



ANNUAL REPORT 2020



Ummeed Housing Finance Private Limited Annual Report 2019-20

www.ummeedhfc.com

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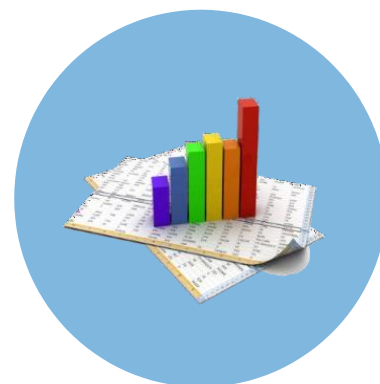
CORPORATE OVERVIEW

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INTRODUCTION TO UHFC

Ummeed Housing Finance Private Limited (Ummeed) is a housing finance company registered with National Housing Bank (NHB) under National Housing Bank Act, 1987. Managed by a team of experienced professionals, we grow with an intent of providing housing finance to low- and middle-income Indian families from rural/semi-urban areas (Underserved Tier II or Tier III locations).

Ummeed's focus remains on customers having informal income sources with limited opportunities to get organized finance. These people account for substantial proportion of our country's population:

- Emphasis on low- & middle-income segment
- Total family income to be considered for loan eligibility
- Specialized assessment as per the borrower's business/trade
- Lack of Income documents is not a hindrance for calculating loan eligibility
- Doorstep service and fast processing

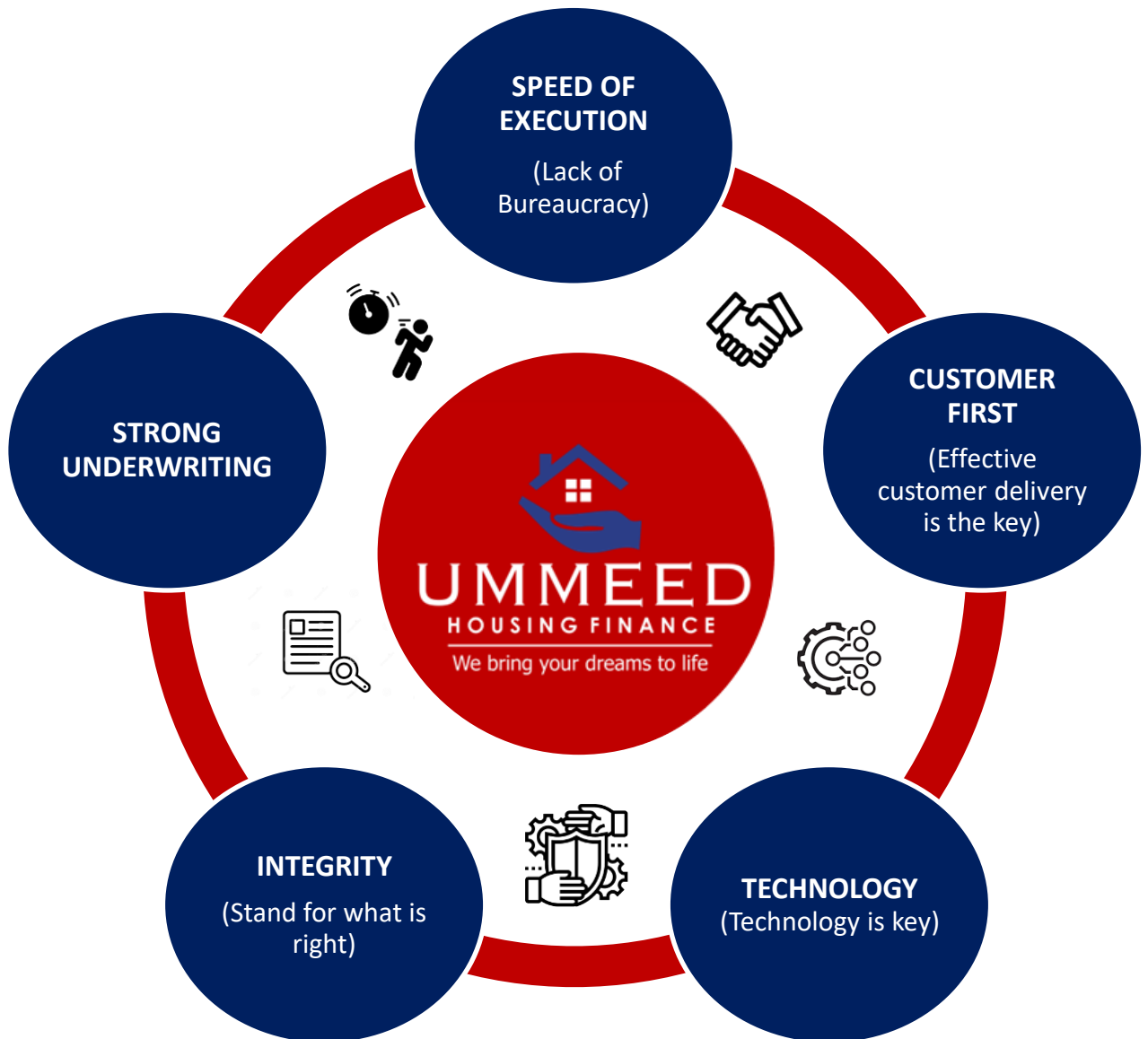
Based on varied customer requirements, we tailor-make our housing loan (HL), secured business loan (BL), secured small ticket business loan (STBL) and LAP facilities.

Under the Home loan products, we offer our customers Home Loan renovation, Home Loan Purchase, Home Loan construction, plot purchase plus construction loan and Home Loan balance transfer.

Non-Home Loans product offerings include Loan Against Property (LAP), Business Loans (BL) and Small Ticket Business Loan (STBL).



OUR CORE VALUES/C-SUIT



PRODUCTS & SERVICES AND CUSTOMERS

Serving the underserved 'Rurban' customers

Self-Employed
(informal)



Small retailers, manufacturers, traders, and service providers – mostly informal transactions limited, small loan or no credit history

Salaried
(informal)



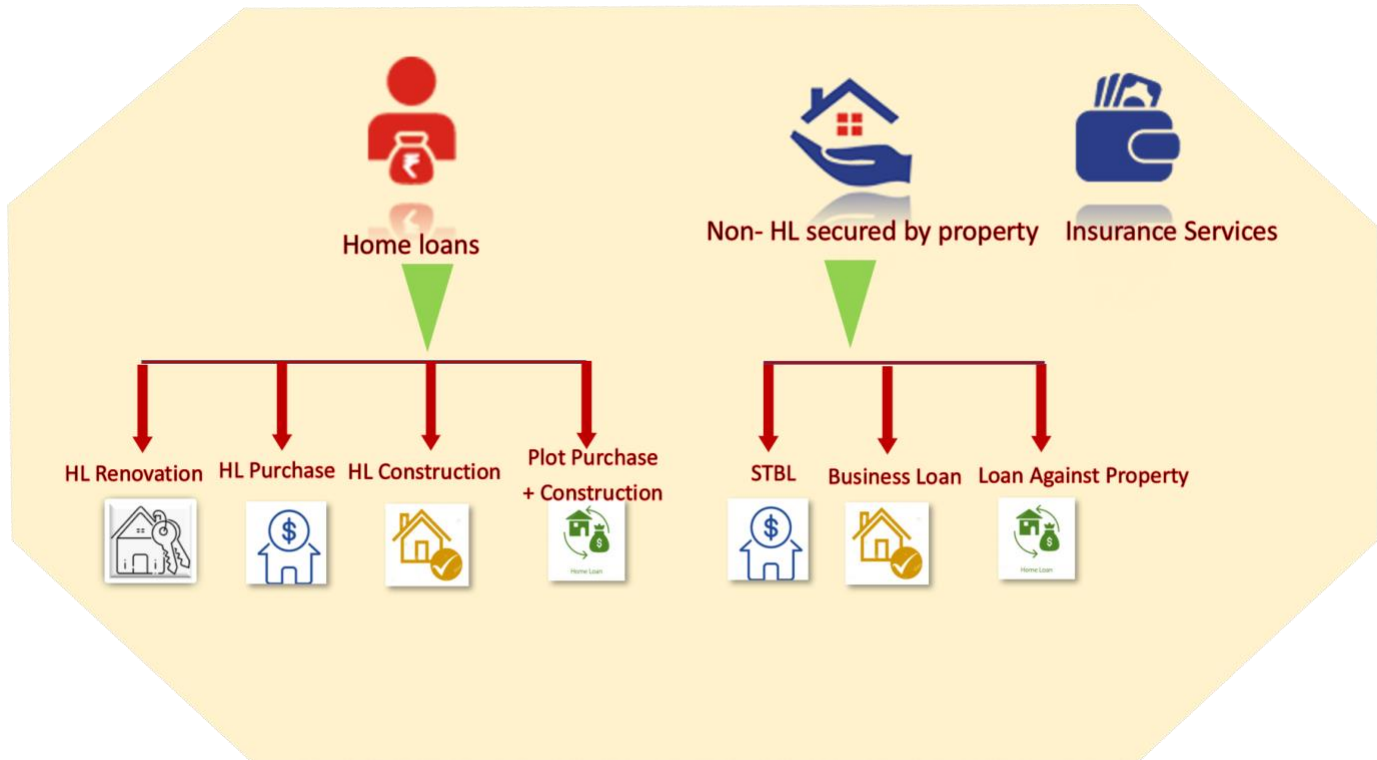
- Part formal and informal income / cash salary
- Fully formal - employed at SMEs / small concerns
- Salaried with family co-applicants having cash / informal kind of income

Self-Employed
(informal)



- Income generating small assets
- With credit history, limited financial supported with informal incomes
- Stuckists, retailers, ancillary suppliers

Through wide range of products



Basic product parameters

Applicant age	23 - 65 years
Loan amount	INR 3- 50 Lakhs
Loan tenure	2 - 20 years
Interest rate	13-20%
Average annual income	INR 4-6 Lakhs
LTV	Max. 75%

BRANCHES/HUBS OF UHFC



Delhi NCR

Rajasthan

Uttar Pradesh

Haryana



Hubs As per FY19-20 - 26

Founder and Managing Director's Letter



I am delighted to share with our stakeholders, the 5th Annual Report and Financial Statements of the Ummeed Housing Finance Private Limited ("Ummeed") for the financial year ended 2019-20.

Ummeed continued its strong performance in the year, despite significant Industry head winds on account of the DHFL bankruptcy induced liquidity crises in the second quarter of 2019-20 and the Covid-19 induced business lockdown starting in March 2020. Both these events were a significant drag on growth during the year.

Despite these events, Ummeed grew its AUM by over 49% from Rs 302 Cr to Rs 451 Cr, its branch network (across the existing States of operation i.e. Rajasthan, Haryana, NCR and UP) expanded from 18 to 26 branches. Total employee strength grew from 256 Employees in March 2019 to 371 Employees in March 2020. The focus to put in place the building blocks for a large, scalable business continues unabated i.e. build on the quality and profile of our employees, continue the investment in technology and the focus on processes.

We were delighted to bring on board Morgan Stanley, as a new investor in the Q42019-20, closing a successful equity issuance, raising Rs 160 Cr, with Morgan Stanley and LGT Impact leading the round. Having closed the financial year with a Net-Worth of Rs 258 Cr and a leverage of a little over 1x, provides the company with adequate capital to support growth for the next 18/24 month. Simultaneously we have continued to widen our liability wagon wheel, developing relationships with multiple lenders, and raising debt through various instruments, include Rs term loans, USD ECB loans, Non-Convertible Debentures. The sanction of long-term funds from the National Housing Bank (also our regulator) under their LIFT scheme was another important watershed in the financial year. Our effort to build out the business on a strong, stable, regulatory compliant platform, has been recognized with a stable Investment Grade Credit Rating from Rating agencies.

Valuing and serving our Customers has been and remains a key objective. The financial inclusion theme remains an important part of our plans and strategy.

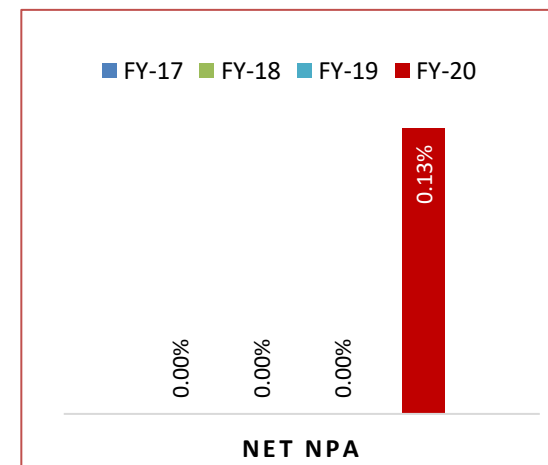
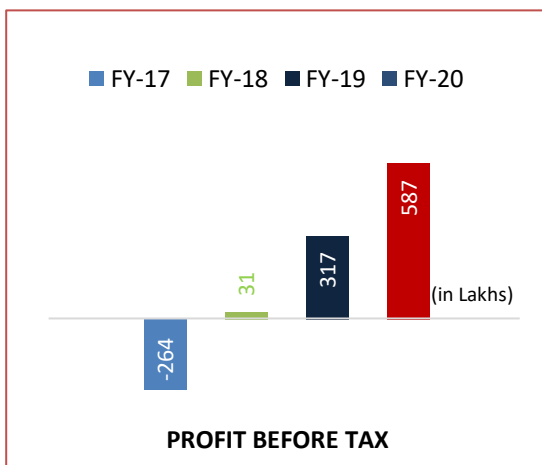
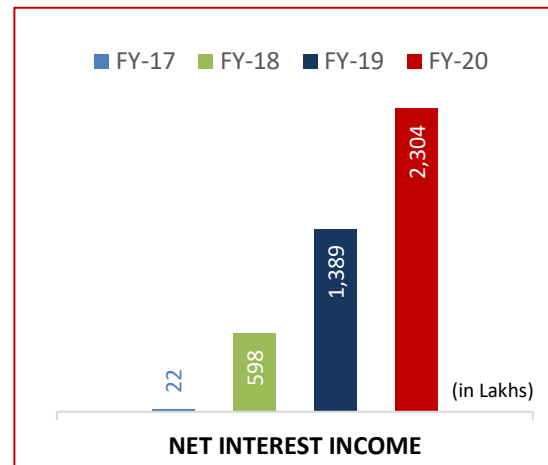
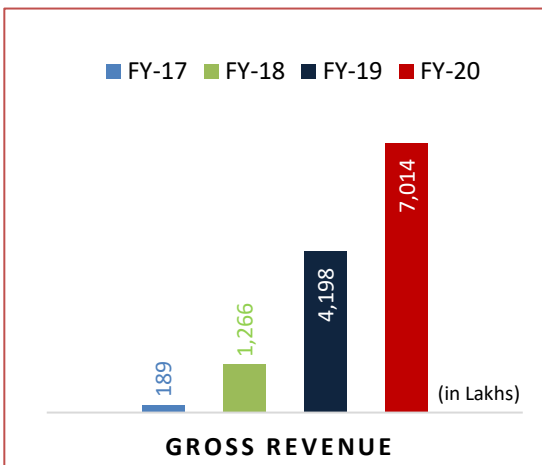
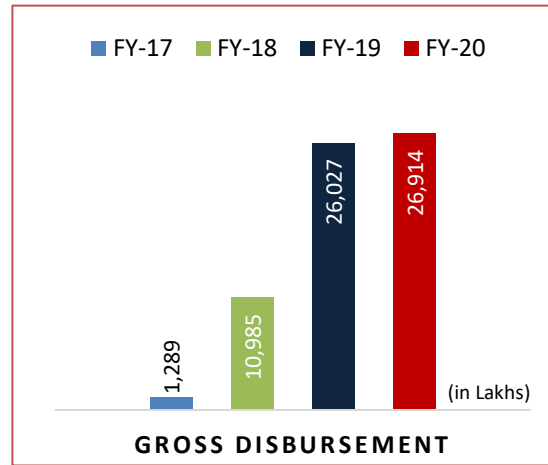
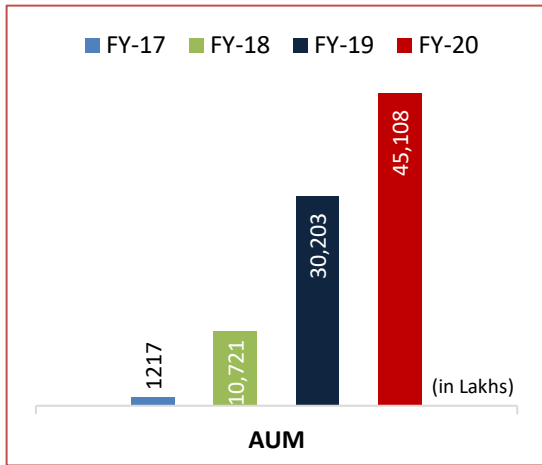
We have innovated with our products to meet customer requirement and continued to improve on our customer reach and product distribution channel. The Investment in technology is allowing us to crunch turn- around times for customers and improve on our underwriting processes. With the rapid growth we have needed to upgrade key job roles, hiring talent from the market and providing growth opportunities for our current employees. Employee training and skill development remains a key priority as we look to build out on our successes.

As the year draws to our close, the possibility of a serious, extended business disruption, on account of the Covid19 induced business lockdown and slowing economy, poses a real risk. The team at Ummeed is ready to face the uncertainty and challenge, armed with a strong Balance Sheet, dedicated employees, and a loyal customer base.

Ashutosh Sharma

Founder and Managing Director

KEY PERFORMANCE INDICATORS



DIVERSIFIED BOARD OF DIRECTORS



Mr. Ashutosh Sharma

*Founder & Managing
Director*

- 25+ years of experience across multiple banks, geographies, and banking verticals.
- Spent ~15 years with Citibank working in India and Asia, was the MD at Citibank Malaysia
- Returned to India in 2008 as country head for Bank of Montreal and set up various businesses for the group
- Holds an MBA from IIM-Ahmedabad and Honors in Economics from St. Stephen's College



Mr. Sachin Grover

Chief Operating Officer

- Veteran in the field of mortgage with 20+ years of retail lending experience
- Started housing operations for Magma Housing Finance and IIFL
- At IIFL, he built a portfolio of INR 4000+ Crores
- At Citi Financial he worked in the mortgage business.

DIVERSIFIED BOARD OF DIRECTORS



Mr. Nirav Mehta

*Nominee & Non
Executive Director*

- Co-Head of the Fund's India Investment Operations and Managing Director of Morgan Stanley Private Equity Asia.
- Worked for three years at ICICI Venture, where he focused on growth and buyout transactions across multiple sectors.
- Received his bachelor's degree in commerce from St. Xavier's College and holds an MBA from the Indian Institute of Management Bangalore.
- Currently on board of Jana Capital Limited, ZCL Chemicals Limited and Nspira Management Services Private Limited.



Mr. Kartik Srivatsa

*Nominee & Non-
Executive Director*

- Co-Founder and the Managing Partner of Aspada Investment Advisors and acts as the fund advisor for the SONG Fund through Aspada Capital Advisors.
- Earlier, he was a management consultant with McKinsey and Company
- Currently on the board of Be Well Hospitals, SV Agri, LEAF, Xamcheck, Capital Float, and Eye-Q Vision
- A graduate of the Indian Institute of Technology (IIT), Madras.



Mr. Vishal Mehta

*Nominee & Non-
Executive Director*

- Co-founder of Lok Advisory Services
- 10+ years of experience in marketing and business development services
- Led the sub-prime outbound telemarketing vertical for Capital One, one of the largest issuers of credit cards in US
- Currently on board of SEWA and Drishti
- Holds an MBA from University of Michigan.

DIVERSIFIED BOARD OF DIRECTORS



Mr. Inderjit Walia
Independent Director

- Chairman and Co-founder of one of the largest real estate focused funds in India. India Equity Partners, a USD 350 Mn equity fund.
- Was Principal and Head of private equity for MSD Capital, the private equity firm for Michael Dell and his family
- Was on board of State Bank of Mauritius and currently serves on board of U.S-India Business Council, Spice Jet Limited, Magic Bus USA
- Holds a B.A. from Wharton School of Business and B.S. from Moore School of Engineering and Applied Sciences.



Ms. Geeta Mathur
Independent Director

- Has expertise in the areas of Corporate Finance, Treasury, Risk Management, and Investor relations.
- Worked in ICICI Limited, IBM & DCM Shriram Consolidated Limited, etc.
- Served as an Independent Director in Motherson Sumi Ltd, IIFL Holdings Ltd, Tata Communication Transformation Services Ltd.
- A qualified Chartered Accountant and holds Bachelor of Commerce from Shriram College of Commerce, Delhi University.



Mr. Rajiv Inamdar
Non-Executive Director

- Has 40 years of international experience in advertising, brand management, market research, consumer banking, private banking, asset management, credit cards and knowledge management.
- Retired after 11 years stint as Managing Director of Heidrick & Struggles' Global Knowledge Management Center (KMC) based in Gurgaon, India.
- Worked with Glaxo Smith Kline, JWT, Citibank, Standard Chartered Bank, Nielsen, IMRB and Egon Zehnder.
- Master of Business Administration (MBA) from IIM Ahmedabad

SENIOR MANAGEMENT TEAM



Bikash Mishra

Senior VP – Finance

- 11+ years of experience in the Finance Industry.
 - Worked with Manappuram Finance and Encore Capital
 - Prior experience in Fund Raising, Finance & Taxation and Mergers & Acquisitions.
 - He is a qualified Chartered Accountant.
-

Rajendra Gupta

Senior VP – Credit

- 15+ years of experience in Housing and SME finance.
- Has worked with AU Housing Finance, PNB HFL, IIFL and IBHFL.
- He was responsible for Credit underwriting at AU Housing Finance on their Rajasthan and NCR portfolios.
- Has diverse experience in finance, underwriting and operations.



Madan Singh

VP – Technology

- 16 years of experience in IT development & Support functions with specialization in finance industry.
- Has worked with organizations like Bussan Auto Finance (NBFC) & Nucleus Software Exports Ltd (IT).
- He holds professional degree of MCA and Oracle Certified Professional.



SENIOR MANAGEMENT TEAM

Beenata Lawrence

VP – Human Resource

- 17+ years of experience of handling diverse businesses in BFSI, Media and ITES. She started her career in Hero ITES, followed by successful stints in Genpact and Times of India Group.
- Worked as Regional Head with HDFC Bank where she worked for more than 11 years handling various roles in Business Partnering and Talent Acquisition.
- A commerce graduate from Delhi University and holds a post graduate diploma in human resource management from SCDL Pune.



Harish Gupta

VP – Operations

- Prior to joining Ummeed, he was Head, Operations and Services at Staragri Finance.
- He was also Head – Operations at Finanzmart Services and has also been associated with Religare Finvest, Home Credit Finance, ABN AMRO Bank and BHP Billiton.



Shariq Khan

VP – Product, Policy & Marketing

- 14+ years of experience in mortgage industry.
- Has worked with ICICI Bank, GE Money, and Magma Fincorp.
- He has diverse experience in Product & Policy, Marketing, Business Development, Risk Analytics and Relationship Management.



SENIOR MANAGEMENT TEAM



Chandan Kumar Jha

Chief Manager - Collection

- A result oriented professional with 10+ years of experience in Credit Collections and Client Relationship Management.
- Has work with Organization like DCB Bank Ltd, Intec Capital Ltd, L & T Finance Ltd, and Chola mandalam Investment Finance Ltd.
- He holds professional diploma in banking finance (DRA) Mumbai & B. Com(P).

Alok Prasad

*Senior Consultant
& Advisor*



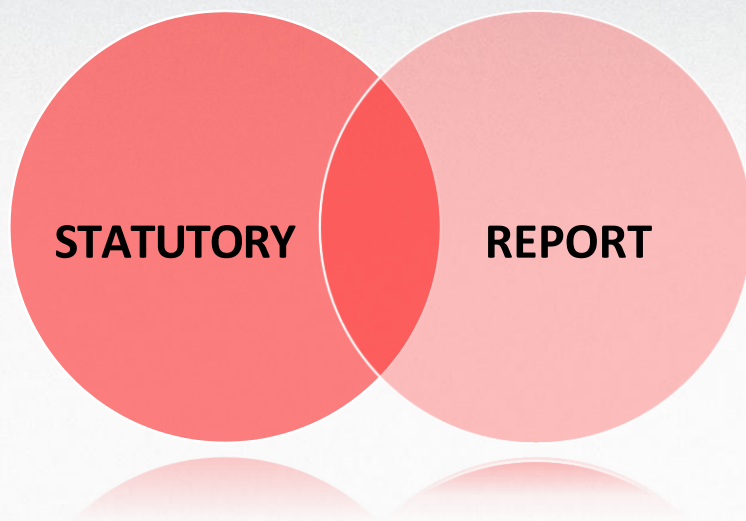
- Veteran banker and founder & CEO of MFIN
- Held various senior positions across institutions such as RBI, Citibank, etc.
- He was a member of start-up team of National Housing Bank.
- Served as the Chairperson of the South Asian Microfinance Network from 2013 to 2015.



Harvinder Gandhi

Senior Technology Advisor

- 23+ years of experience in systems and technology, operational risk, control, and compliance
- Was Dy. CEO of Family Credit, Societe Generale group
- Held several senior positions at Citigroup including CIO of Citi Financials.



DIRECTORS' REPORT

To,
The Members,
M/s. Ummeed Housing Finance Private Limited
318, DLF Magnolias, Sector-42,
Golf Course Road, Gurgaon – 122002, Haryana

The Directors of your Company have pleasure in submitting their Third Annual Report along with the audited accounts on the business and operations of **Ummeed Housing Finance Private Limited** ("the Company" or "Ummeed") for the year ended 31st March, 2020.

1. FINANCIAL RESULTS

The performance of the Company for the financial year ended 31st March 2020 is summarized below:

Particulars	For the year ended 31 st March 2020 (In INR)	For the year ended 31 st March 2019 (In INR)
Net Sales / Income from operations	66,66,45,882	39,96,28,735
Other Income	3,47,64,962	2,02,24,874
Total Income	70,14,10,844	41,98,53,609
Profit/(Loss) before Interest, Depreciation & Tax	38,84,72,643	18,96,21,231
Less: a. Interest	32,31,89,293	15,34,68,709
b. Depreciation & Amortization	66,00,977	44,65,749
Profit before Tax	5,86,82,373	3,16,86,773
Less: a. Current tax	1,67,25,648	1,21,22,055
b. Current tax expense relating to prior years	(12,67,285)	-
c. MAT credit entitlement	-	12,25,865
d. Deferred tax charge	(34,40,352)	(61,50,250)
Net Profit /(Loss) after Tax	4,66,64,362	2,44,89,103
EPS (Basic)	2.92	1.53
EPS (Diluted)	1.31	1.01

During the financial year 2019-20, the company has closed the year with an AUM (including off book) of Rs 451.08 Crores and generated a revenue of Rs 70.14 Crores against Rs 41.98 Crores of previous financial year. There has been an increase in revenue by 67.06% on y-o-y basis and consequently an increase in PAT to Rs 4.67 Crores against Rs 2.45 Crores of previous year.

2. RESERVES

As per Section 29C(i) of National Housing Bank Act, 1987, the Company is required to transfer at least 20% of its net profit every year to a reserve before any dividend is declared. Accordingly, your Company has transferred Rs 93.33 Lacs to special reserve in accordance with Section 29C(i) of National Housing Bank Act, 1987 read with Section 36(1)(viii) of the Income Tax Act, 1961.

3. DIVIDEND

The Directors of the Company have not recommended dividend for the financial year ended March 31, 2020.

4. COMPANY AFFAIRS

Your Company is a housing finance company registered with National Housing Bank (NHB) as a housing finance company under National Housing Bank Act, 1987. The Company offers a range of housing loan and Loan against Property to lower- and middle-income Indian families from semi urban and rural markets. 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.

a) COVID-19

On March 11, 2020, the COVID-19 outbreak was declared as global pandemic by the World Health Organization, which has contributed to a significant decline and volatility in global and Indian financial markets and a significant decrease in global and local economic activities. The Government of India has announced a strict 40 days nationwide lockdown to contain the virus till May 3, 2020 which further extended till May 31, 2020. This has led to significant disruptions and impacting Company's regular operations including lending and collection activities due to inability to reach borrowers physically. With the gradual relaxation in lockdown rules and recommencement of commercial activities by borrowers in which the Company operates, the company has also commenced field visits to meet customers to restart collections and introduce digital mode of collection. We have seen an improvement in collection in the June 2020, which is certainly at a lower level than prior to COVID-19 period.

In accordance with the RBI guidelines relating to COVID-19 Regulatory Package dated March 27, 2020 and May 23, 2020, the Company has extended/will be granting a moratorium on the payment of all instalments and/or interest, as applicable, falling due between March 1, 2020 and August 31, 2020 to all eligible borrowers classified as Standard, even if overdue, as on February 29, 2020, in accordance with its policy approved by the Board and based on the request of the borrower.

For all such accounts where the moratorium is granted, the prudential assets classification shall remain stand still during the moratorium period (i.e. the number of days past due shall exclude the moratorium period for the purposes of asset classification under Income Recognition, Asset Classification and Provisioning Norms).

Further, In Management view and considering the guidance provided by the Institute of Chartered Accountant of India, the Company has recorded an additional provision of ₹7,70,972 as per RBI circular DOR.No.BP.BC.63/21.04.048/2019-20 dated April 17, 2020, which states that the company is required to make provision of 5% on loans as of March 31, 2020.

b) LOAN BOOK

As at 31st March 2020, the total assets under management increased to Rs. 451.08 crores as against Rs. 302.32 crores thereby registering a growth of 49%.

CAGR 3 years – 228%

LOAN BOOK

Rs. cr.



c) HUB NETWORK

As at 31st March 2020, Ummeed has presence in 26 locations as against 18 previous year. These Hubs are located in Delhi NCR, Rajasthan and Haryana.

No. of Hubs



d) ASSET QUALITY

Your Company has closed the financial year 2019-20 with a Net NPA of 0.13%. These levels are considered to be the best in the industry. This would have been possible only because of the adequate risk management and effective control systems in place and adherence to the laid down policies. The company is in process of upgrading their IT infrastructure with development of tools to smoothen the credit process. The growing portfolio will give us the confidence to prosper and grow more in the near term.

e) BORROWING PROFILE

Ummeed has focused on mobilizing a diversified source of borrowing focused on reducing the costs of funds. Ummeed's funding mix comprises of Borrowings from Banks and Financial Institutions, ECB and NCDs. As at 31st March 2020, 44% of borrowings were from Banks, 30% of borrowings were from Financial Institutions, 14% were from External Commercial borrowings (ECB) and 12% from Non convertibles debentures (NCD). The company has also received a sanction of Rs 35 Crores under LIFT scheme from National Housing Bank during the current financial year. A list of Banks, Financial Institutions, NCD Holders and ECB Lenders is attached with this Report as **Annexure V**.



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 except those discussed in foregoing clauses, 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, 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

During the year under review, your company has successfully raised Series D round of Rs 164.34 Crores (including Rs 120.00 Crores of primary equity infusion) from NHPEA Kabru Holding B.V., a fund managed by Morgan Stanley Private Equity Asia and existing investor Lightstone Global Fund. Pursuant to that following changes have been made in the share capital of the company.

f) Authorized Share Capital

The Authorized Share Capital of your Company has been increased from INR 523,580,000 (Indian 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) fully and compulsorily convertible cumulative preference share of face value of INR 20/- (Indian Rupees Twenty only) (iii) 574,000 (Five Seventy Four Thousand) Optionally Convertible Non-Cumulative Redeemable Preference Shares of face value of INR 10/- (Indian Rupees Ten only) each, TO INR 716,280,000/- (Indian Rupees Seven Hundred Sixteen Million Two Hundred Eighty Thousand) comprising of (i) 16,300,000 (Sixteen Million Three Hundred Thousand) equity shares of face value of INR 10/- (Indian Rupees Ten only) each; (ii) 27,013,000 (Twenty Seven Million Thirteen Thousand) fully and compulsorily convertible cumulative preference share of face value of INR 20/- (Indian Rupees Twenty only); and (iii) 1,302,000 (One Million Three hundred and Two Thousand Only) Optionally Convertible Non-Cumulative Redeemable Preference Shares of face value of INR 10/- (Indian Rupees Ten only) in the Extra-ordinary General Meeting held on 30th January 2020.

g) Paid Up Share Capital

During the year under review your Company has issued and allotted:

Date of Board Meeting	No. of shares/FV/Premium	Name of the allottees
14 th February, 2020	5,45,338 Optionally Convertible Non-Cumulative Redeemable Preference Shares (OCRPS) as Incentive Shares on Preferential basis via Private Placement at Rs. 84.57/- per share (Rs. 10/- face value and Rs. 74.57/- premium)	Mr. Ashutosh Sharma
14 th February, 2020	1,45,423 Optionally Convertible Non-Cumulative Redeemable Preference Shares (OCRPS) as Incentive Shares on Preferential basis via Private Placement at Rs. 84.57/- per share (Rs. 10/- face value and Rs. 74.57/- premium)	Mr. Sachin Grover
14 th February, 2020	36,356 Optionally Convertible Non-Cumulative Redeemable Preference Shares (OCRPS) as Incentive Shares on Preferential basis via Private Placement at Rs. 84.57/- per share (Rs. 10/- face value and Rs. 74.57/- premium)	Mr. Rajendra Gupta

25 th February, 2020	86,37,070 Series D Compulsory Convertible Cumulative Preference Shares ("Series D CCPS") on private placement basis at Rs. 129.44/- per share (Rs. 20/- face value and Rs. 109.44/- premium)	NHPEA Kabru Holding B.V.
25 th February, 2020	6,33,497 Series D Compulsory Convertible Cumulative Preference Shares ("Series D CCPS") on private placement basis at Rs. 129.44/- per share (Rs. 20/- face value and Rs. 109.44/- premium)	Lightstone Fund S.A. RAIF for and on behalf of Lightstone Global Fund

8. ISSUE OF NON-CONVERTIBLE DEBENTURES

The Company has not issued and allotted any Non-Convertible Debentures (NCDs) during the year under review. However, previously the Company had issued and allotted NCDs, details of said NCDs are as follows:

Date of issue and allotment	Allottees	Number of Securities	Mode of issuance	Issue price	Coupon rate	Maturity date	Amount raised
March 23, 2018 and November 20, 2018	Build I, B V & Northern ARC	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	Northern ARC	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)

9. DETAILS OF REVISION OF FINANCIAL STATEMENT OR THE REPORT

The Company has not revised its financial Statement or the Report in respect of any of the three financial year either voluntarily or pursuant to the order of judicial Authority.

10. CREDIT RATING

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

Rating Agency	Rating	Nature of Securities/ Borrowing
CARE	CARE BBB; [Triple B]	Bank Loan Facility
CARE	CARE BBB; [Triple B]	Non-Convertible Debentures
CARE	A (SO)	Pass Through Certificate (PTC)
CARE	BBB (SO)	Pass Through Certificate (PTC)

11. 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.

12. COMPOSITION OF BOARD OF DIRECTORS / KEY MANAGERIAL PERSONNEL

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

a) BOARD OF DIRECTORS

Name	Designation	DIN	Date of Appointment	Date of Resignation
Mr. Ashutosh Sharma	Managing Director	02582205	27/01/2016	-
Mr. Sachin Grover	Whole Time Director	07387359	27/01/2016	-
Mr. Inderjit Walia	Independent Director	01812849	23/03/2018	-
Ms. Geeta Mathur	Independent Director	02139552	27/02/2019	-
Mr. Alok Prasad	Non-Executive Director	00080225	15/11/2016	22/06/2019
Mr. Vishal Mehta	Nominee Director	00256331	29/09/2016	-
Mr. Anurag Bhargava	Nominee Director	01297542	29/09/2016	16/01/2020
Mr. Kartik Srivatsa	Nominee Director	03559152	27/02/2019	-
Mr. Nirav Vinod Mehta	Nominee Director	07504945	26/02/2020	-
Mr. Rajiv Yashwant Inamdar	Non-Executive Director	01295880	10/07/2019	-

During the year under review your Board has approved an appointment of Mr. Nirav Vinod Mehta, as Nominee Director of the Company w.e.f. 26th February 2020 and accepted resignation of Mr. Alok Prasad, Non-Executive Director and Mr. Anurag Bhargava, Nominee Director from Directorship of the Company w.e.f. 22nd June, 2019 and 16th January, 2020 respectively.

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 every year from Directors along with other Disclosures including Independency Declarations, if applicable. Further, the Company has also obtained signed Deed of Covenants from the newly appointed Directors.

b) Key Managerial Personnel:

Ms. Priyanka Deshpande had tendered her resignation from the post of the Company Secretary and Mr. Pankaj Kumar was appointed as the Company Secretary of the Company at a Board Meeting of the Company held on 10th May 2019.

Further, Mr. Pankaj Kumar tender his resignation w.e.f. 2nd December 2019 and Mr. Nitin Kumar Agrahari has been appointed as the Company Secretary of the Company. The appointment of Mr. Agrahari had been approved by the Board in the meeting held on 11th June 2020.

13. NUMBER OF BOARD MEETINGS/GENERAL MEETINGS CONDUCTED DURING THE YEAR

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

a) Members Meetings

Type of Meeting	Date of Meeting	Total Numbers of Members entitled to attend Meeting	Attendance	
			Numbers of Members attended	% of Total Shareholding
Annual General Meeting	05/08/2019	7	5	99%
Extra-ordinary General Meeting	30/01/2020	7	5	99%
Extra-ordinary General Meeting	17/02/2020	7	5	99%
Extra-ordinary General Meeting	20/02/2020	7	5	99%
Extra-ordinary General Meeting	26/02/2020	8	5	86%

b) Board Meetings

The Company had 12 (Twelve) Board meetings during the financial year.

S.no.	Date of meeting	Total No. of Directors on the Date of Meeting	Attendance	
			No. of Directors attended	% of Attendance
1	10-05-2019	8	6	75%
2	27-06-2019	7	4	57%
3	10-07-2019	7	4	57%
4	05-09-2019	8	6	75%
5	01-11-2019	8	4	50%
6	28-11-2019	8	8	100%
7	14-01-2020	8	5	62%
8	29-01-2020	7	5	71%
9	14-02-2020	7	5	71%
10	19-02-2020	7	5	71%
11	25-02-2020	7	5	71%
12	11-03-2020	8	8	100%

c) Attendance of Directors

The details of attendance of the Directors at Board Meetings held during FY 2019-20 and at the last AGM are given below:

S. no.	Name of the Directors	Designation	Board Meetings	AGM	
			No. of Meetings which director was entitled to attend	No. of Meetings attended	% of Attendance (%)
1	Mr. Ashutosh Sharma	Managing Director	12	12	100
2	Mr. Sachin Grover	Whole Time Director	12	12	100
3	Mr. Inderjit Walia	Independent Director	12	8	66
4	Ms. Geeta Mathur	Independent Director	12	5	41
5	Mr. Alok Prasad	Non-Executive Director	1	None	0
6	Mr. Vishal Mehta	Non-Executive Director	12	11	91
7	Mr. Anurag Bhargava	Non-Executive Director	7	2	28
8	Mr. Kartik Srivatsa	Nominee Director	12	11	91
9	Mr. Nirav Vinod Mehta	Nominee Director	1	1	100
10	Mr. Rajiv Yashwant Inamdar	Non-Executive Director	9	3	33

Name of Director	Board Meeting No.											
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th
Mr. Ashutosh Sharma	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Mr. Sachin Grover	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Mr. Inderjit Walia	Y	Y		Y		Y			Y	Y	Y	Y
Ms. Geeta Mathur	Y					Y	Y	Y				Y
Mr. Alok Prasad												
Mr. Vishal Mehta	Y		Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Mr. Anurag Bhargava				Y		Y						
Mr. Kartik Srivatsa	Y	Y	Y		Y	Y	Y	Y	Y	Y	Y	Y
Mr. Nirav Vinod Mehta												Y
Mr. Rajiv Yashwant Inamdar				Y		Y						Y

14. 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. 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. Details of various committees of the Board have been mentioned below:

a) Audit Committee:

The Audit Committee of the Board deals in accordance with the terms of reference specified by the Board with recommendation for appointment, remuneration and terms of appointment of auditors, review and monitor the auditor's independence and performance, and effectiveness of audit process, examination of the financial statement and the auditors' report thereon, approval or any subsequent modification of transactions of the company with related parties, accounting policies, Compliance Report, financial reporting and internal control systems.

All recommendations made by the Committee during the year were accepted by the Board. The Audit Committee of the Company met 5 (Five) times during the year under review on 10th May 2019, 27th June 2019, 4th July 2019, 28th November 2019, 14th January 2020 and 11th March 2020. The attendance status of the Members at these meetings is provided in table given below. Presently, the Audit Committee of the Company comprises of following members:

S. no.	Name of the Member	Designation	Number of Meetings attended
1.	Ms. Geeta Mathur	Chairperson*	5
2.	Mr. Inderjit Walia	Member	5
3.	Mr. Kartik Srivatsa	Member	5

*Chairperson the Audit Committee is being elected every time during the meeting.

b) Nomination and Remuneration Committee:

During the year under review, the Nomination and Remuneration Committee ("NRC") of the Company met on 10th May 2020. Terms of references of NRC includes formulating criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel, and other employees. All the recommendation made by the Committee to the Board during the year were accepted by the board of directors. This Committee presently comprises of following members.

S. no.	Name of the Member	Designation
1.	Mr. Inderjit Walia	Chairman
2.	Ms. Geeta Mathur	Member
3.	Mr. Nirav Mehta	Member
4.	Mr. Ashutosh Sharma	Member

c) Other Committees

The Company has constituted various Committees as per the requirement under Housing Finance Companies (NHB) Circulars/Directions issued from time to time. These Committees meet time to time as per requirement, minimum number of meeting or prescribed frequency as per applicable laws or NHB Directions / Guidelines. The list of the Committees and their members as on 31st March 2020 as follows:

S. no.	Name of the Committee	Name of the Member
1	Risk Management Committee	(a) Mr. Alok Prasad (b) Mr. Ashutosh Sharma (c) Mr. Sachin Grover (d) Mr. Rajendra Gupta (e) Mr. Bikash Kumar Mishra
2	Asset Liability Management Committee (ALCO)	(a) Mr. Ashutosh Sharma (b) Mr. Sachin Grover (c) Mr. Alok Prasad (d) Mr. Bikash Kumar Mishra
3	Internal Compliant Committee	(a) Ms. Beenata Lawrence, Presiding Officer (b) Ms. Geeta Mathur, Independent Director (c) Ms. Sonia Gaba (d) Mr. Shariq Khan (e) Mr. Bikash Kumar Mishra (f) Mr. Vikas Khandelwal (g) Mr. Ajitpal Singh (h) Mr. Salamrit Virk, External Member
4	Customer Service and Grievance Redressal	(a) Mr. Sachin Grover, Chairman (b) Mr. Harish Gupta (c) Ms. Veena Mishra

S. no.	Name of the Committee	Name of the Member
5	Wilful Defaulter Identification Committee	(a) Mr. Sachin Grover (b) Mr. Shariq Khan (c) Mr. Harish Gupta
6	Wilful Defaulter Review Committee	(a) Mr. Ashutosh Sharma (b) Mr. Rajiv Yashwant Inamdar (c) Mr. Inderjit Walia
7	IT Strategy Committee	(a) Mr. Inderjit Walia (b) Mr. Sachin Grover (c) Mr. Harvinder Gandhi (d) Mr. Madan Singh
8	Human Resource Matters Committee	(a) Mr. Inderjit Walia (b) Mr. Rajiv Yashwant Inamdar (c) Mr. Ashutosh Sharma (d) Mr. Sachin Grover (e) Ms. Beenata Lawrence
9	Borrowing & Banking Committee	(a) Mr. Ashutosh Sharma (b) Mr. Sachin Grover (c) Mr. Bikash Mishra

15. DIRECTORS RESPONSIBILITY STATEMENT

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

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with the proper explanation relating to the material departures.
- 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;
- 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.
- the directors had prepared the annual accounts on a going concern basis; and
- 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.

16. 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.

17. 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

18. 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.

19. EMPLOYEES STOCK OPTIONS PLAN (ESOP)

Your Company has formulated Ummeed Employee Stock Option Plan 2017 (“ESOP 2017” or “Plan”) in due compliance with the provisions of the Companies Act, 2013 and Companies (Share Capital and Debentures) Rules, 2014 (“SCD Rules”). The applicable disclosures as stipulated under the provisions of Rule 12(9) of the SCD Rules as annexed herewith **Annexure- I**

20. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

Disclosures related to particulars required under section 197 of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable of the Company, being a private limited company.

21. 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 any contract or arrangement with the related party under Section 188 of the Companies Act, 2013.

22. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

During reporting period Company does not have any joint venture, Associate Company and Subsidiary Company.

23. CORPORATE SOCIAL RESPONSIBILITY

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

24. 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.

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.

25. RISK MANAGEMENT

Your Company being a housing finance company is exposed to various risks such as credit risk, market & liquidity risk, operational risk, money laundering risk, legal risk, interest rate risk, compliance related risk, credit concentration risk and reputational risk. Your Directors have developed and implemented a robust Risk Management Policy, which helps into identification, effective management, avoidance, and mitigation of potential risks associated with the business environment of the Company. The Board of Directors actively check and make changes in the policy with possible advancement after experiencing the threats on the existence of the Company's business. Company has risk management framework commensurate with its size and operations.

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 also constituted its Risk management Committee, which meet periodically and analyze the risk exposure related to specific issues and formulate the mitigation strategies for the business activities. The Company's Risk Management Policy as approved by its Board, is annexed herewith as **Annexure-III**.

26. 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 read with Rule 7 of Companies (Meetings of Board and its Powers) Rules, 2014, 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

27. 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

28. AUDITORS

a) Statutory Auditor

M/s S. R. Batliboi & Associates LLP, were appointed as Statutory Auditors for a term of 5 financial years commencing from the conclusion of 2nd Annual General Meeting held on 21st 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.

Total fees paid to Statutory Auditors and all entities in the network firm/network entity of which the statutory auditor is a part:

Total fees for all services paid by Company, to M/s. S.R. Batliboi & Associates LLP, Statutory Auditors of the Company and other firms in the network entity of which the Statutory Auditor is a part, as included in the financial statements of the Company for the year ended March 31, 2020, is as follows:

Particulars	Amount in INR (000)
Fees for audit and related services paid to M/s. S.R. Batliboi & Associates LLP & Affiliates firms and to entities of the network of which the statutory auditor is a part	INR 1,998.775
Total	INR 1,998.775

b) Cost Records and Cost Audit

Maintenance of cost records and requirement of Cost Audit as per prescribed under provision of Section 148(1) of the Companies Act, 2013 are not applicable for the business activity carried out by the Company.

c) Secretarial Audit

Requirement of Secretarial Audit as prescribed under Section 204 of the Companies Act, 2013, are not applicable to the Company for financial year 2019-20.

29. 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. The Auditors Report to members for the period under review does not contain any qualification and accordingly, explanations or comments by the Board are not required to be provided.

30. DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SECTION 143(12) OF COMPANIES ACT, 2013

No frauds were reported by the Auditors in their report on the financial statement of the Company under Sub-section (12) of Section 143 of Companies Act, 2013, other than those which are reportable to the Central Government.

31. 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.

32. DECLARATION OF INDEPENDENT DIRECTORS AND SEPARATE MEETING OF INDEPENDENT DIRECTORS

Independent Directors have given their declaration as per provisions of Section 149 of Companies Act, 2013. As per provisions of Clause VII of Schedule IV to the Companies Act, separate meeting of Independent Directors held once during the year under review where non-independent directors and other members of management did not take part.

33. 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.

34. EXTRACT OF THE ANNUAL RETURN

An extract of the Annual Return of your Company, pursuant to the provisions of Section 92(3) of the Companies Act, 2013, prepared in Form MGT-9 for the period ended March 31, 2020, is annexed to this Report as annexed herewith **Annexure- IV**.

35. 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 Internal Complaint Committee (ICC) comprising of such persons as required under the law. 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

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

- Your Company is in compliance with all applicable provisions of NHB Act, 1987 and Directions, Guidelines and Circulars issued by NHB from time to time.
- Your Company being a Non-Public Deposit accepting Housing Finance Company, not required to make disclosures in pursuance to direction 10 (1) and 10 (2) of The Housing Finance Companies (NHB) Directions, 2010.
- Disclosures required under Direction 29(6) of NHB Directions 2010, have been provided accordingly.
- Total No. of non-convertible debentures (NCD) which have not been claimed by the Investors or not paid by the housing finance company after the date on which the non-

convertible debentures became due for redemption- Not Applicable, since none of NCDs are due for redemption or not paid by the Company.

- e) The total amount in respect of such debentures remaining unclaimed or unpaid beyond the date referred to in clause (d) as above- Not Applicable, since none of NCDs are due for redemption or not paid by the Company.
- f) The Board of Directors periodically review compliance of the Fair Practices Code and the functioning of the grievance's redressal mechanism at various levels of management.
- g) In terms of HFC-Corporate Governance (NHB) Directions, 2016, details of all material transactions with related parties, if any, are disclosed in this report or financial statements attached to this Report and Policy on dealing with Related Party Transactions have already been uploaded on Company's website and appended as **Annexure-II**.
- h) Management Discussion and Analysis Report forming part of the Annual Report to the Shareholders.

37. 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

Date: 29th June 2020

Place: Gurugram

Ashutosh Sharma
Managing Director
DIN: 02582205

Sachin Grover
Executive Director
DIN: 07387359

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 31st, 2020, 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 12,11,496
Options vested	3,32,199
Options exercised	Nil
The total number of shares arising as a result of exercise of option	Nil
Options lapsed	20,844
The exercise price	10 - 28.50
Variation of terms of options	<p>The ESOP 2017 was formulated and approved by the shareholders of the Company in the year 2017.</p> <p>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.</p>
Money realized by exercise of options	Nil
Total number of options in force	3,27,624
Employee wise details of options granted to	
Key Managerial Personnel	Mr. Sachin Grover – 759,052
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	<p>Mr. Rajendra Gupta – 1,54,549</p> <p>Mr. Bikash Mishra – 82,426</p>
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

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.

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 all the 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 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.

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;
- 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:

- 1.** 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.
- 2.** 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.

2.7.1 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.

2.7.2 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.

2.7.3 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;
- 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.

- **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 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, programs 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 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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Annexure-IV**MGT-9****EXTRACT OF ANNUAL RETURN****As on financial year ended on 31.03.2020**

**Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12 (1) of the Company
(Management & Administration) Rules, 2014**

I. REGISTRATION & OTHER DETAILS:

1.	CIN	U65922HR2016PTC057984
2.	Registration Date	27/01/2016
3.	Name of the Company	UMMEED HOUSING FINANCE PRIVATE LIMITED
4.	Category/Sub-category of the Company	Private company limited by shares
5.	Address of the Registered office & contact details	318, DLF Magnolias, Sector-42, Golf Course Road, Gurgaon-122002, Haryana, India. ashutosh.sharma@ummeedhfc.com Phone: 0124 4836 480 www.ummeedhfc.com
6.	Whether listed company	No
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	SKYLINE FINANCIAL SERVICES PVT. LTD. D-153 A 1 ST FLOOR OKHLA INDUSTRIAL AREA PHASE-1 NEW DELHI-110020 CONTACT NO: 011-40450193 TO 197 EMAIL ID: viren@skylinerta.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sr. No.	Name and Description of	NIC Code of the	% to total turnover
1.	Other financial service activities, except insurance and pension funding activities	649	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the company	CIN/GLN	Holding/ Subsidiary /associate	% of Shares Held	Applicable Section
1.	N.A.	N.A.	N.A.	N.A.	N.A.

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	1,02,50,000	-	1,02,50,000	64.14	98,79,172	-	98,79,172	61.82	(2.32)
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1): -	1,02,50,000	-	1,02,50,000	64.14	98,79,172	-	98,79,172	61.82	(2.32)
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-

b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2): -	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)= (A)(1) +(A)(2)	1,02,50,000	-	1,02,50,000	64.14	98,79,172	-	98,79,172	61.82	(2.32)
B. Public Shareholding	-	-	-	-	-	-	-	-	-
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify) FFI/BANK	-	-	-	-	-	-	-	-	-
Sub-total (B)(1): -	-	-	-	-	-	-	-	-	-
2. Non-Institutions	-	-	-	-	-	-	-	-	-
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	52,72,508	200	52,72,708	32.99	36,43,867	200	36,44,067	22.80	(10.19)
ii) Overseas	100	-	100	0.01	19,99,469	1,08,636	21,08,105	13.19	13.19
b) Individuals	-	-	-	-	-	-	-	-	-

i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1lakh	-	4,57,608	4,57,608	2.86	-	3,49,072	3,49,072	2.18	(0.67)
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non-Resident Indians	-	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R/	-	-	-	-	-	-	-	-	-
HUF	-	-	-	-	-	-	-	-	-
Sub-total (B)(2): -	52,72,608	4,57,808	57,30,416	35.86	56,43,336	4,57,908	61,01,244	38.18	2.32
Total Public Shareholding (B)=(B)(1) + (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	1,55,22,608	4,57,808	1,59,80,416	100	1,55,22,508	4,57,908	1,59,80,416	100.00	-

B) Shareholding of Promoters-

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year [As on 31-March-2019]			Shareholding at the end of the year [As on 31-March-2020]			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Mr. Ashutosh Sharma	1,02,50,000	64.14	-	98,79,172	61.82	-	(2.32)

C) Change in Promoters' Shareholding

Sl. No.	Particulars		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
1.	Mr. Ashutosh Sharma					
	At the beginning of the year		1,02,50,000	64.14	1,02,50,000	64.14
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	Date of Decrease: 25/02/2020 Reason: Transfer	370,828	(2.32)	98,79,172	61.82
	At the end of the year		98,79,172	61.82	98,79,172	61.82

D) Shareholding Pattern of top ten Shareholders:**(Other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
1.	NHPEA Kabru Holding B.V.				
	At the beginning of the year	Nil	Nil	Nil	Nil

	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	Date of Increase: 25/02/2020 Reason: Transfer	21,08,005	13.19	21,08,005	13.19
	At the end of the year		21,08,005	13.19	21,08,005	13.19
2.	Lok Capital Growth Fund		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year		52,72,508	32.99	52,72,508	32.99
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	Date of Decrease: 25/02/2020 Reason: Transfer	16,28,641	(10.18)	36,43,867	22.80
	At the end of the year		36,43,867	22.80	36,43,867	22.80
3.	Mr. Harvinder Gandhi		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year		70,299	0.44	70,299	0.44
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	None	-	-	70,299	0.44
	At the end of the year		70,299	0.44	70,299	0.44
4.	Mr. Rajendra Gupta		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year		70,299	0.44	70,299	0.44
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	Date of Decrease: 25/02/2020 Reason: Transfer	23,199	(0.14)	47,100	0.29
	At the end of the year		47,100	0.29	47,100	0.29
5.	Duane Park Pvt. Ltd.		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year		200	0.00	200	0.00
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons	None	-	-	200	0.00

	for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)					
	At the end of the year		200	0.00	200	0.00
6.	Lightstone Fund S.A. Raif (LGT)		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year		100	0.00	100	0.00
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	None	-	-	100	0.00
	At the end of the year		100	0.00	100	0.00

E) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Particulars of Director / KMP		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
1.	Mr. Ashutosh Sharma		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year		1,02,50,000	64.14	1,02,50,000	64.14
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	Date of Decrease: 25/02/2020 Reason: Transfer	370,828	(2.32)	98,79,172	61.82
	At the end of the year		98,79,172	61.82	98,79,172	61.82
2.	Mr. Sachin Grover		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year		3,17,010	1.98	3,17,010	1.98
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	Date of Decrease: 25/02/2020 Reason: Transfer	85,337	(0.53)	2,31,673	1.45
	At the end of the year		2,31,673	1.45	2,31,673	1.45

V) INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount				
ii) Interest due but not paid	195,41,06,620	-	-	195,41,06,620
iii) Interest accrued but not due	-	-	-	-
	1,73,55,697	-	-	1,73,55,697
Total (i+ii+iii)	197,14,62,317	-	-	197,14,62,317
Change in indebtedness during the financial year				
• Addition				
• Reduction	121,75,71,335	-	-	121,75,71,335
	(54,40,91,070)	-	-	(54,40,91,070)
Net Change	67,34,80,265	-	-	67,34,80,265
Indebtedness at the end of the financial year				
i) Principal Amount				
ii) Interest due but not paid	261,13,57,034	-	-	261,13,57,034
iii) Interest accrued but not due	-	-	-	-
	3,15,85,548	-	-	3,15,85,548
Total (i+ii+iii)	264,49,42,582	-	-	264,49,42,582

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director:

S. No.	Particulars of Remuneration	Mr. Ashutosh Sharma Managing Director	Total Amount
1	Gross salary <ul style="list-style-type: none"> a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 b. Value of perquisites u/s 17(2) Income-tax Act, 1961 c. Profits in lieu of salary under section 17(3) Income- tax Act, 1961 	1,25,00,000 - -	1,25,00,000 - -
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission <ul style="list-style-type: none"> - as % of profit - others, specify 	-	-
5	Others	21,25,160	21,25,160
	Total (A)	1,46,25,160	1,46,25,160
	Ceiling as per the Act	NA, Company being Private Company.	

B. Remuneration to Managing Director, Whole-time Directors and/or Manager:

S. No.	Particulars of Remuneration	Mr. Sachin Grover Whole-Time Director	Total Amount
1	Gross salary <ul style="list-style-type: none"> a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 b. Value of perquisites u/s 17(2) Income-tax Act, 1961 c. Profits in lieu of salary under section 17(3) Income- tax Act, 1961 	92,00,000 - -	92,00,000 - -
2	Stock Option	-	-

3	Sweat Equity	-	-
4	Commission - as % of profit - others, specify...	- - -	- - -
5	Others	11,11,200	11,11,200
	Total (A)	1,03,11,200	1,03,11,200
	Ceiling as per the Act	Not Applicable, Company being a Private Company	

B. REMUNERATION TO OTHER DIRECTORS: NA

S. No.	Particulars of Remuneration	Name of Directors			
1	Independent Directors	Ms. Geeta Mathur	Mr. Inderjit Walia		
	Fee for attending board committee meetings	4,50,000	4,50,000		
	Commission	-	-		
	Others, please specify	-	-		
	Total (1)	4,50,000	4,50,000		
2	Other Non-Executive Directors	Mr. Alok Prasad	Mr. Vishal Mehta	Mr. Anurag Bhargava	Mr. Rajiv Yashwant Inamdar
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)= (1+2)	-	-	-	-
	Total Managerial Remuneration	-	-	-	-
	Overall Ceiling as per the Act	Not Applicable, Company being a Private Company			

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

S.No.	Particulars of Remuneration	COMPANY SECRETARY	
		Priyanka Deshpande*	Pankaj Kumar
1	Gross salary	93,781	7,00,057
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	93,781	7,00,057
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0
2	Stock Option		
3	Sweat Equity		
4	Commission - as % of profit		
	Others specify...		
5	Others – (PF & Superannuation)	3,600	12,600
	Total		

*Ms. Priyanka Deshpande and Mr. Pankaj Kumar worked in the Company for a fraction of year

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There was no penalty, punishment, compounding of the Company, directors, or any other officers in default in respect of the Companies Act, 2013.

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

Date: _____

Place: Gurgaon

Ashutosh Sharma

Managing Director

DIN: 02582205

Sachin Grover

**Whole-Time
Director**

DIN: 07387359

UMMEED HOUSING FINANCE LIMITED

MANAGEMENT DISCUSSION ANALYSIS REPORT

ECONOMIC HIGHLIGHTS:

With a population of 1.33 billion, India's aspiration is to make the lives of its people better and become the high-middle income citizens by 2030. India has remarkably improved the standard of living and poverty which showed significant decline from 46% to 13.4% over the two decades since 2015.

The GDP grew at a very lower rate in 2019-20, it stood at 4.2%. The major contributor to slowing down of economy is the slowdown in manufacturing sector which led to rising inflation in the country. The GOI has taken policy initiatives to revive the growth. Further, GOI announced Budget proposals and the RBI liquidity boosting measures which will improve the growth of economy in Fiscal 2020.

The COVID-19 pandemic has been inflicting the world and costing the lives of people. It has a widespread impact on the economic activity. Reviving the global economy at present is not an easy task since most of the economic activity would be constrained by lockdowns. It keeps surging the growth of global economy, as a result of the pandemic, the growth of global economy is projected to contract sharply by 3 per cent in 2020, which is much worse than the financial crisis in Fiscal 2008-09.

The impact of pandemic will gradually fall in the second half

of 2020. As a result of which the economic activity will normalize.

Domestic economic activity has been impacted severely due to the lockdown. As a result of the growth forecast for FY-2021 seems highly uncertain. RBI predicts growth for 2021-21 is likely to be in the negative range. The outlook of inflation also remains highly uncertain as supply shock has limited the scope of monetary policy in containing risk.

To boost the Indian Economy in the times of pandemic, Government of India has proposed numerous stimulus packages and RBI also announced relaxations for BFSI Sector. The GOI has recently announced a huge special economic package worth Rs. 20 lakh crores (almost 10% of the nation's GDP) for all the sectors that include Land, Labour, Liquidity, and Law to make India self-reliant. The economy has showed sharp decline in the growth even before lockdown. Therefore, witnessing a deceleration in growth in all sectors except agriculture, mining, public administration, and defense.

The most important part of government intervention to revive the crippled economy is to increase public spending. The speed of recovery will crucially depend on the volume of public spending. In these situations, when there is all round reluctance to lend by banks and to borrow from corporates, a reduction in interest rates may not be effective, and the fiscal policy must take on the burden of revival.

The shortfall in tax revenue from the revised estimates for the year and inability to realize revenue from disinvestment will result in a substantial slippage in 2019-20. The near stagnancy in economic activities and overestimation of revenues for 2020-21 will result in a substantial slippage in 2020-21 as well. Therefore, the government will have to keep a close watch to ensure the increase in deficits does not jeopardize macroeconomic stability.

HOUSING INDUSTRY OVERVIEW:

India is seeing a growing demand for housing needs by witnessing its growing population. Emerging economies are needing attractive housing markets considering that the rate of urbanization is exceeding at a faster growth than economic growth. As per Census of India, the level of urbanization has increased from 27.81% in 2001 to 31.16% in 2011. There is an imbalance between the demand and supply for housing. Today, housing demand is significantly concentrated in the affordable housing segment, with ticket size of 5-35 lakhs. The total supply of affordable housing across the top 7 cities in India during the last six years is estimated to be 7.65 lakh units which account for nearly 38% of the total supply of residential units.

Affordable housing today is an integral part of the national agenda as Government has initiated a mission of "Housing for All by 2022". The government has laid down policies to encourage private participation through several incentives and benefits, while they are also keen on developing the same across the country mainly for the economically weaker sections with PMAY initiatives.

The government would continue to put emphasis on affordable housing. Also, as the migration of people belonging to lower income from rural and semi-urban areas to urban areas continues unabated, the demand for affordable housing is likely to remain high. According to some estimates, this shortage continues to be more than 10 million houses in (urban areas).

As per Brickwork, after witnessing steadfast growth of over 20 per cent in 2014-18, lending by housing finance companies (HFCs) considerably dropped in the second half of fiscal 2019 to less than 10 per cent. As traditional borrowing routes of term lending from banks and capital market borrowings shrank, HFCs had to switch to loan securitization, which witnessed an unprecedented rise in fiscal 2019 and 2020, to manage liquidity and ALM challenges. The GNPA of housing finance companies rose from 1.1% in March 2018 to 2.2% in December 2019.

The Government and RBI are taking measures to improve credit availability in the system, HFCs are needed to redefine their business models by adopting co-lending model which can be a win-win situation, to reduce reliance on short term funding and keeping a steady pace with securitization of loans. As per ICRA estimates, the total portfolio of new HFCs in the affordable housing spaces stood at Rs. 52,350 crores as on December 2019. This depicts a total estimated funding requirement to be Rs. 2.9 – 3.2 lakh crore.

RBI moratorium on long term loans and working capital borrowings gave a support to the industry to pass it to Customers.

Most industry players are maintaining adequate liquidity profile for meeting their debt obligations even with lower collection levels (50-80%) in the portfolio. The RBI has also taken steps to infuse liquidity into the system via targeted long-term repo operations (TLTRO) of Rs. 1 lakh crore, a 100-bps cut in the cash reserve ratio (CRR) of banks (available for one year) and an increase in the marginal standing facility (MSF) by 1% (available till June 2020), which altogether could result in an increase in the available liquidity by about Rs.3.7 lakh crore.

Leading to the crisis we are facing in current scenario, The Government RBI has taken various steps to mitigate the liquidity crisis impacting NBFCs, HFCs, MSMEs. These initiatives are in form of stimulus packages which will help the financial sector to uplift.

Affordable Housing Sector have been giving positive impetus with continuous support from Government policies such as the PMAY to drive the demand and by Refinance Schemes to instill liquidity among the sector to infuse supply capabilities.

Large portion of customers in housing loan segment are self-employed and salaried class, those are facing tight cash-flow situation due to lockdown imposed by the Government to restrict the spread of the Covid -19 virus.

STORMING OPPORTUNITIES DURING PANDEMIC WITH CHALLENGES

- RBI has announced to provide Rs. 50,000 crore of refinance facilities to NABARD (25000 crore), SIDBI (15000 crore) and NHB (10000 crore) to meet the sectoral credit needs.

- RBI has further announced the auction of TLTRO 2.0 of Rs. 50,000 crores.
- To ensure adequate liquidity for NBFCs and MSMEs in small tranches.
- RBI further announced that the 90-day NPA norm shall not apply on moratorium granted on existing loans by Banks which further extended to August 2020.
- Under Partial Credit Scheme 2.0, Govt will launch Rs. 45,000 crore for fresh lending to MSMEs & Individuals in which First 20% of loss on the purchase of bonds and commercial papers (rating of AA and below and unrated papers with maturity of up to one year) issued by NBFCs/HFCs/MFIs will be borne by Guarantor i.e. GOI.
- Launching a Special Liquidity Scheme of Rs. 30,000 for HFCs/NBFCs/MSMEs who were finding it difficult to raise money in debt market. Now it can raise money through a special purpose vehicle.
- Extension of housing subsidy for middle-income families till Mar – 2021.

COPING CHALLENGES

- Liquidity infusion measures announced by RBI will ensure adequate flow to NBFCs and HFCs, however the underwriting concerns remain on assessing stress in multiple sectors.
- COVID-19 is likely to be an accelerator for digital adoption in lending space; lenders are utilizing the time of lockdown to strengthen their digital platforms across the lending value chain.
- Adopting a conservative approach to underwriting factoring in impact of COVID 19 on businesses and individuals across industries for the next 2 quarters.

PRODUCT WISE PERFORMANCE:

UHFPL majorly deals with four product lines namely Housing Loan, Loan against Property, Business Loan and Small Ticket Business Loan. The products of Home Loan encompass purchase/ construction/ plot purchase and construction / Home improvement / extension loans. The loan portfolio stood at Rs. 451.08 Crores as at March 31, 2020. It constitutes Rs. 295.99 Crores of Housing Loans (66 % of the portfolio) and Rs. 88.75 Crores of LAP loans (20 % of the portfolio), Rs. 56.76 Crores of Business Loans (13 % of the portfolio) and Rs. 9.58 Crores of STBL loans (2% of the portfolio).

During the year, Loan disbursement stood at Rs 269.14 Crores which constitutes ~Rs. 163.07 Crores representing 61% as Housing Loan, ~RS 58.11 Crore representing 22% as Loan Against property, 36.89 Crore representing 14% as Business Loan and 11.07 crore representing 4% as small ticket business Loan.

LOAN PRODUCTS & PROCESSES:

UHFPL's aim is to provide home loans to Low- and Middle-Income Families, from rural/semi-urban areas (Underserved Tier II or Tier III locations) having informal income sources. Our customer base includes both salaried and self-employed customers. In these segments, proofs of income are not easily available, and the repayment capacity are appraised based on a P&L statement cast by our credit officer's basis a detailed personal discussion with the client. We are also using credit scores from Bureaus as additional data to support our underwriting decisions.

The company has developed a robust credit culture and follow a detailed credit assessment process. This includes i) Income assessment by in-house team ii) personal discussion with customers to verify income levels iii) Credit history (CIBIL score / RTP) of the customers iv) Residence and Employment verification and v) Legal and Technical verification of property by External valuers. In order to ensure uniformity in credit approval of prospective borrowers, Company has centralized the credit approval and sanctioning functions at the head office.

MARKETING EFFORTS:

Meeting the financial needs of low- and middle-income families, by providing housing loans to fulfil the dreams of owning their own house. Company stated its objective to launch its business in Northern and Central India.

Headquartered in Gurgaon, we currently have a presence across four states namely Delhi NCR, Rajasthan, Uttar Pradesh, and Haryana with a total of 26 branches. These branches are located in East Delhi, Chandigarh, Jaipur, Agra, Sonipat, West Delhi, Sikar, Kota, Ambala, Bhilwara, Bikaner, Hisar, Gurgaon, Ghaziabad, Rohtak, Jodhpur, Bhiwani, Panipat, Chittorgarh, Pali, Kurukshetra, Bhiwani, Ajmer, Alwar, Karnal.

The company has a plan to go steady in FY2020-21 as to focus on the ongoing operations of the existing businesses. It will launch 3-4 branches towards the end of FY21. UHFPL marketing strategy has been focused on acquiring customers through direct channel with limited focus on DSA based acquisition.

PROVISIONS FOR STANDARD ASSETS, NPAs and CONTINGENCIES:

The requirement relating to creation of a general provision at 0.25% on the total outstanding home loan portfolio and 0.4% for other assets which are standard assets, in terms of the Directions issued by National Housing Bank (NHB). To comply with the above, the Company maintains standard provision of 0.4% for all the assets to cover potential credit losses, which are inherent in any loan portfolio but not identified, in accordance with the "NHB Directions". The Company has recorded an additional provision of ₹7,70,972 as per RBI circular DOR.No.BP.BC.63/21.04.048/2019-20 dated April 17, 2020, which states that the company is required to make provision of 5% on loans as of March 31, 2020.

The classification of loans and advance and provisions made for standard assets is given in the notes on accounts.

OUTLOOK for 2020-21:

Given the tough operating environment, growth in housing finance sector is expected to be around 3-4% in FY 2020-21, lower than the last three years CAGR of 16%. The pressure on the asset quality owing to the tough operating environment is expected to continue. One of the emerging risk factors, which would need to be watched out for, is the stress faced by many developers with delayed under construction projects.

The long-term growth outlook for the sector remains good and housing credit growth is expected to recover as the operating

environment improves. Based on a report by ICRA in January 2020, the affordable segment is expected to grow at around 20-25%, almost double the industry growth.

Going forward economy may see dramatic come-back due to rubber band effect of longer slow down period.

RISKS AND CONCERNS:

Housing finance sector is more prone to following risks associated with the segment:

(a) Operational Risk:

This risk occurs mainly due to errors or weak controls of processes, negligence, unforeseen natural calamities/events such as Covid -19 pandemic. Operational risk can be managed through standardized and efficient operational processes in place, robust IT systems and back-up plans that help minimize errors or fraud occurrence.

(b) Liquidity Risk:

Due to the high reliance on external sources of funds, Companies may experience funding and liquidity risks. 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. Proper asset liability management is the essence of any company working in finance.

(c) Credit Risk:

As an HFC, we face the risk of default and non-payment by borrowers and other counterparties. Any such defaults and non-payments would result in write-offs and/or provisions in our financial statements which

may have a material adverse effect on our profitability and asset quality. The Credit Risk can result from default due to over-indebtedness or business failure, deficiencies in credit appraisal and underwriting mechanism, absence of defined policy parameters and exposure to activities with a high probability of variation in earnings.

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.

Any lending activity is exposed to credit risk arising from the risk of default and non-payment by borrowers. Our outstanding loan portfolio has grown at a rate of 49.35% (Forty-Nine Decimal Point Three Five Percent) from Rs. 302.03 Crore as of March 31, 2019 to Rs. 451.08 Crore as of March 31, 2020. The size of our loan portfolio is expected to continue to grow as a result of our expansion strategy. As our portfolio expands, we will be exposed to an increasing risk of defaults. As of March 31, 2020, a substantial portion of our loans advanced to customers had tenors exceeding one year. The long tenor of these loans may expose us to risks arising out of economic cycles. An efficient Credit Policy will help Companies in mitigating such risks by outlining types of products in offer, targeted customer categories or profile, approval processes, maximum exposure limits etc.

The Board has deputed the responsibility for the overall process of risk management in the organization to the Risk Management

Committee. Risk Management Committee brings harmony with the reporting procedure of the risk involved in any process and action taken by the management to eradicate those concerns.

(d) Interest Rate Risk:

Our business is particularly vulnerable to volatility in interest rates. A substantial component of our income is the interest income that we receive from the loans we disburse. Our interest income is affected by any volatility in interest rates in our lending operations. Interest rates are highly volatile due to many factors beyond our control, including the monetary policies of the RBI, deregulation of the financial sector in India, and domestic and international economic and political conditions. If there is an increase in the interest rates that we pay on our borrowings, which we are unable to pass on to our customers, our profitability may be affected. Further, to the extent our borrowings are linked to market interest rates, we may have to pay interest at a higher rate than lenders that borrow only at fixed interest rates. Fluctuations in interest rates may also adversely affect our treasury operations. If there is a sudden or sharp rise in interest rates, we could be adversely affected by the decline in the market value of our securities portfolio.

Also, when interest rates decline, we are subject to greater re-pricing and prepayment risks as borrowers take advantage of the attractive interest rate environment. In periods of low interest rates and high competition among lenders, borrowers may seek to reduce their borrowing cost by asking lenders to re-price loans.

Cautionary statement:

Statements in this report, describing the company's objectives, estimations, projections, expectations are "forward looking statements" based on the management's current expectations and beliefs concerning future developments and their potential effect upon the Company. Several factors could make significant difference to the company's operations. These include economic conditions affecting demand and supply, Government regulations and taxation, natural calamities, etc. over which the company does not have any direct control. UHFL assumes no responsibility in case the actual results differ materially due to change in internal or external factors.

Place: - Gurgaon

Date: -

For and on behalf of the Board of Directors

Sd/-

Ashutosh Sharma

Managing Director

DIN:02582205

Sd/-

Sachin Grover

Director

DIN:073873



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, 2020, 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, 2020, 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.

Emphasis of Matter

We draw attention to Note 32 of the accompanying financial statements which describes the extent to which COVID-19 Pandemic impact the Company's operations and its financial results will depend on future developments, which are highly uncertain.

Our opinion is not modified in respect of this matter.

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, which we obtained prior to the date of this auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether 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.

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 with reference to financial statements 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;
 - (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;
 - (e) The matter described in Emphasis of Matter above, in our opinion, may have an adverse effect on the functioning of the Company.
 - (f) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (g) 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;
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - 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 Chirag Jain

Partner

Membership Number: 115385

UDIN: 20115385AAAABJ9121

Place of Signature: Mumbai

Date: June 29, 2020

Annexure 1 referred to in paragraph 1 of “Report on Other Legal and Regulatory Requirements” of our report of even date

Re: Ummeed Housing Finance Private Limited

- (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, as amended (the ‘Act’). 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 Act 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 Act, for the products/services of the Company.
- (vii) (a) Undisputed statutory dues including provident fund, employees’ state insurance, income-tax, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities except in few cases, though the delays in deposit have not been serious. The provisions relating to sales tax, service tax, customs duty, excise duty and value added taxes are not applicable to the Company.

- (b) According to the information and explanations given to us, no undisputed amounts payable in respect 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 except a short payment of Rs. 5,214 related to May 2019 provident fund which was due on June 15, 2019. This was subsequently paid by the Company on June 08, 2020.
- (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 and term loans 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.

- (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 the Act 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 Act 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 Act.
- (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 Chirag Jain

Partner

Membership Number: 115385

UDIN: 20115385AAAABJ9121

Place of Signature: Mumbai

Date: June 29, 2020

Annexure 2 referred to in paragraph 2 (g) under the heading “Report on other legal and regulatory requirements” of our report of even date

Report on the Internal Financial Controls under clause (i) 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, 2020 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 Act.

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 Act, 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting 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, 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, 2020, 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 Chirag Jain

Partner

Membership Number: 115385

UDIN: 20115385AAAABJ9121

Place of Signature: Mumbai

Date: June 29, 2020

BALANCE SHEET

as at March 31, 2020

Ummeed Housing Finance Private Limited			
Balance Sheet as at 31 March 2020			
(Amount in ₹ unless otherwise stated)			
Particulars	Note	March 31, 2020	March 31, 2019
Equity and liabilities			
Shareholders' funds			
Share capital	3	70,13,43,336	51,52,04,879
Reserves and surplus	4	1,86,83,84,738	82,96,34,164
		2,56,97,28,074	1,34,48,39,043
Non-current liabilities			
Long-term borrowings	5	1,92,28,20,218	1,54,51,04,568
Long-term provisions	6	2,28,95,090	1,75,79,805
		1,94,57,15,308	1,56,26,84,373
Current liabilities			
Short-term borrowings	7	7,73,14,989	1,34,28,201
Trade payables	8		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		79,82,052	1,32,24,921
Other current liabilities	8	76,79,54,152	84,36,85,105
Short-term provisions	6	1,95,40,268	1,34,98,376
		87,27,91,461	88,38,36,603
Total		5,38,82,34,843	3,79,13,60,019
Assets			
Non-current assets			
Property, plant, and equipment			
Tangible Assets	9.1	1,24,30,552	1,29,87,712
Intangible assets	9.2	70,27,616	66,47,758
Deferred tax assets (net)	10	1,32,78,304	98,37,952
Loans and advances	11	3,59,34,17,776	2,90,39,68,347
Other non-current assets	12	3,26,12,124	68,75,000
		3,65,87,66,372	2,94,03,16,769
Current assets			
Current investments	14	63,51,62,633	31,76,30,460
Cash and bank balances	15	80,57,68,808	36,14,06,156
Loans and advances	11	19,69,12,420	13,17,33,421
Other current assets	13	9,16,24,610	4,02,73,213
		1,72,94,68,471	85,10,43,250
Total		5,38,82,34,843	3,79,13,60,019

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

For and on behalf of the Board of Directors of

Ummeed Housing Finance Private Limited

per Chirag Jain

Partner

Membership number: 115385

Ashutosh Sharma

Managing Director

DIN: 02582205

Sachin Grover

Director

DIN: 07387359

Bikash Mishra

Financial Controller

M No.: 068171

Nitin Kumar Agrahari

Company Secretary

M No.: A36376

Date: June 29, 2020

Place: Mumbai

Date: June 29, 2020

Place: Gurugram

STATEMENT OF PROFIT AND LOSS

For the year ended March 31, 2020

Ummeed Housing Finance Private Limited			
Statement of Profit and Loss for the year ended 31 March 2020			
(Amount in ₹ unless otherwise stated)			
	Note	March 31, 2020	March 31, 2019
Income			
Revenue from operations	16	66,66,45,882	39,96,28,735
Other income	17	3,47,64,962	2,02,24,874
Total revenue		70,14,10,844	41,98,53,609
Expenses			
Employee benefit expenses	18	21,28,83,528	15,46,03,817
Finance costs	19	32,31,89,293	15,34,68,709
Depreciation and amortization expenses	20	66,00,977	44,65,749
Other expenses	21	9,54,31,982	6,78,23,892
Provisions and write-offs	22	46,22,691	78,04,669
Total expenses		64,27,28,471	38,81,66,836
Profit before tax		5,86,82,373	3,16,86,773
Tax expenses:			
Current tax			
Pertaining to profit for the current period		1,67,25,648	1,21,22,055
Adjustment of tax relating to earlier periods		(12,67,285)	-
MAT Credit		-	12,25,865
Deferred tax		(34,40,352)	(61,50,250)
Total tax expense		1,20,18,011	71,97,670
Profit after tax		4,66,64,362	2,44,89,103
Earnings per equity share	23		
[Nominal value of share ₹ 10 (March 31, 2019: ₹ 10)]			
Basic (Computed on the basis of total profit for the year)		2.92	1.53
Diluted (Computed on the basis of total profit for the year)		1.31	1.01

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

For and on behalf of the Board of Directors of

Hummed Housing Finance Private Limited

per Chirag Jain

Partner

Membership number: 115385

Ashutosh Sharma

Managing Director

DIN: 02582205

Sachin Grover

Director

DIN: 07387359

Bikash Mishra

Financial Controller

M No.: 068171

Nitin Kumar Agrahari

Company Secretary

M No.: A36376

Date: June 29, 2020

Place: Mumbai

Date: June 29, 2020

Place: Gurugram

CASH FLOW STATEMENT

For the year ended March 31, 2020

Ummeed Housing Finance Private Limited		
Statement of Cash Flows for the year ended March 31, 2020		
(Amount in ₹ unless otherwise stated)		
	March 31, 2020	March 31, 2019
Cash flow from operating activities		
Profit before tax	5,86,82,373	3,16,86,773
Adjustments to reconcile profit before tax to net cash flows:		
Expenses on employee stock option	89,56,561	99,16,275
Depreciation and amortization	66,00,977	44,65,749
Loss on discard of fixed assets	1,01,702	2,35,111
Interest income on fixed deposits	(3,19,36,774)	(2,91,69,035)
Gain on sale of mutual funds	(1,98,56,690)	(87,37,411)
Dividend income on mutual funds	(8,74,272)	(26,84,539)
Interest on borrowings	30,75,58,561	14,50,85,248
Operating Loss before working capital changes	32,92,32,438.00	15,07,98,171
Movements in working capital:		
Change in trade payables	(52,42,869)	1,06,33,877
Change in provisions	(1,14,39,768)	1,34,16,628
Change in other current liabilities	(24,37,21,992)	26,15,10,680
Change in loans and advances	(77,18,52,633)	(1,96,17,22,835)
Change in other non-current assets	(2,57,37,124)	(68,75,000)
Change in other current assets	(4,20,97,529)	(1,66,34,255)
Cash used in operations	(77,08,59,477)	(1,54,88,72,734)
Direct taxes paid (net of refunds)	2,45,62,787	(3,41,300)
Net cash flow used in operating activities (A)	(74,62,96,690)	(1,54,92,14,034)
Cash flows from investing activities		
Interest income from fixed deposits	2,26,82,908	2,38,08,094
Gain on sale of mutual funds	1,98,56,690	87,37,411
Dividend income on mutual funds	8,74,272	26,84,539
Purchase of property, plant, and equipment	(65,25,377)	(1,21,46,927)
Purchase of current investments	(1,70,80,00,001)	(1,04,32,99,993)
Proceeds from sale/maturity of current investments	1,39,04,67,829	90,50,99,448
Net Cash used in Investing Activities (B)	(28,06,43,679)	(11,51,17,428)
Cash flows from financing activities		
Proceeds from issuance of preference share capital (including securities premium)	1,20,07,09,310	65,05,64,888
Proceeds from issuance of equity share capital (including securities premium)	-	8,457
Proceeds from borrowings	1,12,20,98,999	1,56,68,80,000
Repayment of borrowings	(52,67,35,376)	(21,60,19,046)
Interest paid on borrowings	(29,33,28,710)	(12,77,29,551)
Share issue expenses	(3,14,41,202)	(1,83,63,726)
Net Cash from financing activities (C)	1,47,13,03,021	1,85,53,41,022
Net Increase in Cash & Cash Equivalents (A+B+C)	44,43,62,652	19,10,09,560
Cash and cash equivalents at the beginning of the year	36,14,06,156	17,03,96,596
Cash and cash equivalents at the end of the year (refer note 15)	80,57,68,808	36,14,06,156

Summary of significant accounting policies

2.1

The accompanying notes are an integral part of the financial statements.

Supplementary Information:

Interest income received on loans	53,65,23,342	27,17,31,384
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As per our report of even date

For S. R. BATLIBOI & ASSOCIATES LLP

ICAI Firm registration number: 101049W/E300004

Chartered Accountants

For and on behalf of the Board of Directors of

Ummeed Housing Finance Private Limited

per Chirag Jain

Partner

Membership number: 115385

Ashutosh Sharma

Managing Director

DIN: 02582205

Sachin Grover

Director

DIN: 07387359

Bikash Mishra

Financial Controller

M No.: 068171

Nitin Kumar Agrahari

Company Secretary

M No.: 068171

Date: June 29, 2020

Place: Mumbai

Date: June 29, 2020

Place: Gurugram

ACCOUNTING POLICIES

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

1. Corporate information

Ummeed Housing Finance Private Limited ('the Company') is a Company domiciled in India as a private limited company having CIN U65922HR2016PTC057984. The Company was incorporated on January 27, 2016 under the provisions of the Companies Act, 1956. The Company is registered as a housing finance company with National Housing Bank (NHB) vide Registration No. 07.137.16 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 and Non-Housing loans. The 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. Summary of significant accounting policies

a. Basis of preparation

The financial statements of the Company have been prepared and presented under the historical cost convention on the accrual basis of accounting, 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 provisions of the Companies Act, 2013, as adopted consistently by the company.

The company complies with the prudential norms relating to income recognition, accounting standards, asset classification and the minimum provisioning for standard assets, doubtful assets and loss assets, specified in the directions issued by NHB in terms of The Housing Finance Companies (NHB) Directions, 2010, along with other guidelines issued by the National Housing Bank to the extent applicable.

b. Current/Non-Current Classification

All assets and liabilities are classified into current and non-current.

Assets: -

An asset is classified as current when it satisfies any of the following criteria:

- a) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;

- b) it is held primarily for the purpose of being traded;
- c) it is expected to be realised within 12 months after the reporting date; or
- d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities: -

A liability is classified as current when it satisfies any of the following criteria:

- a) it is expected to be settled in the Company's normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is due to be settled within 12 months after the reporting date; or
- d) the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Operating Cycle: -

Operating Cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalent. Based on the above definition and nature of business, the Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

a. Significant Accounting Judgements, Estimates and Assumptions

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 assets and liabilities and the accompanying disclosures and the disclosure of contingent assets and liabilities, at the end of the reporting period and the reported amount of revenues and expenses during the reported 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 of acquisition 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.

All such expenditure that increases the future benefits from the existing asset beyond its previously assessed standard of performance is included in the gross book value.

c. Intangible Assets

Intangible assets are acquired by the company are measured initially at cost. 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 the cost of asset.

All such expenditure that increases the future benefits from the existing asset beyond its previously assessed standard of performance is included in the gross book value.

After Initial Recognition, Intangible asset is carried at its cost less any accumulated amortization and any accumulated impairment loss.

d. Leases

Assets acquired under leases other than finance leases are classified as operating leases. The total lease rentals (Including scheduled rental increases) in respect of an asset taken on operating lease are charged to the statement of profit and Loss on a straight-line basis over the lease term.

e. Depreciation of Property, plant and equipment

The Company depreciates its Property, plant and equipment('Assets') on Straight Line Method (SLM) over the useful lives of assets estimated by management. Depreciation on assets purchased during the year is charged from date of acquisition and for assets sold/disposed off, it is charged up to the date of sale/disposal. Modification or extension to an existing asset, which is of capital nature and which becomes an internal part thereof is depreciated prospectively from date of capitalization up to remaining useful life of that asset. Management estimates for useful lives of assets are set out below:

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

f. Amortization of 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.

g. 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 recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets, net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

An Impairment loss is reversed if there has been a change in the estimate used to determine the recoverable amount.

h. 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. However, that part of long term investment which is expected to be realised within 12 months after the reporting date is also classified under 'Current Assets' as "Current portion of long term investments" as per schedule III of the Companies Act, 2013.

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 recognize a decline other than temporary in the value of the investments and charged or credited to statement of profit and loss.

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.

i. 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.

j. Retirement and other employee benefits

The Company's obligation towards various employee benefits has been recognized as follows:

Short term employee benefits

All employee benefits payable/available within twelve months of rendering the services are classified as short- term employee benefits. Benefits such as salaries, wages, and bonus etc., are recognized in the statement of profit and loss in the period in which the employee renders the related service.

Post-employment benefits

Defined contribution plans

A defined contribution plan is a post- employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The company makes specified monthly contribution towards employee provident fund to government administrated provident fund scheme which is a defined contribution plan. The company's contribution is recognized as an expense in the statement of profit and loss during the period in which the employee renders the related service.

Defined benefit plans

The company gratuity scheme is a defined benefit plan. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation carried by an independent actuary at the year-end using the projected unit credit method at the balance sheet date, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows.

Compensated absences

The employees can carry-forward a portion of the unutilized accrued compensated absences and utilize it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long term employee benefit. The company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement.

The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yield on Government securities as at the balance sheet date, having maturity

periods approximately to the terms of related obligations.

Treatment of actuarial gains and losses

Actuarial gains and losses are recognized immediately in the statement of Profit and Loss. Gains or losses on the curtailment or settlement of any defined plan are recognized when the curtailment or settlement occurs.

k. Revenue recognition

The Company follows the Housing Finance Companies (NHB) Directions, 2010 issued by the NHB and Accounting Standards specified under Section 133 of the Companies Act, 2013 for income recognition. The revenue is recognized 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 recognized 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 recognized only when realised and any such income recognized before the assets became non-performing and remaining unrealized is reversed.
- ii. Interest income on deposits with banks is recognized 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. Other Charges (Penal interest, Cheque Bouncing charges etc.) are recognized on receipt 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 recognized on an accrual basis.
- vii. Income on account of excess interest spread arising from securitization and income from assignment transaction is recognized on accrual basis, net of any related losses.

l. Foreign Currency Translation

- i. All transactions in foreign currency are recognized 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 recognized as income or expenses in the year in which they arise.

m. Income taxes

- i. Income Tax expense comprises current tax (i.e. amount of tax for the year determined in accordance with the income tax laws) and deferred tax charge or credit (reflecting the tax effect of timing differences between accounting income and taxable income for the year).
- ii. Current tax is measured at the amount expected to be paid to (recovered from) 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 recognized directly in equity is recognized in equity and not in the statement of profit and loss.
- iii. 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. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.
- iv. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences that result between the profits offered for income taxes and the profits as per the financial statements. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in the future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is virtual certainty of realization of such assets.
- v. The carrying amount of deferred tax assets are reviewed at each reporting date and written down or written up to reflect the amount that is 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.
- vi. In accordance with the provisions of section 115JAA of Income tax, 1961, the Company is allowed to avail credit equal to the excess of Minimum alternate tax (MAT) over normal income tax for the assessment year for which MAT is paid. 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.

vii. In accordance with the provisions of section 115JAA of Income tax, 1961, the Company is allowed to avail credit equal to the excess of Minimum alternate tax (MAT) over normal income tax for the assessment year for which MAT is paid. 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.

n. Provisions

A provision is recognized 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.

o. Contingent liability and Contingent Assets

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 embodying economic benefits will be required to settle the obligation or a reliable estimate of the amount of obligation cannot be made.

Contingent Assets are neither recognized, nor disclosed in the financial statement.

p. Cash and Cash equivalents

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

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

The portfolio loans are classified into performing and non-performing assets as per the Housing Finance Companies (NHB) Directions, 2010 ("the NHB Directions"). Further, non-performing assets are classified into sub-standard, doubtful and loss assets on criteria stipulated by the NHB Directions.

The company follows the following policy for identification and provisioning in respect of standard assets and non-performing assets:

Classification		Criteria	Rate of Provision (% of total loan Outstanding)
Standard Assets			
Standard Assets		An asset, in respect of which, no default in repayment of principal or payment of interest is perceived .	0.40 %
Standard Assets		For individual housing loan sanctioned on or after 2 nd August 2017 in respect of which, no default in repayment of principal or payment of interest is perceived.	0.40 % *
Standard Assets in respect of Commercial Real Estate (Residential Housing) (CRE-H)		An asset, in respect of which, no default in repayment of principal or payment of interest is perceived .	0.75 %
Standard Assets in respect of All other Commercial Real Estate (CRE)		An asset, in respect of which, no default in repayment of principal or payment of interest is perceived .	1 %
Non-Performing assets (NPA) – An asset, in respect of which, principal/Interest has remained overdue for a period of more than 90 days.			
Sub Standard		NPA for less than or equal to 12 months	15 %
Doubtful I (NPA for more than 12 months)	Doubtful I	Doubtful for up to 1 year	Secured Portion: 25 % Unsecured Portion: 100 %
	Doubtful II	Doubtful for more than 1 year but less than or equal to 3 years	Secured Portion: 40 %

			Unsecured Portion: 100 %
	Doubtful III	Doubtful for more than 3 years	100 %
Loss Assets		As identified	The entire assets shall be written off.
		If assets are permitted to remain in the books for any reason	100 %

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.

*For Individual Housing Loans sanctioned on or after 2nd August 2017 in respect of which, no default in repayment of principal or payment of interest is perceived, Company is required to maintain provision @ 0.25% of loan outstanding as per notification no NHB.HFC.DIR.18/MD&CEO/2017 dated 02nd August 2017 however company is maintaining provision @ 0.4% of loan outstanding on all standard assets.

Loans are written off either partially or in their entirety only when the Company has stopped pursuing the recovery. Amount to be written off would be debited in profit and Loss account. Any subsequent recoveries are credited to profit and loss account.

r. 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. The basic earnings per share is computed by dividing the net profit after tax attributable to Equity shareholders by the weighted average number of equity shares outstanding during the year. The diluted earnings per share is computed and disclosed after adjusting the effects of all dilutive potential equity shares, if any, except where the results would be anti-dilutive.

s. 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 Employee Stock Option Scheme (‘the scheme’) provides for the grant of options to acquire equity shares of the company to its employees. The options granted to employees’ vest in a graded manner and these may be exercised by the employees within a specified period. The cost of equity-settled transactions is measured using the intrinsic value method and recognized, together with a corresponding increase in the “Stock options outstanding account” in reserves. The cumulative expense recognized 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

recognized in the statement of profit and loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

t. Securitized/Assigned Assets

Securitized/Assigned Assets are derecognized in the books of the company based on the principle of transfer of ownership interest over the assets. De-recognition of such assets and recognition of gain or loss arising on such securitization is based on the guidance note on accounting for securitization issued by the Institute of Chartered Accountant of India.

Notes Forming Part of Financial Statements

For the year ended March 31, 2020

3. SHARE CAPITAL

(Amount in ₹ unless otherwise stated)		
Particulars	March 31, 2020	March 31, 2019
Authorized shares		
1,63,00,000 (March 31, 2019: 1,63,00,000) equity shares of ₹ 10/- each	16,30,00,000	16,30,00,000
2,70,13,000 (March 31, 2019: 1,77,42,000) 0.001% Compulsorily Convertible Preference shares (CCPS) of ₹ 20/- each	54,02,60,000	35,48,40,000
13,02,000 (March 31, 2019: 5,74,000) Optionally Convertible Non-Cumulative Redeemable Preference shares (OCNCRPS) of ₹ 10/- each	1,30,20,000	57,40,000
Total authorized shares capital	71,62,80,000	52,35,80,000
Issued, subscribed and fully paid-up shares		
1,59,80,416 (March 31, 2019: 1,59,80,416) equity shares of ₹ 10/- each	15,98,04,160	15,98,04,160
26,36,204 (March 31, 2019: 26,36,204) 0.001% Cumulative, Non-Participative and Compulsorily Convertible Preference shares (CCPS) of ₹ 20/- each-Series A	5,27,24,080	5,27,24,080
74,19,322 (March 31, 2019: 74,19,322) 0.001% Cumulative, Non-Participative and Compulsorily Convertible Preference shares (CCPS) of ₹ 20/- each-Series B	14,83,86,440	14,83,86,440
76,85,840 (March 31, 2019: 76,85,840) 0.001% Non-Cumulative, Non-Participative and Compulsorily Convertible Preference shares (CCPS) of ₹ 20/- each-Series C	15,37,16,800	15,37,16,800
92,70,567 (March 31, 2019: Nil) 0.001% Non-Cumulative, Non-Participative and Compulsorily Convertible Preference shares (CCPS) of ₹ 20/- each-Series D	18,54,11,340	-
Total issued, subscribed and fully paid-up share capital	70,00,42,820	51,46,31,480
Issued, subscribed and called-up shares		
13,00,516 (March 31, 2019: 5,73,399) Optionally Convertible Non-Cumulative Redeemable Preference shares (OCNCRPS) of ₹ 10/- each (called paid up ₹ 1)	13,00,516	5,73,399
Total issued, subscribed and called-up share capital	13,00,516	5,73,399

During the current year, the authorised share capital of the Company was increased vide approval of equity shareholders from ₹ 52,35,80,000

divided into 1,63,00,000 equity shares of ₹ 10 each, 1,77,42,000 Compulsorily Convertible Preference shares (CCPS) of ₹ 20 each and 5,74,000 Optionally Convertible Non-Cumulative Redeemable Preference shares (OCNCRPS) of ₹ 10 each to ₹ 71,62,80,000 divided into 1,63,00,000 equity shares of ₹ 10 each, 2,70,13,000 Compulsorily Convertible Preference shares (CCPS) of ₹ 20 each and 13,02,000 Optionally Convertible Non-Cumulative Redeemable 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, 2020		March 31, 2019	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the year	1,59,80,416	15,98,04,160	1,59,80,316	15,98,03,160
Issued during the year	-	-	100	1,000
Outstanding at the end of the year	1,59,80,416	15,98,04,160	1,59,80,416	15,98,04,160

Compulsorily Convertible Preference shares (CCPS)

	March 31, 2020		March 31, 2019	
	No. of Shares	Amount	No. of Shares	Amount
Series A				
At the beginning of the year	26,36,204	5,27,24,080	26,36,204	5,27,24,080
Issued during the year	-	-	-	-
Outstanding at the end of the year	26,36,204	5,27,24,080	26,36,204	5,27,24,080
Series B				
At the beginning of the year	74,19,322	14,83,86,440	74,19,322	14,83,86,440
Issued during the year	-	-	-	-
Outstanding at the end of the year	74,19,322	14,83,86,440	74,19,322	14,83,86,440
Series C				
At the beginning of the year	76,85,840	15,37,16,800	-	-
Issued during the year	-	-	76,85,840	15,37,16,800
Outstanding at the end of the year	76,85,840	15,37,16,800	76,85,840	15,37,16,800

Series D				
At the beginning of the year	-	-	-	-
Issued during the year	92,70,567	18,54,11,340	-	-
Outstanding at the end of the year	92,70,567	18,54,11,340	-	-
Optionally Convertible Non-Cumulative Redeemable Preference shares (OCNCRPS)				
	March 31, 2020		March 31, 2019	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the year	5,73,399	5,73,399	-	-
Issued during the year	7,27,117	72,71,170	5,73,399	57,33,990
Less: Not called up of ₹ 9 per share	-	(65,44,053)	-	(51,60,591)
Outstanding at the end of the year	13,00,516	13,00,516	5,73,399	5,73,399

(b) Terms/ rights attached to equity shares

The Company has a single class of equity shares having a par value of ₹ 10 per share (previous year ₹ 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 (CCPS)

"The Company has issued its Compulsorily Convertible Preference shares (CCPS) in series A, B, C and D having the par value of ₹ 20. 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). The shares are convertible in the ratio of 1 equity share for 1 CCPS. The shares carry a dividend right of 0.001% per annum of subscription amount.

For Series A, the preferential dividend is cumulative and shall accrue from year on year whether or not paid, and accrued dividends shall be paid in full (together with dividends accrued from prior years, provided that such dividends are due only when declared). Notwithstanding the above, the

preferential dividend shall be due only when declared by Board. Series A CCPS may be converted into Equity Shares at any time at the option of the holder of Series A 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 issuance of Series A CCPS 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.

For Series B, the preferential dividend is cumulative and shall accrue from year on year whether or not paid, and accrued dividends shall be paid in full (together with dividends accrued from prior years, provided that such dividends are due only when declared). Notwithstanding the above, the preferential dividend shall be due only when declared by Board. Series B CCPS may be converted into Equity Shares at any time at the option of the holder of Series B 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 issuance Series B CCPS 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.

For Series C, the preferential dividend is non-cumulative and shall be payable, as and when declared. 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 issuance of Series C CCPS 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.

For Series D, the preferential dividend is non-cumulative and shall be payable, as and when declared. Series D CCPS may be converted into Equity Shares at any time at the option of the holder of that Series D 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 D 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.

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. "

During the current year, the authorised share capital of the Company was increased vide approval of equity shareholders from ₹ 52,35,80,000 divided into 1,63,00,000 equity shares of ₹ 10 each, 1,77,42,000 Compulsorily Convertible Preference shares (CCPS) of ₹ 20 each and 5,74,000 Optionally Convertible Non-Cumulative Redeemable Preference shares (OCNCRPS) of ₹ 10 each to ₹ 71,62,80,000 divided into 1,63,00,000 equity shares of ₹ 10 each, 2,70,13,000 Compulsorily Convertible Preference shares (CCPS) of ₹ 20 each and 13,02,000 Optionally Convertible Non-Cumulative Redeemable Preference shares (OCNCRPS) of ₹ 10 each.

(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 (OCNCRPS) having par value of ₹ 10 per share. During the year ended March 31, 2020, the Company issued:

7,27,117 OCNCRPS at face value of ₹10 per share to Mr. Ashutosh Sharma (5,45,338 shares), Mr. Sachin Grover (1,45,423 shares) and Rajendra Gupta (36,356 shares). Each Incentive shares were issued at Rs 84.57/- (Indian Rupees Eighty-four point five seven only) ("Issue Price"). However, upon allotment the allottees were required to pay only ₹ 1 (one) per Incentive Share, and the balance issue price of ₹ 83.57 (Indian Rupees Eighty three point five seven 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 February 11, 2020

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 equity shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of the shareholder	March 31, 2020		March 31, 2019	
	Number of shares	% of share holding	Number of shares	% of share holding
Equity shares of ₹ 10 each fully paid				
Ashutosh Sharma	98,79,172	61.82%	1,02,50,000	64.14%
Lok Capital Growth Fund	36,43,867	22.80%	52,72,508	32.99%
NHPEA Kabru Holding B.V.	21,08,005	13.19%	-	0.00%

(a) Details of preference shares (CCPS) held by shareholders holding more than 5% of the aggregate shares in the Company

Name of shareholder	As at March 31, 2020				
	Series A	Series B	Series C	Series D	% of share holding
Preference shares (CCPS) of ₹ 20 each fully paid					
Duane Park Private Limited	13,18,830	30,91,309	-	-	16.33%
Lok Capital Growth Fund	-	43,28,013	5,91,226	6,33,497	20.56%
Lightstone Global Fund	13,17,374	-	70,94,614	-	31.14%
NHPEA Kabru Holding B.V.	-	-	-	86,37,070	31.98%
Total	26,36,204	74,19,322	76,85,840	92,70,567	
	As at March 31, 2019				
	Series A	Series B	Series C	Series D	% of share holding
Duane Park Private Limited	26,36,204	30,91,309	-	-	32.28%
Lok Capital Growth Fund	-	43,28,013	5,91,226	-	27.73%
Lightstone Global Fund	-	-	70,94,614	-	39.99%
Total	26,36,204	74,19,322	76,85,840	-	

(b) Details of preference shares (OCNCRPS) held by shareholders holding more than 5% of the aggregate shares in the Company

Name of the shareholder	March 31, 2020		March 31, 2019	
	Number of shares	% of share holding	Number of shares	% of share holding
Preference shares (OCNCRPS) of ₹ 10 each fully paid				
Ashutosh Sharma	10,65,148	81.90%	5,19,810	90.65%
Sachin Grover	1,99,012	15.30%	53,589	9.35%

4. RESERVES AND SURPLUS:

Particulars	March 31, 2020	March 31, 2019
Securities premium account		
Balance as per the last financial statements	81,15,47,792	33,36,29,372
Add: premium on issue of preference shares (CCPS)	1,01,45,70,853	49,62,74,689
Add: premium on issue of equity shares	-	7,457
Less: Adjustment on account of expenses towards issue of shares	(3,14,41,202)	(1,83,63,726)
Closing balance	1,79,46,77,443	81,15,47,792
Statutory reserves (Under Section 29C of the NHB Act)#		
Balance as per the last financial statements	80,76,778	13,67,324
Add: Transferred during the year	93,32,872	67,09,454
Closing balance	1,74,09,650	80,76,778
Employee Stock Option Outstanding		
Balance as per last financial statements	1,56,07,346	56,91,071
Add: Compensation options granted during the year	89,56,561	99,16,275
Closing balance	2,45,63,907	1,56,07,346
Surplus/(deficit) in the statement of profit and loss		
Balance as per last financial statements	(55,97,752)	(2,33,77,401)
Add: Profit for the year	4,66,64,362	2,44,89,103
Less: Transfer to Statutory reserves (@20% of profit after tax as required by section 29C of the NHB Act)#	(93,32,872)	(67,09,454)
Net Surplus/(deficit) in the statement of profit and loss	3,17,33,738	(55,97,752)
Total	1,86,83,84,738	82,96,34,164

#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.

Accordingly, During the current year, the Company has transferred an amount of ₹ 93,32,872 (P.Y. ₹ 67,09,454) towards to special reserve in terms of u/s section 29C of NHB Act 1987.

4.1 Statutory Reserve u/s 29C of The National Housing Bank Act, 1987 read with section 36 (1) (viii) of Income Tax Act, 1961

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:

Particulars	March 31, 2020	March 31, 2019
Balance at the beginning of the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	75,95,487	13,67,324
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	4,81,291	-
c) Total	80,76,778	13,67,324
Addition /Appropriation / Withdrawal during the year		
Add:		
a) Amount transferred u/s 29C of the NHB Act, 1987	84,54,974	62,28,163
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	8,77,898	4,81,291
Less:		
a) Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
b) Amount withdrawn from the Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 which has been taken into account for the purpose of provision u/s 29C of the NHB Act, 1987	-	-
Balance at the end of the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	1,60,50,461	75,95,487
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	13,59,189	4,81,291
c) Total	1,74,09,650	80,76,778

5. LONG TERM BORROWINGS

Particulars	Non-current portion		Current maturities	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Term Loans-Secured				
From Banks	78,24,42,956	91,34,17,423	28,83,27,367	22,18,69,180
From Non-Banking Finance Companies ("NBFC")	46,63,98,262	32,98,07,145	32,48,94,460	17,37,04,671
Redeemable Non-Convertible Debentures	30,18,80,000	30,18,80,000	-	-
External Commercial borrowings from Financial Institution	37,20,99,000	-	-	-
Amount disclosed under the head "other current liabilities" (note 8)	-	-	(61,32,21,827)	(39,55,73,851)
Total	1,92,28,20,218	1,54,51,04,568	-	-
Nature of security			March 31, 2020	March 31, 2019
a) Loans secured by hypothecation (exclusive charge) of portfolio loans			2,04,49,07,710	1,57,11,16,235
b) Loans secured by hypothecation (exclusive charge) of portfolio loans and margin money deposits			48,76,66,569	36,48,57,099
c) Loans secured by hypothecation (exclusive charge) of vehicles			34,67,766	47,05,085
Total outstanding			2,53,60,42,045	1,94,06,78,419

5 (a). Details of Terms Loans are as follow:

Interest Rate	March 31, 2020			March 31, 2019		
	Maturity			Maturity		
	Within 1 Year	1-3 Years	3 Years or more	Within 1 Year	1-3 Years	3 Years or more
7-9%	13,40,743	21,27,040	-	12,37,330	27,93,553	6,74,230
9-11%	2,39,39,527	1,98,73,482	-	72,72,727	90,90,909	-
11-13%	55,13,47,365	72,92,13,949	39,74,66,435	38,33,13,794	67,23,55,106	55,42,48,270
13-15%	3,65,94,192	8,05,91,665	1,95,68,647	37,50,000	40,62,500	-

5 (b). Details of Secured Redeemable Non-Convertibles Debentures- Redeemable at par:

ISIN	INE870W07019	INE870W07019	INE870W07027
No. of Debentures	8094	8094	14000
Call/Put Option	Yes	Yes	Yes
Date of Redemption			
If Call/Put is exercised	20-11-2021	22-11-2021	28-12-2021
If Call/Put is not exercised	06-01-2025	06-01-2025	28-02-2025
Rate of Interest (Fixed)	12.2224%	12.2224%	13.00%
Face Value	10,000	10,000	10,000
Balance outstanding as at March 31, 2020	8,09,40,000	8,09,40,000	14,00,00,000
Balance outstanding as at March 31, 2019	8,09,40,000	8,09,40,000	14,00,00,000

- i. Redeemable Non-Convertible Debentures are secured by hypothecation of specified Receivables under Financing Activities.
- iii. Redeemable Non-Convertible Debentures are repayable in bullet payments.

5 (c) Details of Secured External Commercial Borrowings (ECB):

Particulars	ECB 1	ECB 2
Interest Rate	11.14%	11.62%
Call/Put option	No	Yes
Date of Redemption		
If Call/Put is exercised	15-11-2024	26-04-2022
If Call/Put is not exercised	15-11-2024	26-06-2025
Balance outstanding as at March 31, 2020	24,60,00,000	12,60,99,000
Balance outstanding as at March 31, 2019	-	-

- i. External commercial borrowings are secured by hypothecation of specified Receivables under Financing Activities.
- iii. External commercial borrowings are repayable in bullet payments.

6. PROVISIONS

Particulars	Long-term		Short-term	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Provision for employee benefits				
Provision for gratuity (refer note 26)	44,66,802	32,27,507	12,841	9,611
Provision for leave benefits (refer note 26)	32,89,179	27,63,311	10,98,574	7,36,075
	77,55,981	59,90,818	11,11,415	7,45,686

Other provisions				
Provision for taxation	-	-	1,67,25,648	1,21,22,055
Provision against standard assets				
- Housing loans	82,75,053	65,20,170	9,87,383	2,57,100
- Non-housing loans	60,50,601	50,68,817	6,77,413	3,73,535
Provision against sub-standard assets				
- Housing loans	4,65,657	-	21,987	-
- Non-housing loans	3,47,798	-	16,422	-
	1,51,39,109	1,15,88,987	1,84,28,853	1,27,52,690
Total	2,28,95,090	1,75,79,805	1,95,40,268	1,34,98,376

7. SHORT-TERM BORROWINGS

Particulars	March 31, 2020	March 31, 2019
Cash credit from banks (secured)	7,73,14,989	1,34,28,201
Total	7,73,14,989	1,34,28,201

- I. Cash Credit facilities carry rate of Interest in the range of 7.00%-12.50% p.a.
- II. 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

Particulars	March 31, 2020	March 31, 2019
Trade payables		
Dues to micro and small enterprises (refer Note 25)	-	-
Dues of creditors other than micro enterprises and small enterprises	79,82,052	1,32,24,921
	79,82,052	1,32,24,921
Other liabilities		
Current maturities of long-term borrowings (note 5)	61,32,21,827	39,55,73,851
Employee benefits payable	1,13,96,488	1,53,72,011
Interest accrued but not due on borrowings		
- Term loans from banks	79,30,086	30,21,181
- Term loans from NBFC	29,07,464	27,84,444
- Non-convertible debentures	1,36,81,482	1,15,50,072
- External commercial borrowing	70,66,516	-
Statutory dues payable	81,04,809	72,20,892
Insurance premium received in advance	-	44,59,412
Loan pending disbursement	8,86,07,951	40,37,03,242
Advance from customers	37,43,483	-
Amount refundable to Customers	13,99,612	-
Amount payable under securitization	44,83,295	-
Amount payable under assignment	49,95,839	-
Other payables	4,15,300	-
	76,79,54,152	84,36,85,105
Total	77,59,36,204	85,69,10,026

9. PROPERTY, PLANT & EQUIPMENT

9.1 Tangible Assets

Particulars	Office Equipment	Computers	IT Networks Equipment's	Furniture Fixtures & Fittings	Vehicles	Total
Cost						
At April 1, 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
Additions	6,23,746	39,81,009	6,540	1,83,064	-	47,94,359
Disposals	(1,61,629)	-	-	-	-	(1,61,629)
At March 31, 2020	30,88,913	1,16,83,042	6,01,618	8,85,596	67,53,698	2,30,12,867
Depreciation						
At April 1, 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
Charge for the year	5,60,502	30,32,946	95,103	80,241	14,81,025	52,49,817
Disposals	(59,927)	-	-	-	-	(59,927)
At March 31, 2020	9,49,302	58,45,913	1,48,309	1,33,026	35,05,765	1,05,82,315
Net Block						
At March 31, 2019	21,78,069	48,89,066	5,41,872	6,49,747	47,28,958	1,29,87,712
At March 31, 2020	21,39,611	58,37,129	4,53,309	7,52,570	32,47,933	1,24,30,552

9.2 Intangible Assets

	Software	Total
Gross block		
At April 1, 2018	21,65,410	21,65,410
Addition	57,01,580	57,01,580
At March 31, 2019	78,66,990	78,66,990
Addition	17,31,018	17,31,018
At March 31, 2020	95,98,008	95,98,008
Amortisation:		
At April 1, 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
Charge for the year	13,51,160	13,51,160
At March 31, 2020	25,70,392	25,70,392
Net block		
At March 31, 2019	66,47,758	66,47,758
At March 31, 2020	70,27,616	70,27,616

10. DEFERRED TAX ASSETS (NET)

Particulars	March 31, 2020	March 31, 2019
Deferred tax liability		
On Special Reserve created under section 36(1)(viii) of the Income Tax Act, 1961	(3,42,081)	(18,66,570)
Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	(6,39,566)	(6,64,007)
Gross deferred tax liability	(9,81,647)	(25,30,577)
Deferred tax asset		
Provision for compensated absences, gratuity, and other employee benefits	84,13,991	92,17,225
Provision for standard assets and sub-standard assets	42,38,874	31,51,304
On carry forward of losses	16,07,086	-
Gross deferred tax asset	1,42,59,951	1,23,68,529
Total	1,32,78,304	98,37,952

11. LOANS AND ADVANCES

Particulars	Non-current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
A. Portfolio Loans				
Secured, considered good*				
- Housing loans	2,01,99,03,892	1,63,00,42,568	9,90,63,132	4,62,37,028
- Non-housing loans	1,46,47,72,041	1,26,72,04,365	7,18,37,530	7,97,95,873
	3,48,46,75,933	2,89,72,46,933	17,09,00,662	12,60,32,901
Secured, considered doubtful**				
- Housing loans	31,04,381	-	1,46,577	-
- Non-housing loans	23,18,651	-	1,09,478	-
	54,23,032	-	2,56,055	-
Minimum retention requirement				
- Against direct assignment transactions (refer note 11.1)	6,59,47,537	-	38,59,916	-
- Against securitization transaction (refer note 11.2)	3,07,90,086	-	-	-
Total (A)	3,58,68,36,588	2,89,72,46,933	17,50,16,633	12,60,32,901
B. Security deposits				
Unsecured, considered good	65,81,188	66,89,188	12,42,500	4,54,500
Total (B)	65,81,188	66,89,188	12,42,500	4,54,500
C. Other loans and advances (unsecured, considered good)				
Advance paid to suppliers	-	32,226	4,98,860	-
Advances to employees	-	-	84,122	69,918
Prepaid expenses	-	-	17,07,898	6,96,676
Balances with statutory / government authorities				
- Advance tax	-	-	1,20,00,000	-
- Tax deducted at source	-	-	52,51,024	35,52,801
- Tax Refundable (AY 2018-19)	-	-	914	914
- Tax Refundable (AY 2019-20)	-	-	36,613	-
- Goods and services tax recoverable	-	-	9,48,898	8,03,267
Others	-	-	1,24,958	1,22,444
Total (C)	-	32,226	2,06,53,287	52,46,020
Total (A+B+C)	3,59,34,17,776	2,90,39,68,347	19,69,12,420	13,17,33,421

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

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

11.1 ASSIGNMENTS

Assigned assets are derecognized in the books of the Company based on the principle of transfer of ownership interest over the Assets. De-recognition of gain or loss arising on such direct assignment is based on the guidance note on Accounting for Securitization issued by the Institute of Chartered Accountants of India.

During the year ended 31 March 2020, the Company has assigned portion of its loan portfolio amounting to ₹ 16,41,29,912, ₹ 34,40,67,108 and ₹ 17,95,95,681 at par in 3 different transactions DA1, DA2 and DA3, respectively. Pursuant to the said assignment arrangements, the Company has derecognized such loan assets from its books of account. Also, in accordance with the terms and conditions of the assignment agreements, the Company has retained loan assets amounting to ₹ 16,41,29,91, ₹ 3,44,06,711 and ₹ 2,69,39,352 in DA, DA2 and DA3 respectively as minimum retention requirement ('MRR'). MRR has been disclosed under note 11. Further, the Company will continue to act on a non-recourse basis to collect and service the monthly EMI collection on the said assigned portfolio. In lieu of rendering the aforesaid services, the Company has charged ₹ 1,00,000 as service fee in DA1 transaction. In the DA2 and DA3, the Company will charge 0.1% of the pool outstanding at beginning of respective month.

Nature of Transaction	Date of transaction	Minimum Retention requirement (MRR) as at March 31, 2020	Pool Outstanding as at March 31 2020	Pool Outstanding as at March 31 2019
Direct assignment (DA 1)	29-06-2019	1,23,41,409	11,29,34,975	-
Direct assignment (DA 2)	27-09-2019	3,09,36,562	28,21,12,076	-
Direct assignment (DA 3)	30-01-2020	2,65,29,482	15,08,83,115	-

11.2 Securitization

Securitized assets are derecognized in the books of the Company based on the principle of transfer of ownership interest over the assets. De-recognition of gain or loss arising on such securitization is based on the guidance note on Accounting for Securitization issued by the Institute of Chartered Accountants of India.

During the year ended 31 March 2020, the Company has securitized portion of its loan portfolio amounting to ₹ 25,65,84,048 at par. Pursuant to the said securitization arrangements, the Company has derecognized such loan assets from its books of account. Also, in accordance with the terms and conditions of the securitization agreements, the Company has retained loan assets amounting to ₹ 3,07,90,086 as minimum retention requirement ('MRR') and has also given cash collateral in the form of fixed deposits amounting to ₹ 1,41,12,124. Outstanding MRR has been disclosed under note 11 and fixed deposits have been disclosed under note 14 of the financial

statements. Further, the Company will continue to act on a non-recourse basis to collect and service the monthly EMI collection on the said securitized portfolio. In lieu of rendering the aforesaid services, the Company has charged ₹ 50,000 as service fee in first month of transaction and will charge ₹ 50,000 in month of March of every year.

Nature of Transactions	Date of Transaction	Minimum Retention requirement (MRR) as at March 31, 2020		Pool Outstanding as at March 31 2020	Pool Outstanding as at March 31 2019
Securitization transaction	31-12-2019	3,07,90,086		21,41,98,276	-

12. OTHER NON-CURRENT ASSETS

Particulars	March 31, 2020	March 31, 2019
Fixed deposits (due to mature after 12 months from reporting date)*	3,26,12,124	68,75,000
Total	3,26,12,124	68,75,000

*Fixed deposits of ₹ 1,85,00,000 pledge with banks/FI for obtaining Term loans and ₹ 1,41,12,124 pledge with bank as Cash Collateral for securitization transactions.

13. OTHER CURRENT ASSETS

Particulars	March 31, 2020	March 31, 2019
Interest accrued but not due on portfolio loans	4,86,95,369	3,16,25,915
Interest accrued but not due on deposits placed with banks	1,46,14,807	53,60,941
Commission receivable from Insurance Companies	46,66,395	32,86,357
Insurance premium refund receivable	2,13,03,679	-
Marketing Income Receivable	23,44,360	-
Total	9,16,24,610	4,02,73,213

14. CURRENT INVESTMENTS

Particulars	Total Cost	March 31, 2020	March 31, 2019
Unquoted mutual funds			
Liquid Debt Fund			
ICICI Prudential Liquid Fund - Growth 1,30,268.502 (2019: Nil) Units	3,78,62,292	3,81,03,563	-
Nippon India Liquid Fund -Growth 12,007.637 (2019: Nil) Units	5,75,70,827	5,79,06,931	-
HDFC Liquid - Growth 'Nil (2019: 16,507.403) Units	6,00,93,430	-	6,04,22,045

Reliance Liquid - Growth 'Nil (2019: 4,660.150) Units	2,08,10,161	-	2,11,53,400
Banking & PSU Debt Fund			
Aditya Birla Sun Life Banking & PSU Debt Fund-Growth 1,86,611.014 (2019: Nil) Units	4,87,50,000	4,88,68,349	-
Franklin India Banking & PSU Debt Fund - Growth 55,78,593.080 (2019: Nil) Units	9,00,00,000	9,19,36,888	-
Short Term Debt Fund			
Axis Short Term Fund - Regular Growth 22,11,094.934 (2019: Nil) Units	4,87,50,000	4,89,52,094	-
Mirae Asset Short Term Fund - Regular Growth 42,01,680.672 (2019: Nil) Units	4,87,50,000	4,90,32,773	-
SBI Short Term Debt Fund - Regular Plan - Growth 20,92,759.695 (2019: Nil) Units	4,87,50,000	4,87,97,715	-
Ultra-Short-Term Debt Fund			
HDFC Ultra Short-Term Fund- Regular Growth 58,35,143.725 (2019: Nil) Units	6,50,00,000	6,53,85,703	-
IDFC Ultra Short-Term Fund Regular Plan-Growth 48,82,605.236 (2019: Nil) Units	5,52,01,758	5,55,36,705	-
SBI Magnum Ultra Short Duration Fund Regular Growth 14,684.985 (2019: Nil) Units	6,50,00,000	6,53,21,963	-
Kotak Savings Fund - Growth Regular Plan 20,35,301.522 (2019: Nil) Units	6,50,00,000	6,53,19,949	-
Franklin India Ultra Short Bond - Growth 'Nil (2019: 8,986,136.250) Units	23,15,70,576	-	23,60,55,015
Total		63,51,62,633	31,76,30,460

15. CASH AND CASH EQUIVALENTS

Particulars	March 31, 2020	March 31, 2019
Cash and cash equivalents		
Balances with banks		
On current accounts	1,47,34,727	8,27,19,656
On deposits accounts with remaining maturity of three months or less*	68,10,09,000	17,01,87,500
	69,57,43,727	25,29,07,156
Others bank balances**		
Deposits with remaining maturity of more than 3 months but less than 12 months from reporting date	11,00,25,081	10,84,99,000
	11,00,25,081	10,84,99,000
Total	80,57,68,808	36,14,06,156

*Deposit accounts with remaining maturity of three months or less includes deposit of ₹ 10,76,34,000 pledge with bank for obtaining bank overdraft limits and ₹ 3,75,000 pledge with banks/FI for obtaining Term loans

**Other bank balances include deposits of ₹ 1,10,25,081 pledge with banks/FI for obtaining Term loans.

16. REVENUE FROM OPERATIONS

Particulars	March 31, 2020	March 31, 2019
Interest income on loans to borrowers		
Interest on housing loans	29,63,16,547	15,73,14,083
Interest on non-housing loans	23,90,12,212	13,50,85,633
Interest on securitization	44,01,500	-
Interest on direct assignment loans	1,38,62,537	-
Other operating revenue		
Processing fees and Other charges	5,38,79,928	5,63,32,515
Commitment Fees	2,05,25,006	1,64,71,330
Interest income on fixed deposits	3,19,36,774	2,91,69,035
Commission Income	67,11,378	52,56,139
Total	66,66,45,882	39,96,28,735

17. OTHER INCOME

Particulars	March 31, 2020	March 31, 2019
Gain on sale of units of mutual fund		38,32,124
	2,04,85,232	
Dividend income on mutual funds	8,74,272	26,84,539
Unrealised Gain(loss) on mutual funds		49,05,287
	(6,28,542)	
Advertisement Income		87,22,892
	1,40,34,000	
Interest on income tax refund	-	80,032
Total	3,47,64,962	2,02,24,874

18. EMPLOYEE BENEFIT EXPENSES

Particulars	March 31, 2020	March 31, 2019
Salaries & Bonus expenses	19,01,78,493	13,24,89,778
Employee Stock compensation expenses	89,56,561	99,16,275
Leave benefits (refer note 26)	9,58,890	26,94,905
Contribution to provident fund	65,72,670	36,98,629
Contribution to Employee State Insurance Corporation	7,46,276	7,17,042
Gratuity expense (refer note 26)	12,42,525	21,80,794
Staff welfare expenses	42,28,113	29,06,394
Total	21,28,83,528	15,46,03,817

19. FINANCE COSTS

Particulars	March 31, 2020	March 31, 2019
Interest expenses on borrowings		
- Term Loans/CC from Banks	15,10,02,307	6,03,89,149
- Term Loans from NBFC	9,29,02,818	7,31,46,027
- Non-Convertible Debentures	3,83,54,123	1,15,50,072
- External Commercial borrowing	2,52,99,313	-
Processing fees on borrowings	1,56,30,732	83,83,461
Total	32,31,89,293	15,34,68,709

20. DEPRECIATION AND AMORTIZATION EXPENSE

Particulars	March 31, 2020	March 31, 2019
Depreciation of property, plant, and equipment	52,49,817	37,83,136
Amortization of intangible assets	13,51,160	6,82,613
Total	66,00,977	44,65,749

21. OTHER EXPENSES

Particulars	March 31, 2020	March 31, 2019
Rent	1,96,10,436	1,31,46,155
Rates and taxes	7,11,736	11,18,530
Repairs and maintenance		
Computers	33,48,029	29,72,601
Others	76,57,446	50,21,171
Software Charges	16,50,341	2,08,915
Electricity & Water Charges	18,90,115	13,72,444
Travelling and conveyance	1,16,33,646	76,90,844
Communication expenses	62,77,148	43,06,420
Printing and stationery	23,36,189	14,70,744
Advertising and sales promotion	9,72,738	9,88,914
Legal and professional fees	1,31,92,708	83,47,645
Customer Acquisition Cost	2,10,40,196	1,69,84,815
Commission and Brokerage	6,99,816	11,82,191
Directors' sitting fees	4,90,500	4,05,000
Auditor's remuneration (refer note A below)	19,98,775	15,50,000
Bank charges	9,87,707	6,37,434
Donations	2,000	-
Loan assets written off	8,76,586	-
Miscellaneous expenses	55,870	4,20,069
Total	9,54,31,982	6,78,23,892

21. A. PAYMENT TO AUDITORS

Particulars	March 31, 2020	March 31, 2019
As auditor:		
Audit fee	14,83,142	10,50,000
Tax audit fee	2,16,705	1,50,000
In other capacity:		
Other services (certification fees)	2,98,928	3,03,300
Reimbursement of expenses	-	46,700
Total	19,98,775	15,50,000

22. PROVISIONS

Particulars	March 31, 2020	March 31, 2019
Contingent provision against standard assets (refer note 29 XVI)	37,70,828	78,04,669
Contingent provision against Sub-standard assets (refer note 27)	8,51,863	-
Total	46,22,691	78,04,669

23. EARNING PER SHARE

Particulars	March 31, 2020	March 31, 2019
The following reflects the profit and share data used in the basic and diluted EPS computations:		
Profit after tax	4,66,64,362	2,44,89,103
Less: dividends on convertible preference shares & tax thereon	-	-
Net profit for calculation of basic EPS	4,66,64,362	2,44,89,103
Net profit as above	4,66,64,362	2,44,89,103
Add: dividends on convertible preference shares & tax thereon	-	-
Net profit for calculation of diluted EPS	4,66,64,362	2,44,89,103
Weighted average number of equity shares in calculating basic EPS	1,59,80,360	1,59,80,360
Effect of dilution:		
Dilutive effect of outstanding potential equity shares	1,96,73,588	83,13,584
Weighted average number of equity shares in calculating Diluted EPS	3,56,53,948	2,42,93,944
EPS Basic	2.92	1.53
EPS Diluted	1.31	1.01

24. 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

NHPEA Kabru Holding B.V.

3. Key management personnel

Ashutosh Sharma Managing Director

Sachin Grover Whole-Time Director and Chief Operating Officer

Nitin Agrahari Company Secretary

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

Key Managerial Personnel	March 31, 2020	March 31, 2019
Ashutosh Sharma	1,25,00,000	1,26,50,000
Sachin Grover	92,00,000	90,00,000

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, 2020			March 31, 2019		
		Amount received	Amount paid	Receivable /(Payable)	Amount received	Amount paid	Receivable /(Payable)
Ashutosh Sharma	Issue of Shares (OCNCRPS)	5,45,338	-	-	5,19,810	-	-
Ashutosh Sharma	Reimbursement of Expenses	-	9,92,927	(60,065)	-	7,13,696	(31,600)
Ashutosh Sharma	Other KMP benefits	-	11,40,969	(9,84,191)	-	9,43,948	-
Sachin Grover	Issue of Shares (OCNCRPS)	1,45,423	-	-	53,589	-	-
Sachin Grover	Reimbursement of Expenses	-	9,68,390	2,39,688	-	11,88,428	(61,661)
Sachin Grover	Other KMP benefits	-	8,67,779	(2,43,421)	-	6,76,280	-

25. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

There are no amounts that need to be disclosed in accordance with the Micro Small and Medium Enterprise Development Act, 2006 (the 'MSMED') pertaining to micro or small enterprises. For the year ended March 31, 2020, no supplier has intimated the Company about its status as micro or small enterprises or its registration with the appropriate authority under MSMED.

26. 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

Particulars	March 31, 2020	March 31, 2019
Current service cost	23,09,837	10,51,718
Interest cost	2,28,864	78,802
Expected return on plan assets	-	-
Net actuarial (gain) / loss recognized in the year	(12,96,176)	10,50,274
Net expense	12,42,525	21,80,794

Balance Sheet
Details of provision for Gratuity

Particulars	March 31, 2020	March 31, 2019
Present value of defined benefit obligation	44,79,643	32,37,118
Plan liability	44,79,643	32,37,118

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

Particulars	March 31, 2020	March 31, 2019
Opening defined benefit obligation	32,37,118	10,56,325
Current service cost	23,09,837	10,51,718
Interest cost	2,28,864	78,802
Benefits paid during the year	-	-
Actuarial (gain)/loss on obligation	(12,96,176)	10,50,274
Closing defined benefit obligation	44,79,643	32,37,119

Statement of profit and loss
Net employee benefit expense recognized in the employee cost - Leave Benefit

Particulars	March 31, 2020	March 31, 2019
Current service cost	40,17,999	22,69,425
Interest cost	2,44,914	60,339
Net actuarial (gain) / loss recognized in the year	(33,04,023)	3,65,141
Net expense	9,58,890	26,94,905

Balance Sheet Benefit Assets/Liability
Details of provision for Leave Benefit

Particulars	March 31, 2020	March 31, 2019
Present value of defined benefit obligation	43,87,753	34,99,386
Plan asset / (liability)	43,87,753	34,99,386

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

Particulars	March 31, 2020	March 31, 2019
Opening defined benefit obligation	34,99,386	8,13,185
Current service cost	40,17,999	22,69,425
Interest cost	2,44,914	60,339
Benefits paid during the year	(70,523)	(8,704)
Actuarial (gain)/loss on obligation	(33,04,023)	3,65,141
Closing defined benefit obligation	43,87,753	34,99,386

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

Particulars	March 31, 2020	March 31, 2019
Discount rate	5.80%	7.07%
Salary escalation rate	8.50%	9.00%
Employee turnover	20.00%	15.00%

The estimates of future salary increase, 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.

27. 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 can 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, 2020, the following stock option grants were in operation:

Particulars	ESOP 2017 I	ESOP 2017 II	ESOP 2017 III	ESOP 2017 IV	ESOP 2017 V	ESOP 2017 VI
1. Date of grant	25-05-2017	25-05-2017	25-05-2018	25-05-2019	24-08-2019	02-01-2020
2. Number of Options granted	1,94,169	61,898	8,72,429	33,000	25,000	25,000
3. Method of settlement	Shares	Shares	Shares	Shares	Shares	Shares
4. Total vesting period	5 Years	5 Years	5 Years	5 Years	5 Years	5 Years
5. Exercise price per option	10	28.50	10 - 28.5	28.50	28.50	28.50
6. Fair value of options	30.64	12.14	21.76 - 40.26	41.03	41.03	41.03
7. Stock price on the date of grant	40.64	40.64	50.26	69.53	69.53	69.53

***Exercise period:** Upon happening of any liquidity event or any other period as decided by board or NRC.

****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.

ii. Reconciliation of options

Particulars	ESOP 2017 I	ESOP 2017 II	ESOP 2017 III	ESOP 2017 IV	ESOP 2017 V	ESOP 2017 VI
1. Options outstanding at the beginning of the year	1,94,169	61,898	8,72,429	-	-	-
2. Granted during the year	-	-	-	33,000	25,000	25,000
3. Forfeited during the year	-	-	-	-	-	-
4. Exercised during the year	-	-	-	-	-	-
5. Expired during the year	-	3,000	17,844	-	-	-
6. Outstanding at the end of the year	1,94,169	58,898	8,54,585	33,000	25,000	25,000
7. Exercisable at the end of the year	1,94,169	58,898	74,557	-	-	-

28. EXPENDITURE IN FOREIGN CURRENCY

The Company has not done any expenditure in foreign currency during the year.

29. As required by National Housing Bank's Notification no. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 and in terms of the Circular no. NHB/ND/DRS/Pol-No. 35/2010-11 dated October 11, 2010, the following additional disclosures are given as under:

I: Summary of Significant Accounting Policies

The accounting policies regarding key areas of operations are disclosed as Note 2 to the Financial Statements.

II: Capital to Risk Assets Ratio (CRAR):

Items	March 31, 2020	March 31, 2019
i) CRAR (%)	76.84%	56.33%
ii) CRAR - Tier I Capital	76.33%	55.79%
iii) CRAR - Tier II Capital	0.52%	0.54%
iv) Amount of subordinated debt raised as Tier- II Capital	-	-
v) Amount raised by issue of perpetual Debt instruments	-	-

III: Reserve Fund u/s 29C, of NHB Act 1987

The movement in the Reserve Fund created under Section 29C of NHB Act, 1987 is disclosed under Note 4.1 to the Financial Statements.

IV: Investments:

Particular	March 31, 2020	March 31, 2019
Value of Investments		
i) Gross Value of Investments		
(a) In India	63,51,62,633	31,76,30,460
(a) Outside India	-	-
ii) Provisions for Depreciation		
(a) In India	-	-
(a) Outside India	-	-
iii) Net Value of Investments		
(a) In India	63,51,62,633	31,76,30,460
(a) Outside India	-	-
Movement of provisions held towards depreciation on investments		
i) Opening Balance	-	-
ii) Add: Provisions made during the year	-	-
iii) Less: Write-off / Written bank of excess provisions during the year	-	-
iv) Closing balance	-	-

V: Derivatives:

1. Forward Rate Agreement (FRA) / Interest Rate swap (IRS)

Particulars	March 31, 2020	March 31, 2019
(i) The notional principal of swap agreements	-	-
(ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	-	-
(iii) Collateral required by the HFC upon entering into swaps	-	-
(iv) Concentration of credit risk arising from the swaps	-	-
(v) The fair value of the swap book	-	-

2. Exchange Traded Interest Rate (IR) Derivative

Particulars	March 31, 2020	March 31, 2019
(i) Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument-wise)	-	-
(ii) Notional principal amount of exchange traded IR derivatives outstanding as on 31st March 2020 (instrument-wise)	-	-
(iii) Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	-	-
(iv) Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	-	-

3. Disclosures on Risk Exposure in Derivatives

Qualitative Disclosure

There is no use of Derivatives in the Organization, thus there is no risk management policy pertaining to risk associated with derivatives.

Quantitative Disclosure

Particulars	Currency Derivatives	Interest Rates Derivatives
(i) Derivatives (Notional Principal Amount)	-	-
(ii) Marked to Market Positions [1]		
(a) Assets (+)	-	-
(b) Liability (-)	-	-
(iii) Credit Exposure [2]	-	-
(iv) Unhedged Exposures	-	-

VI: (a) Securitization:

Particulars	March 31, 2020	March 31, 2019
Number of Special Purpose (SPV) sponsored for Securitization transactions	1	-
Total amount of Outstanding securitised Assets as per books	21,41,98,276	-
Total amount of exposures retained by Company to comply towards Minimum Retention Ration (MRR) as on date of balance sheet	3,07,90,086	
i) Off-balance sheet exposures towards Credit Enhancement		
- First Loss	-	-

- Others	-	-
ii) On-balance sheet exposures towards Credit Enhancement		
- First Loss- Cash collateral	1,41,12,124	-
- Others- Over collateral	3,07,90,086	-
Amount of exposures to securitizations transactions other than MRR		
i) Off-balance sheet exposures towards Credit Enhancement		
- Exposure to own securitisations	-	-
- Exposure to third party securitisations	-	-
ii) On-balance sheet exposures towards Credit Enhancement		
- Exposure to own securitisations	-	-
- Exposure to third party securitisations	-	-

VI.(b) Details of Financial Assets sold to Securitization / Reconstruction Company for Asset Reconstruction

Particulars	March 31, 2020	March 31, 2019
(i) No. of Accounts	-	-
(ii) Aggregate value (net of provisions) of accounts sold to SC / RC	-	-
(iii) Aggregate Consideration	-	-
(iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v) Aggregate gain/Loss over net book value	-	-

VI.(c) Details of Assignment transactions undertaken by the Company

Particulars	March 31, 2020	March 31, 2019
(i) No. of Accounts	891	-
(ii) Aggregate value (net of provisions) of accounts assigned	68,77,92,701	-
(iii) Aggregate Consideration	61,00,33,647	-
(iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v) Aggregate gain/Loss over net book value	-	-

VI. (d) Details of non-performing financial assets purchased / sold

I. Details of non-performing financial assets purchased

Particulars	March 31, 2020	March 31, 2019
(i) No. of accounts purchased during the year	-	-
(ii) Aggregate outstanding	-	-
(i) Of these, number of accounts restructured during the year	-	-
(ii) Aggregate outstanding	-	-

II. Details of non-performing financial assets sold

Particulars	March 31, 2020	March 31, 2019
(i) No. of accounts sold	-	-
(ii) Aggregate outstanding	-	-
(iii) Aggregate consideration received	-	-

VII: Asset Liability Management:

Maturity pattern of certain items of assets and liabilities	Liabilities				Assets	
	Borrowing from Banks	Borrowing from other than Banks	Non-Convertible Debentures (NCD's)	Foreign Currency Liabilities (ECB)	Housing & Non- Housing Loan	Investment
1 day to 30-31 days (one month)	2,51,17,111	2,66,31,520	-	-	1,20,01,071	63,51,62,633
Over one month to 2 months	2,29,79,833	3,09,48,716	-	-	1,24,07,789	-
Over 2 months up to 3 months	2,45,43,061	2,25,92,207	-	-	1,41,43,584	-
Over 3 months to 6 months	7,26,46,595	8,17,26,632	-	-	4,36,34,863	-
Over 6 months to 1 year	14,30,40,767	16,29,95,384	-	-	9,28,29,326	-
Over 1 year to 3 years	43,56,09,598	39,61,96,472	30,18,80,000	24,90,99,000	45,80,32,475	-
Over 3 to 5 years	34,68,33,357	7,02,01,790	-	12,30,00,000	60,44,44,299	-

Over 5 to 7 years	-	-	-	-	61,86,00,689	-
Over 7 to 10 years	-	-	-	-	67,06,43,745	-
Over 10 years	-	-	-	-	1,23,51,15,379	-
Total	1,07,07,70,322	79,12,92,722	30,18,80,000	37,20,99,000	3,76,18,53,222	63,51,62,633

VIII: Exposure

(a) Exposure to Real Estate Sector:

Category	March 31, 2020	March 31, 2019
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 up to ₹ 15 Lakh	1,73,75,18,267	1,40,46,16,345
Individual Housing Loans More than ₹ 15 Lakh	43,61,62,918	37,22,52,171
(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 warehouse space, hotels, land acquisition, development, and construction, etc.). Exposure would also include non-fund based (NFB) limited	20,53,11,484	15,09,96,152
(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)	-	-

VIII(b). Exposure to Capital Market: Nil

Particulars	March 31, 2020	March 31, 2019
(i) Direct investment in equity shares, convertible bonds, convertible debentures, and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	-	-
(ii) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-

(iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	-	-
(v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi) Loans sanctioned to corporates against the security of shares / bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii) bridge loans to companies against expected equity flows / issues;	-	-
(viii) All exposures to Venture Capital Funds (both registered and unregistered)	-	-
Total Exposure to Capital Market	-	-

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

VIII(d). 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.

VIII(e). Unsecured Advances: As on 31st March 2020 the Company has not given any unsecured advances for which Intangibles securities has been taken.

IX: Regulator Registrations

Regulator	Registration No.
1. Ministry of Company Affairs	CIN: U65922HR2016PTC057984
2. National Housing Bank	Registration No. 07.137.16 Dated 13.07.2016

X: Disclosure of Penalties imposed by NHB and other regulators

During the year ended March 31, 2020 and March 31, 2019,

- (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.

XI: Related party Transactions

Details of all material transactions with related parties are disclosed in Note 23 to Financial Statements.

XII: Ratings assigned by Credit Rating Agencies

Particulars	March 31, 2020	March 31, 2019
Non-convertible debentures	CARE BBB; [Triple B]	CARE BBB; [Triple B]
Term loans from banks	CARE BBB; [Triple B]	CARE BBB; [Triple B]

XIII: Net Profit or Loss for the year, 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.

XIV: Revenue Recognition

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

XV: AS-21 Consolidated Financials Statement (CFS)

The Company does not have any subsidiary/Joint venture/Associates as on 31st March 2020, hence AS 21 not applicable to us.

XVI: Provisions and Contingencies

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account

Particulars	March 31, 2020	March 31, 2019
(i) Provisions for depreciation on investment	-	-
(ii) Provisions for Income Tax	1,67,25,648	1,21,22,055
(iii) Provisions for NPA	8,51,864	-
(iv) Provisions for standard Assets	37,70,828	78,04,669
(v) Other Provisions and Contingencies	-	-

Break up of Loan & Advances and Provisions thereon

Particulars	Housing		Non-Housing	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Standard Assets				
a) Total Outstanding Amount	2,17,04,30,227	1,67,62,79,596	1,58,57,43,907	1,34,70,00,238
b) Provisions made	92,62,435	67,77,270	67,28,015	54,42,352

Sub-Standard Assets				
a) Total Outstanding Amount	32,50,958	-	24,28,129	-
b) Provisions made	4,87,644	-	3,64,220	-
Doubtful Assets – Category-I				
a) Total Outstanding Amount	-	-	-	-
b) Provisions made	-	-	-	-
Doubtful Assets – Category-II				
a) Total Outstanding Amount	-	-	-	-
b) Provisions made	-	-	-	-
Loss Assets				
a) Total Outstanding Amount	-	-	-	-
b) Provisions made	-	-	-	-
Total				
a) Total Outstanding Amount	2,17,36,81,185	1,67,62,79,596	1,58,81,72,036	1,34,70,00,238
b) Provisions made	97,50,079	67,77,270	70,92,235	54,42,352

*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. Further as per RBI circular DOR.No.BP.BC.63/21.04.048/2019-20 dated April 17, 2020, the company has made an additional provision of 5% on loans which were overdue as on March 1, 2020 where moratorium facility has been extended as per RBI circular DOR.No.BP.BC.47/21.04.048/2019-20.

XVII: Draw Down from Reserves: During the financial year 2019-20, there were no draw down from Reserves.

XVIII(a): Concentration of Public Deposits, Advances, Exposures and NPAs

Particulars	March 31, 2020	March 31, 2019
Concentration of Public Deposits (for Public Deposit taking/holding HFCs) - The Company is Non deposit taking HFC.		
Total Deposits of twenty largest Depositors	-	-
Percentage of Deposits of twenty largest depositors to Total Deposits of the HFC	-	-
Concentration of Loans & Advances		

Total Loans & Advances to twenty largest borrowers	9,33,96,320	5,33,77,041
Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the HFC	2.48	1.77
Concentration of Exposures (including off- balance sheet exposure)		
Total Exposure to twenty largest borrowers/customers	9,33,96,320	5,33,77,041
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the HFC on borrowers / customers	2.07	1.77
Concentration of NPAs		
Total Exposure to ten NPA Accounts	56,79,087	-

XVIII(b): Sector-wise NPA

Sector	% of NPAs to total Advances in that sector	
	March 31, 2020	March 31, 2019
A. Housing Loans:		
1. Individuals	0.15%	-
2. Builders/Project Loans	-	-
3. Corporates	-	-
4. Others (specify)	-	-
B. Non-Housing Loans :		
1. Individuals	0.15%	-
2. Builders/Project Loans	-	-
3. Corporates	-	-
4. Others (specify)	-	-

XIX: Movement of NPAs

Particulars	March 31, 2020	March 31, 2019
(i) Net NPAs to Net Advances (%)	0.13%	-
(ii) Movement of NPAs (Gross)		
a) Opening balance	-	-
b) Additions during the year	56,79,087	-
c) Reductions during the year	-	-
d) Closing balance	56,79,087	-
(iii) Movement of Net NPAs		
a) Opening balance	-	-
b) Additions during the year	48,27,223	-
c) Reductions during the year	-	-
d) Closing balance	48,27,223	-
(iii) Movement of provisions for NPAs (excluding provisions on standards assets)		
a) Opening balance	-	-
b) Provisions made during the year	8,51,864	-
c) Write-off/write back of excess provisions	-	-
d) Closing balance	8,51,864	-

XX: Overseas Assets - Nil**XXI: Off-balance Sheet SPVs sponsored (which are required to be consolidated as per accounting Norms) - Nil****XXII: Customer Complaints**

Particulars	March 31, 2020	March 31, 2019
a) No. of complaints pending at the beginning of the year	6	-
b) No. of complaints received during the year	56	241
c) No. of complaints redressed during the year	(58)	(235)
d) No. of complaints pending at the end of the year	4	6

30. Capital and other commitments

Particulars	March 31, 2020	March 31, 2019
Loans sanctioned but not disbursed	17,09,95,672	19,20,52,974
Total	17,09,95,672	19,20,52,974

31. Loan against Gold jewelry

The Company has not granted any loan against gold jewelry during the year ended March 31, 2020 (2019: Nil).

32. Impact of Covid-19

On March 11, 2020, the COVID-19 outbreak was declared as global pandemic by the World Health Organization, has contributed to a significant decline and volatility in global and Indian financial markets and a significant decrease in global and local economic activities. The Government of India has announced a strict 40 days nationwide lockdown to contain the virus till May 3, 2020 which further extended till May 31, 2020. This has led to significant disruptions and impacting Company's regular operations including lending and collection activities due to inability to reach borrowers physically.

In accordance with the RBI guidelines relating to COVID 19 Regulatory Package dated March 27, 2020 and May 23, 2020, the Company has extended/will be granting a moratorium on the payment of all instalments and/or interest, as applicable, falling due between March 1, 2020 and August 31, 2020 to all eligible borrowers classified as Standard, even if overdue, as on February 29, 2020, in accordance with its policy approved by Board. For all such accounts where the moratorium is

granted, the prudential assets classification shall remain stand still during the moratorium period (i.e. the number of days past due shall exclude the moratorium period for the purposes of asset classification under Income Recognition, Asset Classification and Provisioning Norms).

Further, In Management view and considering the guidance provided by the Institute of Chartered Accountant of India, providing Moratorium to borrowers at a mass scale on RBI directives or by itself is not considered to result in a Significant Increase in Credit Risk ("SICR") for such borrowers. The Company has recorded an additional provision of ₹7,70,972 as per RBI circular DOR.No.BP.BC.63/21.04.048/2019-20 dated April 17, 2020, which states that the company is required to make provision of 5% on loans as of March 31, 2020. However, due to the uncertainties associated with the pandemic, the actual impact may be different from the estimate as at the date of approval of these financials results and the Company will continue to closely monitor any material changes to future economic conditions, which will be given effect to in the respective future period.

In addition to above, the Company has also assessed the impact of Covid-19 pandemic on its liquidity and ability to repay its obligations over next 12 months. With the gradual relaxation in lockdown rules and as well as recommencement of commercial activities by borrowers in which the Company operates, The company has seen an improvement in collection in the June 20, certainly at a lower level than earlier and has also commence field visits to meet customers to recommence collections and introduce digital model to facilitate collection from the customers. In addition, management has initiated discussion and applied for facilities which will enhance overall company liquidity position for next 12 months like refinance facility from NHB, NCD under TLTRO and other financial support from other Banks and Financial Institutions. Considering on the current scenario, management believes that the Company will be able to pay its obligations as and when these become due in the foreseeable future.

33. 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.

34. 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 Chirag Jain

Partner

Membership number: 115385

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

Nitin Kumar Agrahari

Company Secretary

M No.: A36376

Date: June 29, 2020

Place: Mumbai

Date: June 29, 2020

Place: Gurugram

CORPORATE INFORMATION

CHAIRMAN & MANAGING DIRECTOR

Mr. Ashutosh Sharma

BOARD OF DIRECTORS

Mr. Sachin Grover	Whole Time Director
Mr. Inderjit Walia	Independent Director
Ms. Geeta Mathur	Independent Director
Mr. Vishal Mehta	Nominee Director
Mr. Kartik Srivatsa	Nominee Director
Mr. Nirav Vinod Mehta	Nominee Director
Mr. Rajiv Yashwant Inamdar	Non-Executive Director

STATUTORY AUDITOR

S. R. Batliboi & Associates LLP
Chartered Accountants
Partner: Mr. Chirag Jain
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COMPANY SECRETARY

Mr. Nitin Agrahari

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Haryana, INDIA
Phone: 0124 4836480

DEBENTURE TRUSTEES

Catalyst Trusteeship Limited
Tel: 022-49220555

Fax: +91 (022) 49220505

Email: Suhani.merchant@ctltrustee.com

Contact Person: Ms. Suhani Merchant

Address: Windsor, 06th Floor Office No. 604, C.S.T
Road, Kalina, Santacruz (East) Mumbai -400098

BANKERS / LENDERS

National Housing Bank
HDFC Bank
IDFC First Bank
AU Small Finance Bank
DCB Bank
RBL Bank Ltd
Bandhan Bank Ltd.
Utkarsh Small Finance Bank
Suryoday Small Finance Bank
Northern ARC
MAS Financials
MAS Rural Housing & Mortgage Finance
Limited
Sundaram Home Finance Ltd
A K Capital Finance Pvt Ltd
Mahindra Finance
Hinduja Housing Finance
Hinduja Leyland Finance
Manappuram Finance
Vivriti Capital
Tata Capital
Triple Jump
Fedbank Financial Services Ltd.
Water Equity

REGISTRAR AND TRANSFER AGENT

Skyline Financial Service Pvt Ltd
Address: Skyline Financial Services (P) Ltd.D-153A,
1st Floor, Okhla Industrial Area,
Phase -I, New Delhi - 110 020
Tel: 9999589742
Email: info@skylinerta.com
Contact Person: Mr. Virender Kumar Rana,
Director

CIN: U65922HR2016PTC057984

Email: ashutosh.sharma@ummeedhfc.com

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