is declared. For this purpose any special reserve created by the Company under Section 36(1) (viii) of Income tax Act 1961, is considered to be an eligible transfer. During the current year, the Company has transferred an amount of Rs. 95,49,812 (P.Y. Rs.13,67,324) to special reserve in terms of Section 36(1) (viii) of the Income Tax Act 1961 considered eligible for special reserve u/s 29C of NHB Act 1987.

In terms of requirement of NHB's Circular No. NHB(ND)/DRS/Pol.Circular.61/2013-14 dated April 7, 2014 following information on Reserve Fund under section 29C of the NHB Act, 1987 is provided:

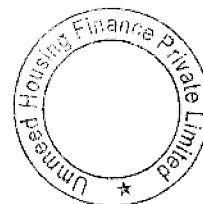


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Ummeed Housing Finance Private Limited  
Notes to financial statements for the year ended March 31, 2019

Particulars	(Amount in INR unless otherwise stated)	
	March 31, 2019	March 31, 2018
<b>a. Statutory Reserve u/s 29C of The National Housing Bank Act, 1987 read with section 36 (1) (viii) of Income Tax Act, 1961*</b>		
Balance at the beginning of the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	-	-
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	13,67,324	-
<b>c) Total</b>	<b>13,67,324</b>	<b>-</b>
<b>Addition /Appropriation / Withdrawal during the year</b>		
<b>Add:</b>		
a) Amount transferred u/s 29C of the NHB Act, 1987	-	-
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	67,09,454	13,67,324
<b>Less:</b>		
a) Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
b) Amount withdrawn from the Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 which has been taken into account for the purpose of provision u/s 29C of the NHB Act, 1987	-	-
<b>Balance at the end of the year</b>		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	-	-
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	80,76,778	13,67,324
<b>c) Total</b>	<b>80,76,778</b>	<b>13,67,324</b>
<b>5. Long-term borrowings</b>		
	<b>Non-current portion</b>	
	March 31, 2019	March 31, 2018
<b>Term Loans</b>		
<b>Secured</b>		
From Banks	91,34,17,423	19,25,37,756
From Non-Banking Finance Companies	32,98,07,145	24,47,82,555
Non Convertible Debentures from Financial Institution	30,18,80,000	-
Amount disclosed under the head "other current liabilities" (note 8)	-	-
<b>Total</b>	<b>1,54,51,04,568</b>	<b>43,73,20,311</b>
	<b>Current maturities</b>	
	March 31, 2019	March 31, 2018
From Banks	22,18,69,180	5,79,95,384
From Non-Banking Finance Companies	17,37,04,671	9,45,01,769
From Financial Institution	-	-
Amount disclosed under the head "other current liabilities" (note 8)	(39,55,73,851)	(15,24,97,153)
<b>Total</b>	<b>-</b>	<b>-</b>
<b>Nature of security</b>		
a) Loans secured by hypothecation (exclusive charge) of portfolio loans	March 31, 2019	March 31, 2018
b) Loans secured by hypothecation (exclusive charge) of portfolio loans and margin money deposits	1,57,11,16,235	44,24,07,950
c) Loans secured by hypothecation (exclusive charge) of vehicles	36,48,57,099	14,15,62,500
<b>Total outstanding</b>	<b>1,94,06,78,419</b>	<b>58,98,17,464</b>



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Ummeed Housing Finance Private Limited  
Notes to financial statements for the year ended March 31, 2019

(Amount in INR unless otherwise stated)

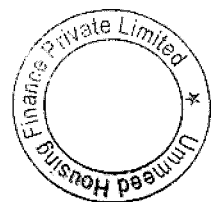
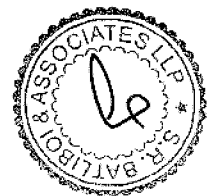
Terms of Repayment, Security and Interest Rate of Term Loans

Bank/FI/NBFC	Rate of Interest as on 31.3.19	Opening Outstanding Principal	Raised during the year	Repayment	Closing Outstanding Principal	Balance Tenor (in Months)
AU BANK (Term Loan 1)	12.40%	7,12,50,000	-	1,50,00,000	5,62,50,000	45
AU BANK (Term Loan 2)	12.22%	-	3,00,00,000	25,00,000	2,75,00,000	55
AU BANK (Term Loan 3)	12.50%	-	10,00,00,000	66,66,667	9,33,33,333	56
DCB Bank (Term Loan 1)	12.12%	1,84,36,126	-	40,96,906	1,43,39,220	42
DCB Bank (Term Loan 2)	12.12%	-	10,00,00,000	85,10,636	9,14,89,364	43
Northern ARC (Term Loan)	12.50%	4,55,52,964	-	1,08,62,330	3,46,90,634	34
MAS FINANCIALS (Term Loan)	14.25%	1,15,62,500	-	37,50,000	78,12,500	25
Sundaram BNP Paribas Home Finance Ltd (Term Loan)	13.00%	1,42,50,000	-	30,00,000	1,12,50,000	45
RBL BANK (Term Loan 1)	12.00%	3,00,00,000	-	1,04,54,545	1,95,45,455	22
RBL BANK (Term Loan 2)	10.65%	-	2,00,00,000	36,36,364	1,63,63,636	27
RBL BANK (Term Loan 3)	12.15%	-	5,00,00,000	-	5,00,00,000	39
RBL BANK (Term Loan 4)	12.25%	-	5,00,00,000	-	5,00,00,000	39
Bandhan Bank (Term Loan 1)	11.60%	10,00,00,000	-	2,10,52,000	7,89,48,000	43
Bandhan Bank (Term Loan 2)	11.85%	-	15,00,00,000	-	15,00,00,000	60
A K Capital Finance Pvt Ltd (Term Loan 1)	12.50%	13,00,00,000	2,00,00,000	4,83,33,333	10,16,66,667	25
A K Capital Finance Pvt Ltd (Term Loan 2)	12.50%	-	3,00,00,000	75,00,000	2,25,00,000	26
Mahindra Finance (Term Loan)	12.50%	5,79,18,869	-	1,78,49,780	4,00,69,089	23
Utkarsh SFB (Term Loan 1)	12.40%	2,50,00,000	7,50,00,000	1,71,87,500	8,28,12,500	43
Hinduja housing finance (Term Loan 1)	12.50%	3,00,00,000	4,00,00,000	1,66,66,662	5,33,33,338	30
Hinduja housing finance (Term Loan 2)	12.80%	-	10,00,00,000	50,00,001	9,49,99,999	57
Manappuram Finance (Term Loan)	12.00%	5,00,00,000	5,00,00,000	1,28,10,401	8,71,89,599	50
IDFC First Bank (Term Loan 1)	12.25%	-	25,00,00,000	-	25,00,00,000	52
IDFC First Bank (Term Loan 2)	12.00%	-	15,00,00,000	-	15,00,00,000	72
NCD - Triple Jump (NCD 1)	11.57%	-	8,09,40,000	-	8,09,40,000	70
NCD - Northern ARC (NCD 1)	12.22%	-	8,09,40,000	-	8,09,40,000	70
NCD - Northern ARC (NCD 2)	13.00%	-	14,00,00,000	-	14,00,00,000	71
HDFC Car Loan (Toyota)	8.50%	15,14,637	-	2,89,554	12,26,083	42
HDFC Car Loan (Audi)	7.90%	43,32,369	-	8,53,367	34,79,002	41
Vivriti Capital (Term Loan)	12.50%	-	5,00,00,000	-	5,00,00,000	36
<b>Total</b>		<b>58,98,17,465</b>	<b>1,56,68,80,000</b>	<b>21,60,19,046</b>	<b>1,94,06,78,419</b>	

Details of Term Loans from Banks and NBFCs and Non convertible debentures:

Term Loans from Banks and NBFCs during the Financial Year 2018-19:

- Secured term loans from Banks include loans from various banks and carry rate of interest in the range of 10.65% to 12.50% p.a. The loans are having tenure of 3 to 5 years from the date of issue and are repayable in monthly or quarterly instalments. These loans are secured by hypothecation (exclusive charge) of the portfolio loans given by the Company and margin money deposits. Secured term loan from banks include auto loans of Rs. 47.05 lakh (P.Y. Rs. 58.47 lakh) which are secured by hypothecation of Company's vehicles
- Secured term loans from non-banking finance companies carry interest rate in the range of 11.00% p.a to 14.25% p.a. and are for a tenure of 3 to 5 years from the date of issue.
- Non Convertible Debentures from Financial institution carry interest rate in the range of 12.22% p.a to 13.00% p.a. and are for a tenure of 74 Months from the date of issue.



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Ummeed Housing Finance Private Limited  
Notes to financial statements for the year ended March 31, 2019

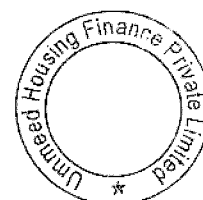
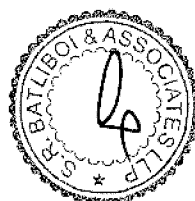
9.1 Property, Plant and Equipment

(Amount in INR unless otherwise stated)

	Office Equipment	Computers	IT Networks Equipment's	Furniture Fixtures & Fittings	Vehicles	Total
<b>Cost</b>						
At April 1, 2017	3,90,975	13,58,555	50,768	-	-	18,00,298
Additions	7,10,353	24,15,131	-	-	-	1,04,12,931
At March 31, 2018	11,01,328	37,73,686	50,768	5,33,749	67,53,698	1,22,13,229
Additions	15,40,918	39,28,347	5,44,310	4,31,772	-	64,45,347
Disposals	(15,450)	-	-	(2,62,989)	-	(2,78,439)
At March 31, 2019	26,26,796	77,02,033	5,95,078	7,02,532	67,53,698	1,83,80,137
<b>Depreciation</b>						
At April 1, 2017	21,952	2,03,140	3,331	-	-	2,28,423
Charge for the year	1,19,147	7,12,942	8,150	32,169	5,51,786	14,24,194
At March 31, 2018	1,41,099	9,16,082	11,481	32,169	5,51,786	16,52,617
Charge for the year	3,13,280	18,96,885	41,725	58,292	14,72,954	37,83,136
Disposals	(5,652)	-	-	(37,676)	-	(43,328)
At March 31, 2019	4,48,727	28,12,967	53,206	52,785	20,24,740	53,92,425
<b>Net Block</b>						
At March 31, 2018	9,60,229	28,57,604	39,287	5,01,580	62,01,912	1,05,60,612
At March 31, 2019	21,78,069	48,89,066	5,41,872	6,49,747	47,28,958	1,29,87,712

9.2 Intangible assets

	Software	Total
<b>Gross block</b>		
At April 1, 2017	-	-
Addition	21,65,410	21,65,410
At March 31, 2018	21,65,410	21,65,410
Addition	57,01,580	57,01,580
At March 31, 2019	78,66,990	78,66,990
<b>Amortisation</b>		
At April 1, 2017	1,89,001	1,89,001
Charge for the year	3,47,618	3,47,618
At March 31, 2018	5,36,619	5,36,619
Charge for the year	6,82,613	6,82,613
At March 31, 2019	12,19,232	12,19,232
<b>Net block</b>		
At March 31, 2018	16,28,791	16,28,791
At March 31, 2019	66,47,758	66,47,758



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Ummeed Housing Finance Private Limited  
Notes to financial statements for the year ended March 31, 2019

6. Provisions	Long-term		(Amount in INR unless otherwise stated)	
	March 31, 2019	March 31, 2018	Short-term	March 31, 2018
Provision for employee benefits				
Provision for gratuity (refer note 25)	32,27,507	10,52,181	9,611	4,144
Provision for leave benefits (refer note 25)	27,63,311	6,46,976	7,36,075	1,66,209
Provision on incentives			26,12,352	18,07,725
	<u>59,90,818</u>	<u>16,99,157</u>	<u>33,58,038</u>	<u>19,78,078</u>
Other provisions				
Provision for taxation (Net of Advances)				
Provision against standard assets			1,21,22,055	60,050
- Housing Loans	65,20,170	28,07,367	2,57,100	65,162
- Non-Housing Loans	50,68,817	14,72,364	3,73,535	69,672
	<u>1,15,88,987</u>	<u>42,79,731</u>	<u>1,27,52,690</u>	<u>1,94,884</u>
Total	<u>1,75,79,805</u>	<u>59,78,888</u>	<u>1,61,10,728</u>	<u>21,72,962</u>

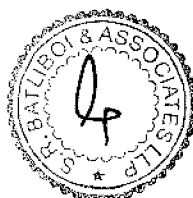
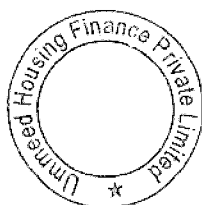
7. Short-term borrowings		
Cash credit from banks (secured)	March 31, 2019	March 31, 2018
	41,64,64,747	16,62,73,141
Total	<u>41,64,64,747</u>	<u>16,62,73,141</u>

Cash credit facilities from banks are secured by a first charge by way of hypothecation of book debts of specific loan assets of the company. Certain cash credit facilities are also secured by way of Fixed Deposits. All cash credit/Overdraft facilities are repayable as per the contracted/roll over term.

8. Other Current liabilities		
Trade payables	March 31, 2019	March 31, 2018
Dues to micro and small enterprises (Refer Note 24)		
Dues of creditors other than micro enterprises and small enterprises	1,32,24,922	25,91,044
	<u>1,32,24,922</u>	<u>25,91,044</u>
Other liabilities		
Current maturities of long-term borrowings (note 5)	39,55,73,851	15,24,97,153
Bonus and Salaries payable	1,16,27,708	32,74,146
Interest accrued but not due on borrowings	1,73,55,697	11,27,779
Statutory dues payable	72,20,892	24,23,864
Insurance premium received in advance	44,59,412	64,21,304
Amount payable on assigned loans	17,98,846	5,40,691
	<u>43,80,36,206</u>	<u>16,62,84,737</u>
Total	<u>48,12,61,128</u>	<u>16,88,75,781</u>

10. Deferred tax asset (net)		
Deferred tax liability	March 31, 2019	March 31, 2018
On Special Reserve created under section 36(1)(viii) of the Income Tax Act, 1961	(18,66,570)	
Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	(3,02,036)	(3,61,971)
Gross deferred tax liability	<u>(21,68,606)</u>	<u>(3,61,971)</u>
Deferred tax asset		
Provision for compensated absences, gratuity and other employee benefits	61,47,597	30,69,828
Provision for standard assets	21,71,259	9,80,045
Gross deferred tax asset	<u>83,18,856</u>	<u>40,49,873</u>
Opening balance of deferred tax asset	36,87,702	-
Deferred tax asset (net)	<u>98,37,952</u>	<u>36,87,702</u>

11. Loans and advances				
	Non-current		Current	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
A. Portfolio Loans				
Secured, considered good*				
- Housing Loans	1,63,00,42,568	67,14,70,629	4,62,37,028	1,53,33,581
- Non-Housing Loans	1,16,64,76,737	33,98,88,650	7,73,23,437	1,67,73,999
- Others**	10,07,27,828	2,82,02,390	24,72,436	6,44,025
	<u>2,89,72,46,933</u>	<u>1,03,95,61,669</u>	<u>12,60,32,901</u>	<u>3,27,51,605</u>
Secured, considered doubtful***				
Total (A)	<u>2,89,72,46,933</u>	<u>1,03,95,61,669</u>	<u>12,60,32,901</u>	<u>3,27,51,605</u>



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Ummeed Housing Finance Private Limited  
Notes to financial statements for the year ended March 31, 2019

(Amount in INR unless otherwise stated)				
<b>B. Security deposits</b>				
Unsecured, considered good	70,84,188	15,01,500	6,42,000	14,38,347
<b>Total (B)</b>	<b>70,84,188</b>	<b>15,01,500</b>	<b>6,42,000</b>	<b>14,38,347</b>
<b>C. Other loans and advances (unsecured, considered good)</b>				
Advance paid to suppliers	32,228	-	-	10,011
Employee Advances	-	-	69,918	677
Prepaid expenses	-	-	6,96,676	4,01,058
Balances with statutory / government authorities	-	-	35,63,285	10,87,401
-Tax Deducted at Source Recoverable	-	-	8,03,267	2,95,332
-Goods and Services Tax Recoverable	-	-	1,12,873	1,83,496
Others	-	-	-	-
<b>Total (C)</b>	<b>32,228</b>	<b>-</b>	<b>52,46,019</b>	<b>19,57,975</b>
<b>Total (A+B+C)</b>	<b>2,90,43,43,347</b>	<b>1,04,10,63,169</b>	<b>13,19,20,920</b>	<b>3,61,47,927</b>

\* Represents standard assets in accordance with Company's asset classification policy (refer note 2.1 (c) & 23)

\*\*Represents charges and insurance deducted from disbursement

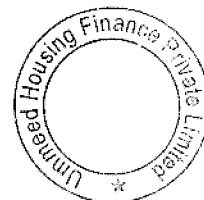
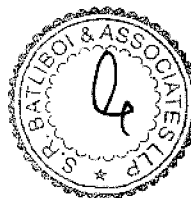
\*\* Represents non-performing assets in accordance with Company's asset classification policy (refer note 2.1 (c) & 23)

<b>12. Other Current Assets</b>	<b>March 31, 2019</b>	<b>March 31, 2018</b>
Interest accrued but not due on portfolio loans	3,16,25,915	1,09,57,583
Interest accrued but not due on deposits placed with banks	53,60,941	30,58,216
Commission receivable from Insurance Companies	32,86,357	9,38,758
MAT Credit Entitlement	-	9,77,861
<b>Total</b>	<b>4,02,73,213</b>	<b>1,59,30,418</b>

<b>13. Current Investments</b>	<b>Total Cost</b>	<b>March 31, 2019</b>	<b>March 31, 2018</b>
<b>Unquoted mutual funds</b>			
Birla Sun Life Cash Plus Regular Dividend Plan 'Nil' (31 March 2018: 5,68,150.266) Units	5,69,80,529	-	5,70,75,012
ICICI Prudential Liquid Plan - Growth 'Nil' (31 March 2018: 12,19,309.483) Units	12,21,98,343	-	12,23,54,902
HDFC Liquid - Growth 16,507.403 (31 March 2018: Nil) Units	6,00,93,430	6,04,22,045	-
Reliance Liquid - Growth 4,660.150 (31 March 2018: Nil) Units	2,08,10,161	2,11,53,400	-
Franklin India Ultra Short Bond - Growth 8,986,136.250 (31 March 2018: Nil) Units	23,15,70,576	23,60,55,015	-
<b>Total</b>		<b>31,76,30,460</b>	<b>17,94,29,914</b>

<b>14. Cash and bank balances</b>	<b>March 31, 2019</b>	<b>March 31, 2018</b>
<b>Cash and cash equivalents</b>		
Balances with banks		
On current accounts	8,27,19,656	1,18,97,596
Deposits with original maturity of three months or less	17,00,00,000	4,95,00,000
<b>Other bank balances</b>	<b>25,27,19,656</b>	<b>6,13,97,596</b>
Deposits with remaining maturity of more than 3 months (lien against facilities from banks)*	11,49,99,000	10,89,99,000
<b>Total</b>	<b>11,49,99,000</b>	<b>10,89,99,000</b>
<b>* Balances with banks includes Rs.65 lakhs (2018 Rs.15 lakhs) which have remaining maturity of more than twelve months.</b>	<b>36,77,18,656</b>	<b>17,03,96,596</b>

<b>15. Revenue from operations</b>	<b>March 31, 2019</b>	<b>March 31, 2018</b>
Interest income on loans to borrowers		
Interest - Housing Loan	15,73,14,083	4,17,98,304
Interest - Non Housing Loan	12,59,35,199	3,17,45,288
Interest - Others*	91,50,434	23,94,837
<b>*Represents charges and insurance deducted from disbursement</b>		
<b>Other operating revenue</b>		
Processing fees/Prepayment Charges	5,47,33,117	2,50,02,954
Commitment Fees	1,64,71,330	73,68,923
Interest income on fixed deposits	2,91,09,035	79,95,184
Commission Income	52,56,139	13,97,440
Others	15,99,398	12,60,178
<b>Total</b>	<b>39,96,28,735</b>	<b>11,89,63,108</b>

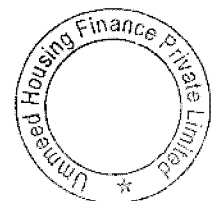


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Ummeed Housing Finance Private Limited  
Notes to financial statements for the year ended March 31, 2019

(Amount in INR unless otherwise stated)

<b>16. Other income</b>	<b>March 31, 2019</b>	<b>March 31, 2018</b>
Gain on sale of units of mutual fund	35,81,118	13,30,092
Dividend income on mutual funds	26,84,539	67,85,138
Unrealised Gain(loss) on mutual funds	51,58,293	(4,41,416)
Advertisement Income	87,22,892	-
Interest on income tax refund	80,032	-
<b>Total</b>	<b>2,02,24,874</b>	<b>76,73,814</b>
<b>17. Employee benefit expenses</b>	<b>March 31, 2019</b>	<b>March 31, 2018</b>
Salaries & Bonus expenses	13,24,89,778	5,88,09,810
Employee Stock compensation expenses	99,16,275	56,91,071
Leave benefits (refer note 25)	26,94,805	4,62,873
Contribution to provident fund	36,98,629	11,61,786
Contribution to Employee State Insurance Corporation	7,17,042	3,63,285
Gratuity expense (refer note 25)	21,80,794	7,65,202
Staff welfare expenses	29,06,394	11,18,836
<b>Total</b>	<b>15,46,03,817</b>	<b>6,83,72,663</b>
<b>18. Finance costs</b>	<b>March 31, 2019</b>	<b>March 31, 2018</b>
Interest expenses on borrowings	14,50,85,248	1,33,63,296
Processing fees on borrowings	83,83,461	24,42,700
Bank charges towards borrowings	6,37,434	2,40,772
On delayed deposit of TDS	350	-
On delayed deposit of GST/Service tax	22,056	838
Interest on delayed payment of income tax	-	7,060
<b>Total</b>	<b>15,41,28,549</b>	<b>1,60,54,666</b>
<b>19. Depreciation and amortisation expense</b>	<b>March 31, 2019</b>	<b>March 31, 2018</b>
Depreciation of property, plant and equipment	37,83,136	14,24,194
Amortisation of intangible assets	6,82,613	3,47,618
<b>Total</b>	<b>44,65,749</b>	<b>17,71,812</b>
<b>20. Other expenses</b>	<b>March 31, 2019</b>	<b>March 31, 2018</b>
Rent	1,31,48,155	57,90,195
Rates and taxes	8,94,672	8,69,725
Repairs and maintenance	29,72,601	18,41,256
Computers	50,21,171	19,90,158
Others	2,08,915	5,47,779
Software Charges	13,72,444	6,70,052
Electricity & Water Charges	78,80,844	30,44,091
Travelling and conveyance	43,06,420	18,84,730
Communication expenses	14,70,744	8,53,098
Printing and stationery	9,88,914	10,60,848
Advertising and sales promotion	2,55,33,912	1,36,12,797
Legal and professional fees	11,82,191	2,97,225
Commission and Brokerage	4,05,000	-
Directors' sitting fees	15,50,000	9,00,000
Auditor's remuneration (refer note A below)	-	15,000
Donations	4,20,069	95,908
Miscellaneous expenses	6,71,64,052	3,34,82,862
<b>Total</b>	<b>6,71,64,052</b>	<b>3,34,82,862</b>
<b>A. Payment to auditors</b>	<b>March 31, 2019</b>	<b>March 31, 2018</b>
As auditor:		
Audit fee	10,50,000	6,50,000
Tax audit fee	1,50,000	50,000
In other capacity:		
Other services (certification fees)	3,03,300	1,50,000
Reimbursement of expenses	46,700	50,000
<b>Total</b>	<b>15,50,000</b>	<b>9,00,000</b>



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Ummeed Housing Finance Private Limited  
Notes to financial statements for the year ended March 31, 2019

(Amount in INR unless otherwise stated)

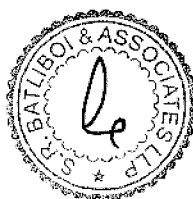
**21. Provisions and write-offs**

	March 31, 2019	March 31, 2018
Contingent provision against standard assets (refer note 27)	78,04,669	38,06,001
Total	78,04,669	38,06,001

**22. Earning Per Share**

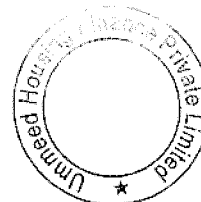
The following reflects the profit and share data used in the basic and diluted EPS computations:

	March 31, 2019	March 31, 2018
Profit after tax	2,44,89,103	68,36,620
Less : dividends on convertible preference shares & tax thereon	-	-
Net profit for calculation of basic EPS	2,44,89,103	68,36,620
Net profit as above	2,44,89,103	68,36,620
Add: dividends on convertible preference shares & tax thereon	-	-
Net Profit for calculation of diluted EPS	2,44,89,103	68,36,620
Weighted average number of equity shares in calculating basic EPS	1,59,80,360	1,51,46,337
Effect of dilution:		
Dilutive effect of outstanding potential equity shares	83,13,584	49,44,368
Weighted average number of equity shares in calculating Diluted EPS	2,42,93,944	2,00,90,705
EPS Basic	1.53	0.45
EPS Diluted	1.01	0.34



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(Amount in INR unless otherwise stated)

### 23 Related parties

(A) Names of related parties identified in accordance with AS -18 "Related Party Disclosures" issued by the Institute of Chartered Accountants of India:

1. Entities where control exists:  
None

2. Shareholders having Substantial interest  
Ashutosh Sharma  
Lok Capital Growth Fund

3. Key management personnel/ Directors  
Ashutosh Sharma Managing Director  
Sachin Grover Whole Time Director and Chief Operating Officer  
Alok Prasad (Resigned w.e.f June 22,2019) Non Executive Director

4. Enterprises under significant influence of the key management personnel,  
None

5. Relatives of key managerial personnel (with whom there were transactions during the year/previous year)  
None

(B) The nature and volume of transactions carried out with the above related parties in the ordinary course of business are as follows :

1. Loans taken and repayment thereof:  
None

2. Remuneration to Key Managerial personnel

	March 31, 2019	March 31, 2018
Ashutosh Sharma - Managing Director	1,26,50,000	71,49,996
Sachin Grover - Whole Time Director	90,00,000	54,99,996
<b>Total</b>	<b>2,16,50,000</b>	<b>1,26,49,992</b>

Notes:

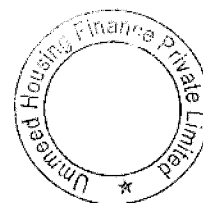
(a) The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.

### 3. Other Transactions

Name of related party	Nature of transactions	March 31, 2019			March 31, 2018		
		Amount received	Amount paid	Receivable / (Payable)	Amount received	Amount paid	Receivable / (Payable)
Ashutosh Sharma	Issue of Shares (OCNCRPS)	5,19,810	-	-	-	-	-
Ashutosh Sharma	Reimbursement of Expenses	-	16,57,644	(31,600)	-	7,28,271	-
Sachin Grover	Issue of Shares (OCNCRPS)	53,589	-	-	-	-	-
Sachin Grover	Reimbursement of Expenses	-	18,64,708	(61,661)	-	10,14,488	-
Alok Prasad	Consultancy Fees	-	12,00,000	-	-	11,75,000	-

### 24 Details of dues to micro and small enterprises as defined under the MSMED Act, 2008

There are no amounts that need to be disclosed in accordance with the Micro Small and Medium Enterprise Development Act, 2008 (the 'MSMED') pertaining to micro or small enterprises. For the year ended March 31, 2018, no supplier has intimated the Company about its status as micro or small enterprises or its registration with the appropriate authority under MSMED.



*[Handwritten signatures and initials]*

(Amount in INR unless otherwise stated)

## 25. Gratuity and other post-employment benefit plans

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is eligible for gratuity on cessation of employment and it is computed at 15 days salary (last drawn salary) for each completed year of service subject to such limit as prescribed by The Payment of Gratuity Act, 1972 as amended from time to time. The following tables summarize the components of net benefits expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the respective plans:

### Statement of profit and loss

#### Net employee benefit expense recognized in the employee cost - Gratuity

	March 31, 2019	March 31, 2018
Current service cost	10,51,718	5,78,610
Interest cost	78,802	20,670
Expected return on plan assets	-	-
Net actuarial (gain) / loss recognized in the year	10,50,274	1,65,922
Net expense	21,80,794	7,65,202

### Balance Sheet

#### Details of provision for Gratuity

	March 31, 2019	March 31, 2018
Present value of defined benefit obligation	32,37,118	10,56,325
Plan liability	32,37,118	10,56,325

Changes in the present value of the defined benefit obligation are as follows:

	March 31, 2019	March 31, 2018
Opening defined benefit obligation	10,56,325	2,91,123
Current service cost	10,51,718	5,78,610
Interest cost	78,802	20,670
Benefits paid during the year	-	-
Actuarial (gain)/loss on obligation	10,50,274	1,65,922
Closing defined benefit obligation	32,37,119	10,56,325

### Statement of profit and loss

#### Net employee benefit expense recognized in the employee cost - Leave Benefit

	March 31, 2019	March 31, 2018
Current service cost	22,69,425	9,96,181
Interest cost	60,339	24,872
Net actuarial (gain) / loss recognized in the year	3,65,141	(5,58,180)
Net expense	26,94,905	4,62,873

### Details of provision for Leave Benefit

#### Balance Sheet

#### Benefit asset/ liability

	March 31, 2019	March 31, 2018
Present value of defined benefit obligation	34,99,386	8,13,185
Plan asset / (liability)	34,99,386	8,13,185

Changes in the present value of the defined benefit obligation are as follows:

	March 31, 2019	March 31, 2018
Opening defined benefit obligation	8,13,185	3,50,312
Current service cost	22,69,425	9,96,181
Interest cost	60,339	24,872
Benefits paid during the year	(8,704)	-
Actuarial (gain)/loss on obligation	3,65,141	(5,58,180)
Closing defined benefit obligation	34,99,386	8,13,185

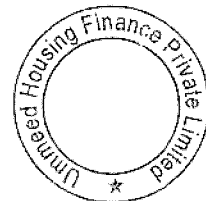
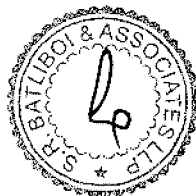
The principle assumptions used in determining the Actuarial and Leave Encashment obligations for the Company are shown below:

Particulars	March 31, 2019	March 31, 2018
Discount rate	7.07%	7.46%
Salary escalation rate	9.00%	7.00%
Employee turnover	15.00%	12.50%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

### Other Benefits

The Company has provided for compensatory leaves which can be availed and not encashed as per policy of the Company as present value obligation of the benefit at related current service cost measured using the Projected Unit Credit Method on the basis of an actuarial valuation.



*[Handwritten signatures and initials]*

(Amount in INR unless otherwise stated)

## 26. Employee stock option plans

The Company established the "Ummeed Employee Stock Option Scheme 2017" ("ESOP 2017") which was approved by the Shareholders on May 25, 2017 and the amendment made in Scheme in 2018 was approved by Shareholders in extra-ordinary general meeting held on May 22, 2018. Under the plan, the Company is issue up to 20,60,658 (Twenty Lac Sixty Thousand Six Hundred and Fifty Eight) Employee Stock Options to the Employees under ESOP 2017, exercisable into not more than 20,60,658 (Twenty Lac Sixty Thousand Six Hundred and Fifty Eight) fully paid-up equity Shares in the Company, with each such Option conferring a right upon the Employee to apply for one Share of the Company, in accordance with the terms and conditions of such issue and subject to the provisions of ESOP 2017.

During the year ended March 31, 2019, the following stock option grants were in operation:

Particulars	ESOP 2017 I	ESOP 2017 II	ESOP 2017 III
1. Scheme name	Equity stock option plan for Employees	Equity stock option plan for Employees 2017	Equity stock option plan for Employees
2. Date of grant	25-05-2017	25-05-2017	25-05-2018
3. Date of Board / Compensation Committee approval	10-05-2017	10-05-2017	10-05-2017
4. Number of Options granted	1,94,169	61,898	8,72,429
5. Method of settlement	Shares	Shares	Shares
6. Total vesting period	5 Years	5 Years	5 Years
7. Exercise period	Upon happening of any liquidity event or any other period as decided by board or NRC.	Upon happening of any liquidity event or any other period as decided by board or NRC.	Upon happening of any liquidity event or any other period as decided by board or NRC.
8. Vesting conditions	60% of the options granted shall be time based (i.e. continued employment with the company) and 40% of the options shall be performance based.	60% of the options granted shall be time based (i.e. continued employment with the company) and 40% of the options shall be performance based.	60% of the options granted shall be time based (i.e. continued employment with the company) and 40% of the options shall be performance based.
9. Exercise price per option	10	28.50	28.50
10. Fair value of options	40.64	40.64	50.26
11. Stock price on the date of grant	40.64	40.64	50.26

## II. Reconciliation of options

Particulars	ESOP 2017 I	ESOP 2017 II	ESOP 2017 III
1. Options outstanding at the beginning of the year	1,94,169	61,898	-
2. Granted during the year	-	-	8,72,429
3. Forfeited during the year	-	-	-
4. Exercised during the year	-	-	-
5. Expired during the year	-	-	-
6. Outstanding at the end of the year	1,94,169	61,898	8,72,429
7. Exercisable at the end of the year	1,94,169	61,898	-

27. As required by the revised guidelines dated October 11, 2010, read with additional requirement/ guidelines with reference to the interpretation of various terms/ classifications, the following additional disclosures are given as under:

## I. Capital to Risk Assets Ratio (CRAR):

Items	March 31, 2019	March 31, 2018
i) CRAR (%)	56.32%	76.17%
ii) CRAR - Tier I Capital	55.78%	75.67%
iii) CRAR - Tier II Capital	0.54%	0.50%
iv) Amount of subordinated debt raised as Tier- II Capital	-	-
v) Amount raised by issue of perpetual Debt Instruments	-	-

## II. Exposure to Real Estate Sector:

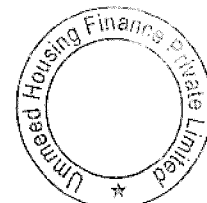
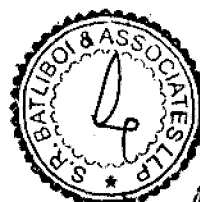
Category	March 31, 2019	March 31, 2018
a) Direct Exposure		
(i) Resident Mortgages -		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented		
Individual Housing Loans upto ₹ 15 Lakh	2,28,82,09,838	85,08,53,178
Individual Housing Loans More than ₹ 15 Lakh	58,40,73,844	16,06,43,110
(ii) Commercial Real Estate		
Lending secured by mortgages on commercial real estates (office building, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or ware house space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limited	15,09,96,152	6,08,16,986
(iii) Investments in mortgage Backed Securities (MBS) and other securitised exposures -		
a. Residential	-	-
b. Commercial Real Estate	-	-
b) Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-

III. Exposure to Capital Market: Company doesn't have any exposure in capital market

IV. Details of financing of Parent Company products: These details are not applicable since the Company is not a subsidiary of any company.

V. Details of Single Borrower Limit (SBL)/ Group Borrower Limit (GBL) exceeded by HFC: The Company has not exceeded Single Borrower Limit (SBL) / Group Borrower Limit (GBL) during the financial year.

VI. Unsecured Advances: NIL



*Sach*

*[Signature]*

*Am G. Singh*

(Amount in INR unless otherwise stated)

**VII. Asset Liability Management:**

Maturity pattern of certain items of assets and liabilities	Liabilities		Assets		
	Borrowing from Banks	Borrowing from other than Banks	NCD's	Housing & Property Loan	Investment
1 day to 30-31 days (one month)	1,92,90,489	1,40,39,203	-	88,24,425	31,76,30,466
Over one month to 2 months	1,80,71,114	1,90,52,039	-	1,02,53,414	-
Over 2 months upto 3 months	1,87,14,989	80,93,479	-	1,03,87,214	-
Over 3 months to 6 months	5,51,57,966	4,43,11,398	-	3,19,43,067	-
Over 6 months to 1 year	11,03,15,932	8,82,09,551	-	8,34,90,913	-
Over 1 year to 3 years	42,53,65,416	26,28,81,148	30,18,80,000	33,42,44,282	-
Over 3 to 5 years	46,33,70,716	8,69,25,978	-	45,03,28,537	-
Over 5 to 7 years	2,50,00,000	-	-	51,88,89,840	-
Over 7 to 10 years	-	-	-	56,91,63,171	-
Over 10 years	-	-	-	1,02,58,52,951	-
<b>Total</b>	<b>1,13,82,86,622</b>	<b>80,35,11,798</b>	<b>30,18,80,000</b>	<b>3,02,31,77,814</b>	<b>31,76,30,466</b>

**VIII. Investments:**

Particular	March 31, 2019	March 31, 2018
<b>Value of Investments</b>		
i) Gross Value of Investments		
(a) In India		
(a) Outside India	31,76,30,460	17,94,29,914
ii) Provisions for Depreciation		
(a) In India	-	-
(a) Outside India	-	-
iii) Net Value of Investments		
(a) In India	-	-
(a) Outside India	31,76,30,460	17,94,29,914

**Movement of provisions held towards depreciation on investments**

i) Opening Balance	-	-
ii) Add: Provisions made during the year	-	-
iii) Less: Write-off / Written-back of excess provisions during the year	-	-
iv) Closing balance	-	-

**V. Derivatives:**

The Company has not entered into any Derivative transactions Forward Rate Agreement (FRA) Interest Rate Swap (IRS) : Nil  
Exchange Traded Interest Rate (IR) Derivative: Nil Disclosures on Risk Exposure in Derivatives: Not applicable

**IX. Securitisation:**

Company doesn't entered into any Securitisation transaction during the year 18-19

**XI: Other Regulator Registrations**

Regulator	Registration No.
1. Ministry of Company Affairs	CIN:U65922HR2016PTC057904
2. National Housing Bank	Certifies registration No. 07.137.16 Dated 13.07.2016

The company has not obtained registration from any other financial sector.

**XII: Disclosure of Penalties Imposed by NHB and other regulators**

During the year ended March 31, 2019 and March 31, 2018,

(i) there are no penalties imposed on the Company by NHB or other Regulators.

(ii) the Company has not received any adverse comments in writing by NHB or other Regulators on regulatory compliances, with a specific communication to disclose the same to the public

**XIII: Ratings assigned by Credit Rating Agencies**

**Particulars**

Non-Convertible Debentures  
Bank Term Loans

March 31, 2019 March 31, 2018  
CARE BBB; [Tr -  
CARE BBB; [Tr CARE BBB(-) (Triple B Minus)

**XIV: Related party Transactions**

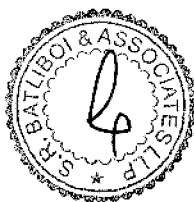
Details of all material transactions with related parties are disclosed in Note 22 to Financial Statements.

**XV: Net Profit or Loss for the period, prior period items and changes in accounting policies**

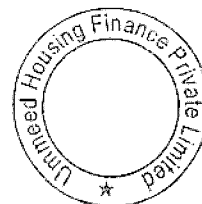
There are no prior period items that have impact on the current year's profit and loss. There are no changes in accounting policies during the current year.

**XVI: Revenue Recognition**

There have been no instances in which revenue recognition has been postponed pending the resolution of significant uncertainties.



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*[Handwritten signature]*

XVIII: Provisions and Contingencies		(Amount in INR unless otherwise stated)			
Break up of Loan & Advances and Provisions thereon		Home Loan		Non-Home Loan	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
<b>Standard Assets</b>					
a) Total Outstanding Amount		1,67,62,79,596	68,68,04,210	1,34,70,00,238	35,66,62,649
b) Provisions made					
Provisions- HL					
Provisions- Non HL		85,20,170	28,07,367	2,57,100	65,162
Provisions- Other		46,65,906	13,59,554	3,63,845	67,096
		4,02,911	1,12,910	9,890	2,576
<b>Sub-Standard and doubtful assets</b>					
a) Total Outstanding Amount		-	-	-	-
b) Provisions made		-	-	-	-
<b>Loss Assets</b>					
a) Total Outstanding Amount		-	-	-	-
b) Provisions made		-	-	-	-
a) Total Outstanding Amount		1,67,62,79,596	68,68,04,210	1,34,70,00,238	35,66,62,649
b) Provisions made		1,15,88,987	42,79,731	6,30,636	1,34,834

\*Company is required to maintain provision @ 0.25% on standard Assets in respect of individual Housing Loans as per notification no NHB.HFC.DIR 18/MD&CEO/2017 dated 02nd August 2017. However company is maintaining provision @ 0.4% on all standard assets including housing loans to Individual. Provisions made includes provision on interest accrued but not due.

Draw Down from Reserves: During the financial year 2018-19, there were no draw down from Reserves.

**XIX: Concentration of Loans & Advances**

Particulars	March 31, 2019	March 31, 2018
Total Loans & Advances to twenty largest borrowers	8,96,49,052	5,33,77,041
Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the HFC	2.97	4.98

**XX: Concentration of Exposures (including off- balance sheet exposure)**

Particulars	March 31, 2019	March 31, 2018
Total Exposure to twenty largest borrowers/customers	8,96,49,052	5,33,77,041
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the HFC on borrowers / customers	2.97	4.98

XXI: Overseas Assets - Nil

XXII: Off-balance Sheet SPVs sponsored (which are required to be consolidated as per accounting Norms) - Nil

**XXIII: Customer Complaints**

Particulars	March 31, 2019	March 31, 2018
a) No. of complaints pending at the beginning of the year	-	-
b) No. of complaints received during the year	241	43
c) No. of complaints redressed during the year	(235)	(43)
d) No. of complaints pending at the end of the year	6	-

XXIV: The Company has reclassified/regrouped previous year figures where necessary to confirm to the current year's classification.

**28. Capital and other commitments**

	March 31, 2019	March 31, 2018
Loans sanctioned but not disbursed	19,20,52,974	7,75,74,800
Total	19,20,52,974	7,75,74,800

**29. Segment reporting**

The Company operates in a single reportable segment i.e., financing which has similar risk and returns for the purpose of AS 17 on "Segment Reporting" notified under the Companies Accounting standard rules, 2006 (as amended). The Company operates in a single geographical segment i.e. domestic.

**30. Previous year figures**

Previous year figures have been regrouped/reclassified, where necessary, to conform to this year's classification.

As per our report of even date

For S. R. Batliboi & Associates LLP  
ICAI Firm registration number : 101049W/E300004  
Chartered accountants

per Anil Kabra  
Partner  
Membership number: 094533



For and on behalf of the Board of Directors of  
Ummeed Housing Finance Private Limited

Ashutosh Sharma  
Managing Director  
DIN: 02582205

Sachin Grover  
Director  
DIN: 07387359

Bilash K. Mishra

Bilash Mishra  
Financial Controller  
M No.: 068171

Pankaj Kumar  
Company Secretary  
M No.: 35483

Date: June 27, 2019  
Place: Gurugram

Date: June 27, 2019  
Place: Gurugram

