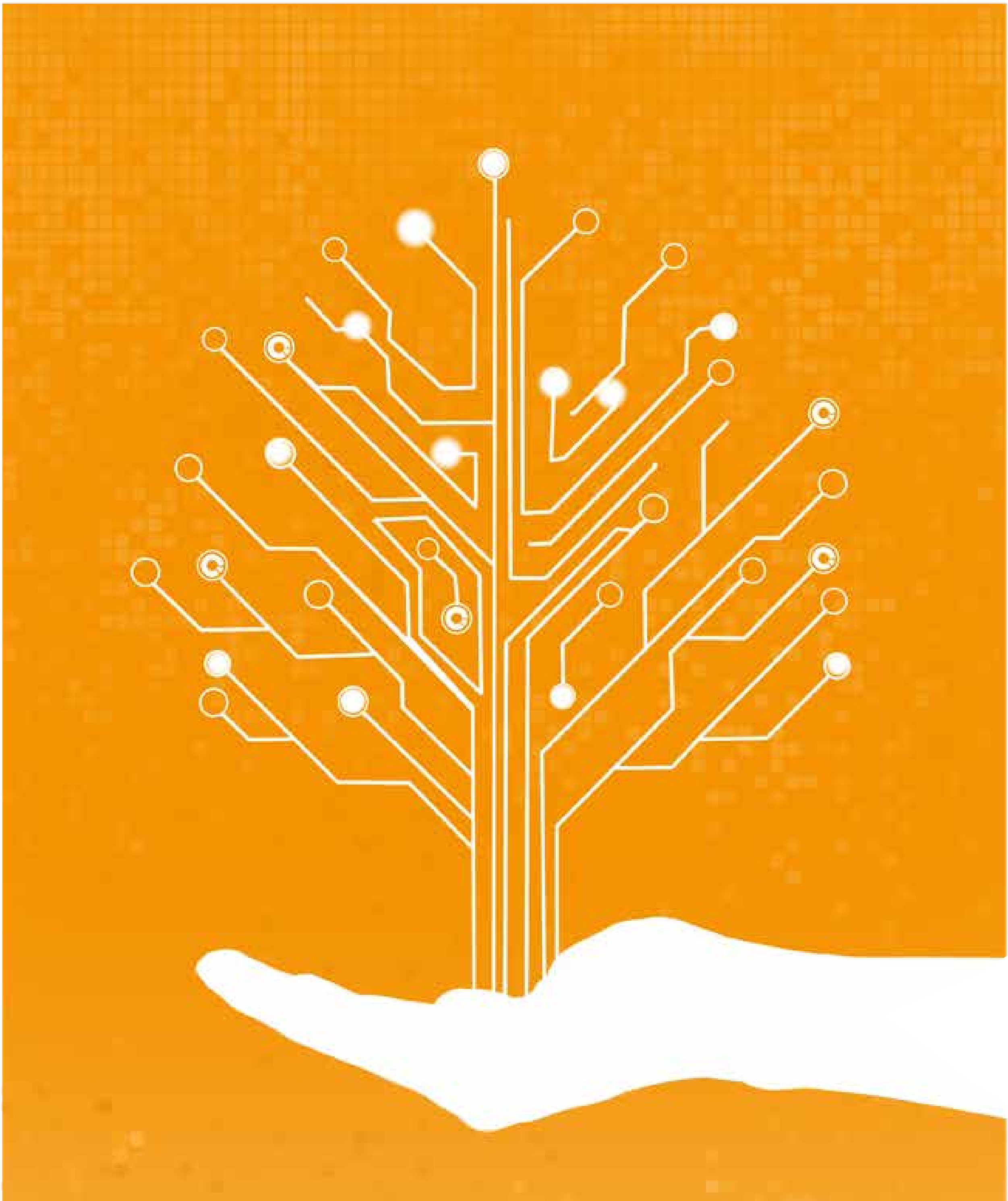
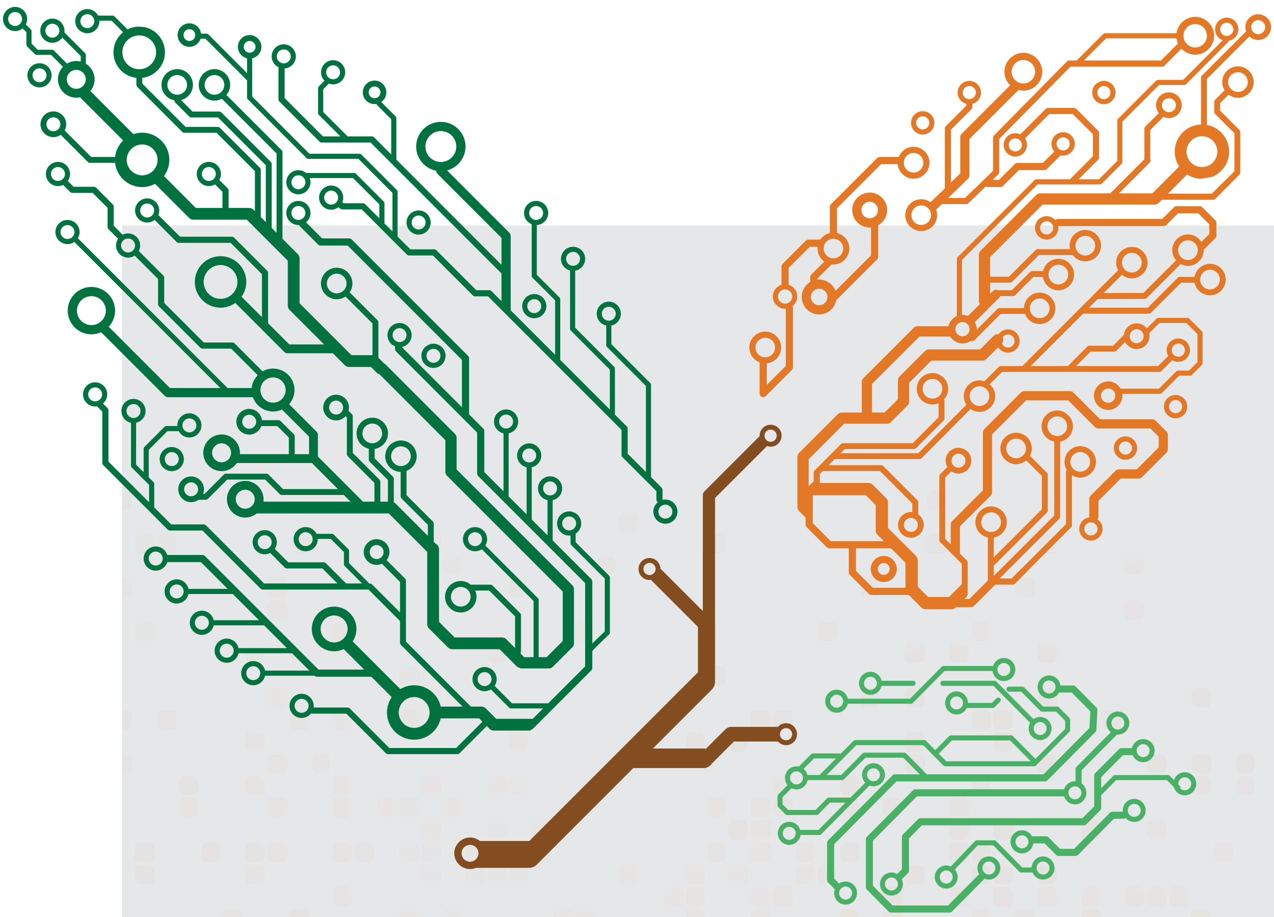
Fullerton India



DIGITAL TRANSFORMATION AND GROWTH

Fullerton India Credit Company Limited

ANNUAL REPORT FY2019



Fullerton India

As we continue to address the growing capital needs of the underserved markets, this financial year, we have reached a strategic tipping-point in our digital transformation journey, propelling Fullerton India into the next phase of growth through investments positioned to help us serve more customers, better.

Digital Transformation And Growth

At Fullerton India, we recognise that the financial services industry is moving towards digitisation and realising the growing potential of digital lending we have adapted this technological change in our product portfolio and processes. We also recognise that this process is an incessant journey, and we are continuously developing agile, effective responses to new business challenges and opportunities.

As one of the most digitised NBFCs in India, we see the value in having a deep understanding of our customers and are customising our product offerings and interfaces to meet their specific needs. Through our digitisation initiatives and analytical investments, we have established a wider and more effective geographic reach, improved efficiency across all our business segments, enhanced the overall customer experience, and significantly strengthened our risk management systems.

With this introspective and detailed approach towards digital transformation, we expect our strategy to provide a sustainable impetus to our growth, while improving asset quality, and further contributing to the progress of the Indian economy.

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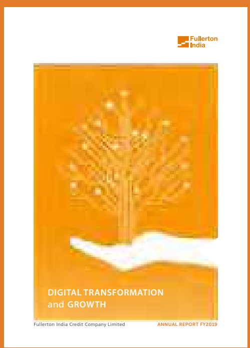


Visit us at: www.fullertonindia.com
Email us at: namaste@fullertonindia.com

Corporate Information

Board of Directors*

Mr. Gan Chee Yen
Chairman

Ms. Rajashree Nambiar
Chief Executive Officer & Managing Director

Mr. Anindo Mukherjee
Non- Executive Director

Dr. Milan Shuster
Independent Director

Mr. Premod Thomas
Independent Director

Mr. Shirish Apte
Independent Director

Ms. Renu Challu
Independent Director

Ms. Sudha Pillai
Independent Director

Chief Financial Officer

Mr. Pankaj Malik

Company Secretary

Mr. Arun Mulge

Statutory Auditors

B S R & Co. LLP

Bankers

Allahabad Bank
Andhra Bank
Axis Bank Limited
Bank of America N.A
Bank of Baroda
Bank of India
BNP Paribas
Canara Bank
Citi Bank
Credit Suisse AG
DBS Bank Limited
DCB Bank Limited
Dena Bank
Deutsche Bank AG
The Federal Bank Limited
HDFC Bank Limited
ICICI Bank Limited
IDFC Bank Limited
The Jammu & Kashmir Bank Limited
JP Morgan Chase Bank
Kotak Mahindra Bank
Oriental Bank of Commerce
Punjab National Bank
Punjab and Sind Bank
Small Industries Development Bank of India
South Indian Bank
Standard Chartered Bank
State Bank of India
Syndicate Bank
The Hongkong and Shanghai Banking Corporation Limited
Union Bank of India
United Bank of India
International Finance Corporation

Rating Agencies

CRISIL
ICRA
CARE
India Ratings

Registered Office

Megh Towers, Third Floor,
New No. 165, Old No. 307,
Poonamallee High Road,
Maduravoyal, Chennai - 600 095

Corporate Office

Floor 5 & 6, B Wing, Supreme Business Park,
Supreme City, Behind lake Castle, Powai,
Mumbai – 400076

*As on 31 May, 2019

At a Glance

Fullerton India continues to contribute and make a difference in the country's financial landscape, with a network of over 626 branches that serves over 2.8 million customers.

2007 Year of Launching Commercial Operations in India	**58,000** Villages Network Reach to Offer Financial Solutions	
13,000 Employees Across India	**626** Branches Across India	**600** Towns

Its primary services constitute financing of SME for working capital and growth, loans for commercial vehicles and two-wheelers, home improvement loans, loans against property, loan against securities, developer funding, corporate lease rental discountings, personal loans, working capital loans for urban self-employed and loans for rural livelihood advancement, rural housing finance and financing of various rural micro enterprises.

Fullerton India Credit Company Limited, indirectly, is a wholly owned subsidiary of Fullerton Financial Holdings Pte. Ltd., Singapore, which in turn is a wholly owned subsidiary of Temasek Holdings Pte. Ltd., Singapore. Fullerton Financial Holdings invests in financial institutions in emerging markets with its prime focus on Business and Consumer banking.

Vision

Be the Company of choice in financial services for our customers, employees, communities and stakeholders, recognised for innovation and high ethical standards.

Mission

- We are a responsible financial services partner
- We drive financial inclusion
- We foster innovation in everything we do
- We deliver products and solutions for customer delight
- We believe in our people and partner in their success
- We provide long term and sustainable shareholder value, balancing risk and reward
- We are committed to enriching the communities we serve

Values

Integrity:
We are a transparent and fair organisation guided by a strong and clear sense of ethics at all times.

Collaboration:
We understand the power of alliances and communication in an interdependent world and seek new opportunities and partnerships to grow with.

Innovation:
We constantly pursue new ideas and approaches to enhance our offering to all stakeholders.

Diversity:
We appreciate/celebrate the potential and power of difference and welcome multiple perspectives, views, ideas and cultures.

Excellence:
We follow the highest quality standards and are committed to delivering the best to all our stakeholders.

Agility:
We are quick to respond to new ideas and situations; we understand change and rise to its challenges by remaining open and positive.

Message from the Chairman

Gan Chee Yen

Dear
Shareholders,

I am glad to connect with you on behalf of the organisation and present the business and financial performance for the year FY2019.

Amidst global uncertainties, India continues to present an exciting landscape. The growth in savings, the increasing formalisation of the economy, rapidly growing digitisation across various economic activities; and the continuing entrepreneurship and aspirations of the population are driving both demand as well as innovation in the financial services industry. These attributes, along with a well-established regulatory mechanism make it a resilient economy, poised for further growth.

Technology, in particular, is transforming the way financial services are conceptualised and delivered to the customers. Market infrastructure, be it in payments or credit, is also evolving quickly to keep pace with the needs of customers and market demand. India is poised to attract long term growth, despite some short-term challenges. The return of the ruling government to power ensures continuity and efficient use of resources for economic growth and development. Under them, as the future of financial services take form, digital transformation will continue to be a priority.

The NBFC sector has been in the news over the past few months, but the timely intervention by the regulator and government is expected to stabilise the market forces and restore faith in this sector. Fullerton India equipped itself to meet the demands of the ecosystem. During the year, we reshaped our initiatives to transform the way we engage with our customers in providing value-added services. It reinforced our underlying business vision. To make our Digital Strategy effective, we strengthened our investments in analytics and technology, incorporating data with our business models to improve customer engagement. Today, this framework has provided us with an effective approach to deliver on market and customer preferences - fuelling growth and business assessment. In a year where liquidity management was severely tested for NBFCs, Fullerton India continued its robust growth, through tighter treasury management processes and governance.

At Fullerton India, we have demonstrated the stability of our business model and showcased our resilience with consistent top-line and bottom-line growth, despite the concerns faced by the sector. During the year under review, the Company's AUM stood at ₹ 21,542 crores, a growth of 37% as compared to ₹ 15,776 crores in FY2018, resulting in a Profit After Tax of ₹ 775 crore, an increase of 122% as compared to ₹ 350 crores in the preceding financial year. This performance coupled with our robust risk management framework, has enabled your Company to protect and maintain a high asset quality. Our GNPA as on 31 March, 2019 stood at 2.0%. Our endeavour to constantly scale our businesses; diversifying to new growth avenues, and consistently outperform ourselves, has helped us in carving out a considerable share of the markets in our areas of presence.

As we re-structure our business strategies and reach, we have reoriented our culture to transform and adapt. Going forward, this will help us appeal to new generation of customers with different priorities.

As we re-structure our business strategies and reach, we have re-oriented our culture to transform and adapt. Going forward, this will help us appeal to new generation of customers with different priorities. It is our constant endeavour to maintain your trust and be a responsible partner at every step and action. Our priority is to be a significant player in spurring customer and economic growth.

I would like to thank all of you for believing and being an important partner in our growth strategy. While we continue to harness our collective strength in expanding our boundaries and performance - our employees are our biggest strength and I thank you all for your unending support. Also, I extend my gratitude to the regulators, our stakeholders, and customers and the community at large for their continued confidence and support in us.

Sincerely,
Gan Chee Yen
Chairman

Message from the CEO & MD

Rajashree Nambiar

Dear
Shareholders,

It is my pleasure to present to you Fullerton India's Annual report for FY2019. On behalf of the organisation, I take this opportunity to thank you for your continued support. I am glad to report that we delivered robust growth and we are confident of sustaining this momentum. We reported an impressive growth of 127% in Profit Before Tax to ₹ 1,194 crores in FY2019, as compared to ₹ 527 crores in the previous financial year. Net Interest Income grew to ₹ 2,526 crores in FY2019, as against ₹ 1,613 crores in FY2018, backed by an increase in the average interest-earning assets. Average advances increased by 49% to ₹ 18,580 crores and Return on Average Equity stood at 24.5%, as compared to 13.5% in the previous year, indicating an increase of 11%.

I believe our performance is a testimony of our strategic thinking, diligent planning and growth-oriented focus. This was backed by effective governance policies and a robust risk management framework. In turn, it strengthened our ability to embrace new opportunities for expansion to newer markets. We shifted focus and broad based our business portfolio, to ensure we are well prepared and ahead of the market. This endeavour was strongly supported by the leadership team and their committed teams, to strengthen customer franchise and build loyalty towards our brand.

As we delve further, we will provide you with a snapshot of the key developments and the roadmap. During the year, Digital remained the cornerstone of all our business initiatives. We drove innovation deeper into our business - to deliver enhanced customer experiences through instant, flexible and hassle-free loans. We implemented Digital On-boarding and migrated our customer interactions to digital surfaces, through a combination of Mobile Apps, Tablets and Websites and BOTs. With the introduction of apps and other digital platforms, we were able to provide a unified user experience for our customers and business partners.

On the other end, we streamlined our collections process by building capabilities through UPI, and Aadhaar Pay. We are amongst the first few NBFCs to be live on the eNACH platform. All this ensures seamless and quicker turnaround, paperless processes, making us more cost effective and quick in our service delivery. As an organisation we are agile and adaptive to the changes in the ecosystem. We expanded our geographical concentration across our key businesses. In our Rural Business, we opened 62 new branches, out of which 42 were in the eastern states of Bihar, Odisha and West Bengal. We further deepened our market relationships and portfolio to introduce - Two wheeler loans, Loan against securities, Developer finance and Corporate Lease Rental Discounting to cater to growing consumer demand in our Urban markets. Our steady investment in technology led to inclusive growth and better utilisation of our resources. Simultaneously, we have leveraged data and analytics to respond to markets and regulations. Our systems are now compliant to IND AS and has improved productivity of the enabling functions like Finance, Risk and Compliance.

Today, India is probably one of the few large emerging economies where growth and development seem to be cruising along at the same pace. Prudent monetary and fiscal policies, along with several domestic structural reforms have strengthened the macroeconomic fundamentals. The push towards accessibility and affordability has resulted in ground-level implementation of reforms. NBFCs are pivotal to economic growth and play a significant role in the lending market. The current crisis and credit crunch in the industry made us tread with caution. While maintaining an asset – liability balance, we continued to contribute and stay focussed on our growth story. As we grow, so do our responsibilities towards our employees and communities. We take pride in becoming the 'Employer of Choice' for our people. At all levels and geographies, we have a development framework, which provides Training, and Learning facilities, further reinforced by a well defined healthcare and wellness programme. Our CSR projects touch lives and attempts to make a difference. We continuously strive to build an adaptive culture as a foundation to our business success. In achieving all this we do not compromise on our ethics and integrity.

On this note, I would like to thank all our esteemed stakeholders – customers, teams, investors, bankers, regulators and shareholders for being with us at every step of our journey. We deeply value your confidence and investment in us. I extend my gratitude to our parent companies – Fullerton Financial Holdings Pte Ltd and Temasek Holdings Pte Ltd – Singapore, for their support. Also to our Board members, for their guidance to remain relevant and focused in our growth outlook.

Sincerely,
Rajashree Nambiar
CEO & MD

Key Corporate Highlights

FY2014 **9,20,599** FY2019 **33,82,132** Customer Accounts	FY2014 **771** FY2019 **2,669** EBIDTA (₹ Crores)	FY2014 **188** FY2019 **775** PAT (₹ Crores)
FY2014 **2,575** FY2019 **8,521** Secured AUM (₹ Crores)	FY2014 **397** FY2019 **626** Own Branches	FY2014 **7,268** FY2019 **23,975** Balance Sheet Size (₹ Crores)
FY2014 **188** FY2019 **1,194** PBT (₹ Crores)	FY2014 **6,245** FY2019 **21,542** AUM (₹ Crores)	FY2014 **6,160** FY2019 **13,062** Employees

FY2014
33%

FY2019
25.0%

Disbursement Growth

FY2014
1,266

FY2019
3,652

Shareholders' Fund
(₹ Crores)

FY2019
20+

Products

FY2014
1,388

FY2019
4,138

Total Revenue
(₹ Crores)

FY2014
1.3%

FY2019
1.0%

Net NPA to Total Customer Outstanding

62.5%

of the Company's Board Comprised Independent Directors

FY2014
22.4%

FY2019
19.6%

Capital Adequacy Ratio

FY2019
25%

CAGR Growth in Revenue (5 years)

Board of Directors*

*As on 31 May, 2019

Mr. Gan Chee Yen

Chairman

Mr. Gan has been the Chairman of the Company since November 2011. He is Chief Executive Officer at Fullerton Financial Holdings International Pte Ltd (FFH). FFH, a wholly-owned subsidiary of Temasek Holdings, that invests in financial institutions in emerging markets. Prior to his current appointment, he was the Co-Chief Investment Officer and Senior Managing Director at Temasek International Pte Ltd. He has been a Board member of FFH and a Board Commissioner of Bank Danamon since 2003. He currently sits on the Board of several Temasek portfolio companies such as Surbana Jurong Private Limited, CEI Limited and ST Asset Management. Mr. Gan is a member of the Institute of Singapore Chartered Accountants. He received his Bachelor of Accountancy from the National University of Singapore. He also participated in the Harvard Program for Management Development in 2001.

Ms. Rajashree Nambiar

Chief Executive Officer and Managing Director

Ms. Nambiar is Chief Executive Officer and Managing Director at Fullerton India Credit Company Limited. In this role, she is responsible for the overall corporate strategy of the Company and its subsidiaries. Prior to joining Fullerton India, Ms. Nambiar served as the CEO and Executive Director of India Infoline Finance Ltd, the NBFC arm of IIFL group. At IIFL Finance, she successfully developed and executed on a long term business strategy focused on diversification of the retail segment into retail housing, commercial vehicles, Gold loans and SME loans; she has created a robust organisational structure with centers of excellence for core functions, and a strong future leadership pipeline. During her stint, IIFL Finance has shown strong year on year profitability with doubling of the book in a short span of 3 years. Prior to joining IIFL, Ms. Nambiar spent 22 years with Standard Chartered Bank within the retail segment where she held various management roles such as Head of Branch Banking, Country Head of Distribution and General Manager - Distribution & Alternate Channels, India & South Asia. Her last position at the Bank was as Head of Retail Products for India & South Asia. Ms. Nambiar is an MBA from Jamnalal Bajaj Institute of Management Studies.

Mr. Anindo Mukherjee

Non - Executive Director

Mr. Mukherjee has more than 25 years of banking experience. He is presently the Chairman of the Fullerton India Home Finance Company Limited the Company's home finance subsidiary and Non-Executive Director of the Company. He also heads the Integrated Risk Management function at Fullerton Financial Holdings Pte Ltd. (FFH), Singapore. Prior to joining FFH, Mr. Mukherjee was responsible for the Risk Management, Legal and Compliance functions in Fullerton India. Before Fullerton India, he was with Standard Chartered Bank, where he was the Regional Credit Officer for the Consumer Business in India & South Asia. Mr. Mukherjee has had exposure across a variety of international and private banks, including Bank of America, ABN AMRO Bank and HDFC Bank.

Dr. Milan Shuster

Independent Director

Dr. Shuster, is a professional with several decades of experience in the banking sector. He has served in various capacities at Asian Development Bank, ING Bank, National Bank of Canada and Nippon Credit Bank. After working as the President and CEO of P.T. Bank PDFCI, Indonesia, he held several stints at Bank Danamon Indonesia. He became its president and CEO and later its Independent Commissioner. He holds a PhD in international Law and Economics from Oxford University, Master of Law from London School of Economics, Bachelor of Law from University of Western Ontario and Bachelor of Business Administration from Ivey Business School.

Board of Directors (contd.)

Mr. Premod Thomas

Independent Director

Mr. Thomas is currently the MD and Head of Corporate Strategy at Clifford Capital Pte Ltd., a specialist project and asset-backed finance company in Singapore. He is concurrently the Founder and CEO of Capital Insights Pte Ltd, an investment holding company which focuses on private investment and strategy consulting. He serves as an Independent Director and Member of the Audit & Risk Committee of Singapore-listed Mapletree Commercial Trust Ltd, Independent Chairman of the Investment Committee of MGSA Private Trust and Independent Director of Gemstone Asset Holdings Pte Ltd in Singapore. Prior to this, he held Senior Positions in Finance and Banking with Temasek Holding Ltd, Standard Chartered Bank, and Bank of America. Mr. Thomas holds an MBA from the Indian Institute of Management, Ahmedabad (PGDM), and a Bachelor of Commerce Degree from Loyola College, Chennai.

Mr. Shirish Apte

Independent Director

Mr. Apte is serving as a Director on several other Boards. Mr. Apte spent over 32 years with Citibank across several countries and geographies. He was Chairman of Citibank Asia Pacific Banking from 2012 to January 2014 before retiring from Citi. Prior to that, he was regional CEO for Citibank businesses in the Central/Eastern Europe, Middle East & Africa, and co-CEO for Citi Asia Pacific. He has a Bachelor of Commerce degree from Calcutta University, and a Master of Business Administration degree from London Business School, and qualified as a Chartered Accountant from the Institute of Chartered Accountants England and Wales.

Ms. Renu Challu

Independent Director

Ms. Challu, is a seasoned banker with decades of experience in Banking. She was associated with the State Bank of India (SBI) for more than 38 years, serving in different geographies around the country and in USA. She pioneered consumer financing and tech driven retail initiatives by SBI and held policy making positions in various verticals of the Bank. Some of the leadership positions held in the SBI Group include President & COO at SBI Capital Markets, MD and CEO at SBI DFHI, MD at State Bank of Hyderabad (SBH) and DMD Corporate Strategy & New Business Development at SBI. She serves as an Independent Director on the boards of many other companies. She is an MA in Economics (Gold Medalist) from University of Lucknow.

Ms. Sudha Pillai

Independent Director

Ms. Pillai, is a 1972 batch IAS officer who held a number of senior positions in the Government of India (GOI) and the State Government of Kerala for 40 years. She handled Industry and Finance portfolios for nearly twenty years. In GOI, she worked in the Ministries of Industry, Corporate Affairs, Labour and Employment. She contributed notably to 1991 reforms in Industrial and FDI Policies, as also in bringing amendments to corporate laws and in formulation of the National Skill Development Policy. In Kerala, as Principal Secretary Finance, she worked to achieve enhanced development outcomes, coupled with efficient fiscal management. Earlier, as CMD, Kerala Finance Corporation, she had dealt with the project financing to SMEs. Her last assignment was as Member Secretary (in the rank of Minister of State) Planning Commission, GOI. She is currently on the Boards of many other companies. She holds a masters' degree in Public Administration from Kennedy School of Government, Harvard University.

Leadership Team

Rajashree Nambiar

Chief Executive Officer & Managing Director

Rajashree is responsible for the overall corporate strategy of the company and its subsidiaries - covering Risk, Operations, Technology, Analytics and Digital Initiatives. Prior to joining Fullerton India, Rajashree served as the CEO and Executive Director at India Infoline Finance Ltd, the NBFC arm of the IIFL group. At IIFL Finance, Rajashree successfully developed and executed a long term business strategy focused on diversification of the retail segment into retail housing, commercial vehicles, Gold loans and SME loans; since inception, she has created a robust organisational structure with centres of excellence for core functions, and a strong future leadership pipeline. During her stint in the company, IIFL Finance has shown strong year on year profitability with doubling of the book in a short span of 3 years. Prior to joining IIFL, Rajashree spent 22 years with Standard Chartered Bank within the retail segment where she held various management roles such as Head of Branch Banking, Country Head of Distribution and General Manager - Distribution & Alternate Channels, India & South Asia. Her last position at the Bank was as Head of Retail Products for India & South Asia. Rajashree Nambiar is an MBA from Jamnalal Bajaj Institute of Management Studies.

Rakesh Makkar

Chief Executive Officer, Grihashakti – Fullerton India Home Finance Company Limited

Rakesh comes with over two decades of expertise in establishing new and successful businesses; managing large and multi-pronged distribution networks; and developing unique and customer-centric products - all within a robust Risk Management framework. Prior to assuming the role of CEO at Grihashakti, Rakesh spearheaded Business, Marketing & CSR functions at Fullerton India. Before joining Fullerton India, Rakesh held the position of President and Chief Distribution Officer at DHFL. It has been Rakesh's forte to set up new finance companies and scale up business volumes. Prior to his stint with DHFL, Rakesh has been a part of senior leadership at various organisations including Capital First, Citi Financial Consumer Finance India Ltd and Bank of America. Not only is Rakesh a national rank holder at the Institute of Chartered Accountants of India but also a Certified International trainer within Citigroup. He also holds an MBA from the Institute of Management Technology, Ghaziabad and Bachelors from Delhi University.

Sanjeet Dawar

EVP & Head – Urban Business

Sanjeet is the Executive Vice President and Head of Urban Business for Fullerton India. He comes with over 25 years of experience in the Financial Services industry. Prior to joining Fullerton India, he was associated with TATA Capital Ltd. where he held several positions including Head for Unsecured Loans and Alternate Channel, COO for Retail Equity & Distribution and Product Head for Retail products across Tata Capital. In his earlier stints, he had been associated with leading brands like HDFC Bank, Daewoo Motors, Countrywide, Anagram Finance, Gujarat Lease Financing Ltd. Sanjeet is a B.Sc (Physics Honours) from Maharaja Sayajirao University, Baroda and an MBA (Marketing) from DBIM, South Gujarat University.

Vishal Wadhwa

EVP & Head– Rural Business

Vishal is the Head of Rural Business at Fullerton India. He is a Chartered Accountant from The Institute of Chartered Accountants of India with over 20 years of varied experience in Banking and Financial Services across Credit Cards, Consumer Banking Products, Collections and Retail Banking Operations. Vishal joined Fullerton India in March 2012 from Tata Consultancy Services, where he headed two key functions during his tenure – as Operations Head, facilitating client engagement and operations delivery for Commercial Bank of Qatar and as Consumer Operations Head for India Retail. Previously, Vishal worked with Citibank N.A handling Distributions Operations, Risk Management and Credit Operations across retail products and Branch Banking. Prior to Citibank N.A, Vishal worked with ABN AMRO and Citigroup as East Collections Head - Cards.

Nishant Jasapara

GM & Head – Digital Business

Nishant is the Head of Digital Business for Fullerton India. He comes with over 16 years of experience in the Retail and Digital lending space. He has expertise in business development, sales, credit underwriting & product development with focus on delivering long-term improvements in business growth, profitability and revenue generation. Prior to joining Fullerton India, he was associated with IIFL as Digital Business Head where he started the digital finance business as a start-up and successfully expanded the company's digital footprint from origination to fulfillment. In his earlier stints, he had been associated with leading brands like Tata Capital Ltd. and ICICI Bank. Nishant is a qualified CA & CS.

Leadership Team (contd.)

Pankaj Malik

EVP & Chief Financial Officer

Pankaj has an experience of over 20 years in various capacities across finance and allied functions. He is the Chief Financial Officer & Chief Compliance Officer for Fullerton India Credit Company Limited. At Fullerton, he is responsible for corporate planning, accounting, finance, taxation, compliance and corporate governance functions. Prior to joining Fullerton in Sep 2007, Pankaj was associated with COLT Telecom ("COLT"), an affiliate of Fidelity international, as the Financial Controller-cum-Company Secretary. In his earlier stints, he had been associated with GE Commercial Financial and Motherson Sumi Systems Limited in various capacities. Pankaj is a Chartered Accountant, Company Secretary and Cost Accountant from India and Certified Public Accountant from the State of Colorado, the USA. He is also an alumnus of Harvard Business School.

Anil Noronha

EVP & Head – Human Resources

Anil is the Executive Vice President and Head – Human Resources at Fullerton India and comes in with an experience of over 35 years. Prior to joining Fullerton India, he was heading the Human Resources function across companies such as, Novell Inc. USA, Ashok Piramal Group, Rajesh Wadhawan Group (DHFL Group), Bombay Dyeing and most recently Omkar Realtors & Developers. Anil has completed his MBA (HR) from NMIMS and also holds a Law Degree from Ruparel's New Law College and is a gold medalist in Labour Law from Bharatiya Vidya Bhavan, Mumbai.

Arvind Sampath

EVP & Head – Treasury

Arvind is responsible for all liabilities strategy, surplus management and investor relationships. Arvind has over two decades of experience in financial markets, across a Primary Dealer, a Foreign Bank and a Non-Banking Financial Company. Prior to joining Fullerton, Arvind was associated with ICICI Securities, where he was instrumental in setting up the 'interest rate derivatives' desk. In his earlier stints, he had been associated with Standard Chartered Bank in various capacities. He is also a frequent media speaker and presenter of views on financial markets.

Kaushik Ray

GM & Head – Operations & Customer Service

Kaushik is the Head of Operations and Customer Service for Fullerton India. He joins from Creditexchange, a Bengaluru-based Fintech start-up, where he served as the Chief Operating Officer, responsible for setting up the Operations, Technology, Collections, Finance and Accounts processes. Previously, Kaushik was heading the Operations team at Fullerton India for over 6 years from 2005 to 2012. Earlier, he was part of the management team of DLL Financial Services, a fully owned subsidiary of the Rabobank group, as head of the Operations, Sales Support & Technology units. His other stints during his career of close to 25 years include, leading Trade transactions processing and Contact Center operations in Citigroup, International Trade in Reliance Industries and Corporate Loans sourcing for Summit Usha Martin Finance and Nicco Uco Financial Services. Kaushik holds a PGDM from Xavier Institute of Management, Bhubaneswar.

Ekhlaque Bari

EVP & Chief Technology Officer

Ekhlaque is the Executive Vice President and Chief Technology Officer for Fullerton India. He comes with over 22 years of experience. Prior to joining Fullerton India, Ekhlaque worked in India and overseas and was associated with leading brands like GE, where he held various roles, with HT Media as group CIO and more recently with Max Life Insurance as EVP and Head IT. He is a certified Master Black Belt, an NLP practitioner and a life and executive coach. Ekhlaque is a B.Tech (Manufacturing Science) from IIT Kharagpur and an MBA (Information Management) from SP Jain Mumbai.

Sunil Kaw

Interim Chief Risk Officer

At Fullerton India, he is responsible for Policy, Credit Underwriting, Fraud Control, Collections, Operational Risk, Information Security, Collateral Management and Legal Functions. A career banker with 20+ years of experience in the financial services sector across several leading global banks and Non-Bank entities. Prior to joining Fullerton India, Sunil was with Tree House Education in a business role and previously with Barclays Bank India as Credit Head for Retail, Standard Chartered Bank and Kotak Mahindra Prime in several roles across Risk and Business. Sunil is a Science graduate from J&K University , DSM from National Institute of Information & Technology and PGDGM from Emeritus Singapore.

Management Team

Ekhlaque Bari
EVP & Chief Technology Officer

Rakesh Makkar
Chief Executive Officer - Grihashakti

Sunil Kaw
Interim Chief Risk Officer

Nishant Jasapara
GM & Head – Digital Business

Vishal Wadhwa
EVP & Head– Rural Business

Rajashree Nambiar
Chief Executive Officer & Managing Director

Arvind Sampath
EVP & Head –
Treasury

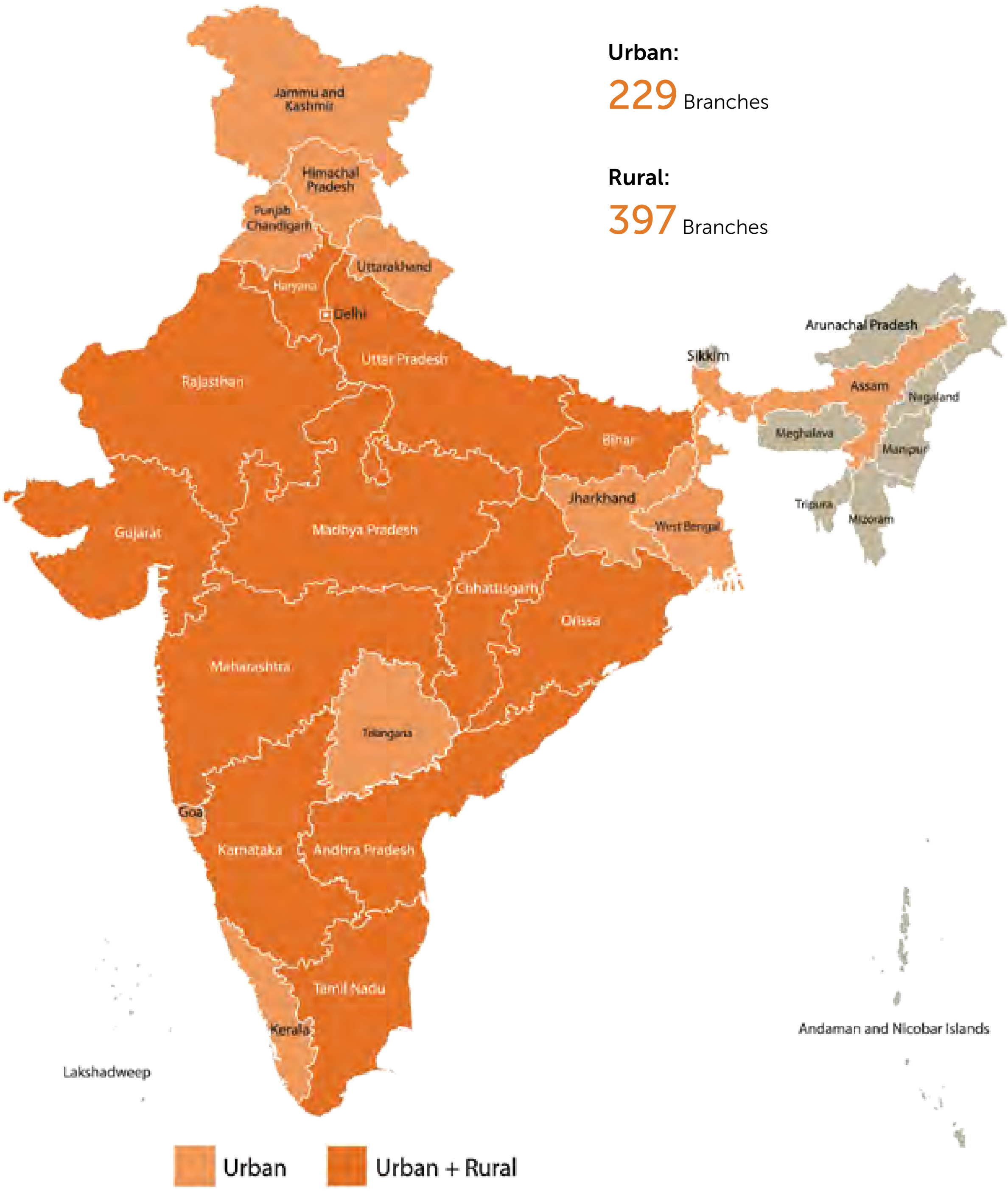
Kaushik Ray
GM & Head –
Operations &
Customer Service

Pankaj Malik
EVP & Chief
Financial Officer

Sanjeet Dawar
EVP & Head –
Urban Business

Anil Noronha
EVP & Head –
Human Resources

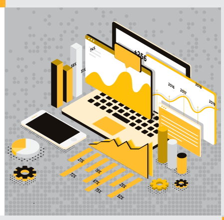
Distribution Network

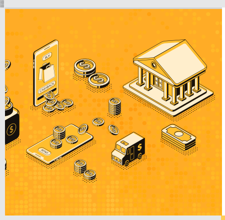


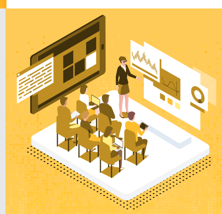
Urban:
229 Branches

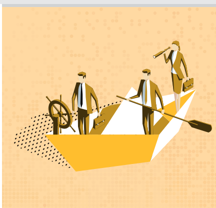
Rural:
397 Branches

Functional Overview









Business and Marketing

With an aim to deliver sustainable growth, Fullerton India is synergising its processes to fit market dynamics. With a deep knowledge of the underserved markets and a strong distribution network, the Urban, Rural and Digital Businesses have been delivering positive growth and facilitating increased customer experience. Our Marketing function enables us to fulfil our business objectives and fuel future growth.

The Fullerton Differentiator

Being one of the leading NBFCs in India, we have a branch footprint of 626 branches. Leveraging technology enhancements, we have delivered increased customer experience. At Fullerton India, we are focused on streamlining our processes to enhance customers' livelihoods in the under-served markets.

Rural Business Overview

Operating under the brand name 'Gramshakti', the Rural Business of Fullerton India strengthened its network during FY2019. With an aim to penetrate further into eastern region, in the states of West Bengal, Bihar and Odisha, the Company opened 62 new branches during FY2019. In the years to come, the Company will continue to expand in newer geographies across India to enhance its branch presence.

As on 31 March, 2019, Gramshakti has presence over 58,000 villages across 15 states of India. This strong network has helped the Company to build a diversified portfolio of secured and unsecured loans. The Rural Business also received a positive push with an increased focus of the Government on agriculture, infrastructural development along with higher spending in the rural areas.

Gramshakti is working towards serving as a preferred financial partner to stimulate growth in the rural areas of India.

Key Highlights:

- Operates in 15 states through a network of 397 rural branches and 9,300 employees
- Serves over 30 lakh customers
- Provides a wide array of product offerings to serve customers' varied needs
- Enables digital processes (disbursals and collections) through tabs
- Ensures strong customer ties and robust credit

Urban Business Overview

Despite temporary macro-economic disruptions, the Urban Business of Fullerton India reported strong growth. The business caters to over 2.26 lakhs customers, with its network of 229 branches across 22 states and 3 Union Territories in India, supported by an associate network of over 2,500 across India. To support customers' unique financial requirements, the business segment is well diversified between secured and unsecured business lines. Our product portfolio includes Personal Loans (salaried and self-employed customers), Loans Against Property, SME Loans and Commercial Vehicle Loans. During the year, Urban Business expanded its products suite as a strategy to a further enhance our customer experience and increase brand loyalty. These products cater to the retail and MSME clients across spectrums, and strengthens the secured product offering for Fullerton India. In FY2019, we added the following business lines:

- Two Wheelers
- Loans Against Securities
- Developer Finance
- Corporate Lease Rental Discounting

The business continues to grow at high pace along with delivering enhanced customer experiences by leveraging our cutting-edge technology. Growing disbursals, superior customer management, increased AUM, robust retention model, deepening of existing customer relationships and healthy on-boarding yields have helped us to negate impact from rising CoF (Cost of Funding). Moreover, we were able to demonstrate healthy levels of profitability, with a superior ROA and ROE.

Key Highlights:

- Operates in 22 states and 3 union territories, through a network of 229 branches.
- Serves over 2.26 lakh customers
- Our product portfolio includes Personal Loans (salaried and self-employed customers), Loans Against Property, SME Loans and Commercial Vehicle Loans
- Increase in AUM by 20%

Understanding the opportunity and scale of 'Digital', Fullerton India has created its Digital Business as an independent, standalone vertical, starting April 2018. Digital Business at Fullerton India has reported exceptional growth during the course of the year.

Digital Business Overview

The core enabler was the digital solutions integrated with our technology stack which has offered a great potential to reach-out to larger audiences across geographical locations. The benefits of Digital Business extend beyond conventional segments. The Fullerton Digital Business offers instant, flexible and hassle-free loans which caters to vast financial needs of the millennial/ customers. Through Digital Business we provide loans to salaried employees and working capital to SMEs directly as well as through various partners. Digital Business covers the entire eco-system across various industry segments for e.g. retail, education, healthcare, travel, hospitality, etc. Our product portfolio includes Personal loans for Salaried & Self-employed, Over-draft facility and pay-day loans.

Key highlights:

- Strong foothold by adding numerous digital partners
- Improved efficiencies through end-to-end system integrations
- Partner delight through plug and play integration through standard set of API's
- Near real time dashboards for effective monitoring
- Using robotic process automation for straight through bookings
- Unconventional underwriting methodologies used with alternate data, transaction data to sanction loans on the fly to customers

Marketing

The Marketing strategy for the year reflected the organisation's year on year steady growth story that has been initiated by expanding geographies and customer reach. We focussed on evolving customer preferences, product mix and the way businesses are responding to meet the diverse market demands. This was sustained by integrating various marketing communication channels and platforms, to ensure we cover wider customer segments. Going forward, we will strengthen our visibility to enhance our brand connect across the communities that we serve.

Key Highlights

- PR coverage on new initiatives and offerings
- Conceptualised marketing communications basis market preferences
- Social media presence and campaigns to build product knowledge
- Enhancing and ensuring the reputation of the brand remains intact at all times
- Highlighting initiatives and solutions to create positive perception and boost sales across geographies

Digitisation, Analytics and Information Technology

Fullerton India, one of India's most digitised NBFCs, continues to take rapid strides in keeping pace with the digital world. At Fullerton, we believe that digitisation is a journey, not a destination, and as an organisation we must continuously transform to keep winning in a VUCA (Volatile, Unpredictable, Complex and Ambiguous) world.

In its digital endeavour, 2019 has been a marquee year. The year saw Fullerton India launch mobile and tablet apps for CV, PL, TW, Mortgage and Group products. The apps enable the front line sales staff to provide seamless experience to its customers, a real time view into the status of the application as well as reduced TAT for sanction and disbursal. Fullerton also launched an industry first platform referred to as "Hubble" to integrate Fintech partners and aggregators into its IT systems. The platform has enabled the Digital Business to grow more than three times in the course of one year.

Not only acquisition, Fullerton India deployed digital journeys for servicing, collections, agreements and payments as well. Today, a significant portion of a customer servicing needs are being met through digital channels. This not only reduces the TAT for servicing, thereby aiding better experience, it also helps reduce company costs. Self service portals, collections app, customer app (mConnect) are just a few of the several digitisation initiatives in the areas of servicing, collections and operations.

Fullerton is investing heavily into building cutting edge engineering capabilities. The movement to agile-devops, hiring of developers, architects, scrum masters and 30%+ growth in investment are a reflection of Fullerton's commitment to building a truly digital lending company. It is also investing heavily into building a Microservices architecture (for which it won the Golden Peacock Award) to aid a scalable, flexible and resilient tech backbone.

Analytics continues to be Fullerton's strength with its commitment to leveraging advanced machine learning capabilities across different stages of customer lifecyle to help drive rapid business growth while maintaining a healthy credit profile. Fullerton management's focus on data and algorithmic model based decision making has been a key enabler in ensuring sharp growth in business profitability. Moving ahead investment in data engineering capabilities combined with advanced data science capabilities is expected to be a key source of competitive advantage.

Maintaining Adequate Liquidity to Support Funding Needs

Our treasury team watches the macro economic factors, globally and locally, which helps us make data based decision ahead of evolving conditions.

Treasury plays a very important role at Fullerton India, with focus on stable, renewable and efficient funding and better liquidity management.

The treasury function at Fullerton India is responsible for fund raising and surplus management. It follows three principles of liquidity management

a) Maintaining adequate liquidity coverage as contingency funding plan

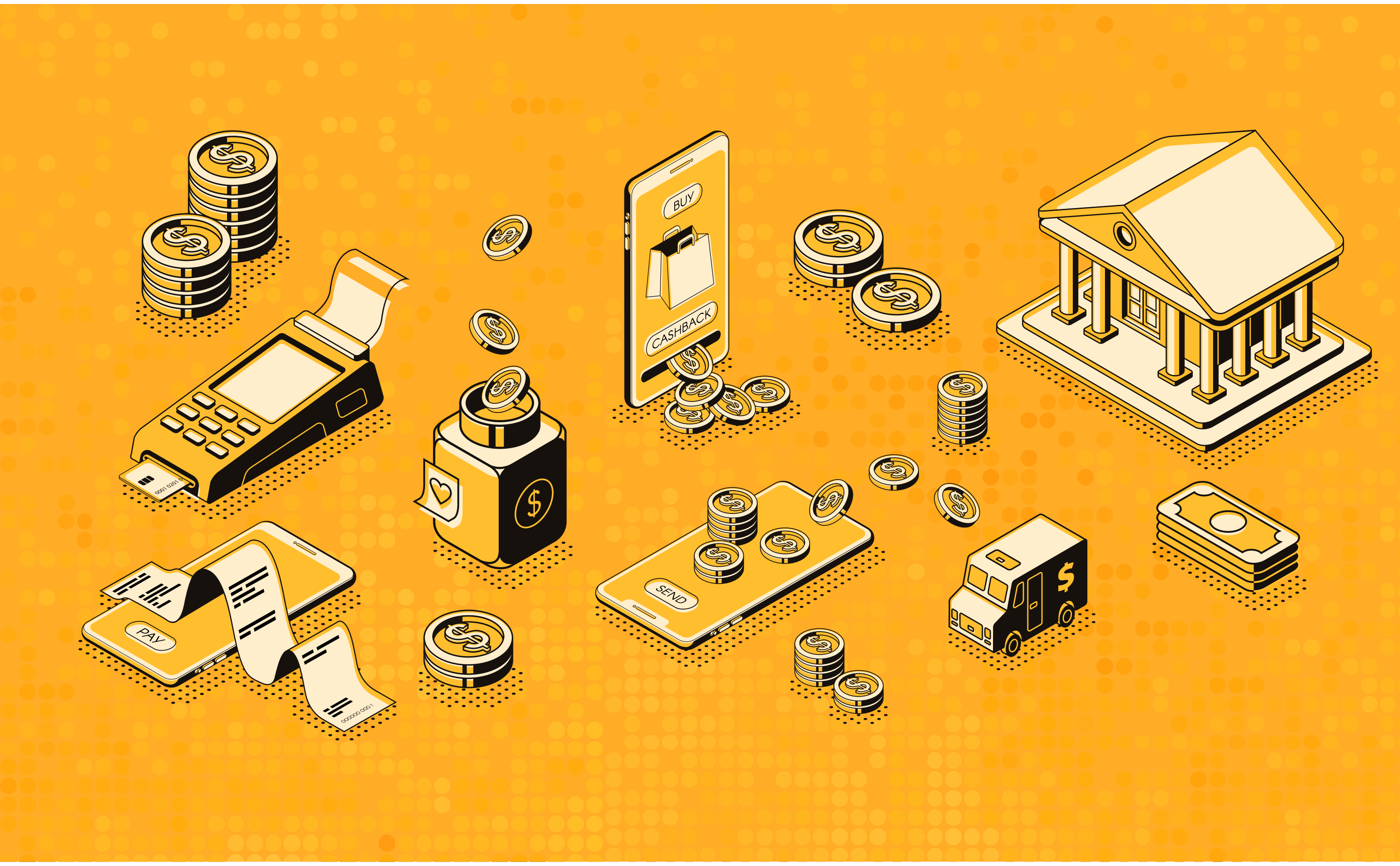
b) Matching of assets and liabilities

c) Funding diversification by instruments, lenders etc

Treasury team is mandated to maintain adequate liquidity in normal circumstances and also for unplanned contingencies. Near term outflows including debt servicing, disbursements and expenses are fully covered. Treasury monitors current market and macro environment developments through external interactions with lenders, rating agencies and market intermediaries and shares the same internally to help business to determine their course of action. Fullerton India's robust treasury management process including liquidity management during crisis situations have been well recognised by lenders and rating agencies.

Credit Rating:

CRISIL An S&P Global Company	AAA
ICRA	AAA
CARE Ratings Professional Risk Opinion	AAA



Fullerton India has a credit rating of AAA from CRISIL, ICRA and CARE, AA+ India Ratings on its long term debt instruments (currently no outstanding dues for senior NCD), which are among the highest within the country's retail finance sector.

Capital Adequacy:

As on March 2019, the overall capital adequacy stood at 19.64% , which is higher than the RBI's requirement of 15%, reflecting its confidence in investing and growing the business. Similarly, the Tier 1 Capital is comfortable at 14.16%, compared to an RBI requirement of 10%.

Matched Asset-Liability Tenor:

During FY2019, the Company maintained an average borrowing tenor of 32 months which matched its asset tenor well and aligned with its guiding principle of matching liability tenor with assets.

Liquidity:

The Company maintained adequate near term funds to stay liquid both in normal circumstances and also in the unlikely event of a contingency. This is achieved by several methods like owning high quality liquid assets, keeping unused fee paying committed lines and partly drawn bank lines. The three level liquidity buffer this way adds strength to the various lines of safety.

Diversified Lender Base:

During FY2019, Fullerton India diversified its funding to over 100 institutional lenders. It includes Banks, Insurance Companies, Foreign Portfolio Investors, Mutual Funds, Pension and Provident Funds. Overall, the funding profile remains resilient to market volatility and provided optimally costing, renewable long term relationships.

Learn Adapt Grow

At Fullerton India, we believe that our employees are the heart of our business. Their invaluable contribution over the years has resulted in our great success. A significant part of the management's focus is to support our employees become happier and much more effective.

The Fullerton Differentiator

Fullerton India is an Employer of Choice that provides a compelling employee value proposition which attracts the best people in the industry to join us and ensures their development, retention and contribution to the enterprise's success. This has resulted in a highly engaged workforce which consistently delivers superior business results.

Strong Culture

Our Corporate Culture is dynamic with strong roots. It provides our people with a common sense of identity and helps them make sense of their work experiences. We value Integrity, Collaboration, Innovation, Diversity, Excellence and Agility. We continuously strive to build an adaptive culture as a foundation to our business success.

Creating Leaders of Tomorrow

Fullerton India takes responsibility to provide employees with opportunities for engaging work, personal growth experiences, training as required, learning opportunities, annual objective setting, annual performance reviews and the tools, thus providing an environment to develop themselves.

Career development is valued at Fullerton India as an essential and important activity. As employees continuously grow and develop, the company's capability increases and ensures that the organisation remains competitive. Through career development employees get an opportunity to expand their knowledge, skills, experience, competencies, network, and visibility which results in the ability to contribute greater value in a wider range of circumstances. Managers have a responsibility to facilitate the growth and development of people and the business.

Performance Management & Rewards

Our Performance Management System is designed to enable employees to achieve superior performance with a clear focus on results. We encourage frequent, direct, candid as well as informal feedback on performance between employees and managers to further strengthening our performance management process. At Fullerton India we are committed and strongly believe that feedback is key to creating a high-performing enterprise.

It is important for the company's business success that we competitively compensate, motivate, reward and retain employees. The company's overall Rewards strategy is to design compensation programs that are aligned with this philosophy. These programs are designed to compensate employees for contributions and results through fix pay and variable compensation elements, each linking to specific performance measurements.

Promoting Work-Life Balance

We offer challenging work with smart and a fast-paced, flexible, open, diverse, learning environment within a well-managed business; At Fullerton India we understand the importance of work-life balance with a culture based on teamwork, accountability and continuous improvement where people feel empowered, recognised, cared for and their achievements celebrated.

Work Place Standards

Our Code of Conduct sets high standards of integrity, conduct and workplace behavior. Our people-related policies are designed to ensure a healthy and safe workplace, free from discrimination or harassment, where employees can raise complaints without fear of retribution.

Key Highlights of FY2019:

- Increased people strength by over 2,570 employees across diverse business verticals.
- Continuing with its commitment to take quality fresh talent, the Company recruited from premier campuses including IIMs and ISBs, IRMA and IITs.
- Recognised over 2,857 employees under the 'Fullerton India Recognition of Excellence' program (FIRE), which rewards the top-performing employees at various intervals through the year, culminating in the prestigious, CEO Excellence Awards.
- Presented 3,454 awards to the employees completing over 3, 5 & 10 years of service.
- Invested 40,500 person-days in employee training, making an increase of 6% over the previous year. This includes career path programs for key functions, programs on Management and Personal effectiveness and personalised programs.
- Groomed internal talent to comprise of 75% of its supervisory and Country leadership roles.
- Invested in employee welfare including healthcare, life insurance and emergency financial aid.
- Successfully continued the rural skills development program "Gurukul" under its CSR brand 'UDAY' to impart employability skills amongst the youth in rural India. During FY2019, the Company expanded the number of centers to 7 out of which 3 centers were added this year. The programme has already trained more than 1,623 youth and employed 931 such trainees from the initiative.
- Several Culture Programs were organised including the launch of Women@ Fullerton, enhancing our Reward, Recognition & Celebration program FIRE, Fun at Work activities such as corporate sports tournaments, quiz competitions and talent hunts. During FY2019, over 60 such programs were organised.

Risk Management

At the core of our Risk Management lies an approach to achieve an appropriate tradeoff between risk and return for desired shareholder value.

The overarching principles of our Risk Management strategy are an outcome of our Risk Appetite and has been approved by the Board of directors. The Risk Appetite Framework articulates the risk boundaries across varied risks the organisation is exposed to and the objective being to stay course on prudent risk culture and acceptable & profitable customer cohorts through economic cycles.

Given our internationally accepted & forward looking risk-management practices; we navigated well during the external shocks viz., liquidity crisis and associated fallout during the 3rd and 4th quarter of the year and a few instances of natural calamities. We were nimble to align our strategies across treasury, credit acceptance and collections to the macro economic scenario.

We continue to see stronger recoveries basis SARFAESI and improvement in delinquencies in our Urban Secured portfolio and expect it be better in the years to come as we strategically move towards lower ticket sizes and score card based approach for consistency of decision and course correction. We also continue to de-risk our rural portfolio by increasing our individual portfolio versus group.

Analytics & bureau led proactive portfolio & collections management strategies, independent & integrated operational risk

and fraud risk management, judicious mix of local and centralised credit decision with robust deviation controls, strong collateral management – independent legal & valuation with in-house oversight, decision platforms based on application & behavior scorecards and risk based pricing all seamlessly executed by an automated Business Rule Engine with connectivity to bureau continue to be the backbone of business execution.

We continue to invest in digitising our end to end customer journey and internal processes and upskilling our Human capital (Risk) thereby minimising risk

Our continued increase in profitability, shareholder returns and lower Gross and Net Non-Performing Assets are a testimony to our robust risk management practices.

Directors' Report

Dear Members,

Your Directors have the pleasure in presenting the 24th Annual Report of Fullerton India Credit Company Limited along with the audited statement of accounts for the financial year ended 31 March, 2019.

1. Financial Highlights (Standalone and Consolidated)

During the year, the Company has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from 1 April, 2018, with the transition date of 1 April, 2017. These financial statements for the year ended 31 March, 2019 are prepared under Ind AS:

(₹ Crores)

Particulars	31 March, 2018*	31 March, 2019
Gross Income	**2,713**	**4,138**
Less :		
Finance Cost	980	1,439
Depreciation, Amortisation and Impairment	33	36
Impairment on financial instruments	470	512
Other Admin Expenses	703	957
Profit/(Loss) before Tax	**527**	**1,194**
Less : Provision for Tax	177	419
Net Profit/(Loss) after Tax	**350**	**775**
Add : Balance brought forward from previous year	(100)	179
Transfer to Reserve Fund under Section 45- IC of the RBI Act, 1934	(71)	(155)
Surplus carried to Balance Sheet	**179**	**799**

* Previous year's figures have been regrouped based on current year's classification.

On a consolidated basis, the performance of the Company is as follows:

(₹ Crores)

Particulars	31 March, 2018*	31 March, 2019
Gross Income	**2,849**	**4,468**
Less :		
Finance Cost	1040	1623
Depreciation, Amortisation and impairment	34	38
Impairment on financial instruments	498	556
Other Admin Expenses	755	1054
Profit/(Loss) before Tax	**523**	**1,197**
Less : Provision for Tax	176	423
Net Profit/(Loss) after Tax	**347**	**774**
Add : Balance brought forward from previous year	(165)	109
Transfer to Reserve Fund under Section 45- IC & Section 29 C (i) of the RBI Act, 1934 and NHB Act, 1987	(73)	(155)
Surplus carried to Balance Sheet	**109**	**728**

* Previous year's figures have been regrouped based on current year's classification.

2. Financial Performance And Overview

In India, NBFCs continue to remain at the forefront of catering to the diverse financial needs of bank excluded customers, promoting inclusive growth. Over the last 5 years, the lending book of NBFC has grown at nearly 18%, attributed to the deep understanding of the target customer, use of technology advances, lean cost structures and differentiated business models to reach credit-starved segments.

As the NBFC market has been dominated by large player, many small players have struggled to scale up operations profitably. In FY2019, business confidence took a toll, with defaults and liquidity challenges, as one large NBFC defaulted on its commitments. However, the NBFC sector had the ability to withstand such turbulences in the past, and is expected to come out of this stronger. To avoid this situation in future, several regulatory changes and government initiatives have altered the operating mechanism and necessitated changes in the risk management framework for NBFCs.

Your Company have delivered good result for the FY 2018-19 following the trajectory of previous year despite the money market turmoil and liquidity squeeze. The Company enjoyed yet another strong year of performance aided by a diversified product mix, robust volume growth, prudent operating costs and effective risk management.

With assets under management (AUM) of ₹ 21,542 crores on standalone basis (37% increase over the previous fiscal year), Company was able to achieve its second milestone of crossing a AUM of ₹ 20,000 crores. The disbursals stood at ₹ 15,284 crores, (25% increase over the previous fiscal year).

Profit before tax was 127% higher at ₹ 1,194 crores (₹ 527 crores in FY 2018). The Company's income tax obligations were at ₹ 419 crores, resulting in Profit after tax of ₹ 775 crores (₹ 350 crores in FY 2018). This has been due to the Company's healthy net interest margin, operating efficiencies and prudent risk management. The performance was aided by strong volume growth across all its lines of businesses. During FY2019, the Company strategically launched new products to strengthen its business model and continue its growth momentum.

Gross income registered an increase of 53% and was at ₹ 4,138 crores (₹ 2,713 crores in FY 2018). Finance costs were at ₹ 1,439 crores (₹ 980 crores in FY 2018). Net interest income was at ₹ 2,526 crores, a 57% increase over last year (₹ 1,613 crores in FY 2018). Non-interest expenditure was at ₹ 993 crores (₹ 736 crores in FY 2018).

The Company continued to diversify its source of funds and enjoyed competitiveness in market in liquidity crisis period due to marginal reliance on short term borrowings. Prudent ALM practices and robust liquidity aided the Company to face the challenge of money market turmoil.

Company had explored alternative funding sources like asset sell downs (Assignments) ₹ 215 crores, raising funding through Tier II capital ₹ 420 crores and capital injection from its parent company ₹ 150 crores which was further injected to its step down 100% wholly owned subsidiary company during the financial year 2019 to meet its capital accretive activity.

The total borrowings stood at ₹ 19,023 crores (₹ 13,634 crores as at 31 March, 2018); bank borrowing ₹ 6,704 crore (₹ 5,185 crore as at 31 March, 2018); non-convertible debentures were at ₹ 10,084 crores (₹ 6,889 crores as at 31 March, 2018), including long term subordinated bonds eligible for Tier-II capital aggregating ₹ 1,049 crores (₹ 691 crores as at 31 March, 2018), commercial papers ₹ 2,235 crore (₹ 1,560 crore as at 31 March, 2018).

Please refer 'Management Discussion and Analysis' section, enclosed as Annexure I to this report, for further details on performance of the Company.

3. State Of Company's Affairs, Economy, Industry Overview, Future Outlook, Etc.

A detailed overview of the state of affairs of the Company, Economy, Industry Overview, Future Outlook, etc. is provided in the 'Management discussion and analysis' section, enclosed as Annexure I to this report.

4. Share Capital

During the year, 3,14,26,776 Equity Shares of ₹ 10/- each were allotted at premium of ₹ 37.73/- per share, aggregating to ₹ 150 crores, to M/s. Angelica Investments Pte. Ltd. on rights basis.

The issued, subscribed and paid-up capital of the Company as at 31 March, 2019, stood at ₹ 2,011.50 crores. The Equity Shares of ₹ 10 each, were held as under:

Name	Number of shares	%
Angelica Investments Pte Ltd	1,92,62,41,938	95.76
Fullerton Financial Holdings Pte Ltd	8,52,56,357	4.24

5. Capital Adequacy

The details on 'Tier-I', 'Tier-II' capital and capital adequacy ratio are given under the 'Management discussion and analysis' section, enclosed as Annexure I to this report.

6. Dividend

In spite of the Company having reported distributable surplus, with a view to conserve resources, your Directors do not recommend any dividend on equity shares of the Company for the year ended 31 March, 2019.

7. Debt Position

The total incremental borrowings during the year under review stood at ₹ 10,673 (₹ 5,163 crores repaid during the year). The Company issued ₹ 2,763 crores worth of commercial papers (₹ 2,088 crores repaid during the year) and ₹ 4,268 crores had been raised through issuance of non-convertible secured and unsecured debentures (₹ 1,074 crores repaid during the year) to various mutual funds and/or financial institutions on a private placement basis. The Company availed long-term and short-term bank loans worth ₹ 3,642 crores (and repaid ₹ 2,001 crores during the year) from banks.

8. Change(S) In The Nature Of Business, If Any

There were no material changes in the nature of the business of the Company during the year under review. However, one of the subsidiary of the Company, viz., Fullerton India Social and Economic Development Private Limited was converted from Section 8 Company into a Private Limited Company, resulting into change of its name from Fullerton India Foundation for Social & Economic Development to Fullerton India Social and Economic Development Private Limited, on 26 February, 2019.

9. Transfer to Reserves

During the year, the Company transferred 20% of its profits for the year amounting to ₹ 155 crores to reserves created as per the norms laid down under Section 45-IC of the Reserve Bank of India Act, 1934.

10. Directors and Key Managerial Personnel

The Company's Board lays down the strategic objectives of the Company and guides the management in meeting its goal of aligning the interests of the shareholders with that of the promoters.

During the year under review, Mr. Kenneth Tat Meng Ho resigned from the Board of the Company with effect from 26 October, 2018.

At the last annual general meeting of the Company held on 06 July, 2018, Mr. Premod Thomas had been re-appointed as independent director on the Board of the Company, for a further term of three years, with effect from 1 October, 2018.

During the year, Mr. Arun Mulge was appointed as Company Secretary of the Company with effect from 13 March, 2019, in place of Mr. Pankaj Malik who resigned as Company Secretary on that date.

Mr. Gan Chee Yen is liable to retire by rotation at the ensuing Annual General Meeting of the Company. He being eligible has offered himself for reappointment. The Board recommends his reappointment to the members of the Company. The shareholders of the Company may refer to the notice of the Annual General Meeting of the Company and the report on Corporate Governance for brief profile of Mr. Gan Chee Yen.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.

The following were the key managerial personnel of the Company during the year:

Key managerial personnel	Designation
Ms. Rajashree Nambiar	Chief Executive Officer and Managing Director
Mr. Pankaj Malik	Chief Financial Officer
Mr. Pankaj Malik*	Company Secretary
Mr. Arun Mulge**	Company Secretary

*Mr. Pankaj Malik resigned as a Company Secretary w.e.f. 13 March, 2019

**Mr. Arun Mulge was appointed as Company Secretary w.e.f. 13 March, 2019

11. Number of Meetings of the Board of Directors

The Board of Directors of the Company met four times during the year:

i. 18 May, 2018

ii. 06 September, 2018

iii. 11 December, 2018

iv. 13 March, 2019

The time gap between two board meetings was less than 120 days with at least one meeting being held every quarter.

12. Board Evaluation

In accordance with the provisions of the Companies Act, 2013, the Independent Directors met separately to review the performance of Non-Independent Directors, Chairperson of the Company, the Board as a whole and the flow of information between the Board and the management.

The Board completed the annual evaluation of its own performance, the individual Directors (including the Chairman) as well as an evaluation of the working of all Board Committees. The Board was assisted by the Nomination and Remuneration Committee ("NRC"). The performance evaluation was carried out by seeking inputs from all the Directors/Members of the Committees.

13. Managerial Remuneration

The information in respect of employees of the Company required pursuant to Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 forms part of this Annual Report. However, in terms of Section 136 of the Companies Act 2013, the Annual Reports are being sent to the Members and others entitled thereto, excluding such information. The said information is available for inspection at the registered office of the Company during working hours. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

14. Details of Subsidiaries

The Company has two subsidiaries, both of which are wholly-owned:

a. Fullerton India Home Finance Company Limited; and

b. Fullerton India Social and Economic Development Private Limited

Fullerton India Home Finance Company Limited (FIHFCL), engages in home loans and loans against property. As on 31 March, 2019, the paid up equity share capital of FIHFCL stood at ₹ 245.36 Crores, and its assets under management was at ₹ 3,065 Crores.

During the year, Fullerton India Social and Economic Development Private Limited did not conduct any operations and was converted from Section 8 Company into a Private Limited Company, resulting into change of its name from Fullerton India Foundation for Social & Economic Development to Fullerton India Social and Economic Development Private Limited, on 26 February, 2019.

15. Statutory Auditors

In the financial year 2016-2017, your Company had appointed M/s BSR & Co. LLP, Chartered Accountants (ICAI Firm Registration No. 101248W/W-100022) as its statutory auditors to hold office from the conclusion of the 22nd Annual General Meeting until the conclusion of the 27th Annual General Meeting of the Company. They continue to be the Statutory Auditors of the Company.

16. Secretarial Auditors

During the year under review, M/s Vinod Kothari & Company, Practicing Company Secretaries (Unique Code P1996WB042300) continued to function as the Secretarial Auditors of the Company. They had conducted secretarial audit in accordance with provisions of Section 204 of the Companies Act, 2013 and issued a Secretarial Audit Report. Copy of the report is attached as Annexure IV to this report. The report is self-explanatory.

17. Certificate on compliance with the regulations as regards downstream investment and other FEMA Regulations

During the year, company have invested ₹ 150 crore in its wholly owned subsidiary company and has complied with downstream investment requirements.

18. Response to the Auditors' Report

There were no qualifications, reservation or adverse remark or disclaimer, made by the statutory or the secretarial auditors in their reports.

19. Disclosure on ESOPS

The Company does not have any employee stock option/purchase scheme. The details of share appreciation rights are mentioned in Note 38 of the notes to accounts.

20. Audit Committee

The details of the constitution, terms of reference, etc., of the Audit Committee are mentioned in the Corporate Governance Report, enclosed as Annexure II to this report.

21. Nomination and Remuneration Committee

The details of constitution, terms of reference, etc. of the Nomination and Remuneration Committee are mentioned in Report on Corporate Governance, enclosed as Annexure II to this report.

The Company has laid out clear guidelines approved by the Board for 'fit and proper' criteria for appointment of directors in accordance with the Companies Act, 2013 and RBI guidelines. Further in terms of charter of the nomination and remuneration committee, policy on remuneration of directors, key managerial personnel and other employees have been put in place, incorporating principles of fairness, pay for performance, a sufficient balance in rewarding short and long term objectives reflected in the pay mix of fixed and variable pay, meeting the financial viability of the Company.

22. Vigil Mechanism

The Company has a whistle-blower policy in place as part of the vigil mechanism for reporting of genuine concerns by any stakeholder. The policy, displayed on the website of the Company, provides an opportunity for anyone to report their concerns to the management about any actual or suspected unethical behaviour, fraud or violation of the Company's Code of Conduct. This policy also provides safeguards against victimisation of stakeholders, who report their concerns. The whistle-blower policy comprehensively covers processes for receiving, analysing, investigating, inquiring, taking corrective action and reporting of the issues raised. The policy can be accessed at http://www.fullertonindia.com/about-us/policies.aspx. An update on whistleblower cases and investigation conducted thereon is presented to the Audit Committee on a quarterly basis.

23. Risk Management Policy

In line with the RBI regulations, the Company has a Board Committee known as the Risk Oversight Committee. The Committee oversees the processes of risk assessment and optimisation, monitors risk management plans and carries out such other functions as may be directed by the Board. Please refer the Corporate Governance report for the terms of reference of the Committee.

The Company has adopted several policies for risk management. The management reports to the Committee on risks identified and the action taken to mitigate those risks.

The specific objectives of the Risk Oversight Committee of the Company include:

- To ensure that all the current and future material risk exposures of the Company are identified, assessed, monitored, communicated and appropriately mitigated;
- To establish a framework for the Company's risk management process and ensure Companywide implementation;
- To ensure systematic and timely identification and assessment of current and emerging risks related to the Company;
- To ensure compliance with applicable regulations through the adoption of best-in-class practices and implementation of adequate controls; and,
- To assure business growth along with financial stability and adequate management of risk.

Please also refer the 'Management discussion and analysis', enclosed as Annexure I to this report, for more details on the subject.

24. Extract of the Annual Return

The Extract of Annual Return as provided under Section 92 of the Companies Act, 2013, and as prescribed in Form No. MGT-9 of the rules prescribed under Chapter VII relating to Management and Administration under the Companies Act, 2013, is appended as Annexure VI.

25. Secretarial Standards

Your Company has followed the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

26. Material Changes And Commitments, If Any, Affecting The Financial Position Of The Company Which Have Occurred Between The End Of The Financial Year Of The Company To Which The Financial Statements Relate And The Date Of The Report

There have been no such material changes and commitments affecting the financial position of the Company which have occurred during the said period.

27. Details Of Significant And Material Orders Passed By The Regulators/Courts/Tribunals Impacting The Going Concern Status And The Company's Operations In Future

There were no significant and material orders passed by the regulators/courts/tribunals impacting the going concern status of the Company and its operations in future.

28. Statement In Respect Of Adequacy Of Internal Financial Controls With Reference To The Financial Statements

The members may note that:

- Systems have been laid to ensure that all transactions are executed in accordance with management's general and specific authorisation. Policies and procedures have been adopted by Company to ensure orderly and efficient conduct of business.
- Systems and procedures exist to ensure that all transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements and fulfils the assertion relating to existence, completeness, presentation and disclosure.
- Access to assets is permitted only in accordance with management's general and specific authorisation. No assets of the Company are allowed to be used for personal purposes, except in accordance with terms of employment or except as specifically permitted.
- The existing assets of the Company are verified at reasonable intervals and appropriate action is taken with respect to differences, if any.

Based on the above, your Board is of the view that adequate internal financial controls exist in the Company.

29. Particulars Of Loans/Advances/Investments Outstanding During The Financial Year

The disclosures relating to particulars of loans/advances/investments outstanding as per Regulation 53(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are as under:

Obligations and Disclosure Requirements) Regulations, 2015 are as under:

A. With respect to Holding and Subsidiary companies

Sr. No.	In the books of the Company in capacity of	Disclosures of amounts at the year end and the maximum amount of loans/advances/investments outstanding during the year	Disclosure
1.	Holding Company	Loans and advances in the nature of loans to subsidiaries by name and amount.	Nil
		Loans and advances in the nature of loans to associates by name and amount.	
		(i) No repayment schedule or repayment beyond seven years; or	
		(ii) No interest or interest below section 186 of the Companies Act, 2013 by name and amount.	
		Loans and advances in the nature of loans to firms/companies in which Directors are interested by name and amount.	
2.	Subsidiary	Same disclosures as applicable to the parent company in the accounts of subsidiary company	Nil
3.	Holding Company	Investments by the loanee (borrower) in the shares of parent company and subsidiary company, when the company has made a loan or advance in the nature of loan.	Nil

B. Cash Flow statement included in the financial statements.

30. Deposits

The Company despite being registered as a 'Deposit-taking NBFC under the regulations of the RBI, did not accept any public deposits during the year under review (Nil during FY 2018), under Chapter V of the Companies Act, 2013.

31. Particulars of Loans, Guarantees or Investments Under Section 186

The Company, being a non-banking finance company, is exempt from the provisions laid down under Section 186 as regards to loan and advances made, guarantees given or security provided.

32. Particulars of Contracts or Arrangements with Related Parties

All contracts/ arrangements/ transactions entered into/ by the Company during the financial year under review with related parties were on arms' length basis and in the ordinary course of business of the Company. There were no materially significant related party transactions made by the Company with its promoters, directors, key managerial personnel or other designated persons, which may have potential conflict with the interest of the Company at large. All related party transactions had been placed before the Audit Committee and the Board for approval. The policy on related party transactions, as approved by the Board is available on the website of the Company at http://www.fullertonindia.com/about-us/policies.aspx.

33. Corporate Governance

A detailed report on Corporate Governance and copy of the Certification of the Chief Executive Officer and Chief Financial Officer of the Company are provided as Annexures II and III to this report respectively.

34. Management Discussion and Analysis

A detailed review of the operations, financial performance, risk management, outlook, among others, is provided under the section 'Management discussion and analysis' enclosed as Annexure I to this report.

35. Fraud Reporting

The Company reports occurrence of frauds to the Reserve Bank of India every quarter in terms of the RBI regulations. The details of the frauds occurred during the quarter are placed before first Audit Committee meeting held after the end of each quarter. There were 31 instances of fraud cases, which were reported to the Board. The Company has taken appropriate action in these cases. No frauds were reported by the Auditors during the year.

36. Revision of Financial Statements or Board's Report

There have been no revisions in the financial statements or Board's Report as approved by the shareholders and published in the annual report.

37. Details of Debenture Trustees

The details of the entities which acted as the debenture trustees for the debenture holders of the Company during the year are as under:

Sr. No.	Trustee	Contact details
1	Catalyst Trusteeship Limited	GDA House, Plot No.85, Bhusari Colony, Paud Road, Pune – 411038 Phone: 020 – 25280081, Extension: 107, Fax: 020 – 25280275
2	Vistra ITCL (India) Limited	The IL&FS Financial Centre, Plot C- 22, G Block, Bandra Kurla Complex, Bandra(E), Mumbai 400051 Phone: 022 - 26593226, Fax: 022 - 26533038

38. Credit Rating

The credit ratings' details of the Company as on 31 March, 2019 were as follows:

Rating Agency	Facility	Type	Rating
CRISIL	LT	NCD/BL/SD	CRISIL AAA with stable outlook
	ST	CP	CRISIL A1+
ICRA	LT	NCD/BL/SD	[ICRA] AAA with stable outlook
	ST	STD/CP	[ICRA] A1+
CARE	LT	NCD/BL/SD	CARE (AAA) with stable outlook
	ST	CP	CARE A1+
India Ratings	LT	SD/NCD	IND AA+ with stable outlook
	ST	*STD	IND A1+

LT - Long-term
NCD - Non-convertible debentures
CP - Commercial paper
STD - Short-term debt
ST - Short-term
SD - Subordinate debt
BL - Bank lines

The ratings mentioned above were reaffirmed by the rating agencies (CRISIL, ICRA CARE and India Ratings) during the FY 2019.

*Ratings for Short-term debt has been withdrawn by India Ratings since April 2019.

39. Disclosures Under the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013

Pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, the Company has framed a policy on Prevention of Sexual Harassment at Workplace. During the year under review, no cases were reported under the provisions and guidelines of this policy.

40. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The provisions relating to conservation of energy and technology absorption do not apply to the Company, since it is an NBFC.

Your Company continue to avoid using Diesel generators in all rural locations and use digital/solar inverters for power outage backups and operations during the same. In the 60 new branches that were rolled out in the last FY the strategy remained constant. Your Company also plan to continue using this same strategy of power back up in the upcoming rural roll out.

In our urban branches, Company have maintained the number of essential gensets at constant without any additions in the last FY. We have standardised our branch fit out patterns and in all branch relocations and new location fit outs we are ensuring the use of energy efficient lighting systems employing LED lighting only.

There were foreign exchange outflows of ₹ 82 crores during the year (₹ 44 crores in FY 2018), pertaining to travel, training, professional fees and Interest expenses.

41. Corporate Social Responsibility

The details of the composition of CSR Committee and its terms of reference are given in Corporate Governance report. Please refer Annexure V to this report for overview of Company's CSR Policy and Projects. The CSR policy can also be accessed at https://www.fullertonindia.com/about-us/policies.aspx.

42. Directors' Responsibility Statement

As per the provisions of Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013, your Directors confirm that:

(i) in the preparation of the annual accounts for the year ended 31 March, 2019, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(ii) 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 profit and loss of the Company for that period;

(iii) 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;

(iv) the Directors had prepared the annual accounts on a going concern basis;

(v) 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;

(vi) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.

43. Acknowledgement

Your Directors would like to place on record, their gratitude for the cooperation and guidance received from all the statutory bodies, especially the RBI. The Directors also thank the shareholders, clients, vendors, investors, banks and other stakeholders in placing their faith in the Company and contributing to its growth. We would also like to appreciate the hard work put in by all our employees, and we look forward to their continuing patronage, going forward.

On behalf of the **Board of Directors**

Sd/-
Gan Chee Yen
Chairman

Place: Mumbai
Date: 29 May, 2019

Annexure I
To The Directors' Report

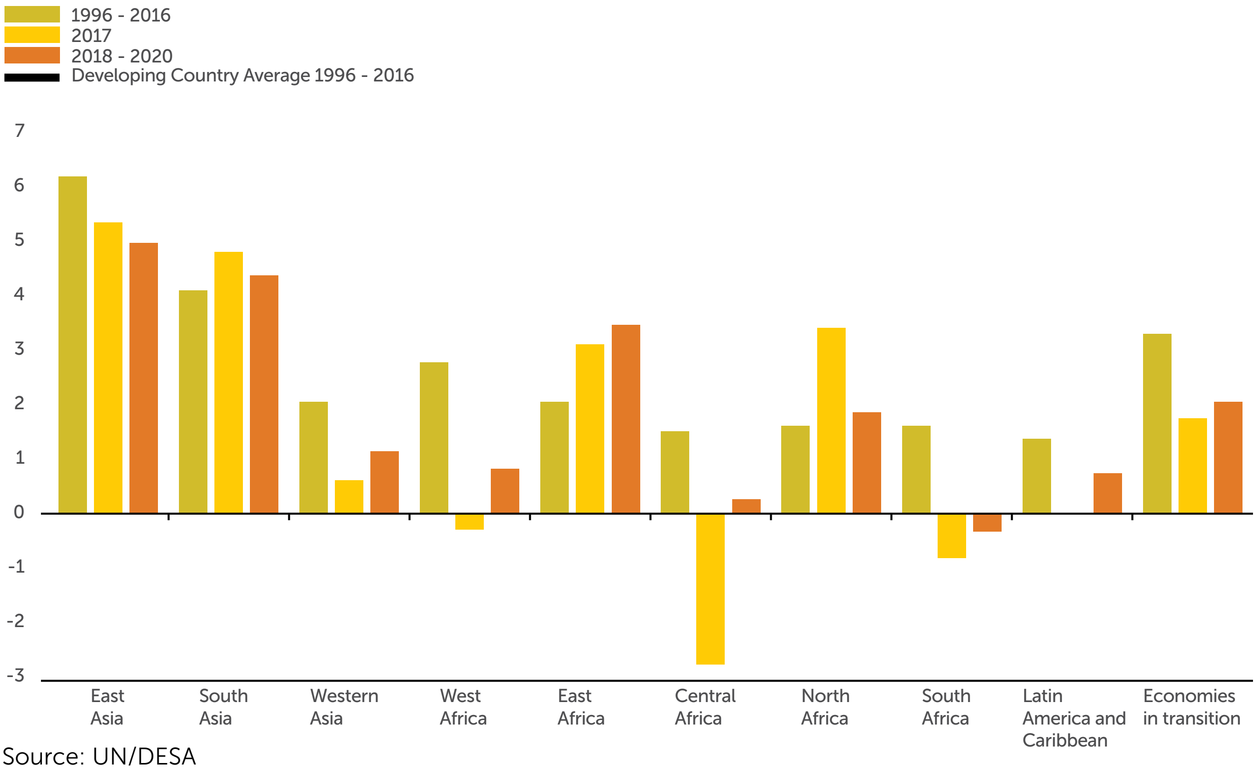
Management Discussion and Analysis

Growth in the Indian market can be attributed to the sustained rise in consumption and a gradual revival in investments, especially with a greater focus on infrastructure development.

Global Economic Overview

As per the United Nations, the global economy is projected to grow at a steady pace of 3% in 2019 and 2020. The world witnessed strong growth in 2017 and early 2018, However, economic activity slowed down in the second half last year. Due to increased trade tensions with the US and the needed regulatory tightening, China's growth declined. With respect to the euro area, the economy lost more momentum than expected, due to weakened consumer and business confidence. Trade tensions took a toll on the business confidence, which worsened the financial market sentiments in the vulnerable emerging markets. With more accommodative monetary policy by the US Federal Reserve, global conditions have eased, and markets have become more optimistic about the US-China trade deal.[2]

Average Annual GDP Per Capita Growth by Region



Source: UN/DESA

However, a closer look reveals shortcomings in the foundations and the subdued quality of global economic growth. With an increase in the short-term risks, the potential to disrupt economic activity also rises. These risks include increasing trade disputes, financial stress and volatility, and an undercurrent of geopolitical tensions, and they compound the underlying structural vulnerabilities.

Indian Economy Overview

India, being one of the fastest growing economy, has a positive growth outlook. The year 2018-19 started with an 8.2% growth with the support of domestic resilience, but it eased to 7.3% due to rising global volatility, largely from financial volatility, normalised monetary policy in advanced economies, externalities from trade disputes, and investment rerouting. Furthermore, the Indian rupee suffered because of the crude oil price shock, and conditions exacerbated as recovery in some advanced economies caused faster investment outflows.

[1] United Nations – World Economic Situation and Prospects 2019

[2] International Monetary Fund – World Economic Outlook – April 2019

The Indian economy is likely to sustain the rebound in FY2019 and growth is projected to be in the 7.2% to 7.5% range and is estimated to remain upward of 7% for the coming year. The growth projection is attributed to the sustained rise in consumption and a gradual revival in investments, especially with a greater focus on infrastructure development.[3]

Growth in the financial sector can be attributed to an increase in the size of equity markets and improvements in corporate earnings.

Despite this, the Indian economy remains vulnerable to domestic and geopolitical risks and concerns have increased with regards to the current account deficit and fiscal deficit, as portfolio investments remain subdued while trade deficit stays high.

Indian Financial Services

Growth in the financial sector can be attributed to an increase in the size of equity markets and improvements in corporate earnings. Moreover, there is a shift towards the untapped opportunity that rural sectors represent as they remain largely underserved when it comes to financial services. Moreover, the increasing use of technology to provide financial services is a paradigm-shifting enabler, while using the internet as a medium to provide financial service is expected to further decrease the gap.

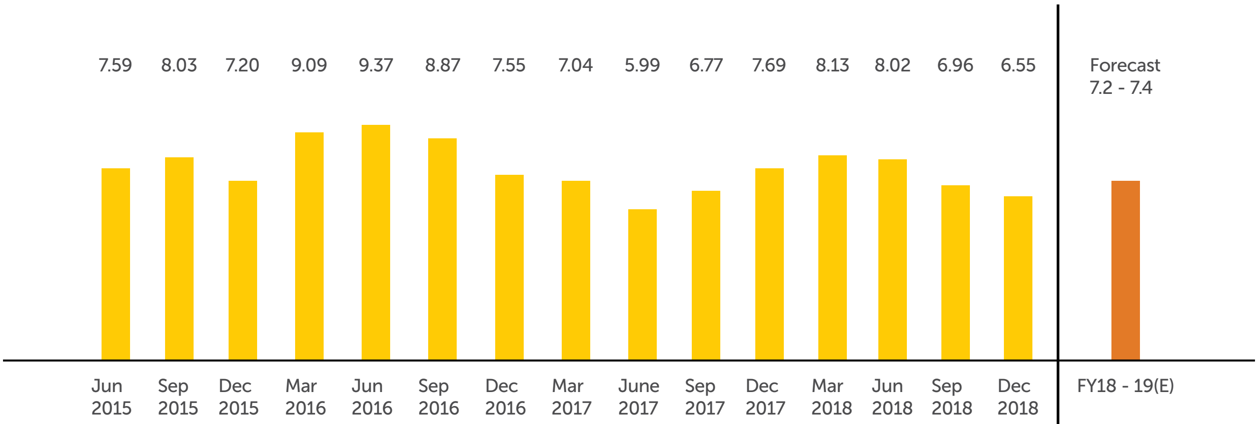
India is today one of the most vibrant global economies, with a diversified financial sector that is undergoing a major expansion. The Indian Financial Services sector consists of the capital markets, insurance sector and non-banking financial companies (NBFCs). Rising income along with financial inclusion initiatives from RBI are driving the demand for financial services.

[3] Deloitte Insights – India Economic Outlook 2019

The Government of India has introduced several reforms to liberalise, regulate and enhance this industry. The reforms include easy access to finance for Micro, Small and Medium Enterprises (MSMEs) with the launch of Credit Guarantee Fund Scheme. The relaxation of foreign investment rules has received a positive response from the insurance sector, with many companies announcing plans to increase their stakes in joint ventures with Indian companies. Over the coming quarters there could be a series of joint venture deals between global insurance giants and local players.

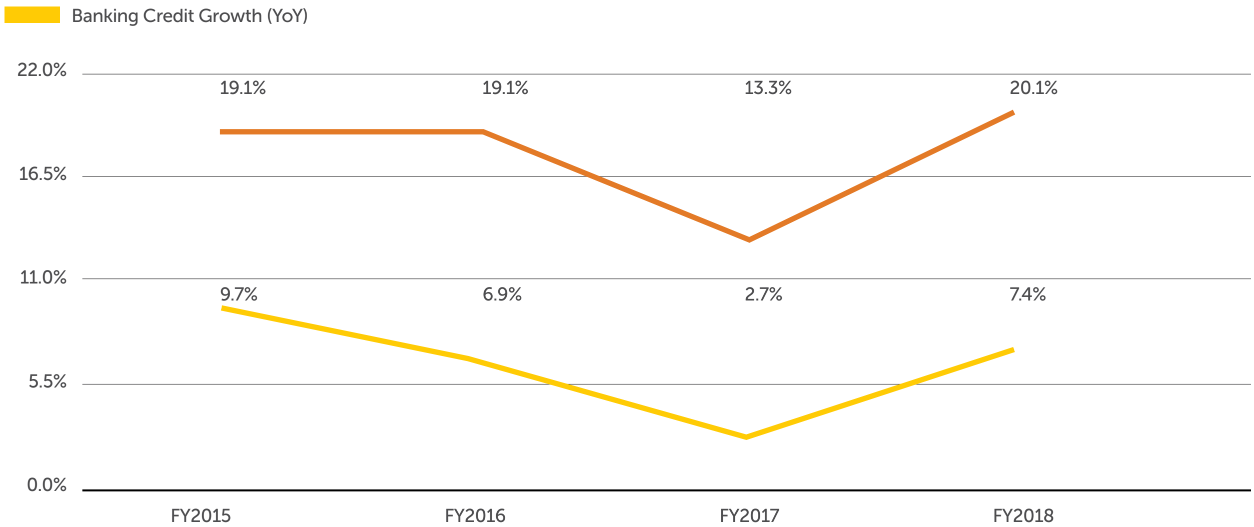
The Indian Economy Could Sustain its Rebound in FY2018 - 19

Real GDP growth rates (quarterly percentage change, year over year)



Note: Estimates for 2018 - 19 have been taken from the budget.Source: CEIC; Deloitte

Credit Growth (YoY



Source: CRISIL Research

NBFC Overview

The Non-Banking Financial Companies (NBFC) sector in India has undergone a significant transformation over the past few years and plays a major role in the growth of the Indian financial system by providing financial services to conventionally under-penetrated customers at the grass-root level in rural, semi-rural and semi-urban areas.

NBFCs have outpaced banks in its total loan disbursements, as banks are struggling with high NPAs and stretched balance sheets over the past few years. The NBFC sector is playing a critical role in the development of core infrastructure, transport, employment generation, wealth creation, economic development of the weaker sections in India. NBFC's have outperformed banks in the Mortgage Industry, by leveraging technology in credit deployment. Technology developments have helped NBFC's expand into the underserved segments that banks typically do not serve. NBFC's have carved niche business areas for themselves by understanding customers and building customised products that commercial banks find hard to provide.

Challenging Times for NBFCs

Even though the year began on a good note for the NBFCs, the market scenario changed completely by the end of September 2018. With the sudden default by a group entity of IL&FS (Infrastructure Leasing & Financial Services), there was a sudden tightness in liquidity across the sector. While most of the asset financing companies had no direct link with IL&FS or its group entities, the market witnessed panic due to the fear of a large group defaulting on its commitments. This also reduced business confidence in the NBFC sector.

As NBFCs are trying to recover from the liquidity crunch, another challenge for them is the surge in bad debt amid higher lending rates. As per a report by Institute of International Finance, NBFCs saw an increase in the lending rates in the period from March to September 2018, while there was also a fall in contribution of loans during the same period. The situation now seems to be stable, with the support of government towards NBFCs.

Outlook

India has been witnessing good growth in consumer lending in recent years and NBFCs have been growing this business much better than banks. NBFCs and HFCs are recognised as critical growth drivers. The liquidity situation has improved and is gradually returning to normalcy even as borrowing costs have increased by 0.5-2.0%.

As per India Ratings & Research, Para banks would face tighter liquidity, higher funding costs and consequently lower net interest margins (NIMs) in FY20 as they overhaul their balance sheets toward longer term borrowings. The Fitch-owned rating company expects wholesale financing NBFCs, especially those lending to real estate, micro and small enterprises (MSMEs) and large corporates, to expand slower than the retail financing NBFCs. Delinquencies could rise for wholesale lenders, especially from segments such as Loan Against Property (LAP) and retail focused areas such as affordable housing, as real estate prices have tightened to make underwriting difficult. Delinquencies in affordable housing has inched up to 2.1% in FY18 from 1.4% a year ago.

Regardless of the recent panic, NBFCs are here to stay and play an important role in economic growth and financial inclusion. As India's economy grows, the requirement for credit will rise more than proportionately. Both banks and NBFCs are required to step up to the challenge and power the economy with free-flowing credit lines.

Consumer Lending Overview

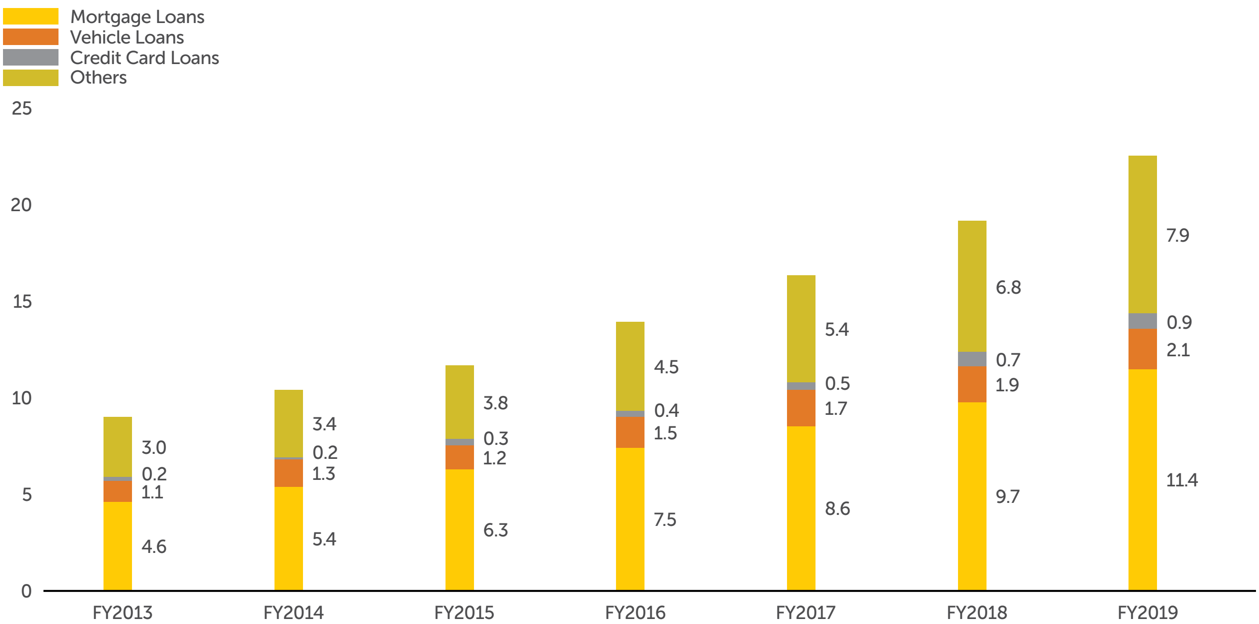
Consumer lending has grown at a healthy pace in India, and this trend is expected to continue as it is one of the key growth drivers of the Indian economy. The healthy growth levels demonstrate that credit demand by Indian consumers remains strong, and lenders have continued to make credit available to borrowers to meet that demand.

Retail lending has been one of the major growth drivers for the Indian Banking system and has witnesses a CAGR of 16.2% over the FY2013 to FY2018 period. This makes India's retail lending as one of the biggest in the emerging markets.

At the end of March 2018, mortgages accounted for 51% of total retail loans, down from 54% three year ago. Credit card loans have recorded the fastest pace of expansion, growing at a CAGR of 22.5% during FY2013-FY2018.

Retail Financial Services Industry Loans - India

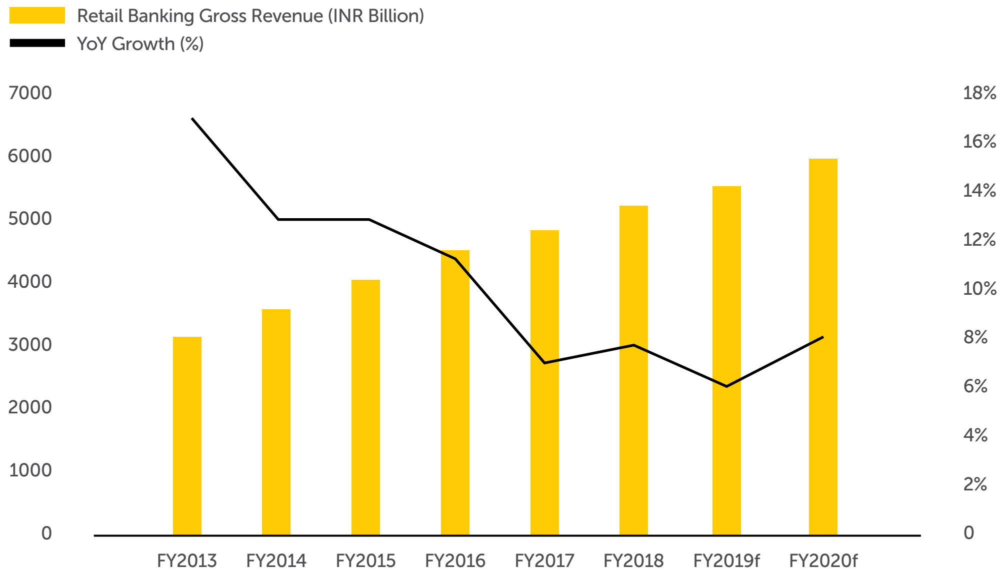
INR Trillions



Source: Asian Banker Research

Retail Banking Gross Revenue in India

INR Billions



Source: Asian Banker Research

Despite the strong retail loan growth, most Indian banks have witnessed deceleration in their retail banking revenue growth in the past two years. Total retail banking revenue of Indian banks grew by 7.5% during FY2016 and FY2018, compared to a growth rate of 17.1% for total retail banking loans.

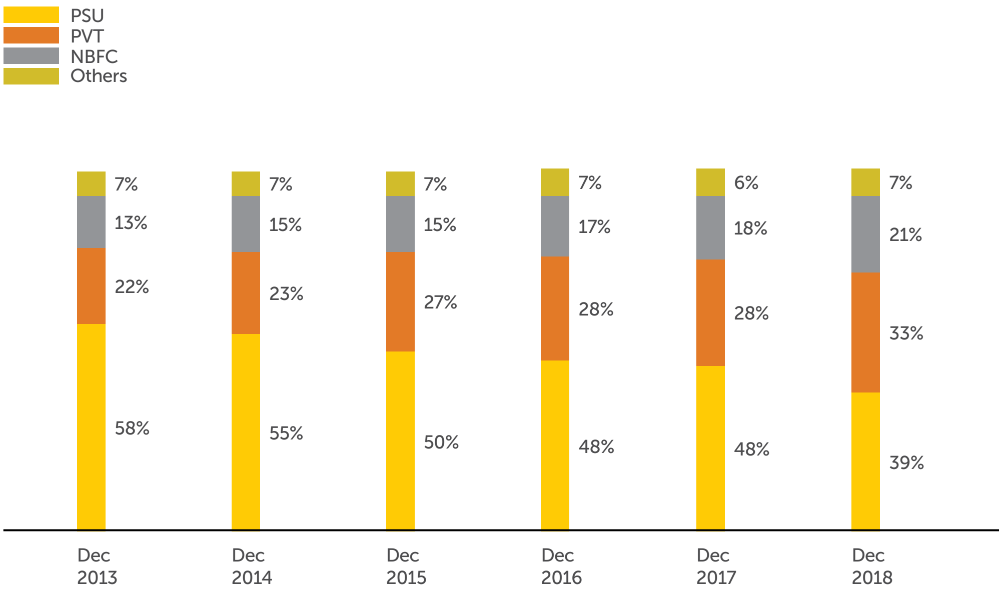
Although GDP growth has subdued in the recent quarters, the rate of overall consumer lending growth in India is still significantly higher than for most other major economies in the world. Going forward, retail banking still has immense opportunities and strong growth in Indian banks' retail lending is expected to continue, given their relatively young populations, low penetration and improving consumer purchasing power. The indebtedness of Indian households is still at relatively low levels of GDP. The growing network of banks and increasing use of digital technology will also contribute to the growth.

MSME Overview

India's Micro Small and Medium Enterprises (MSMEs) are vital for the economy as they contribute around 8% to the GDP and employ the largest number of people in the industrial and services sectors. After China, India's MSMEs base is largest in the world and the sector is engaged in the manufacturing of over 6,000 products—ranging from traditional to hi-tech items. With the support of the government through 'Make in India' along with increase in FDI inflows, the Indian MSME sector is expected to witness rapid growth.

The Financial Services Industry of India is a competitive landscape where private banks and NBFCs continues to garner market share. While the overall credit in MSME segment increased by 16.1% y-o-y (June 2017 to June 2018), the MSME portfolio for PSBs has grown only by 5.5% in the last 1 year, marking a shift from PSBs to Private Banks and NBFCs. The shift is attributed to faster turnaround time (TAT), and greater expertise in niche segments.

Share of Lenders in MSME Segment



Source: TransUnion CIBIL

Over the past few years, the MSME Finance segment has received support from the central government as they face problems such as lack of transparency, small-ticket projects, and an inability to garner collateral requirements. RBI now allows the one-time restructuring of existing debt of up to ₹ 250 million for companies that have defaulted on their payments, but the loans given have continued to be classified as standard assets. RBI has also directed banks to refrain from an asset downgrade of the account as a part of the current loan restructuring policy.

In FY2019, RBI also announced that all loans to micro small and medium enterprises (MSMEs) will qualify as priority sector lending (PSL). Up until then, only loans of up to ₹ 100 million per MSME borrower was considered for priority sector calculation. The government also supports MSMEs with the MUDRA scheme for small enterprise, as they find it more difficult to receive bank funding.

Microfinance Sector Overview

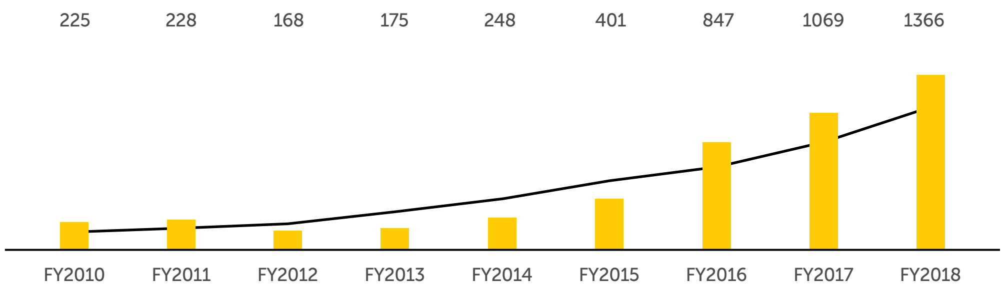
Over the years, Microfinance Institutions have been providing small scale loans and financial services to individuals primarily in rural and semi-urban areas that have traditionally been excluded from the formal financial system due to multiple constraints including their geographical presence and the unavailability of a formal financial history.

Given the strong growth drive towards financial inclusion by the government and RBI, Microfinance Institutions have assumed a key role in ensuring the reach of financial services to the target segments, enabling them to undertake income generating activities, drive self-employment and overcome the economic barriers.

Estimates show that the industry is expected to close March 2019 with a credit portfolio outstanding of nearly ₹ 20,00,000 million serving over 50 million end clients (of which 95% plus

Gross Loan Portfolio

INR Billions



Source: MFIN Micrometer, Sa-dhan Bharat Microfinance Report

are women and for most of whom this would be the first credit facility in their life) across 30 states through an employee strength of over 1 Lakhs.

As per the report by MFIN, the Microfinance Industry posted 43.1% growth in December 2018 as compared to the last year, with a total loan portfolio of ₹ 16,62,840 million. The total number of Microfinance accounts also witnessed an annual growth of 24.3% with ₹ 89.1 million in active loan accounts in Q3 FY2019.

With the huge market opportunity as the backdrop, four aspects have helped the growth so far—the RBI regulations defining the Microfinance sector post the Malegam Committee Report (MCR); the Credit Bureau discipline; funding by equity investors and priority sector lending by banks; and the licensing of the industry Self-Regulatory Organisations (SRO) - MFIN and Sa-Dhan.

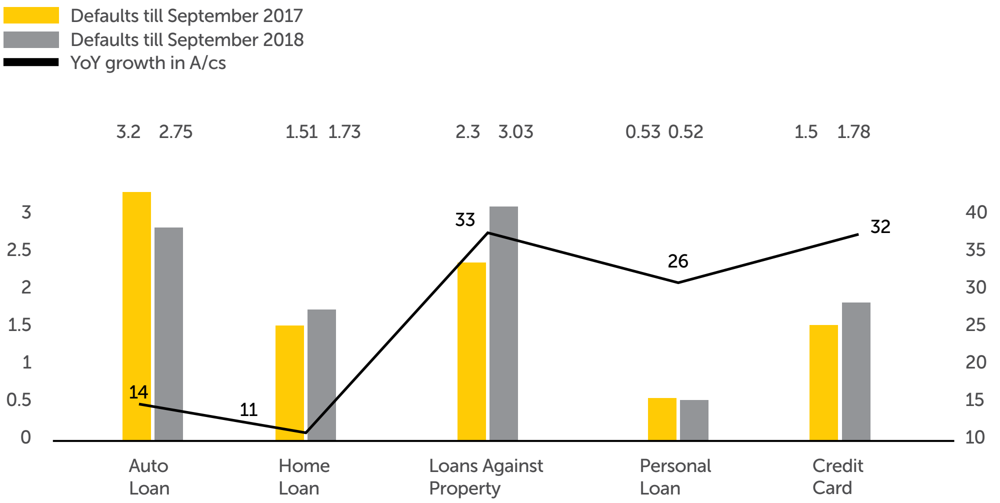
Loan Against Property (LAP)

Loan against property is a funding option (leveraging the appreciating equity of the property), which is exercised predominantly by business owners (proprietor, partners, and directors) to fund permanent working capital of a growing business.

The LAP marked a 33% increase in accounts by the end of September 2018. According to the data by TransUnion Cibil, Loans against property (LAP), which is the fastest growing segment in personal loans in 2018 across banks and finance companies, has also recorded the biggest increase in delinquencies. Defaults rose 73 basis points y-o-y to 3.03% in the quarter ending in September 2018.

Loan Against Property (LAP)

All figures in % for calendar year



Source: TU Cibil

Commercial Vehicle Loans

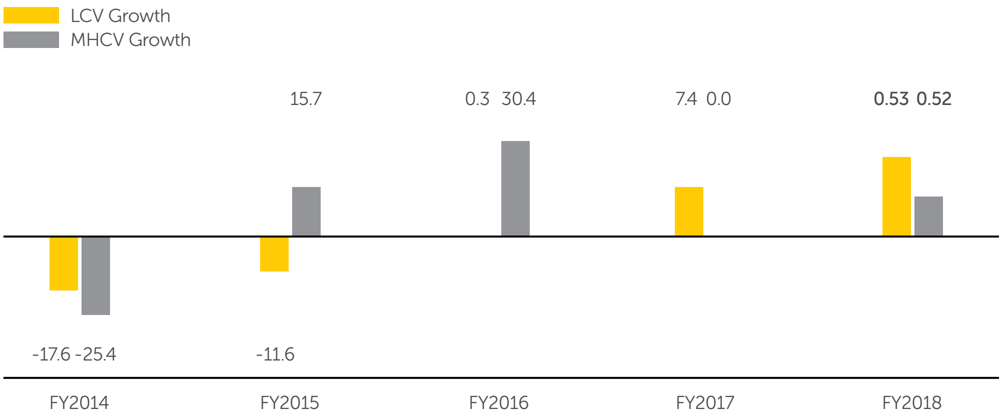
Over the last few years, the sale of commercial vehicles has been on a rise and the domestic commercial vehicle (CV) industry witnessed a strong growth of 31% till Q3 FY2019. Even though the growth was supported by the low base of the previous year when GST led disruptions and supply constraints (post BS-IV implementation) had impacted the sales significantly in Q1 FY2018, the demand for CVs during the current year has been favourably supported by a pickup in the construction sector (as reflected by strong demand Tipper trucks) as well as healthy demand from consumption driven sectors (for ICVs LCVs).[4]

Of the total sales of commercial vehicles, 35% is contributed by Medium & Heavy Commercial Vehicles (MHCV) and around 54% is contributed by Light Commercial Vehicles (LCV). Due to the improvement in consumer sentiments in semi urban and rural markets along with two consecutive years of good monsoons and a stable interest regime, the overall CV segment registered attractive growth.

As per Crisil, the vehicle finance business of NBFC is projected to grow faster by 300 bps until 2020 and will clock a CAGR (compound annual growth rate) of 15%. The growth is driven by an improving macroeconomic environment coupled with higher Government focus on infrastructure and rural areas. The market

Trend in Sales Growth in MHCV & LCV

YoY change in %



Source: SIAM, Media Reports

opportunity for NBFCs will stem from continued government investments in the roads sector, expected finalisation of the scrappage policy or the Voluntary Vehicle Modernisation Programme and higher Budgetary spends for the rural sector.

[4] ICRA Research report - Indian Commercial Vehicle Industry (Q3 FY2019 Update)

About Fullerton India

Fullerton India Credit Company Limited is one of India's leading Non-Banking Finance Companies, operating across rural and urban markets. Fullerton India has been successful in increasingly financing the needs of the under-banked and under-serviced population. The Company has strongly established itself and is spread across the country's broad financial landscape. It has an entrenched presence in the market through more than 626 branches, covering 600 towns and close to 58,000 villages. With over 13,000 employees, Fullerton India is serving over 2.8 million customers.

Fullerton India is a part of the global financial conglomerate, Fullerton Financial Holdings — a subsidiary of Temasek Holdings. The global firm is present across seven countries and invests in financial institutions in emerging markets with a focus on business and consumer banking.

Fullerton India's primary services constitute financing of SME for working capital and growth, loans for commercial vehicles and two-wheelers, home improvement loans, loans against property, loan against securities, developer funding, corporate lease rental discounting, personal loans, working capital loans for urban self-employed and loans for rural livelihood advancement, rural housing finance and financing of various rural micro enterprises.

Business Performance

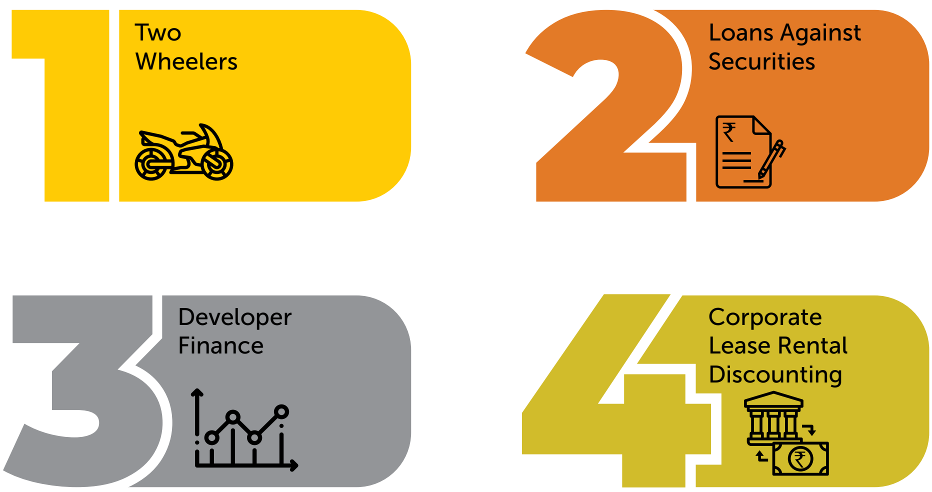
Urban Business

The Urban Business of Fullerton India reported strong growth, despite temporary disruptions caused by the overall macro-economic events impacting liquidity temporarily. With its widespread network of 229 branches across 22 states and 3 Union Territories in India, supported by an associate network of over 2500+ across India, the Urban Business services cater to over 2.26 lakhs customers.

The Urban Business has a loan book of over 123 billion and grew by 20% y-o-y. This business segment is well diversified between secured and unsecured business lines, supporting customers' unique financial requirements for personal, professional and business applications.

Our product portfolio includes Personal Loans (salaried and self-employed customers), Loans Against Property, SME Loans and Commercial

In FY2019, we added the following business lines:



Vehicle Loans. During the year, Urban Business expanded its products suite as a strategy to a further enhance our customer experience and increase brand loyalty. These products cater to the retail and MSME clients across spectrums, and strengthens the secured product offering for Fullerton India. In FY2019, we added the following business lines:

- Two Wheelers
- Loans Against Securities
- Developer Finance
- Corporate Lease Rental Discounting

Building a strong momentum and leveraging our cutting edge technology, the business continues to grow at high pace along with delivering enhanced customer experiences by way of seamless on-boarding applications; tab or Mobile application-based sourcing, scorecard or rule engine based customer evaluation; e-KYC; and robotic processes.

During FY2019, our disbursals grew despite the temporary negative impacts in one quarter and due to the temporary liquidity squeeze in market. Our AUM grew by 20% through superior customer management, the deepening of existing customer relationships, and our robust retention model. We also maintained healthy on-boarding yields to negate impact from rising COF (Cost of Funding). In addition to this, we were able to demonstrate healthy levels of profitability, with a superior ROA and ROE in this business segment.

Personal Loan (PL)

Personal Loan book continues to show robust growth even in FY19 overcoming temporary impacts from volatile macro-economic environment. In addition to robust growth in disbursal as well as book size, the business continues to deliver high return on assets and superior asset quality. The business aims to make a strategic shift towards catering the largely underserved MSME market with dedicated sales and credit verticals being set up for MSME growth. In this ever evolving market, our peregrination towards a digital ecosystem across the loan life cycle, is based on a digitisation of our processes coupled with deploying a sales app for our sales teams and channel partners, thereby ensuing reduced Turn Around Time and enabling us to serve our customers better.

Loan Against Property (LAP)

Loan Against Property forms substantial loan book under secured business. The business has gone through transformation in past few years with a strategic shift in focus towards retail and lower ticket size customers spread across affluent and under penetrated markets. The book is relatively young, leading to higher annuity and more opportunity to cross sell. There are dedicated sales and credit verticals catering to different customer segment and type of collateral such as Micro/Small and high ticket LAP. The business has worked relentlessly towards institutionalising risk based pricing during the testing macro-economic times and rising cost of funds. All loans today are at floating rates and can re-priced basis movement in FICCL Retail Prime Lending rate. Our customer retention strategy is bearing fruit with attrition rate falling sharply in FY19. Recoveries on other hand have increased significantly due to SARFAESI and other regulatory support.

Commercial Vehicle (CV)

Commercial Vehicle business witnessed an high growth in portfolio (grew by ~ 36%) during the last financial year FY19, influenced by external as well as internal factors. Industry witnessed increased in overall sales of commercial vehicle due to government supporting infrastructure growth and road construction, restriction on payload capacity and expansion in mining. Internally in FICC, distribution network was expanded by deepening penetration in existing locations and adding new branches. In financial year 2018-19, branch network was expanded from 26 to 50 locations.

We strategically focused more on individuals and small fleet operators (below 10 vehicle). With the increase in book size, we have made major strides in digitization by launching a mobile application, named "Humsafar", for sourcing of loan applications which is expected to materially reduced turnaround time and create market differentiator attracting customers and dealers, further in line with our growth plans, we have enhanced capacity in sales, credit and collections & legal.

Two Wheeler Finance

With our aim to offers wide range of products, and to leverage on our widespread network and over 2.28 lacs customers available for cross-sell, we launched Two wheeler business in select locations, on a completely digitised solution that offers seamless on-boarding and disbursal for our customers.

Developer Funding and Corporate LeaseRental Discounting (LRD):

Fullerton India started funding developers for constructing residential housing projects. These projects have to be RERA approved and are mainly into affordable housing segment. As a sub segment of this business, we have also started corporate LRD lending to entities owning prime commercial real estate which is leased to reputed companies with long term lease.

Loan Against Securities:

With increase in market capitalisation and greater participation of retail customers through expanding base of mutual fund accounts, at Fullerton India, we started Loan Against Securities (LAS), which offers funding against shares, mutual fund, bonds and exchange traded fund, focusing on retail customers.

We have hired specialised talents across product, distribution and risk. We have invested heavily into state of art technological platforms to monitor risk on real time basis.

Rural Business

Fullerton India's Rural Business, 'Gramshakti', now has a strong presence with a network of 397 branches spread across 15 states. With a wide product suite of mortgage, personal, group, two-wheeler and consumer durable loans, strong customer relationships and robust portfolio performance through which it serves more than 25 lakhs customers across 58,000 villages, towns and cities, the Gramshakti story continues to grow from strength to strength and is poised to maintain its momentum over the next financial year.

The Rural Economy continues to be poised for strong growth in the coming five years. The rural financial landscape also continues to evolve with the introduction of Small Finance Banks in the existing mix of Public, Private and Rural banks, NBFCs, NBFC-MFIs, and other entities operating in the segment.

Gramshakti, recognising the changes on the horizon, has sought to follow a multi-pronged approach for the coming years driven by our geographical diversification and rapid digitisation.

During FY2019, we expanded our Rural branch network to eastern states, spreading the geographical concentration from the south-central-west region. Of the 62 new branches opened during the year, 42 have been in the eastern states of Bihar, Odisha and West Bengal, taking the count of branches in the eastern region to 50. Each of these branches has been selected on the basis of a comprehensive scoreboard modelled on multiple factors including socio-economic factors, demographic profile, economic and political conditions, infrastructure, law and security conditions, credit culture and competitive landscapes; as well as Bureau based scores and the use of Analytics. This has enabled Gramshakti to add new customers in these geographies, while simultaneously cementing its country-wide presence in a contiguous manner.

FY2019 not only witnessed deepening customer relationships but also the launch of different product variants. Keeping in mind the requirements of the group loan segment customers, Emergency and Garima (Sanitation) Loans has been introduced while comparatively economically stronger customers now have the option to move into the personal loan segment via Samriddhi Loans.

Recognising the evolving nature of financial transactions, Gramshakti continues to follow an agile, responsive and flexible approach towards leveraging technology to maximise business opportunities including prospect targeting & acquisition, account management, and collections. Moving in as an early adopter of technology, Gramshakti continues to march towards its goal of having paper-less operations. With 100% Tablet based originations, Business Rule Engine driven decision making, and portfolio monitoring supported by analytics, group loans have paved the way forward for Gramshakti. Meanwhile, the individual loans portfolio is also transitioning to a new Loan Origination System.

Innovation remains a key driver for Gramshakti to improve the overall customer experience. Business insights along with customer socio-eco-demo profiling and credit analytics, are behind the launch of Pre-Approved Loans for Personal and Two-wheeler customers.

The Two-Wheeler (TW) 'Raftaar' App is helping bridge the Customer-Dealer-FICCL gap, bringing Gramshakti at par with other competitors. With leaner assessments, the Raftaar App for TW enhances customer value proposition while bringing down the processing time involved.

Mortgage loans continue to exhibit strong performance, augmented by Top-up loans for meeting the existing customer's credit needs during the existing loan tenor.

Aimed at to enhancing the portfolio quality, the concentration of mortgage and individual loans has been strengthened. The contribution of individual loans in the books grew to 54% while the secured portfolio contributed 33% of the total book compared to 27% last year.

With an emphasis on digitisation, collection process has been digitised to maintain collection at 99.5% against demand in Mar 2019, despite the slow-down in non-banking financial markets and its cyclical effect on collections.

To increase customer touchpoints, the Gramnidhi App has been launched for its individual customers, while the digitisation of all branch registers is expected to go live in early FY2020 — the next step to Digital Gramshakti.

We, at Gramshakti, actively engage with the community to help them build skills and advance their livelihoods, so as to increase awareness in areas of health and social issues and on financial literacy. Gramshakti also conducts cattle care programs and eye care camps for customers and their livestock including Pashu Vikas Days — single day cattle care camp organised across various locations PAN India. As part of our unique CSR initiative, we organise livelihood advancement programs among rural communities, to help them improve their quality of life, advance their livelihoods and smoothen their income streams.

Digital Lending

After US and China, India hosts the highest number of fin-tech players who have brought in instant tech-enabled lending solutions to the customers in need of finance. Through this initiative, there is a huge opportunity to serve the untapped and under-penetrated segments in India.

We have realised the potential of the new upcoming market for digital lending and have adopted strategies to leverage the evolving ecosystem. We have started Digital as a separate standalone independent vertical. We have invested over the year in technology to build up internal capabilities, build standard APIs for partner integration and build an agile Development architecture. Digital Business consists of a lean model with flat organisational structure hence proving cost effectiveness with low opex and improved efficiencies through end-to-end system integrations.

The Fullerton Digital Business has 4 Line of businesses: Direct to Customers (Website and application), E-aggregators, B2B (MSME and SME loans) and B2C (Consumer Loans).

The Fullerton Digital Business offers instant, flexible and hassle-free loans which caters to vast financial needs of the customers. Through Digital we provide personal loan to salaried employees, working capital to SMEs and individuals through various partners.

We have ramped up business in FY2019. During the year, we grew 3.4x in disbursals and 2.8x y-o-y in AUM. We also added 2.4 lakhs customers, with a large cross-sell opportunity. Additionally, we also brought on board more than 30 fin-tech partners, contributing to 2.85x of the AUM as on 31st March 2019. With in-built digital capabilities within an internal centralised processing unit (POD), our BOT went live, which enabled real time disbursement directly in the accounts of the customers.

Going forward, we aim to be a dominant online lending player in the Digital/Direct lending space by focusing on Organic (Own website and application) growth, e-Aggregator marketplaces, and Fin-tech Partnership led businesses. Along with this, we will also create a robust platform, a paper-less and touch-less environment for our customers.

On-boarded 30+ fin-tech partners contributing to 2.85 times of the AUM as on 31 March, 2019.

Marketing

At Fullerton India, the Marketing function is aligned with our business goals to ensure that our products and services, as well as our philosophy, is taken to our customers, partners and other stakeholders. We have harnessed our capabilities to create relevance and a differentiation that gives us a competitive advantage. Additionally, the Marketing function supports our brand in differentiating ourselves and emphasising our positioning.

Protecting the reputation and image of the organisation is top priority and is given primary importance by the team. We manage the end-to-end communications by leveraging external and internal communications, and also handle crisis communications. Besides this, we play a critical role in Corporate Social Responsibility (CSR), which manages the Company's respect and interest towards contributing to the society. To improvise this we engage with various NGOs and participate in their work towards improving the quality of life for our society.

We have actively participated in Local area marketing and promotions to support the organisation's expansion strategy. Through brand sponsorships and associations, we have aligned ourselves with causes and events that help us reach our target audience. With these partnerships we have already seen a positive recall with the community in generating awareness.

Digitisation

We are one of the most digitised NBFCs and continue to take rapid strides towards being a fully digital lending organisation, with processes that are touch-less and paperless. In the year under review, Fullerton India revamped its IT strategy and aligned it to the business strategy of growing profitably. Given below are the elements of the revamped IT strategy and the achievements therein:

All Digital For Digital

The Digital Business grew to three times its size when compared to last year, driven primarily through partnerships with aggregators and fin-tech partners. A brand new digital integration platform referred to as 'Hubble' has been implemented to ensure a quick and customised integration process with our Fin-tech partners. Fullerton India now has the ability to integrate all its systems with a fin-tech partner in a matter of days.

The Digital Business, in its quest to be completely digital, has also launched 10 BOTs. These BOTs allow the Digital Business to operate 24X7, ensuring the seamless processing of applications. In FY2019, they have processed more than 5,000 transactions and are growing at the rate 40% per month.

Customer Lifecycle Digitisation

In FY2019, Fullerton India implemented digital on-boarding through tablet and mobile apps for group loans, commercial vehicles, personal loans and two-wheeler loans. These tablet apps enable paperless processing and help reduce the turnaround time for the customer. In Fullerton India, 75% of all sourcing now happens digitally through a combination of Mobile Apps, Tablets and Websites.

Fullerton India believes in doing more with less, using digitisation. In FY2019, Fullerton India enhanced its loan processing capabilities through use of intelligent underwriting tools, as well as BOTs. We are now making decisions on approximately 70% of all loans booked using intelligent automated business rules and scorecards. We started adopting BOTs in the last quarter of FY2019 and witnessed very encouraging results. In the month of March 2019, approximately 2,000 loans were booked by BOTS without any human intervention.

Fullerton India also launched its servicing app mConnect that enables customers to self-service as well log service requests and complains. mConnect is available on both android as well as iOS phones. More than 250,000 service requests have been processed through the platform and forms 25% of the overall servicing. Also, its web portal has been enabled with Digital BOT DIA that helps customers resolve queries. In the month of March alone, DIA — the chat BOT — handled 1,000 service requests by itself, and this number continues to grow every month.

Collections is an important process both for Fullerton India and its customers. India has been moving towards a digital economy, and we are well positioned to take advantage of this shift for the benefit of customers and Fullerton India. Apart from the traditional modes like NACH, Debit card and Online Banking, we have also built capabilities for payment through UPI, and Aadhaar Pay for our customer. We are also amongst the first few NBFCs who are live on eNACH platform with NPCI.

In its endeavour of continuous digitization, Fullerton India, will soon launch new products like Loans Against Securities (LAS) and FlexiCredit that will deliver approximately ₹ 1,450 million in revenue.

Enterprise Digitisation

Equally important to customer life cycle digitisation is the digitisation of enterprise and employee processes. The Company has also automated its compliance management and litigation management processes. These automations have improved productivity of the enabling functions like Finance, Risk and Compliance.

Information Technology Infrastructure

Fullerton India is committed to leveraging the latest technologies, enabling revenue growth, reduced costs, improved customer experience and compliance with the regulations.

Enhancing Tech Capabilities

Fullerton India is investing heavily on technology, software development and related people skills. The Company's investment into technology grew by more than 30%. The workforce grew by more than 50% and people with new skillsets like Developers, Agile, Architects, UX, Design Thinking and Cloud have been added.

Fullerton India has also shifted from the traditional waterfall method of software development to agile software development. This allows Fullerton India to respond quickly to changes in business needs, markets and regulations.

Fullerton India has sown the seeds of service-oriented architecture (SOA) and embarked on the journey of creating APIs. With more than 50 APIs in its bag, Fullerton India is well on its way to ensure that our digital capabilities are flexible, adaptive and scalable.

Building A Secure, Reliable And Modern Infrastructure

Fullerton India has its own private cloud and is completely virtualised. With its in-house set up in order, it has cautiously ventured into public clouds to leverage the power and innovation that these platforms drive. It has converted several of its ADSL links into MPLS and now supports over 650 branches. It has invested in a brand-new DR capability, thereby ensuring continuity of business even against large scale disruptions. Security of systems and perimeter has been enhanced through implementation of SIEM, IDS, IPS and DLP systems. Fullerton India continues to audit its security capabilities through ethical hacking and regularly enhance and upgrade its security capability.

Leveraging the Latest Technologies

Artificial Intelligence and Machine Learning have been leveraged mostly for risk analytics and BOTs. It will be further leveraged in customer analytics and enhance customer journeys. RPA has been leveraged extensively to deploy 10 BOTs and will continue to be leveraged to grow into 50+ bots. In FY2020 Fullerton India plans to implement some of the latest technologies like iOT, API gateway, Event driven design, micro-services architecture, DevOps, SDWAN and Multi-cloud. These technologies and more will be leveraged to enable 100% touch-less, paperless, straight through processing that will enable instant approvals and disbursals.

Analytics

Fullerton India is committed to leverage data and analytics to spur growth, reduce losses, reduce costs and improve customer experience. It has one of the strongest risk analytics capabilities that have enabled risk-based pricing for almost all its products. The analytics team leverages the latest Machine Learning and AI algorithms as well as alternate data sources to build scorecards that enable straight through processing. 78% of all transactions were processed through these AI enabled score cards.

Treasury Management

In a year where liability management was severely tested for NBFCs, it is heartening to note that Fullerton India continued its robust Treasury Management governance. The Company had always focused on conservative liquidity management and this priority held it in good stead through the period of September to December 2018, where other NBFCs faced stress in fund raising.

In order to stay liquid, support disbursements as well as service debt repayments, the Company follows a three-pronged approach:

(I) Diversification – by instruments, lenders and across geographies

(II) Minimising refinancing risk by matching tenors of liabilities with that of assets

(III) Maintaining contingency buffers in highly liquid instruments

A diverse set of institutions aggregating over 250 in number, funds the Company. These include Indian Banks, Foreign Banks, Mutual Funds, Insurance Companies, Retiral Funds, Foreign Banks, and Foreign Portfolio Investors among other eligible lenders. They partnered in the Company's growth by way of lending, thereby enlarging the access to the pool of funds. This way the Company always maintained headroom in each of the sources. The instruments include Term Loans, which forms a large proportion along with Non-Convertible Debentures. Additionally, a small component by way of Commercial Papers provide efficiency to the funding book.

Focusing on maintaining a tight Asset Liability Management (ALM), the Company upheld an average tenor of external liabilities of around 32 months and the ALM was positive in all the tenor buckets. This is supported by the customer asset book of approximately 42 months (actuarial tenor). Additionally, overlaying shareholder funds and considering the very short-term nature of liquidity buffer, the mismatch would be lower the expected.

An adequate liquidity buffer is always maintained in form of cash and cash equivalent investments (HQLA). This provides support to continuing normal operations and avoids unexpected shocks to the business pipeline. These are maintained in highly liquid instruments, which are high rated and equivalent to cash. In addition to this liquidity buffer, available and undrawn sanctioned bank loans and fee-paying committed credit lines are used as a liquidity back up in contingencies.

During the previous year, the Company received rating upgrades from CRISIL and ICRA. Both the rating agencies now rate the Company AAA, in addition to CARE Ratings, which already had a AAA rating on the Company's long-term debt. The short-term debt of the Company has always been rated A1+, which is the highest rating.

In the third quarter of the financial year, the market turned risk averse and the funding to NBFCs tightened. The Company benefited by having a large franchise of bank lenders and saw reasonable funding from the Private Sector and Foreign Banks via term loans. As the financial market eased in the last quarter of the year, PSU Banks and Financial Institutions supported by way of loans and subscription to bonds. Due to the Company's matching strategy on liabilities, it avoided short term borrowing. This way it did not face roll-over risk or problems associated with bunching of repayments.

Due to its continuous tracking of macro variables and nimble decision making, the Asset Liability Committee of the Company was able to sustain the impact of higher cost of funds without losing profitability. This was partly offset by higher volumes as well as passing on some of the increase to customers.

As on 31st March 2019, the overall Capital Adequacy (CAR) was 19.6% and Tier I capital ratio was 14.2%, which were well in excess of RBI prescribed norms of 15% and 10% respectively.

Credit Ratings

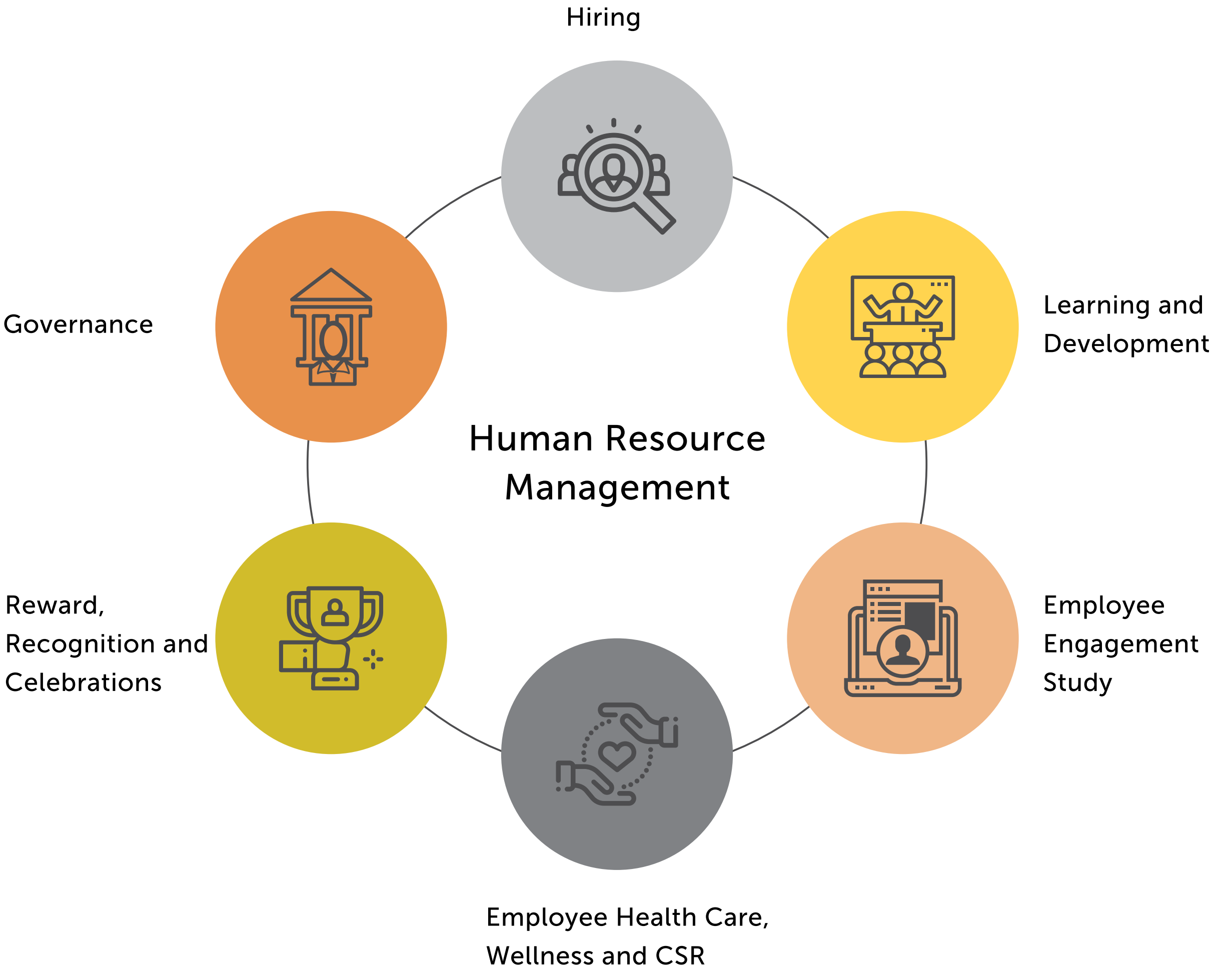
AAA from CRISIL Ratings, CARE Ratings Ltd, ICRA Ltd

AA+ from India Ratings and Research Pvt Ltd (currently no outstanding dues for senior NCD)

Human Resource Management

At Fullerton India, we believe that our employees are the heart of our business. Their invaluable contribution over the years has resulted in our great success. A significant part of the management's focus is to support our employees become happier and much more effective.

Fullerton India is an 'Employer of Choice'. Our Corporate culture is dynamic with strong roots. It provides our people with a common sense of identity and helps them make sense of their work experiences. We value Integrity, Collaboration, Innovation, Diversity, Excellence and Agility. We continuously strive to build an adaptive culture as a foundation to



our business success.

Hiring

Aligning hiring with business strategy is a top priority at Fullerton India. Hence identifying future company needs and recruiting the right people into the right roles is part of our capacity building approach.

We added over 2,570 employees across our diverse business verticals. Fullerton India is an Employer of Choice at premier institutes like IITs, IIMs and IRMA and continues to hire from these institutes.

Learning and Development

Our employee development framework is based on job attributes required to be successful in one's current and future roles and an employee's readiness for career opportunities as they become available.

Fullerton India invested in over 40,500 person-days of training, an increase of 6% over the previous year. The Company continues to partner with employees in their success and has successfully groomed internal talent who comprise of 75% of its supervisory and Country Leadership roles.

Employee Engagement Study

Fullerton India partners with Great Place To Work Institute (GPTWI) to conduct an annual engagement study to help us discover key drivers and perceptions of our employees on key aspects of workplace relationships so as to help arrive at an action agenda to leverage on strengths and bridge the gaps identified to achieve business objectives.

Employee Heath Care, Wellness and CSR

FullerLife is a well defined health care and wellness program that covers all employees across levels and is considered amongst the best in the industry.

Our CSR program touches the lives of thousands of people across the country through various year round initiatives and attempts to make a difference.

Reward, Recognition and Celebrations

Fullerton India Recognition of Excellence (FIRE) our R&R program enables us to show our genuine appreciation to our colleagues who put in the extra effort, while also making sure our people are acknowledged and rewarded while making a difference. During the year over 2,857 employees were recognised through the FIRE programme. Moreover, employees who exhibited exceptional corporate excellence were included in the 'CEO's Elite List' and were felicitated. The Company this year, presented 3,454 awards to the employees who have completed over 3, 5 & 10 years of service.

In addition, Fullerton India has a comprehensive Fun & Joy programme called JUICE that acts as a stress buster, breaks workplace monotony, leads to bonding and more effective teams and reinforces a culture of work-life balance while ensuring employees are motivated, energised and engaged.

Governance

Fullerton India continues to promote meritocracy, integrity and governance in matters of legality and compliance. With an aim to encourage employees to raise complaints without the fear of retribution or discrimination, the Company has rolled out many governance policies. The Company's Code of Conduct comprises of relevant statutes pertaining to prevention of sexual harassment and a whistle blower policy to escalate and redress issues with speed.

Risk Management

FY2019 has witnessed adoption of new technologies in the field of customer analytics, credit origination and customer service. Sophisticated analytic tools and bureau driven scorecards are now being used to maintain portfolio quality by suggesting appropriate policy interventions. Alternate data in addition to credit bureau information is being used to understand customer behaviour, thereby ensuring a robust customer selection process, especially in segments where data availability is not optimum. Adoption of best practices in underwriting and fraud detection through technology interventions has further helped in maintaining portfolio quality across products.

The Company's product portfolio is granular and well diversified with a mix of rural and urban, unsecured and secured loans products. Digital Business has been a focus area for acquisition of customers as it offers immense opportunities for growth without commensurate increase in cost. This has allowed us to offer convenient, fast and personalised experience to customers at lower cost by using digitised and accessible customer data.

Risk Framework

Risk Management at Fullerton India facilitates profitable business growth through disciplined risk management processes, to maximise returns and minimise risk. Using an optimal mix of judgmental criteria and highly advanced analytics backed decision-making platform, the Company manages risk through the lifecycle of different customer segments across diverse lending products and geographies.

Cutting edge digital platforms and algorithmic targeting techniques have been adopted to ensure right customer segment is originated. Advanced forms of machine learning models are being adopted across portfolios to get early reads of stress at an account level so that appropriate portfolio and collection activities can be undertaken well in advance to minimise credit losses. In addition, periodic assessment of portfolios through stress test under different scenarios help in assessing portfolio resilience to external shocks and ensure a robust well capitalised balance sheet.

Country Risk Assessment

Fullerton India takes into consideration the various macroeconomic and portfolio indicators to arrive at an overall country risk assessment. Post discussion and approval by the Board of Directors, the same is applied for decision making across the consumer life cycle including underwriting, portfolio management, collections and treasury management.

Risk Appetite Framework

At the core of Fullerton India's risk management approach, there is a clear understanding of its desired risk appetite. The risk appetite framework approved by the Board of Directors covers different type of risks the organisation is exposed to and also clearly defines the Company's risk taking perimeters.

Future growth path is guided by this framework wherein metrics like return on equity, volatility in earnings, liquidity risk, credit risk concentration risk, operational and information security risk are factored. This ensures that resources are committed in appropriate segments that optimise the risk profile of Fullerton India.

Product Policy, Governance and Monitoring Framework

Fullerton India has detailed product approval documents that take into consideration prevailing market conditions, industry wide applicable product norms and sectoral portfolio performances. This helps in adopting a framework for customer selection, credit acceptance and credit underwriting processes for sanctioning and booking each loan. These programs are approved by the Risk Oversight Committee (ROC). Credit policies are then designed, which provides an in-depth guideline around the target market, customer selection and credit acceptance criteria, credit approval methodology, verification, post disbursement monitoring, collections and remedial portfolio management policies.

A strong 'Test and Control' mechanism helps in evaluating the efficacy of each policy. There is a detailed review mechanism, where the effect of the implemented policies are reviewed on a periodic basis to ensure that they adequately protect the Company from credit risk arising out of changes in macroeconomic, industry / segment level and other consumer behavioural attributes.

Risk Mitigation

Credit Underwriting Risk Management

A prudent mix of centralised, decentralised and Hub and Spoke locations at Fullerton India ensures efficient underwriting framework where each application undergoes rigorous credit assessment, approval and administration processes. Systemic process automations like Business Rule Engine, ensures fast and efficient implementation of Policy rules through minimal human intervention.

Operational Risk Management

Operational Risk framework implementation is executed by Operational Risk Management Team in partnership with first line of defence. Operational Risk Management Committee comprising of Senior officials of the Company and who is responsible for successful implementation through adequate and effective controls and processes.

Information Security Risk Management

The Cyber and Information Security Framework has been strengthened with the implementation of advanced tools and procedures, like active defence, incident & network traffic analysis, web proxy & advanced firewall to meet objectives of building cyber security resilience and safeguard customer data against evolving threats.

Fraud Risk Management

The Company uses a mix of manual as well as Fintech enabled system assistance to prevent frauds and raise red flags at early stage of loan application across product lines.

Liquidity Risk Management

A strong in-house treasury team helps to manage risks related to liquidity, investments, interest rate and borrowings through implementation of stringent policies.

Internal Controls

Fullerton India has instituted adequate internal control systems commensurate with the nature of its business and size of operations. These systems ascertain that transactions are authorised, recorded and reported correctly. The company ensures adherence with all internal control policies and procedures as well as compliance with all regulatory guidelines in respect of business, risk, branches and support functions. The Audit Committee of the Board of Directors reviews the adequacy of these systems. All significant audit observations of the Internal Auditors and follow-up actions were duly reported upon and discussed at the Audit Committee. During the year under review, 'Internal Control Framework' was evaluated on the design and effectiveness of controls by an Independent Risk Advisory Consultant and was found to be in accordance with the Internal Financial controls requirement of Companies Act, 2013.

Cautionary Statement

Statements made in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations may be "Forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the government regulations, tax laws and other statutes and other incidental factors.

Standalone financials as per IND AS

Analysis of the Financial Statements

During the year, the Company has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from 1 April, 2018, with a transition date of 1 April, 2017. These financial statements for the year ended 31 March, 2019 are the first financial statements the Company has prepared under Ind AS. The financial statements for the year ended 31 March, 2018 have been restated in accordance with IND AS for comparative information.

As at 31 March, 2019, the Assets Under Management (AUM) of the business was ₹ 2,154,187 Lakhs, crossing a major milestone of ₹ 2,000,000 Lakhs during FY2019. The Company's book size increased by ₹ 5,63,541 Lakhs from ₹ 1,561,411 lakhs in FY2018 to ₹ 2,124,952 lakhs in FY2019. Gross Income increased by 53% to ₹ 413,812 lakhs (FY2018: ₹ 271,262 Lakhs). The Company's Profit before tax was ₹ 119,433 lakhs (FY2018: ₹ 52,668 lakhs) and the Profit after tax increased by 122% to ₹ 77,522 lakhs (FY2018: ₹ 34,963 Lakhs).

Operating Results Information

Particulars	FY 2018	FY 2019	% change
Interest Income	2,59,337	3,96,471	53.0
Interest Expense	98,021	1,43,882	46.8
Net interest income	1,61,316	2,52,589	56.6
Non-interest income			
- Fee income[1]	4,521	6,384	41.2
- Net gain on fair value changes on financial assets measured at FVTPL-Unrealized	314	185	(40.9)
- Net gain on fair value changes on financial assets measured at FVTPL-Realized	557	3,829	>100
- Other income[2]	6,533	6,943	6.3
Operating income	1,73,241	2,69,930	55.8
Operating expenses	73,611	99,288	34.9
Operating profit	99,630	1,70,642	71.3
Provisions and write-offs (net of write-backs recoveries)	46,962	51,209	9.0
Profit before tax	52,668	1,19,433	>100
Tax, including deferred tax	**17,705**	**41,911**	**>100**
Profit after tax	**34,963**	**77,522**	**>100**

₹ in lakhs, except percentages

Note:

1. Includes Commission on Life Insurance, General Insurance, IHO, Third Party Products.
2. Includes Ancillary Income from operations e.g. foreclosure, bounce, penal, enrollment etc.

Net interest income and spread analysis

The following table sets forth the net interest income and spread analysis.

Particulars	FY 2018	FY 2019	% change
Interest income	2,59,337	3,96,471	52.9
Interest expense	98,021	1,43,882	46.8
Net Interest income	**1,61,316**	**2,52,589**	**56.6**
Average interest-earning assets[1]	1,347,949	1,976,701	46.6
Net interest margin[2]	12.0%	12.8%	80 bps

₹ in lakhs, except percentages

Note:

1. Average interest - earning assets comprised of average daily balances of interest-earning portfolio loans (net of write-offs) and interest bearing investments.
2. Net interest margin equals to net interest income divided by average interest-earnings assets.

Net interest income increased by 57% to ₹ 2,52,589 lakhs (₹ 1,61,316 lakhs in FY2018) due to increase in average interest-earning assets and other interest bearing investments.

The yield on interest-earning assets has remained steady at 20.08% in FY2019 (19.25% in FY2018). Average cost of funds has reduced to 8.9% in FY2019 from 9.0% in FY2018, resulting in an increase in interest margin by 10 bps.

The following table sets forth the trend in average interest-earning assets and average interest-bearing liabilities.

Particulars	FY 2018	FY 2019	% change
Average Earning Asset	12,45,539	18,57,980	49.2
Interest earning investments	42,884	71,756	67.3
Other interest earning assets	59,526	46,965	(21.1)
Total interest earning assets	**13,47,949**	**19,76,701**	**46.6**

₹ in lakhs, except percentages

Note: Average balances are the daily averages of balances.

Average Earning Assets increased by 49.2%, from ₹ 12,45,539 lakhs in FY2018 to ₹ 18,57,980 lakhs in FY2019. Growth was contributed by Rural loans, Digital loans and Retail loans. Increase in average interest earning investments was due to surplus liquidity buffers maintained to meet commitments & obligations.

Non-interest expense

The following tables set forth the principal components of non-interest income.

Particulars	FY 2018	FY 2019	% change
Fee income[1]	4,521	6,384	41.2
Net gain on fair value changes on financial assets measured at FVTPL-Unrealized Gain	314	185	(40.9)
Net gain on fair value changes on financial assets measured at FVTPL- Realized Gain	557	3,829	>100
Other income[2]	6,533	6,943	6.3
Total Non-Interest Income	**11,925**	**17,341**	**45.4**

₹ in lakhs, except percentages

Notes:

1. Fee Income includes Commission on Life Insurance, General Insurance, IHO, Third Party Products.
2. Other Income includes foreclosure income, enrollment income, and bounce charges forming part of ancillary income from operations.

Fee income includes insurance fee of ₹ 3,747 lakhs and third party products ₹ 2,637 lakhs. Net gain on fair value change on financial assets includes realized and unrealized gains. Increase in realized gain was largely due to increase in holding period of liquid investment for maintaining higher liquidity buffers.

Non-interest expense

The following table sets forth the principal components of non-interest expense.

Particulars	31March 2018	31March 2019	% change
Employee benefit expense	46,146	57,714	25.1
Depreciation	3,340	3,559	6.6
Other administrative expenses	24,125	38,015	57.6
Total non-interest expense	**73,611**	**99,288**	**34.9**
Provisions and write-offs	**46,962**	**51,209**	**9.0**

₹ in lakhs, except percentages

Employee expenses for FY2019 increased by 25.1% over FY2018 due to an increase in employees' strength by 21% from 10,795 to 13,062. Employee costs accounted for 58% of total non-interest expense for FY2019 which is lower than FY2018 (63%).

During the year, company has added 66 new branches for its business expansion and aspires to scale up the business through strategic initiatives. Other administrative expenses have increased by 57.6% to reach ₹ 38,015 lakhs in FY2019 (₹ 24,125 lakhs in FY2018) reflects the business expansion and growth plan.

Provisions and write-off consisting of bad debt write off (net of recoveries), expected credit loss (ECL) on Stage 3, Stage 1 and 2 assets and provision for diminishing investment value, increased from ₹ 46,962 lakhs for FY2018 to ₹ 51,209 lakhs for FY2019. Bad debts and write offs (net of recoveries) during the year decreased by ₹ 29,197 lakhs. This was off-set by ₹ 33,444 lakhs from higher provisioning under new accounting standard regime of IND AS.

Financial condition

Assets

The following table sets forth the principal components of assets.

Assets	FY 2018	FY 2019	% change
Cash and Bank Balances	77,770	71,725	(7.8)
Investments	**90,650**	**1,91,675**	**>100**
- Certificate of Deposits / NCD's	33,174	84,755	>100
- Equity / Preference investment	43,066	57,966	34.6
- Other investments	14,410	48,954	>100
Advances (Net of Provisions)	15,30,735	20,89,638	36.5
Property, plant and equipment (including intangibles)	7,415	10,484	41.4
Other assets	31,086	33,985	9.3
Total assets	**1,737,656**	**2,397,507**	**38.0**

₹ in lakhs, except percentages

Note: All amounts have been rounded off to the nearest lakhs.

Total assets increased by 38.0% from ₹ 17,37,656 lakhs at 31 March 2018 to ₹ 23,97,507 lakhs at 31 March 2019, primarily due to an increase in portfolios loans. Investments have doubled from ₹ 90,650 lakhs at 31 March 2018 to ₹ 191,675 lakhs at 31 March 2019. Increase in liquid investments depicts higher liquidity buffer maintained to mitigate temporary liquidity squeeze in market.

Total Advances have grown by 36.5% from ₹ 15,30,735 lakhs at 31 March 2018 to ₹ 20,89,638 lakhs at 31 March 2019.

Asset quality and composition

The following table sets forth, at the dates indicated, the composition of outstanding portfolio.

Particulars	31March 2018		31March 2019	
	Total Retail Advances	% of Total Retail Advances	Total Retail Advances	% of Total Retail Advances
Personal Loans[1]	895,074	57.3	12,24,495	57.6
Loan Against Property	527,108	33.8	6,48,018	30.5
Two Wheeler	13,495	0.9	21,444	1.0
Commercial Vehicle	113,050	7.2	148,148	7.1
Others[2]	12,684	0.8	82,847	3.9
Total portfolio	**1,561,411**	**100.0**	**2,124,952**	**100.0**

Note:

1. Personal Loans includes Group Loans
2. Includes Digital loans

The Company focuses broadly on Personal Loans, Loan against property and commercial vehicles loans. Loans against property are secured product in nature. During year, company has taken new initiatives through launching Developer Funding, Two Wheeler and Loans against Shares. Digital loans have increased 3X against the last year.

Loans against property continued to be highly-competitive throughout the year, specifically during liquidity squeeze period starting from September to January 2019. Despite such liquidity squeeze, growth reflects rural footprints with deeper penetration across existing states and targeting new customers.

Classification of loans

The Company classifies assets as performing and non-performing as per IND AS 109. An asset is classified as non-performing / Stage 3 assets if any amount of interest or principal remains overdue for period of 90 days or more. In accordance with IND AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets. At 31 March 2019, total general provision held against Stage 1 and Stage 2 assets was ₹ 44,833 lakhs compared with ₹ 32,654 lakhs at 31 March 2018.

The ratio of GNPA stood at 2.01% in FY2019 as against 2.43% in FY2018. Net NPAs decreased from 1.42% as at FY2018 to 1.0% as at FY2019. During FY2019, the Company write-off NPAs with an aggregate amount of ₹ 45,307 lakhs compared to ₹ 76,063 lakhs during FY2018. Company's provision coverage ratio (i.e. total provisions made against NPAs and prudential write-offs as a percentage of gross NPAs and prudential write-offs) at 31 March 2019 is 76.3%.

Liabilities

The following table sets forth the principal components of liabilities (including capital and reserves).

Liabilities	As at March 2018	As at March 2019	% change
Equity Share Capital	198,007	2,01,150	1.6
Reserves	75,093	1,64,037	>100
Borrowings	1,382,441	19,37,400	40.1
- Bank Loans	518,837	6,70,147	29.2
- Non-Convertible Debentures	714,369	10,51,921	47.3
- Commercial Paper	149,235	2,15,332	44.3
Other liabilities	82,115	94,920	15.6
Total liabilities	**1,737,656**	**23,97,507**	**38.0**

₹ in lakhs, except percentages

Note: All amounts have been rounded off to the nearest lakhs.

Total liabilities (including capital and reserves) increased by 38.0% from ₹ 1,737,656 lakhs at 31 March 2018 to ₹ 2,397,507 lakhs at 31 March 2019. During the year, capital of ₹ 15,000 lakhs were injected in September 2018 (of which ₹ 3,143 lakhs was part of equity share capital and ₹ 11,857 lakhs was part of reserves) and same was further invested in the subsidiary.

Prudent asset liability management (ALM) with continued focus on raising long term debts and a judicious mix of borrowings between banks; capital markets have helped Company to maintain its cost of borrowings. As of 31 March 2019, total borrowings stood at ₹ 19,37,400 Lakhs of which Tier-II subordinated debt included ₹ 1,11,181 Lakhs as at 31 March 2019.

The Company continues to closely monitor liquidity in the market and as a part of its ALCO strategy it reduces this risk by maintaining adequate liquidity buffer. Despite headwinds of market liquidity squeeze in FY2019, the company with its robust ALM policy and management able to face challenge and strongly bounced back with strong disbursals in last quarter of the year.

The Company has assigned ₹ 102,328 Lakhs of its receivables including ₹ 21,535 Lakhs assigned during the FY2019. The net receivables due as on 31 March 2019 amounted to ₹ 29,230 lakhs.

Key ratios

The following table sets forth key financial ratios:

Particulars	31 March 2018	31 March2019
Capital Adequacy – Total (%)	18.8	19.6
Return on average equity (%)[1]	13.5	24.5
Return on average assets (%)[2]	2.8	4.1
Debt Equity Ratio	5.0	5.3
Interest Coverage Ratio	1.5	1.8
Earnings per share	1.8	3.9
Book value per share	13.8	18.2
Cost to income (%)[3]	42.5	36.8

Notes

1. Return on average equity is the ratio of the net profit after tax to the averages of monthly balances of equity share capital and reserves.
2. Return on average assets is the ratio of net profit after tax to average monthly balances of total assets.
3. Cost represents operating expense. Income represents net interest income plus non-interest income.

The total capital adequacy ratio, computed in accordance with RBI guidelines, increased by 0.8% and was at 19.6% as at 31 March 2019, with a Tier-1 capital adequacy ratio of 14.2% compared to a total capital adequacy ratio of 18.8% and Tier-1 capital adequacy ratio of 14.0% as at 31 March 2018.

Return on average equity (ROE) increased to 24.5% as compared to 13.5% in previous year, indicating a significant increase of 11.0%, majorly due to decrease in credit cost, better cost to income ratio and increase in average earning assets by ~47%.

Debt Equity Ratio stood at 5.3 times as against 5.0 previous year, Increase in Debt Equity ratio was due to increase in borrowings to fuel the business growth.

Interest Coverage Ratio increased from 1.5 times to 1.8 times in FY2019 mainly due to increase in operating profits. ICR indicates strong coverage to interest payouts and depicts strong investor's confidence in the company.

Report on Corporate Governance

I. Corporate Governance Philosophy and Practice

Fullerton India Credit Company Ltd (FICCL) believes that Corporate Governance encompasses a set of systems and practices to ensure that the Company's affairs are being managed in a manner which ensures accountability, transparency and fairness in all transactions. It also understands and respects its fiduciary role and responsibility towards its shareholders, customers, employees and bankers and strives hard to meet their expectations.

The Company has infused the philosophy of corporate governance into all its activities. The Board of Directors of the Company provides strategic supervision and the Company's leadership team performs strategic management activities. In addition to compliance with regulatory requirements, FICCL endeavors to ensure highest standards of ethical and responsible conduct.

The Company continually focuses on upgrading its governance practices and systems to effectively meet the new challenges faced by the Company. It is also committed to achieve and maintain the highest standards of corporate governance by timely and accurate disclosure of information regarding the performance of the Company.

The constitution of the Board and its Committees are in compliance with the provisions of the Companies Act, 2013 and the RBI regulations. The Company has complied with the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter "LODR, 2015").

II. Board of Directors

The Corporate Governance principles of the Company ensure that the Board remains informed, independent and provides guidance to the Company. Further the Board is fully aware of its fiduciary responsibilities and recognises its responsibilities to stakeholders to uphold the highest standards in all matters concerning FICCL.

All the Directors of the Company are well qualified persons of proven competence and possess the highest level of personal and professional ethics, integrity and values. The Directors exercise their objective judgment independently. The Board is committed towards representing the long term interests of its stakeholders. The Board members actively participate in all strategic issues which are crucial for the long term development of the organisation.

As on date, the Board comprises eight Directors, with one Executive Director (Managing Director), five Independent Directors and two Non-Executive Directors. The Chairman of the Board is a Non-Executive Director.

None of the Independent and Non-Executive Directors had any material pecuniary relationship or transactions with the Company.

Four Board meetings were held during the year on:

i. 18 May, 2018;

ii. 06 September, 2018;

iii. 11 December, 2018; and

iv. 13 March, 2019

The time gap between any two meetings was less than 120 days and at least one meeting was held in every quarter.

As a matter of good governance the dates of the Board meetings are fixed in advance for the full calendar year to enable maximum attendance and participation from all the Directors. The relevant background materials of the agenda items are distributed well in advance of the meetings. All material information is presented for meaningful deliberations at the meeting. The Board on a continuous basis reviews the actions and decisions taken by it and by the Committees constituted by it.

The Board members meet the senior management personnel from time to time.

The names of the Directors, attendance at Board Meetings and Annual General Meeting during the year, the number of other Directorships and Committee Memberships held by them as on 31 March, 2019 are as follows:

Name of the Director	Category of Directorship (i)	Board meetings attended out of 4 held	Attendance at the last AGM held on 06 July, 2018	Number of other Directorships		Number of Committee memberships (iv)
				in other Indian public limited companies (ii)	in other Companies (iii)	
Mr. Gan Chee Yen, Chairman	NED	4/4	No	Nil	14	Nil
Ms. Rajashree Nambiar	CEO & MD	4/4	Yes	1	Nil	Nil
Mr. Anindo Mukherjee	NED	4/4	No	2	7	2
Mr. Kenneth Ho @ (Resigned w.e.f. 26 October, 2018)	NED	2/4	No	Nil	1	Nil
Dr. Milan Shuster	ID	4/4	No	1	Nil	1
Ms. Sudha Pillai	ID	4/4	No	7	1	5
Ms. Renu Challu	ID	4/4	No	6	Nil	6
Mr. Premod Thomas	ID	4/4	No	Nil	4	Nil
Mr. Shirish Apte	ID	2/4	No	1	7	Nil

Notes:

i. @ Mr. Kenneth Ho stepped down as NED w.e.f. 26 October, 2018 from the Board of the Company;

ii. * "Others" excludes the Company itself:

MD – Managing Director

ED – Executive Director

NED – Non Executive Director

ID – Independent Director

iii. Comprises public limited companies incorporated in India.

iv. Other Companies comprises private limited companies incorporated in India, foreign companies and Section 8 companies.

v. Only membership/chairmanship of the Audit Committee and Shareholders'/Stakeholders Relationship Committee held in public limited companies have been considered.

vi. None of the Directors of the Company hold Directorship in more than 10 Public Companies or is a member in more than 10 Committees or acts as Chairman of more than 5 Committees across all companies in which he or she is a Director.

Separate Meeting of Independent Directors

During the year under review, in line with requirements of schedule IV to the Companies Act, 2013 read with the provisions of Section 149(8) of the Companies Act, 2013 the Independent Directors of the Company had a separate meeting on 13 March, 2019 without the presence of the management team and non-independent directors of the Company.

Director seeking reappointment

Mr. Gan Chee Yen

Mr. Gan Chee Yen will be retiring at the forthcoming AGM. He being eligible has offered himself for re-appointment. The brief profile of Mr. Gan Chee Yen is as under:

Mr. Gan has been the Chairman of the Company since November, 2011. He is Chief Executive Officer at Fullerton Financial Holdings International Pte Ltd

(FFH). FFH, a wholly-owned subsidiary of Temasek Holdings, invest in financial institution in emerging markets. Prior to his current appointment, he was the Co-Chief Investment Officer and Senior Managing Director at Temasek International Pte Ltd. He has been a Board member of FFH and a Board Commissioner of Bank Danamon since 2003. He currently sits on the Board of several Temasek portfolio companies such as Surbana Jurong Private Limited, CEI Limited and ST Asset Management. Mr. Gan is a member of the Institute of Singapore Chartered Accountants. He has received his Bachelor of Accountancy from the National University of Singapore. He has also participated in the Harvard Program for Management Development in 2001.

Mr. Gan Chee Yen does not hold any shares in the Company.

III. Board Committees

(a) Audit Committee

Terms of Reference

The powers and terms of reference of the Audit Committee are comprehensive and include the requirements as set by Section 177 of the Companies Act, 2013. The Committee is vested with necessary powers as defined in its charter to achieve its objectives. The role of the Committee in brief includes the following:

- To review appointment and removal, of Internal and external auditors
- To monitor the auditors' independence and performance, and effectiveness of internal and external audit process
- To formulate the scope, functioning, periodicity and methodology for conducting the internal audit and to approve the internal audit plans
- To review financial statements, oversee the financial reporting process;
- Examination of the internal and external auditors' reports and findings
- Reviewing the adequacy of internal control systems
- To review related Party Transactions of the company
- To conduct scrutiny of inter-corporate loans and investments
- To approve valuation of undertakings or assets or net worth of a company or its liabilities
- To oversee the vigil mechanism for directors and employees
- To approve provision of any other services by auditors apart from audit

Composition:

The Audit Committee currently comprises of two independent directors and one non-executive director. All the members of the Audit Committee are financially literate and persons of proven competence and integrity. The Company Secretary acts as the Secretary to the Committee. The Statutory Auditors and Internal Auditors are invited to the meeting to bring out the issues which they may have with regards to finance, operations, processes, systems and other allied matters.

The Audit Committee Meetings were held on the following dates and the necessary quorum was present at all the meetings:

i. 18 May, 2018;

ii. 06 September, 2018;

iii. 31 October, 2018;

iv. 11 December, 2018; and

v. 13 March, 2019

The details of the composition of the Committee and attendance at its Meetings are set out in the following table:

Name of Member	Number of Meetings Attended
Dr. Milan Shuster, Chairman	5/5
Mr. Anindo Mukherjee (Inducted as member w.e.f. 26 October, 2018)	3/5
Ms. Sudha Pillai	5/5
Mr. Kenneth Ho (Ceased to be member w.e.f 26 October, 2018)	2/5

The proceedings of the Audit Committee Meetings were noted by the Board of Directors at their meetings.

(b) Risk Oversight Committee

The Company has a comprehensive, well-established and detailed risk management framework. The Company especially focuses on improving sensitivity to assessment of risks and improving methods of computation of risk weights, processes and procedures. The Company has constituted a Risk Oversight Committee to identify, review and control key risk areas, across the entire organisation as per the requirements of RBI guidelines.

Terms of Reference

Risk Oversight Committee is a dedicated Board-level committee that monitors the risk management in the Company. The risk assessment and mitigation procedures are reviewed by the Board periodically. The role of the Committee in brief includes the following:

- Oversee the development of risk policies and strategies
- Implement risk policies relevant to all business units
- Ensure that all activities are in compliance with the Prudential Regulations and also within the framework of the policies and controls established by the relevant units of the Company
- Formulate the policy for the consideration of the Board on client profile, products and risk return matrix on the asset side
- Studying the market with regards to interest rate risk, currency risk and other financial risks
- Formulating the policy on raising the resources based on the perceived risk parameters
- Sanction of the credit limits within ceiling prescribed by the Board
- Determining the terms of the sanction such as the interest rate, security, repayment, documents, etc. within the overall credit policy of the company

The Risk Oversight Committee (ROC) controls and manages the inherent risks relating to the Company's activities in the following categories:

- Credit Risk
- Market Risk/Liquidity Risk
- Liquidity Risk Management
- Currency Risk
- Interest Rate Risk
- Operational Risk
- Regulatory/Reputational Risk, etc.

Composition

The Risk Oversight Committee currently comprises of two independent directors and one non-executive director.

Meetings

The Risk Oversight Committee meetings were held on the following dates and the necessary quorum was present at all the meetings:

i. 18 May, 2018;

ii. 06 September, 2018;

iii. 11 December, 2018; and

iv. 13 March, 2019

The details of the composition of the Committee and attendance at its Meetings are set out in the following table:

Name of Member	Number of Meetings Attended
Mr. Premod Thomas, Chairman	4/4
Mr. Kenneth Ho (Ceased to be member w.e.f. 26 October, 2018)	2/4
Mr. Anindo Mukherjee (Inducted as member w.e.f. 26 October, 2018)	2/4
Ms. Renu Challu	4/4

The proceedings of the Risk oversight Committee Meetings were noted by the Board of Directors at their meetings.

(c) Nomination and Remuneration Committee

The Company has a Nomination & Remuneration Committee (NRC) pursuant to the requirements of Section 178 of the Companies Act, 2013. The Committee is vested with necessary powers, as per its Charter approved by the Board.

The Terms of Reference of Nomination and Remuneration Committee in brief are as under:

Nomination Functions:

- Review the structure, size and composition of the Board
- Formulate the criteria for evaluation for determining qualifications, positive attributes and independence of directors
- Be responsible for identifying and nominating for the approval of the Board, persons who are qualified to become directors and who are "fit and proper as director" and may be appointed in senior management in accordance with the criteria laid down
- Carry out evaluation of the directors' performance
- Evaluate suitable candidates and approve the appointment of the CEO and the Company's Leadership Team members
- Formulate plans for succession for the CEO and the Leadership Team members
- Re-appoint any non-executive director at the conclusion of his or her specified term of office.

Remuneration Functions:

- Recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees
- Determine and recommend to the Board the remuneration payable to the directors
- Recommend the compensation for the CEO & MD, and each of the Leadership Team members
- Recommend the compensation strategy and budget covering all employees of the Company
- Review deployment of key Human Capital strategies and tools.

Composition

The Nomination and Remuneration Committee currently comprises of two independent directors and one non-executive director.

Meetings

The Nomination and Remuneration Committee meetings were held on the following dates and the necessary quorum was present at all the meetings:

i. 18 May, 2018;

ii. 11 December, 2018; and

iii. 13 March, 2019

The Committee meets on need basis.

The details of the composition of the Committee and attendance at its meetings are set out in the following table:

Name of Member	Number of Meetings Attended
Dr. Milan Shuster, Chairman	3/3
Mr. Gan Chee Yen	3/3
Ms. Renu Challu	3/3

The proceedings of the Nomination and Remuneration Committee meetings were noted by the Board of Directors at its meetings.

(d) Corporate Social Responsibility (CSR) Committee

The Company has a Corporate Social Responsibility (CSR) Committee to comply with the requirements of Section 135 of the Companies Act, 2013. The Committee is vested with necessary powers, as laid down in its charter to achieve its objectives.

Terms of Reference

The Terms of Reference of the CSR Committee in brief are as under:

- To recommend to the board the Company's CSR policy
- To monitor implementation of the CSR Policy of the Company, to review CSR programs, reports on CSR activities, recommend changes or alterations if any;
- To recommend the amount of expenditure to be incurred on different CSR activities
- To institute a transparent monitoring mechanism for ensuring implementation of the projects/programs/activities proposed to be undertaken by the company and review the amount spent on them
- To review synergy or alignment for various CSR activities along with partners
- To review and finalise the Annual CSR Report reflecting fairly the Company's CSR approach, policies, systems and performance.

Composition

The CSR Committee currently comprises of two independent directors and one non-executive director.

Meetings

The CSR Committee meetings were held on the following dates and the necessary quorum was present at all the meetings:

i. 06 September, 2018

ii. 13 March, 2019

The Committee meets on need basis.

The details of the composition of the Committee and attendance at its Meetings are set out in the following table:

Name of Member	Number of Meetings Attended
Mr. Gan Chee Yen, Chairman	2/2
Ms. Sudha Pillai	2/2
Ms. Renu Challu	2/2

The proceedings of the CSR Committee Meeting were noted by the Board of Directors at its meeting.

(e) IT Strategy Committee Meeting

The Company has an IT Strategy Committee to comply with the requirements of Reserve Bank of India ("RBI"), as in its Master Circular – Information Technology framework for NBFC sector dated 8 June, 2017. The Committee is vested with necessary powers, as laid down in its charter to achieve its objectives.

Terms of Reference

Terms of Reference of the IT Strategy Committee had been approved by the Board in its meeting held on 14 December, 2017.

The Terms of Reference of the IT Strategy Committee in brief are as under:

- Reviewing and approving IT strategy and other IT policy documents.
- Monitoring IT processes, and practices
- Monitoring IT investments, budgets and plans.
- Reviewing cyber security matters
- Reviewing outsourced strategies and processes
- Reviewing business continuity preparedness and contingency plans.
- Reviewing all other matters related to IT Governance.

Composition

The IT Strategy Committee currently comprises of one independent director, one executive director and one non-executive director.

Meetings

The IT Strategy Committee meetings were held on the following dates and the necessary quorum was present at all the meetings:

i. 18 May, 2018;

ii. 06 September, 2018;

iii. 05 December, 2018; and

iv. 06 March, 2019

The Committee meets on need basis.

The details of the composition of the Committee and attendance at its Meetings are set out in the following table:

Name of Member	Number of Meetings Attended
Mr. Shirish Apte, Chairman	4/4
Ms. Rajashree Nambiar	4/4
Mr. Anindo Mukherjee	3/4

The proceedings of the IT Strategy Committee Meeting were noted by the Board of Directors at its meeting.

Besides the above committees, your Company has formed Review Committee for Non-cooperative borrowers in terms of the RBI guidelines. The Company Secretary acts as Secretary to this Committee. This Committee meets on need basis. Since no circumstances arose requiring a meeting, the Committee did not meet during the last fiscal.

Your Company has other management committees such as Asset Liability Committee (ALCO) formed as per the NBFC's Prudential Norms (Reserve Bank) Directions, 1998, as amended from time to time.

IV. Code of Conduct

The Company adopted the code of conduct approved by the Board of Directors which is binding on the employees of the Company and the same has been complied with. Code of conduct is signed off on an annual basis every year.

V. Directors & Officers Liability Insurance coverage

The Company has obtained Directors and Officers Liability Insurance coverage from HDFC Ergo General Insurance Company Ltd to the extent of ₹ 20 crores along with entity cover under Employees' Practices Liability and any other legal action that might be initiated against the Directors.

VI. General Body Meetings

The details of the General Body Meetings held in the last three financial years are given below:

General Body Meeting	Day and Date	Time	Venue
Twenty First Annual General Meeting	Thursday, 14 July, 2016	3:00 PM	Megh Towers, Third Floor, Old No.307, New No.165, Poonamallee High Road, Maduravoyal, Chennai – 600095
Twenty Second Annual General Meeting	Wednesday, 12 July, 2017	3:00 PM	Megh Towers, Third Floor, Old No.307, New No.165, Poonamallee High Road, Maduravoyal, Chennai – 600095
Twenty Third Annual General Meeting	Friday, 6 July, 2018	3:00 PM	Megh Towers, Third Floor, Old No.307, New No.165, Poonamallee High Road, Maduravoyal, Chennai – 600095
Extra-Ordinary General Meeting	Wednesday, 22 November, 2017	11.30 a.m.	Floor 6, B wing, Supreme IT Park, Supreme City, Powai, Mumbai 400 076
Extra-Ordinary General Meeting	Tuesday, 16 January, 2018	11.30 a.m.	Floor 6, B wing, Supreme IT Park, Supreme City, Powai, Mumbai 400 076
Extra-Ordinary General Meeting	Monday, 12 March, 2018	11.30 a.m.	Floor 6, B wing, Supreme IT Park, Supreme City, Powai, Mumbai 400 076

The details of the special resolutions passed in the General Meetings held in the previous three financial years are given below:

General Body Meeting	Day and Date	Resolution
Twenty First Annual General Meeting	Thursday, 14 July, 2016	i. To approve offer of Long Term Non- Convertible Redeemable Debentures up to ₹ 5,000 crores on private placement basis
Twenty Second Annual General Meeting	Wednesday, 12 July, 2017	i. To Re-appoint Mr. Shantanu Mitra as the Managing Director of the Company ii. To reappoint Dr. Milan Shuster as an Independent Director iii. To reappoint Ms. Renu Challu as an Independent Director iv. To reappoint Ms. Sudha Pillai as an Independent Director v. To approve offer of Long Term Non-Convertible Redeemable Debentures up to ₹ 5,000 crores on private placement basis.

General Body Meeting	Day and Date	Resolution
Twenty Third Annual General Meeting	Friday, 6 July, 2018	i. To reappoint Mr. Premod Thomas as an Independent Director ii. To approve power to borrow funds pursuant to the provisions of section 180(1)(c) of the Companies Act, 2013, not exceeding ₹ 25,000 crores iii. To approve the power to create charge on the assets of the company to secure borrowings up to ₹ 25,000 Crores pursuant to section 180(1)(a) of the companies Act, 2013 iv. To approve offer of Long Term Non-Convertible Redeemable Debentures up to ₹ 5,000 crores on private placement basis.
Extra-Ordinary General Meeting	Wednesday, 22 November, 2017	No special resolutions were passed.
Extra-Ordinary General Meeting	Tuesday, 16 January, 2018	i. To Change of Object Clause of the Memorandum of Association of the Company ii. Adoption of Memorandum of Association as per provisions of Companies Act, 2013. iii. Adoption of Articles of Association as per the provisions of the Companies Act, 2013
Extra-Ordinary General Meeting	Monday, 12 March, 2018	No special resolutions were passed.

All the resolutions were passed by show of hands and no resolutions were passed by postal ballot.

VII. Disclosures

i. Disclosures on materially significant related party transactions that may have potential conflict with the interests of company at large:

The particulars of the transactions between the company and 'related parties' are provided at point 34 of Notes to accounts, of both standalone and consolidated financials, published elsewhere in the Annual Report. None of the transactions are likely to have any conflict with Company's interest.

ii. Details of non-compliance by the company, penalties, strictures imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years - NIL

VIII. CEO/CFO Certificate:

The CEO and the CFO of the Company have certified to the Board with regard to the financial statements and other matters. This certificate is included as Annexure III to the Directors' Report.

Annexure III
To The Directors' Report

Certification by Chief Executive Officer (CEO) and Chief Financial Officer (CFO)

To,

The Shareholders and the Board of Directors

Fullerton India Credit Company Limited

We, Rajashree Nambiar, Managing Director & Chief Executive Officer and Pankaj Malik, Chief Financial Officer, of Fullerton India Credit Company Limited, to the best of our knowledge and belief, certify that:

a. We have reviewed the financial statements and the cash flow statements for the year ended 31 March, 2019 (hereinafter referred to as the year) and that to the best of our knowledge and belief:

   i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b. There are no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's internal policies

c. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and have taken requisite steps to rectify these deficiencies.

d. We have indicated to the Auditors and the Audit Committee;

   i. Significant changes in internal control over financial reporting during the year and

   ii. Significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements.

e. There have been 31 instances of fraud reported by the Company to the Board. The Company has taken appropriate legal action against the same. Although the Company is registered as deposit-taking NBFC, it has not accepted deposits from the public.

Sd/-
Rajashree Nambiar
Chief Executive Officer &
Managing Director

Sd/-
Pankaj Malik
Chief Financial Officer

Place: Mumbai
Date: 29 May, 2019

Annexure IV
To The Directors' Report

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the year ended 31 March, 2019

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

To,

The Board of Directors,

Fullerton India Credit Company Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Fullerton India Credit Company Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company (as per Annexure 1, hereinafter referred to as "Books and Papers")and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the period covered by our audit, that is to say, from 01 April, 2018 to 31 March, 2019 (hereinafter referred to as "year under review"), complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the Books and Papers maintained by the Company for the Audit Period according to the provisions of:

1. The Companies Act, 2013 ("the Act") and the rules made thereunder;

2. The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;

3. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and External Commercial Borrowing;

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

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

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

   iii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

   iv. The Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993 (in relation to obligations of Issuer Company);

5. Laws specifically applicable to the industry to which the Company belongs, as identified by the management, that is to say:

   i. Reserve Bank of India Act, 1934;

   ii. Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 ('Directions, 2016');

   iii. Miscellaneous Instructions to all Non-Banking Financial Companies;

   iv. Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016;

   v. Master Direction - Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016;

   vi. Master Direction - Monitoring of frauds in NBFCs (Reserve bank) Directions, 2016;

   vii. Master Direction - Know Your Customer (KYC) Directions, 2016;

   viii. Master Direction – Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016;

ix. Master Direction on Information Technology Framework for the NBFC Sector

x. The Insurance Regulatory and Development Authority of India (Registration of Corporate Agents) Regulations, 2015.

We have also examined compliance with the applicable clauses of the Secretarial Standards 1 and 2 issued by the Institute of Company Secretaries of India;

We report that during the year under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above.

Management Responsibility:

i. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit;

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

iii. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company or examined any books, information or statements other than Books and Papers;

iv. We have not examined any other specific laws except as mentioned above;

v. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulation and happening of events etc.;

vi. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis;

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

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the Year under review were carried out in compliance with the provisions of the Act.

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

Majority decision is carried through while dissenting members' views were not required to be captured and recorded as part of the minutes as there were no such instance.

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

We further report that during the year under review, the Company has not incurred any specific event/ action listed below that can have a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc., except as follows:

i. Right Issue of Equity Shares

During the year under review, 31,426,776 equity shares of face value of ₹ 10 and premium of ₹ 37.73 per share were allotted on for cash, aggregating to ₹. 1,500,000,021 to M/s. Angelica Investments Pte Limited.

ii. **Private Placement of Secured Non-Convertible Debentures and Subordinated Debt**

During the year under review, the Company has allotted secured NCDs from Series 66-I to Series 81 amounting to ₹ 3848.3 crores and subordinated debt amounting to ₹ 420 crore.

iii. **Redemption of NCDs**

During the year under review, the Company redeemed NCDs amounting to ₹ 1073.9 crores pursuant to maturity/ early redemption.

iv. **Increase in borrowing limit to ₹ 25,000 Crores:**

Special resolution, in terms of section 180 (1) (a) & (c) was passed in the Annual general meeting held on 6 July, 2018 to affirm the borrowing powers of the Company to the extent of ₹ 25,000 Crores as per details provided in the resolution passed.

For **M/s Vinod Kothari & Company**
Company Secretaries in Practice

Sd/-
Vinita Nair
Partner
Membership No: A31669
CP No.: 11902

Place: Mumbai
Date: 18 May, 2019

ANNEXURE 1

LIST OF DOCUMENTS

1. Corporate Matters

1.1 Minutes books of the following were provided:

1.1.1 Board Meeting;

1.1.2 Audit Committee;

1.1.3 Nomination and Remuneration Committee;

1.1.4 Risk Oversight Committee;

1.1.5 Asset Liability Management Committee;

1.1.6 IT Strategy Committee;

1.1.7 General Meeting;

1.2 Notice for Board and Committee Meetings;

1.3 Financial Statements for FY ending 2018;

1.4 Memorandum and Articles of Association;

1.5 Disclosures under Act, 2013 and Rules made thereunder;

1.6 Policies framed under Act, 2013 and RBI regulations for NBFCs;

1.7 Documents pertaining to Listing Regulations;

1.8 Forms and returns filed with the ROC &RBI;

1.9 Documents under SEBI (Prohibition of Insider Trading) Regulations, 2015;

1.10 Documents relating to issue of Non-Convertible Debentures;

1.11 Registers maintained under Companies Act, 2013;

Annexure V
To The Directors' Report

1. A brief outline of the company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the website-link to the CSR Policy and projects or programmes.

CSR policy of Fullerton India (brief outline)

i. INTRODUCTION

As a part of its Corporate Social Responsibility, Fullerton India Credit Company Ltd. ("Fullerton India") enables sustainable development and inclusive growth across communities. The Company has implemented certain innovative socio-economic and environmental initiatives, in fulfilment of its role as a socially responsible corporate citizen. Fullerton India reaches out to the under-banked and unbanked by not just providing them with financial services but also by enabling the communities with services and skills that would help improve their standard and quality of living.

Fullerton India's Corporate Social Responsibility (CSR) projects operate under the brand name - 'Uday – ek nayi subhah', which signifies hope, thus fulfilling the Company's commitment in making a change in lives of the under privileged.

Every CSR initiativeof Fullerton India is branded to build mass connect both for internal as well as external stakeholders.

Jeevika	Pashu Vikas	Akshar	Krishi Mitra
Livelihood enhancement and training programmes	Cattle care camps (Livelihood)	Education	Environment and organic farming
Niramaya	Sakhi	Gurukul	Jyoti
General health care	Financial literacy	Skill development for youth	Eye care programme

ii. Uday VISION

Fullerton India's CSR Vision – Uday, is to enable sustainable development and inclusive growth across communities through innovative socio-economic and environmental interventions, in fulfillment of its role as a socially responsible corporate citizen.

iii. Uday OBJECTIVES

Fullerton India's Uday Initiative focuses on the three keys aspects of the community's development - social, economic and environment. To achieve long-term sustainable impact on the community, Fullerton India's Uday objectives are:

Advance livelihoods through

- Identification of technical expertise for guidance and facilitation of programmes
- Skill development and capacity building initiatives
- Income enhancement through market linkages, across value chains
- Education programmes focusing on enhancement of knowledge leading to up-gradation of skills and empowerment

Improve the social wellbeing of the community through

- Health awareness and intervention programmes for community and the under-privileged, with a focus on eye-care and nutrition.
- Women and children - focused health interventions through awareness and implementation of programmes enabling adoption of best health practices
- Awareness about preventive healthcare, with a focus on hygiene and clean drinking water.

Adoption of sustainable environmental practices through

- Promotion and adoption of environmentally sustainable practices, such as organic farming
- Awareness and adoption of green technology and alternative energy through programmes / interventions

iv. SCOPE

The CSR Policy (the "Policy") shall be applicable to all CSR initiatives and activities undertaken by Fullerton India and all its employees for the welfare and sustainable development benefit of different segments of the society at large.

This Policy is in line with the Section 135 of the Companies Act, 2013 (the "Act") and the rules made thereunder.

Website link to CSR Policy:
https://www.fullertonindia.com/pdf/csr/Fullerton-India-CSR-Policy-Version-1-1.pdf

2. The Composition of the CSR Committee:

The CSR committee consists of 3 board members, as below:

a) Mr. Gan Chee Yen (Chairman)

b) Mrs. Renu Challu (Member, Independent Director)

c) Mrs. Sudha Pillai (Member, Independent Director)

3. Average Net Profit of The Company for Last Three Financial Years:

Average net Profit for last three financial years (₹) in crore

Company/Year	FY2016	FY2017	FY2018	Average for last 3 years
Fullerton India	431	331	546	436

4. Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above)

₹ 8.75 crore (2% of ₹ 436 crore)

5. Details of CSR Expenditure During the Financial Year.

a) **Total amount to be spent for the financial year:**

As per Companies Act, the amount to be spent (average net profit for last three financial years) for the FY2019 was ₹ 8.75 Crores.

b) **Amount unspent, if any:**

Nil

c) **Manner in which the amount spent during the financial year is detailed below:**

Fullerton India CSR Spending in FY2019

S.No	CSR project or activity identified	Sector in which the project is covered	Projects or programmes local area or other specify the state and district where projects or programmes was undertaken	Amount outlay (Budget) project or programme wise (₹)	Amount spent on the projects or programmes sub heads (₹)		Cumulative expenditure upto the reporting period (₹)	Amount spent: direct or through implementing agency
					1. Direct Expenditure on projects and programmes	2. Overheads		
1	Mobile Medical Camps	Schedule VII, Item (i)- promoting preventive health care	Tumkur, Hubli, Koppal, Belgaum, Gadag (Karnataka); Jaipur, Bikaner, Udaipur, Chittorgarh (Rajasthan); Hoshangabad, Sagar, Chindwara, Betul, Shajapur (Madhya Pradesh); Ahmedabad (Gujarat); Ahmednagar, (Maharashtra); Salem, Erode, Trichy, Thanjavur, Tiruvarur (Tamil Nadu)	2,600,000	2,600,000	0	2,600,000	Implementing agency
2	Mobile Health Van (MHV) (5 MHV operational)	Schedule VII, Item (i)- promoting preventive health care	Villipuram (Tamil Nadu); Raichur (Karnataka); Mahisagar, Dahod, Kheda(Gujarat); Sikar Nagaur (Rajasthan); Amravati (Maharashtra)	15,750,000	15,750,000	0	15,750,000	Implementing agency
3	Vision Care Center (VCC) (12 VCC & 1 Mobile Vision Care Van operational)	Schedule VII, Item (i)- promoting preventive health care	East Godavari (Andhra Pradesh); Chennai & Coimbatore (Tamil Nadu); Ganjam (Odisha); Katni & Indore (Madhya Pradesh); Raipur & Saraipali (Chattisgarh); Ahmednagar & Nandurbar (Maharashtra); Tapi (Gujarat); Morigaon (Assam)	11,930,000	11,930,000	0	11,930,000	Implementing agency

Annexure V
To The Directors' Report

Fullerton India CSR Spending in FY2019								
S.No	CSR project or activity identified	Sector in which the project is covered	Projects or programmes local area or other specify the state and district where projects or programmes was undertaken	Amount outlay (Budget) project or programme wise (₹)	Amount spent on the projects or programmes sub heads (₹)		Cumulative expenditure upto the reporting period (₹)	Amount spent: direct or through implementing agency
					1. Direct Expenditure on projects and programmes	2. Overheads		
4	Health Care- TB	Schedule VII, Item (i)- promoting preventive health care	Jaipur (Rajasthan)	3,00,000	300,000	0	300,000	Implementing agency
5	School Health / WASH	Schedule VII, Item (i)- promoting preventive health care	Delhi (Delhi); Bangalore (Karnataka); Alwar (Rajasthan); Chandigarh (Punjab); Shimla (Himachal Pradesh); Dehradun (Uttrakhand); Mujjafarpur (Bihar); Mumbai Maharashtra	1,896,544	1,896,544	0	1,896,544	Implementing agency
6	Vocational training program	Schedule VII, Item (ii)- promoting employment enhancing vocational skills especially among women	Erode (Tamil Nadu)	6,00,000	6,00,000	0	600,000	Implementing agency
7	Livelihood Enhancement- Commercial Stitching and tailoring	Schedule VII, Item (ii)- promoting employment enhancing vocational skills especially among women	Ahmedabad (Gujarat); Madhubani (Bihar); Indore, Jabalpur (Madhya Pradesh); Jaipur, Ajmer (Rajasthan); Erode, Coimbatore, Karur, Triuptur, Tiruchirappalli , Salem (Tamil Nadu)	7,945,500	7,945,500	0	7,945,500	Implementing agency
8	Livelihood Enhancement- Skill development for youth	Schedule VII, Item (ii)- promoting employment enhancing vocational skills	Jodhpur (Rajasthan); Bilaspur (Chattisgarh); Shimoga (Karnataka), Cuttack (Orissa); Osmanabad (Maharashtra; Bharuch (Gujarat); Coimbatore (Tamil Nadu)	21,688,000	21,688,000	0	21,688,000	Implementing agency
9	Livelihood Enhancement- Integrated Livestock Development	Schedule VII, Item (ii)- Livelihood Enhancement projects	Hoshangabad, Khandwa, Burhanpur, Raisen, Khargone, Harda (Madhya Pradesh); Belgaum (Karnataka); Sangali & Kolhapur (Maharashtra)	3,876,000	3,876,000	0	3,876,000	Implementing agency

Fullerton India CSR Spending in FY2019								
S.No	CSR project or activity identified	Sector in which the project is covered	Projects or programmes local area or other specify the state and district where projects or programmes was undertaken	Amount outlay (Budget) project or programme wise (₹)	Amount spent on the projects or programmes sub heads (₹)		Cumulative expenditure upto the reporting period (₹)	Amount spent: direct or through implementing agency
					1. Direct Expenditure on projects and programmes	2. Overheads		
10	Livelihood Enhancement-Pashu Vikas Day cattle care camps	Schedule VII, Item (ii)-Livelihood Enhancement projects	247 locations in 12 states (Andhra Pradesh, Maharashtra, Gujarat, Madhya Pradesh, Rajasthan, Haryana, Uttar Pradesh, Karnataka, Tamil Nadu, Bihar, Orissa, West Bengal)	2,500,000	2,772,482	0	2,772,482	Direct
11	Enviornment Sustainability-Krish Mitra – Organic farming Project	Schedule VII, Item (iv)-Conservation of natural resources and maintaining quality of soil	Nashik, Ahmednagar (Maharashtra); Erode (Tamil Nadu); Chitradurga (Karnataka)	4,980,000	4,980,000	0	4,980,000	Implementing agency
12	Education	Schedule VII, Item (ii)-Promoting education, including special education and employment enhancing vocational skills	Dewas, Bhopal, Raisen Ujjain (Madhya Pradesh; Bikaner & Jaipur (Rajasthan); Mujjafarpur, Samastipur (Bihar); Buldhana, Amaravati, Nagpur; Satara (Maharashtra); Bengaluru (Karnataka);	4,367,500	4,367,500	0	4,367,500	Implementing agency
13	Disaster relief	Schedule VII, Item (i)-promoting preventive health care	Kottayam, Wanyad (Kerala); Thanjavur, Tiruvarur, Putukottai (Tamil Nadu)	2,250,000	2,250,000	0	2,250,000	Implementing agency
14	Incubator projects at IIT's	Schedule VII, Item (ix)-technology incubators located within academic institutions	Chennai (Tamil Nadu); Mumbai (Maharashtra)	2,500,000	2,500,000	0	2,500,000	Implementing agency
15	Administrative cost				0	4,100,000	4,100,000	
			Grand Total		**83,456,026**	**4,100,000**	**87,556,026***	

*Overspent of ₹ 56,026 which is 0.06% of the allocated CSR budget

Annexure V
To The Directors' Report

Details of Implementing Agency:

S.no	CSR Project	Name of the Implementing Agency	Details
1	Mobile Medical camps	Udyogini	Udyogini is registered as a society under the 'Indian Societies Registration Act', 1860. Udyogini was set up to co-ordinate and help poor women, mainly illiterate in remote and backward areas of India to improve their skills as producers and their knowledge of the markets they operate in, so as to ensure long-term returns to build microenterprises and become entrepreneurs
2	Mobile Medical camps & Mobile Health Van	Sevamob	Sevamob is a registered trust in India which mainly works on health behaviour of individuals and communities through door-step quality health care services.
3	Vision Care Center	Divine Eye Foundation (DEF)	DEF is a renowned trust (Not for profit), located in Rajahmundry, A.P. Its mission is to provide excellent eye care to all in a caring and Compassionate manner with a focus on extending efficient eye care to the underserved rural poor. DEF is engaged in providing eye care services as a part of its nature of business.
4	Vision Care Center	Royal Commonwealth Society for the Blind (SIGHTSAVERS)	SIGHTSAVERS is a renowned international not for profit organisation, working in developing countries to combat avoidable blindness and promote equal opportunities for disabled people.
5	Vision Care Center	Kanchi Kamakoti Medical Trust (Sankara)	Sankara is a renowned trust (Not for profit), located in Coimbatore, T.N. SEF initiates and drives community eye care activities in India by working with Sankara Eye Care Institutions (SECI), India, which runs the "Gift of Vision" rural outreach programme through Sankara Eye Hospitals. The Gift of Vision programme is based on an "80/20" model, i.e., four free eye surgeries are performed for each paid surgery. Thousands of rural poor have received free eye surgeries
6	Vision Care Center	Mission for Vision	Mission for Vision is a NGO working with partners to combat avoidable blindness and promote a disability inclusive world, MFV works with 21 eye hospitals and centers across 14 states which have performed over 170,000 free eye surgeries annually
7	School Health/ WASH	Enable Health Society	Enable Health Society (EHS) is a registered national NGO which works to influence the health behavior of individuals and communities as well as their living environment through educating communities on health issues- focusing on prevention and motivating them to maintain healthy lifestyles.
8	Mobile Health Van	HelpAge India	HelpAge India is a leading registered national level NGO, established in 1978, with a mission "to work for the cause and care of disadvantaged aged persons and to improve their quality of life". It is a secular, not-for-profit organisation registered under the Societies' Registration Act of 1860. Set up in 1978, the organisation works to protect the rights of India's elderly and provide relief to them through various interventions and endeavors to make significant changes in the lives of the disadvantaged older persons, so as to enable them to live better and healthier lives.
9	Mobile Health Van	Americares Foundation	Americares Foundation is a public charitable trust registered in 2006 at New Delhi, formed to provide medical aid in India and in neighboring countries, irrespective of race, creed or political persuasion. They are having a strong network of local and national partners who aid our efforts in delivering emergency programs, access to medicine, clinical services and community health.
10	Health-TB	Operation Asha (OpASHA)	OpASHA has developed a highly effective, local, deep, low cost, last mile delivery system for Tuberculosis (TB) that is scalable and replicable worldwide. It serves 15.6 million disadvantaged people, living in over 5000 slums and villages in 9 states in India and across six provinces in Cambodia.

11	Livelihood Enhancement	Society for Pragati Bharat	The Society for Pragati Bharat was registered in the year 1996 with the aim to work around overall community development. SPB operations are in central and north India focusing on NRM, health and nutrition and education.
12	Livelihood Enhancement	Society for Development Alternatives	Development Alternatives (DA), the world's first social enterprise dedicated to sustainable development, is a research and action organisation striving to deliver socially equitable, environmentally sound and economically scalable development outcomes.
13	Livelihood Enhancement	Vatsalya	Vatsalya has been working in Child rehabilitation, Women empowerment and Health including HIV/AIDS. Women empowerment is mainly to enhance their skills for their sustained livelihood. These women belong to the deprived and marginalised sections of the community including many women who are in sex trade have now given the alternative opportunity. Vatsalya now has a strong group about 90 women who were once trapped in sex trade but now are free and happily earn their living through a decent means. They are trained in Kantha work; a traditional stitch craft and also in tailoring.
14	Livelihood Enhancement	Anirban Rural Welfare Society	Anirban Rural Welfare Society is a voluntary social service organisation for social action and economic development in an integrated way. The organisation was established by a group of committed volunteers from Teachers, Doctors, Social workers, Statistician, for providing assistance and support towards betterment of the landless poor people, who are deprived, exploited and lead to their life in deplorable condition.
15	Livelihood Enhancement	International Association of Human Values (IAHV)	International Association for Human Values (IAHV) is a humanitarian, nonprofit, non-governmental organisation dedicated to the development and promotion of human values throughout the world. To pursue its mission, IAHV implements grassroots, sustainable programs for socioeconomic development of rural and impoverished areas, humanitarian relief to those affected by natural and man-made disasters and post disaster rehabilitation and reconstruction, conflict management through dialogue between cultures, value based education and works to foster global peace and Harmony
16	Livelihood Enhancement	Shree Sarita Jain Foundation Trust (SSJFT)	SSJFT has come into existence in the year 2008 with the idea of providing support to the weaker and downtrodden section of society by the way of charity. They have provided extensive to support the Youth, Women and children through various charitable activities and skilling programs.
17	Livelihood Enhancement-Integrated Livestock Development	J K Trust Gram Vikas Yojana	J.K. Trust is one of the leading organisations working in the animal husbandry and holistic cattle care management with focus on Cattle Breed Improvement through Integrated Livestock Development Centers (ILD). They are partnering with the veterinary departments of state government in M.P., Maharashtra, Gujarat and Rajasthan on implementing the ILD model across villages.
18	Livelihood Enhancement	Women's Organisation in Rural Development (WORD)	Based at Namakkal district in TamilNadu, India, WORD is a registered non-governmental organisation (NGO) working for the upliftment of rural people especially women and children

Annexure V
To The Directors' Report

19	Environment Sustainability- Krishi Mitra organic farming project	Snehalaya	Snehalaya is a registered charitable trust started in 1989 to provide education programs for a handful of children of sex workers and palliative care for people affected by AIDS. At present they serve over 29,000 beneficiaries each year running 16 key projects across four key areas, Environment, Education, healthcare, Rehabilitation that help the beneficiaries thrive in life.
20	Environment Sustainability- Krishi Mitra organic farming project	MYRADA	Myrada was started in 1968. Myrada at present is directly managing 18 projects in 20 backward and drought prone Districts of Karnataka, Tamil Nadu and Andhra Pradesh. There are other States where it has collaborated with Government, Bilateral and Multilateral Programmes, by contributing to programme design and supporting implementation through regular training, exposure and deputation of staff
21	Education	Seva Sahayog Foundation (SSF)	SSF is mainly working on education projects through network NGOs and volunteers. Its schools kits programme received good response from various corporates and have IT professionals in the team which is an added advantage to implement project in remote locations.
22	Education	Sikhsadaan Foundation	Sikhsadaan is mainly working on education projects through network NGO Buddy4Study and have a well-defined technological platform to enable scholar for scholarship.
22	Education	Navneet Foundation	The Navneet Foundation has been constantly redefining its philosophy. What has always remained constant is the belief system – that true wealth is received only through the act of comforting and nurturing the lives of fellow beings. In existence since 2013, the Navneet Foundation has played a leadership role in the fields of healthcare, disaster relief, affordable housing, education, tribal welfare, and other areas of public service
23	Health- Mid-Day meal	Annamrita Foundation	It is a not-for-profit, non-religious, non-sectarian public charitable organisations formed on 23 April, 2004 and registered under the Bombay Public Trusts Act, 1950. Annamrita serves 1.2 million meals every single day, through its 20 kitchens across India.
24	Health Care- Cancer care	St. Jude Child Care Centers	St. Jude India Child Care Centers currently runs 18 Centers in Mumbai, Delhi, Kolkata, Hyderabad and Jaipur. It provides free accommodation and holistic support to children travelling with their parents for treatment of cancer from villages and small town to cities
25	Incubator projects at IIT's	IIT-Madras	IIT Madras has established two incubators recognised by Ministry of Science and Technology, Govt. of India– IITM Incubation Cell and Rural Technology & Business Incubator– which hence qualify to receive funds from Indian and foreign companies operating in India as part of fulfilling their CSR obligations under the Companies Act 2013. In collaboration with corporates, IITM incubators, aim to promote Incubators as entrepreneurial hubs with intimate private sector engagement.
26	Incubator projects at IIT's	IIT-Bombay	IIT- Bombay set up a non-profit entity namely SOCIETY FOR INNOVATION & ENTREPRENEURSHIP (SINE) as a business incubator in 2004. SINE is functional autonomy under its own Governing Board which include members from IIT-B and industry and its a recognised incubator by Department of Science and Technology, Govt. of India and is qualified to receive CSR funds.

6. **In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.**

   Not applicable

7. **Responsibility Statement**

   We hereby certify that the implementation and monitoring of Uday projects are in compliance with the CSR objectives and policy of the company.

	Sd/-	Sd/-
	Rajashree Nambiar	**Gan Chee Yen**
Place: Mumbai	Chief Executive Officer &	Chairman CSR Committee
Date: 29 May, 2019	Managing Director	

Annexure VI
To The Directors' Report

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31 March, 2019

[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	U65191TN1994PLC079235
2.	Registration Date	30/08/1994
3.	Name of the Company	Fullerton India Credit Company Limited
4.	Category/Sub-category of the Company	**Category:** Company Limited Shares **Sub-category:** Indian Non- Government company
5.	Address of the Registered office & contact details	Megh Towers, Third Floor, Old No-307,New No-165, Poonamallee High Road, Maduravoyal, Chennai, Tamil Nadu- 600095 Phone No.: 044 42886534 Email ID: Secretarial@fullertonindia.com
6.	Whether listed company	Yes*
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any	Link Intime India Private Limited C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West) Mumbai – 400083. Toll free no. (India): 1800 1020 878 Telephone: 022 - 4918 6270 Fax: 022 - 4918 6060 email: rnt.helpdesk@linkintime.co.in Website: https://www.linkintime.co.in

*Long Term Secured and Unsecured Debentures are listed on WDM segment of National Stock Exchange of India Ltd.

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.

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Other credit granting -Providing Loans	64920	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Angelica Investments Pte Ltd. Add: 5 Shenton Way #18-06 UIC Building Singapore 068808	-	Holding	95.76	Section 2(46)
2.	Fullerton India Home Finance Company Limited Add: Megh Towers, Third Floor, Old No-307, New No-165, Poonamallee High Road, Maduravoyal, Chennai TN 600095	U65922TN2010PLC076972	Subsidiary	100	Section 2(87)(ii)
3.	Fullerton India Social and Economic Development Private Limited Add: Floor 6, B Wing, Supreme IT Park, Supreme City, Behind Lake Castle, Powai Mumbai MH 400076	U85100MH2009PTC191341	Subsidiary	100	Section 2(87)(ii)

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

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	0	0	0	0	0	0	0	0	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corporate	0	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
Sub-total (A)(1)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
(2) Foreign									
a) NRIs -Individuals	0	0	0	0	0	0	0	0	0
b) Other -Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corporate	0	1,98,00,71,519	1,98,00,71,519	100	0	2,01,14,98,295	2,01,14,98,295	100	1.59
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0
Sub-total (A)(2)	**0**	**1,98,00,71,519**	**1,98,00,71,519**	**100**	**0**	**2,01,14,98,295**	**2,01,14,98,295**	**100**	**1.59**
Total shareholding of Promoter (A)=(A)(1) + (A)(2)	**0**	**1,98,00,71,519**	**1,98,00,71,519**	**100**	**0**	**2,01,14,98,295**	**2,01,14,98,295**	**100**	**1.59**
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds/ UTI	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
(2) Non-Institutions									
a) Bodies Corp.									
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	0	0	0	0	0	0	0	0	0
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	0	0	0	0	0	0	0	0	0
c) Others (specify)									
Non Resident Indians	0	0	0	0	0	0	0	0	0
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
Foreign Nationals	0	0	0	0	0	0	0	0	0
Foreign Portfolio Investor –Corporate	0	0	0	0	0	0	0	0	0
Market Maker	0	0	0	0	0	0	0	0	0

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Clearing Members	0	0	0	0	0	0	0	0	0
Directors/ Relatives	0	0	0	0	0	0	0	0	0
Trusts	0	0	0	0	0	0	0	0	0
Sub-total (B)(2)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	**0**	**1,98,00,71,519**	**1,98,00,71,519**	**100**	**0**	**2,01,14,98,295**	**2,01,14,98,295**	**100**	**1.59**

ii) Shareholding of Promoter-

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding 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	*M/s. Angelica investments Pte Ltd	1,89,48,15,162	95.69	0	1,92,62,41,938	95.76	0	1.66
2	M/s. Fullerton Financial Holding Pte Ltd	8,52,56,357	4.31	0	8,52,56,357	4.24	0	0.00

*6 (Six Shares) Held by Individuals as Nominee Shareholders of M/s. Angelica investments Pte Ltd

iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
	At the beginning of the year	1,98,00,71,519	100	0	0
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease:(e.g. allotment /transfer / bonus/ sweat equity etc.):	3,14,26,776 (Shares allotted on 28 September, 2018 through rights issue.)	1.56	2,01,14,98,295	100
	At the end of the year	-	-	2,01,14,98,295	100

iv) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

There are no Shareholders other than Promoters.

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1.	-	-	-	-	-
2.	-	-	-	-	-
3.	-	-	-	-	-

v) **Shareholding of Directors and Key Managerial Personnel:**

Directors or Key Managerial Personnel do not hold any shares in the company

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1.					
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	-	-	-	-
2.					
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	-	-	-	-
3.					
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	-	-	-	-

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (in ₹)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,12,61,22,37,574	22,51,00,00,000	-	1,35,12,22,37,574
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	2,70,63,83,963	31,47,60,872	-	3,02,11,44,835
Total (i+ii+iii)	1,15,31,86,21,537	22,82,47,60,872	-	1,38,14,33,82,409
Change in Indebtedness during the financial year				
* Addition	73,28,07,00,000	33,45,00,00,000	-	1,06,73,07,00,000
* Reduction	28,51,26,64,622	23,11,90,00,000	-	51,63,16,64,622
Net Change	44,76,80,35,378	10,33,10,00,000	-	55,09,90,35,378
Indebtedness at the end of the financial year				
i) Principal Amount	1,57,38,02,72,952	32,84,10,00,000	-	1,90,22,12,72,952
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	4,42,56,09,053	56,08,87,020	-	4,98,64,96,073
Total (i+ii+iii)	1,61,80,58,82,005	33,40,18,87,020	-	1,95,20,77,69,025

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (In ₹)

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount (In ₹)
		Ms. Rajashree Nambiar, CEO & MD	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4,24,69,344	4,24,69,344
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	15,930	15,930
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2	Stock Appreciation Option	-	-
3	Sweat Equity	-	-
4	Commission* - as % of profit - others, specify...	-	-
5	Others, please specify- (i) Co's Contribution to PF (ii) Incentive Accrued (iii) Superannuation		
	Total (A)	**4,34,57,274**	**4,34,57,274**

B. Remuneration to other directors

1. Independent Directors

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount (In ₹)
		Dr. Milan Shuster	Mr. Premod Thomas	Ms. Sudha Pillai	Ms. Renu Challu	Mr. Shirish Apte	
	Fee for attending Board Committee Meetings	7,75,000	5,75,000	7,25,000	8,25,000	3,50,000	32,50,000
	Commission*	15,00,000	15,00,000	15,00,000	15,00,000	7,50,000	67,50,000
	Others, please specify	-	-	-	-	-	-
	Total (B)(1)	**22,75,000**	**20,75,000**	**22,25,000**	**23,25,000**	**11,00,000**	**1,00,00,000**

*This is Commission for FY19 paid in FY20

2 Other Non-Executive Directors

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount (In ₹)
		Mr. Gan Chee Yen	*Mr. Kenneth Ho	Mr. Anindo Mukherjee	
	Fee for attending Board/ Committee Meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (B)(2)	-	-	-	-
	Total (B)=(B)(1)+(B)(2)	-	-	-	-

*Mr. Kenneth Ho has resigned w.e.f 26 October, 2018

C. Remuneration to Key Managerial Personnel Other than MD/Manager/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel*		Total Amount (In ₹)
		*Mr. Pankaj Malik, CFO & CS	**Mr. Arun Mulge, CS	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,27,82,984	1,47,903	1,29,30,887
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	2,81,328	-	2,81,328
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Appreciation Option	12,81,060	-	12,81,060
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify.	-	-	-
5	Others, please specify- Co's Contribution to PF[1]	3,17,784	3,989	3,21,773
	Total	**1,46,63,156**	**1,51,892**	**1,48,15,048**

* Mr. Pankaj Malik resigned as a Company Secretary on 13 March, 2019

**Mr. Arun Mulge was appointed as Company Secretary on 13 March, 2019

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	NIL				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	NIL				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL				
Punishment					
Compounding					

Independent Auditor's Report

To the Members of Fullerton India Credit Company Limited

Report on the audit of the consolidated financial statements

Opinion

We have audited the accompanying consolidated financial statements of Fullerton India Credit Company Limited (hereinafter referred to as the 'Holding Company') and its subsidiary companies (the Holding Company and its subsidiary companies together referred to as the 'Group'), which comprise the Consolidated Balance Sheet as at 31 March, 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statement').

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiary company as was audited by other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view, in conformity with the Indian Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ('Ind AS') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March, 2019, and its consolidated profit and other comprehensive income, the consolidated changes in equity and consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) 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 consolidated financial statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (the 'ICAI'), and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters:

Key Audit Matter	How the Matter was Addressed in Our Audit
Transition date accounting	
Refer to the accounting policies in the Consolidated Financial Statements: Significant accounting policies -Basis of preparation and Note 34 to the consolidated financial statements: "First time adoption of Ind AS"	
Adoption of new accounting framework (Ind AS)	
Effective 1 April, 2018, the Company adopted the Ind AS notified by the Ministry of Corporate Affairs with the transition date of 1 April, 2017. The following are the major impact areas for the Company upon transition: • Classification and measurement of financial assets and financial liabilities • Measurement of loan losses (expected credit losses) • Accounting for loan fees and costs • Additional disclosures as per the requirements of the new financial reporting framework	Our key audit procedures included: **Design / controls** • Assessed the design, implementation and operating effectiveness of key internal financial controls over management's evaluation of transition date choices and exemptions availed in line with the principles under Ind AS 101. • We have also noticed the approvals of Audit Committee for the choices and exemptions made by the Company for compliance/acceptability under Ind AS 101.

Key Audit Matter	How the Matter was Addressed in Our Audit
Transition to the new financial reporting framework (Ind AS) is an intricate process involving multiple decision points for management i.e: Ind AS 101, First Time Adoption prescribes choices and exemptions for first time application of Ind AS principles at the transition date. We identified the transition date accounting as a key audit matter because of the significant degree of management judgment in the first time application of Ind AS principles as at the transition date particularly in the areas noted above and the additional disclosures associated with transition to Ind AS.	**Substantive tests** • Evaluated management's transition date choices and exemptions for compliance / acceptability under Ind AS 101; • Understood the methodology implemented by management to give impact on the transition; • Test checked the computations associated with the transition adjustments; • Assessed areas of significant estimates and management judgement in line with principles under Ind AS; • Compared the reasonableness of management assumptions in respect of classification and measurement of financial instruments, expected credit loss model, cash settled share based payments, etc.
Impairment of portfolio loans	
Refer to the accounting policies in "Note 1.C.2 to the Consolidated Financial Statements: Impairment and write off", "Note 1.B (1)(v) to the Consolidated Financial Statements: Significant Accounting Policies- use of estimates and judgments" and "Note 48 to the Consolidated Financial Statements: Financial Risk Management – Credit Risk"	
Subjective estimate Recognition and measurement of impairment on portfolio loans involves significant management judgement. Ind AS 109 credit loss assessment is based on Expected Credit Loss (ECL) model. The Company's impairment allowance is derived from estimates including historical default and loss ratios. Management exercises judgement in determining the quantum of loss based on a range of factors. The most significant factors are : • Segmentation of loan book • Loan staging criteria • Calculation of probability of default / Loss given default • Consideration of probability weighted scenarios and forward looking macro-economic factors including use of management overlay There is a significant increase in the data inputs required for the computation of ECL. This increases the risk of completeness and accuracy of the data that has been used as a basis of assumptions in the model. Use of alternative data points further increases management's judgment and estimates thereof. Given the size of loan portfolio relative to the balance sheet and the impact of impairment allowance on the financial statements, we have considered impairment of portfolio loans as a key audit matter.	Our audit procedures included: **Design / controls** • Understood management's new / revised processes and system implemented in relation to impairment allowance; • Assessed the design and operating effectiveness of key internal financial controls over impairment allowance calculation including governance controls over the development of the ECL model; • Test checked management review controls over measurement of impairment allowances and disclosures in standalone financial statements. **Substantive tests** • Evaluated the appropriateness of the impairment principles based on the requirements of Ind AS 109, our business understanding and industry practice; • Engaged our financial risk modelling specialists to test the methodology of the ECL model and reasonableness of assumptions used; • Performed test of details over calculation of impairment allowance to check reasonableness of assumptions used in the ECL model; • Re-performed calculation of ECL model on test check basis; • Evaluated management's judgment in the determination of ECL including methodology, segmentation, economic factors, period of historical loss rates used and loss emergence periods; • Evaluated the adequacy of disclosures relating to ECL.

Key Audit Matter	How the Matter was Addressed in Our Audit
Information technology	
IT systems and controls relating to Loan Management System The Company's processes on sanctions, disbursements and recovery of portfolio loans are highly dependent on the automated controls in information systems, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated. The Company uses Loan Management Systems to manage its portfolio loans. Due to the large transaction volumes and the increasing challenge to protect the integrity of the Company's systems and data, controls over data integrity has become more significant. We have focused on program development, user access management, change management, segregation of duties and system application controls over loan management systems. We have identified 'IT system and controls' as key audit matters since the Company relies on automated processes and controls for recording of portfolio loans.	Our audit procedures to assess the IT system controls relating to Loan Management System included the following: • Evaluated the design of General IT controls i.e. access management, change management, program development and computer operations and IT application controls i.e. controls on system generated reports and system / application processing over key financial accounting and reporting related to loans. • Tested a sample of key internal financial controls operating over the information technology in relation to Loan Management System, including granting access right, new user creation, removal of user rights and preventative controls designed to enforce segregation of duties and system change management. • Engaged our IT and Data & Analytics specialists to evaluate the design, implementation and operating effectiveness of the significant accounts related selected IT automated controls which are core to automated computation carried out by the IT system and the consistency of data transmission. • Other areas that were independently assessed included password policies, controls over changes to applications and databases and that business users, developers and production support did not have access to change applications, the operating system or databases in the production environment.

Other Information

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Director's report and management discussion & analysis report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit report of other auditors, 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.

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated state of affairs, consolidated profit / loss and other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act read with relevant rules issued thereunder. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the each Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company 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.

The respective Board of Directors of the companies included in the Group is responsible for overseeing the financial reporting process of each company.

Auditor's Responsibility for The Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. 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 consolidated 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 Group (company or subsidiaries) to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Other Matters

(a) We did not audit the financial statements of one subsidiary company whose financial statements reflect total assets of ₹ 2.35 lakhs as at 31 March, 2019 as considered in the consolidated financial statements. This subsidiary company does not have revenue and cash flow for the year ended on 31 March, 2019. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, to the extent they have been derived from such annual financial statements in so far as it relates to the amounts and disclosures included in respect of this subsidiary company, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the audit reports of the other auditors.

    Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

(b) The opening balance sheet as at 1 April, 2017 (transition date) included in these consolidated financial statements, is based on the previously issued statutory consolidated financial statements of the Company prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31 March, 2017 dated 18 May 2017 expressed an unmodified opinion on those consolidated financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have been audited by us.

    Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

A) As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements of such subsidiary company as was audited by the other auditors, as noted in 'Other Matters' paragraph, we report to the extent applicable, 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 of the aforesaid consolidated financial statements;

    b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

    c) the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;

    d) in our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act read with relevant rules issued thereunder;

    e) on the basis of the written representations received from the Directors of the Holding Company as on 31 March, 2019 and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the Directors of the Group companies incorporated in India are disqualified as on 31 March, 2019 from being appointed as a Director in terms of Section 164 (2) of the Act and

f) with respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure A".

B) 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, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries as noted in the 'Other Matters' paragraph:

i. the consolidated financial statements disclose the impact of pending litigations as at 31 March, 2019 on the consolidated financial position of the Group. Refer Note 40 to the consolidated financial statements;

ii. the Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March, 2019;

iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31 March, 2019 and

iv. the disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November, 2016 to 30 December, 2016 have not been made in these consolidated financial statements since they do not pertain to the financial year ended 31 March, 2019.

C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary company incorporated in India which was not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary companies to its directors is in accordance with requisite the provisions of Section 197 of the Act read with Schedule V to the Act. One of the subsidiary company has paid remuneration during the current year to its director as per special resolution passed at extra ordinary general meeting. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sd/-
Milind Ranade
Partner
Membership No: 100564

Place: Mumbai
Date: 29 May, 2019

Annexure A to the Independent Auditor's Report – 31 March, 2019

(Referred to in our report of even date)

Report on the Internal Financial Controls with reference to the consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

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

Opinion

In conjunction with out audit of the consolidated financial statements of the Company as at and for the year ended 31 March, 2019, we have audited the internal financial controls with reference to consolidated financial statements of Fullerton India Credit Company Limited (hereinafter referred to as the 'Holding Company') and such companies incorporated in India under the Companies Act, 2013 (the 'Act') which are its subsidiaries as of that date..

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March, 2019, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the 'Guidance Note').

Management's Responsibility for Internal Financial Controls

The respective Company's management and Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective 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 internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143 (10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. 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 with reference to consoldiated financial statements were 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of such internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal financial control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary companies in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated 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 with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to two subsidiary companies which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sd/-
Milind Ranade
Partner
Membership No: 100564

Place: Mumbai
Date: 29 May, 2019

Balance Sheet
as at 31 March, 2019

	Note	As at 31 March, 2019 (₹ lakhs)	As at 31 March, 2018 (₹ lakhs)	As at 01 April, 2017 (₹ lakhs)
ASSETS				
Financial assets				
Cash and cash equivalents	2	29,521	24,597	9,761
Bank balances other than cash and cash equivalents	3	56,671	58,878	57,600
Investments	4	1,64,953	52,431	1,94,748
Trade receivables	5	753	752	381
Other financial assets	6	3,027	2,278	12,961
Loans and advances	7	23,86,368	17,18,223	11,23,549
		26,41,293	**18,57,159**	**13,99,000**
Non Financial assets				
Current tax assets	8	2,534	2,368	2,478
Deferred tax asset (net)	9	25,589	25,003	30,884
Other non-financial assets	10	6,689	4,212	3,703
Property, plant and equipment	11	8,176	4,951	4,422
Intangibles assets	12	3,264	2,264	2,640
Intangibles assets under development	12	138	349	68
Capital Work in Progress	11	-	-	292
		46,390	**39,147**	**44,487**
Total Assets		**26,87,683**	**18,96,306**	**14,43,487**
LIABILITIES AND EQUITY				
Liabilities				
Financial liabilities				
Trade payables	13			
i) total outstanding dues to micro enterprises and small enterprises		52	93	69
ii) total outstanding dues to creditors other than micro enterprises and small enterprises		5,962	5,561	4,741
Debt Securities	14	10,15,728	6,82,175	4,91,804
Borrowings	15	10,86,590	7,63,597	5,95,670
Subordinated liabilities	14	1,11,181	70,541	70,218
Other financial liabilities	16	1,01,112	99,113	45,613
		23,20,625	**16,21,080**	**12,08,115**
Non Financial liabilities				
Current tax liabilities	17	1,937	4,155	268
Provisions	18	759	39	59
Other non-financial liabilities	19	6,058	4,699	3,318
		8,754	8,893	3,645
Equity				
Equity share capital	20	2,01,150	1,98,007	1,98,007
Other equity	21	1,57,154	68,326	33,720
		3,58,304	**2,66,333**	**2,31,727**
Total liabilities and equity		**26,87,683**	**18,96,306**	**14,43,487**
Summary of significant accounting policies and accompanying notes which form an integral part of the financial statements	1-51			

As per our report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.: 101248W/W-100022

Sd/-
Milind Ranade
Partner
Membership No.: 100564

For and on behalf of the Board of Directors of Fullerton India Credit Company Limited

Sd/-
Gan Chee Yen
Chairman
DIN : 03602857

Sd/-
Rajashree Nambiar
CEO & Managing Director
DIN : 06932632

Sd/-
Pankaj Malik
Chief Financial Officer

Sd/-
Arun Mulge
Company Secretary
ICSI Reg No. : A18322

Place: Mumbai
Date: 29 May, 2019

Statement of Consolidated Profit and Loss
Year ended 31 March, 2019

	Note	Year ended 31 March, 2019 (₹ lakhs)	Year ended 31 March, 2018 (₹ lakhs)
Revenue from operations			
Interest income	22	4,27,233	2,72,292
Fees and commission income	23	6,742	4,672
Net gain on financial assets at FVTPL	24	5,086	1,107
Ancillary income	25	6,385	5,240
Total revenue from operations		**4,45,446**	**2,83,311**
Other income	26	1,333	1,612
Total Income		**4,46,779**	**2,84,923**
Expenses			
Finance costs	27	1,62,257	1,03,986
Net loss on fair value changes	28	193	24
Impairment on financial instruments	29	55,367	49,745
Employee benefits expense	30	63,376	49,112
Depreciation, amortisation and impairment	11&12	3,793	3,382
Other expenses	31	42,064	26,350
Total expenses		**3,27,050**	**2,32,599**
Profit before tax		**1,19,729**	**52,324**
Tax expense	32		
Current tax		48,445	13,794
Adjustment of tax relating to earlier periods		-	(1,128)
Deferred tax expense / (credit)		(6,141)	4,979
		42,304	**17,645**
Net profit after tax		**77,425**	**34,679**
Other comprehensive income / (loss)	32(b)		
Items that will not be reclassified to profit or loss			
Re-measurement of gain/loss on defined benefit plans (net of tax)		(455)	1
Other comprehensive loss		**(455)**	**1**
Total comprehensive income for the year		**76,970**	**34,680**
Earnings per equity share:	33		
Basic earnings per share (in ₹)		3.88	1.75
Diluted earnings per share (in ₹)		3.88	1.75
Face value per share (in ₹)		10.00	10.00
Summary of significant accounting policies and accompanying notes which form an integral part of the financial statements	1-51		

As per our report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.: 101248W/W-100022

Sd/-
Milind Ranade
Partner
Membership No.: 100564

For and on behalf of the Board of Directors of
Fullerton India Credit Company Limited

Sd/-
Gan Chee Yen
Chairman
DIN : 03602857

Sd/-
Rajashree Nambiar
CEO & Managing Director
DIN : 06932632

Sd/-
Pankaj Malik
Chief Financial Officer

Sd/-
Arun Mulge
Company Secretary
ICSI Reg No. : A18322

Place: Mumbai
Date: 29 May, 2019

Statement of Changes in Consolidated Equity

A. Equity Share Capital

Particulars	Number of shares	Amount (₹ lakhs)
Equity share of ₹ 10 each fully paid up as at 1 April, 2017	1,980,071,519	198,007
Changes during the year	-	-
Equity share of ₹ 10 each fully paid up as at 31 March, 2018	1,980,071,519	198,007
Changes during the year	31,426,776	3,143
Equity share of ₹ 10 each fully paid up as at 31 March, 2019	2,011,498,295	201,150

B. Other Equity

Particulars	Reserves and surplus						Total
	General Reserve	Capital Reserve	Securities premium	Reserve Fund under Section 45 - IC of the RBI Act, 1934 & Reserve Fund under Section 29C(i) of the NHB Act, 1987	Retained Earnings	Re-measurement of gain/loss on defined benefit plans (net of tax)	
Opening balance as at 01 April, 2017	**96**	**2,869**	**21,035**	**26,196**	**(16,476)**	**-**	**33,720**
Reversed/ (utilised) for debenture issue costs	-	584	(658)	-	-	-	(74)
Transferred from retained earnings to reserve fund	-	-	-	7,309	(7,309)	-	-
Profit for the year	-	-	-	-	34,679	-	34,679
Other comprehensive income/(loss) for the year	-	-	-	-	-	1	1
Closing balance as at 31 March, 2018	**96**	**3,453**	**20,377**	**33,505**	**10,894**	**1**	**68,326**
Securities Premium on shares issued	-	-	11,858	-	-	-	11,858

Particulars	Reserves and surplus						Total
	General Reserve	Capital Reserve	Securities premium	Reserve Fund under Section 45 - IC of the RBI Act, 1934 & Reserve Fund under Section 29C(i) of the NHB Act, 1987	Retained Earnings	Re-measurement of gain/loss on defined benefit plans (net of tax)	
Transferred from retained earnings to reserve fund	-	-	-	15,514	(15,514)	-	-
Profit for the year	-	-	-	-	77,425	-	77,425
Other comprehensive income/(loss) for the year	-	-	-	-	-	(455)	(455)
Closing balance as at 31 March, 2019	**96**	**3,453**	**32,235**	**49,019**	**72,805**	**(454)**	**157,154**

As per our report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.: 101248W/W-100022

Sd/-
Milind Ranade
Partner
Membership No.: 100564

Place: Mumbai
Date: 29 May, 2019

For and on behalf of the Board of Directors of
Fullerton India Credit Company Limited

Sd/-
Gan Chee Yen
Chairman
DIN : 03602857

Sd/-
Rajashree Nambiar
CEO & MD
DIN : 06932632

Sd/-
Pankaj Malik
Chief Financial Officer

Sd/-
Arun Mulge
Company Secretary

Statement of Consolidated Cash flow

for the year ended 31 March, 2019

	Year ended 31 March, 2019 (₹ lakhs)	Year ended 31 March, 2018 (₹ lakhs)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	1,19,729	**52,324**
Adjustments for :		
(Includes amount spent towards Corporate Social Responsibility expense as per Section 135 (5) of the Companies Act, 2013 (Refer Note 43))		
Financial asset measured at amortised cost	(5,814)	(411)
Financial liabilities measured at amortised cost	832	339
Depreciation, amortisation and impairment	3,793	3,382
Interest income on fixed deposits, bond and investments	(9,860)	(8,299)
Profit on sale of property, plant and equipment	(12)	(9)
Net (gain)/loss on financial assets at FVTPL	(5,086)	(846)
Impairment on financial instruments	55,268	41,586
Write off of fixed assets & intangible assets	10	24
Fair valuation of stock appreciation rights liability	592	35
Disocunt on commercial papers	1,281	353
Amortisation of ancillary borrowing costs	-	483
Operating profit before working capital changes	**1,60,733**	**88,961**
Adjustments for working capital changes:		
- (Increase)/decrease in loans and advances	(6,89,196)	(6,29,340)
- (Increase)/ decrease in other Assets (financial and non financial assets)	(2,890)	(9,335)
- (Increase)/decrease in trade receivables	(0)	(345)
- Increase/(decrease) in other liabilities (Provision, financial and non financial liabilities)	4,358	65,511
Cash generated from/(used in) operating activities	**(5,26,995)**	**(4,84,548)**
Income tax paid (net)	(45,499)	(5,369)
Net cash generated from/(used in) operating activities (A)	**(5,72,494)**	**(4,89,917)**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangibles	(8,046)	(3,273)
Proceeds from sale of property, plant and equipment and intangibles	30	16
Purchase of investments	(64,58,799)	(15,40,122)
Sale/maturity of investments	63,46,693	16,85,847
Fixed deposit placed	(76,494)	(63,631)
Fixed deposit matured	73,619	62,946
Interest received on fixed deposits and bonds	6,083	6,432
Interest received on investments	5,526	640
Net cash generated from/(used in) investing activities (B)	**(1,11,388)**	**1,48,855**

	Year ended 31 March, 2019 (₹ lakhs)	Year ended 31 March, 2018 (₹ lakhs)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issuance of share capital (including share premium)	15,000	-
Proceeds from borrowings from banks and financial institutions	13,89,956	10,20,576
Repayment of borrowings from banks and financial institutions	(7,11,928)	(6,63,953)
Payment of ancillary borrowing costs	(4,222)	(724)
Net cash generated from/(used in) financing activities (C)	**6,88,806**	**3,55,898**
Net increase / (decrease) in cash and cash equivalents D=(A+B+C)	**4,924**	**14,836**
Cash and cash equivalents as at the beginning of the period (E)	24,597	9,761
Closing balance of cash and cash equivalents (D+E)	**29,521**	**24,597**
Components of cash and cash equivalents:		
Cash on hand	1,168	834
Balances with banks		
- in current accounts	25,351	14,101
- in fixed deposit with maturity less than 3 months	3,002	9,662
Cash and cash equivalents	**29,521**	**24,597**

Note:

The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows. Effective 1 April, 2017, the Company adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of amendment did not have any material impact on the financial statements. (Refer note 15 (b) for net debt reconciliation)

As per our report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.: 101248W/W-100022

Sd/-
Milind Ranade
Partner
Membership No.: 100564

For and on behalf of the Board of Directors of
Fullerton India Credit Company Limited

Sd/-
Gan Chee Yen
Chairman
DIN : 03602857

Sd/-
Rajashree Nambiar
CEO & Managing Director
DIN : 06932632

Sd/-
Pankaj Malik
Chief Financial Officer

Sd/-
Arun Mulge
Company Secretary
ICSI Reg No. : A18322

Place: Mumbai
Date: 29 May, 2019

1. Notes to Financial Statements

A. Company Information

Fullerton India Credit Company Limited ('The Company') is a public limited company domiciled in India and incorporated under the provisions of Companies Act, 1956. The Company is a non-banking financial company ('NBFC') registered as Deposit taking NBFC vide Registration no A-07-00791 dated 27 May, 2011 with the Reserve Bank of India ('RBI'). Registered address of the Company is Fullerton India Credit Limited, Megha Towers, III Floor, New No 165, Old No 307, Poonamallee High Road, Maduravoyal, Chennai. The Company provides loans to small and medium enterprises for working capital and growth, loans for commercial vehicles, loans against shares, two-wheelers, home improvement loans, loans against property, personal loans, working capital loans for urban salaried, self-employed, loans for rural livelihood advancement and financing of various rural micro enterprises (collectively referred to as "Portfolio Loans").

As at 31 March, 2019, Angelica Investments Pte Ltd, the holding company owned 95.76% of the Company's equity share capital.

B. Basis of Preparation

i. Statement of Compliance

The Consolidated Financial Statements comprise of the financial statements of FICCL and its subsidiaries (hereinafter collectively referred to as the 'Group').

These financial statements have been prepared in accordance with the Indian Accounting Standards (IND AS) as per the Companies (Indian Accounting Standards) Rules, 2015, as amended by the Companies (Indian Accounting Standards) Rules, 2016, notified under Section 133 of the Companies Act, 2013 (the "Act"), other relevant provisions of the Act, guidelines issued by the RBI/NHB as applicable to an company within the group and other accounting principles generally accepted in India.

The financial statements up to and for the year ended 31 March, 2018 were prepared in accordance with accounting standards notified under Section 133 of the Act, the relevant rules thereunder, other relevant provisions of the Act and guidelines issued by the RBI/NHB as applicable to an company within the group (Previous GAAP).

These are the first IND AS financial statements of the Group prepared in accordance with IND AS. IND AS 101, First-time Adoption of Indian Accounting Standards has been applied. Refer note 34 for an explanation of how the transition from Previous GAAP to IND AS has affected the Group previously reported financial position, financial performance and cash flows.

The consolidated financial statements are prepared on going concern basis, which assumes that the Group will continue in operational existence for the foreseeable future.

ii. Presentation of Financial Statements

The balance sheet, the statement of profit and loss and the statement of changes in equity are presented in the format prescribed in the Schedule III to the Act. The statement of cash flow has been presented as per the requirements of IND AS 7 "Statement of Cash Flows"

The Group presents its balance sheet in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date and more than 12 months after the reporting date is presented in Note 49.

1) Principles of Consolidation

(i) The Consolidated Financial Statements are prepared in accordance with Ind AS 110 - Consolidated Financial Statements Ind AS -110 notified under Section 133 of the Act. The financial statements of the group companies are prepared according to uniform accounting policies, in accordance with accounting principles generally accepted in India. The effects of inter-company transactions are eliminated on consolidation.

The financial statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses.

The Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and events in similar circumstances and necessary adjustments required for deviations, if any to the extent possible unless otherwise stated, are made in the Consolidated Financial Statements and are presented in the same manner as the Company's standalone financial statements.

The financial statements have been prepared in accordance with the Indian Accounting Standards (IND AS) as per the Companies (Indian Accounting Standards) Rules, 2015, as amended by the Companies (Indian Accounting Standards) Rules, 2016, notified under Section 133 of the Companies Act, 2013 (the "Act"), other relevant provisions of the Act, guidelines issued by the NHB as applicable to an HFCs and other accounting principles generally accepted in India. Due to the lack of homogeneity of the businesses, the financial statements of the FIHFCL have been consolidated, to the extent possible in the format as adopted by the parent, as required by Ind AS - 101 and as prescribed under section133 of the Act.

(ii) The subsidiary companies considered in preparation of consolidated financial statements are :

iii. Functional and Presentation Currency

Indian rupees is the Group's functional currency and the currency of the primary economic environment in which the Group operates. Accordingly, the management has determined that financial statements are presented in Indian Rupees. All amounts have been rounded off to the nearest lakhs upto two decimal places, unless otherwise indicated.

iv. Basis of Measurement

The financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial instruments (as explained in the accounting policies below)	Fair value
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations
Liabilities for cash settled share based payments	Fair value

Name of Company	Country of incorporation	Proportion of Equity interest		
		31 March, 2019	31 March, 2018	1 April, 2017
Fullerton India Home Finance Co. Ltd	India	100%	100%	100%
Fullerton India Social & Economic Development Pvt Ltd	India	100%	100%	100%

For the purpose of Consolidated Financial Statements, the results of FICCL and its subsidiaries for the year ended 31 March, 2019 have been derived from the respective Company's audited financials of the year ended 31 March, 2019.

Non-controlling interest in the net assets of consolidated financial statements is identified and presented in the consolidated balance sheet separately within equity. Non-controlling interest in the net assets of consolidated subsidiaries consists of:

1. The amount of equity attributable to non-controlling interests at the date on which investment in subsidiary is made and
2. The non-controlling interest share of movement in equity since the date of parent subsidiary relationship came into existence. The profit and other comprehensive income attributable to non-controlling interests of subsidiaries are shown separately in the Statement of profit and Statement of change in equity.

v. Use of Estimates and Judgments

The preparation of financial statements in conformity with IND AS requires management to make estimates, assumptions and exercise judgments in applying the accounting policies that affect the reported amount of a¬ssets, liabilities and disclosure of contingent liabilities at the date of financial statements and the reported amounts of income and expenses during the year.

The Management believes that these estimates are prudent and reasonable and are based upon the Management's best knowledge of current events and actions. Actual results could differ from these estimates and differences between actual results and estimates are recognised in the periods in which the results are known or materialised.

Assumptions and estimation uncertainties

Information about critical judgments, assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 March, 2019 is included in the following notes:

Note 1.C.9 – Impairment test of non-financial assets: key assumptions underlying recoverable amounts including the recoverability of expenditure on intangible assets;

Note 1.C.7 – recognition of deferred tax assets

Note 1.C.10 – measurement of defined benefit obligation: key actuarial assumptions;

Note 1.C.2 – financial instruments – Fair values, risk management and impairment of financials assets

Note 1.C.10– cash settled - share based payments

Note 1.C.8 – estimates of useful lives and residual value of property, plant and equipment and intangible assets

Note 1.C.11 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources, if any

vi. Measurement of fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

A number of the Group 's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. Measurement of fair value includes determining appropriate valuation techniques.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

Valuation models that employ significant unobservable inputs require a higher degree of judgment and estimation in the determination of fair value. Judgment and estimation are usually required for selection of the appropriate valuation methodology, determination of expected future cash flows on the financial instrument being valued, determination of probability of counterparty default and selection of appropriate discount rates.

The management regularly reviews significant unobservable inputs and valuation adjustments.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques. When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy al the end of the reporting period during which the change has occurred

Further information about the assumptions made in measuring fair values is included in the following notes:

Note 48 - Financial instruments - Fair values and risk management

Note 38 - Cash settled share based payments

C. Significant accounting policies

1. Revenue Recognition

Interest income

The Group calculates interest income by using the effective interest rate (EIR) method.

The effective interest rate method

Interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial instrument.

The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, commission, fees and costs incremental and directly attributable to the specific lending arrangement.

The Group recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the financial asset. The future cash flows are estimated taking into account all the contractual terms of the asset. If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet. The adjustment is subsequently amortised through Interest income in the statement of profit and loss.

When a financial asset becomes credit-impaired subsequent to initial recognition, the Group calculates interest income by applying the effective interest rate to the amortised cost (net of provision) of the financial asset. If the financial assets cures and is no longer credit-impaired, the Group reverts to calculating interest income on a gross basis.

Interest income on financial assets classified as FVTPL is recognised at contractual interest rate of financial instruments.

Penal/additional interest on default in payment of dues by customer is recognised on realisation basis.

Fee income

Loan processing fee/document fees/stamp fees which are integral part of financials assets are recognised through effective interest rate over the term of the loan. For the agreements foreclosed or transferred through assignment, the unamortised portion of the fee is recognised as income to the Statement of profit and loss at the time of such foreclosure/transfer through assignment. Applications fee is recognised at the commencement of the contracts. Additional charges such as penal, dishonor, foreclosure charges, delayed payment charges etc. are recognised on realisation basis.

Dividend income

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

Net gain from financial instruments at FVTPL

The realised gain from financial instruments at FVTPL represents the difference between the carrying amount of a financial instrument at the beginning of the reporting period, or the transaction price if it was purchased in the current reporting period, and its settlement price.

The unrealised gain represents the difference between the carrying amount of a financial instrument at the beginning of the period, or the transaction price if it was purchased in the current reporting period, and its carrying amount at the end of the reporting period.

Rendering of services

The Group recognises revenue from contracts with customers based on a five step model as set out in IND AS 115 to determine when to recognise revenue and at what amount.

Revenue is measured based on the consideration specified in the contract with a customer and excludes amounts collected on behalf of third parties. Revenue from contracts with customers is recognised when services are provided and it is highly probable that a significant reversal of revenue is not expected to occur.

If the consideration promised in a contract includes a variable amount, an entity estimates the amount of consideration to which it will be entitled in exchange for rendering the promised services to a customer. An amount of consideration can vary because of discounts, rebates, refunds, credits, price concessions, incentives, performance bonuses, or other similar items. The promised consideration can also vary if an entitlement to the consideration is contingent on the occurrence or non-occurrence of a future event.

Commission income

Commission income earned for the services rendered are recognised on accrual basis, while rate conversion charges are recognised upfront based on event occurrence.

2. **Financial Instruments**

- **Recognition and initial measurement**

Financial assets and liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial assets or financial liability. Transaction costs of financial instrument carried at fair value through profit or loss are expensed in profit or loss.

- **Classification and subsequent measurement**

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

Financial assets

The Group subsequently classifies its financial assets in the following measurement categories:

- amortised cost;
- fair value through profit or loss
- fair value through other comprehensive income

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

A financial asset is measured at amortised cost using Effective Interest Rate (EIR) method if it meets both of the following conditions:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made an investment – by – investment basis.

All financials assets not classified and measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the company may irrevocabaly designate the financials assets that otherwise meets the requirements to be measured at amortised cost or at FVOCI or at FVTPL, if doing so eliminates or significantly reduces the accounting mismatch that would otherwise arise.

Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

– the stated policies and objectives for the portfolio and the operation of those policies in practice;

– how the performance of the portfolio is evaluated and reported to the Group 's management;

– the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed and

– the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectation about future sales activity.

At initial recognition of a financial asset, the Group determines whether newly recognised financial assets are part of an existing business model or whether they reflect a new business model. The Group reassess its business models each reporting period to determine whether the business models have changed since the preceding period.

Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. That principal amount may change over the life of the financial assets (e.g. if there are payments of principal) Amount 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

– Contingent events that would change the amount or timing of cash flows;
– Terms that may adjust the contractual coupon rate, including variable interest rate features;
– Prepayment and extension features; and
– Terms that limit the Group 's claim to cash flows from specified assets.

Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI.

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the statement of profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the statement of profit or loss. Any gain or loss on de-recognition is recognised in the statement of profit or loss.
Financial assets (other than Equity Investments) at FVOCI	Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognised in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the statement of Profit and Loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in the Statement of Profit and Loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial liabilities and equity instruments

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

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

Financial liabilities are subsequently measured at the amortised cost using the effective interest method, unless at initial recognition, they are classified as fair value through profit and loss. Interest expense and foreign exchange gains and losses are recognised in the Statement of profit and loss. Any gain or loss on derecognition is also recognised in the statement of profit or loss.

- **Reclassification**

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

- **De-recognition, modification and transfer**

Financial Assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred.

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

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership.

When it has neither transferred substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Profit/premium arising at the time of assignment of portfolio loans, is recognised as an upfront gain/loss. Interest on retained portion of assigned portfolio is recognised basis Effective Interest Rate. Service fee received is accounted for based on the terms of underlying deal structure of transaction.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised as profit or loss.

- **Offsetting of financial instruments**

  Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

- **Impairment and write off**

  In accordance with IND AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets at amortised cost along with related undrawn commitments and loans sanctioned but not disbursed.

  Undrawn loan commitments are commitments under which, over the duration of the commitment, the Group is required to provide a loan with pre-specified terms to the customer. Commitment starts from the date of the sanction letter till the amount is fully drawn down by the customer.

  The Group recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. For recognition of impairment loss on financial assets, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, the Group reverts to recognising impairment loss allowance based on 12-month ECL.

  Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

  Measurement of expected credit losses

  Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows which the Group expects to receive) discounted at an approximation to the EIR.

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

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

  Presentation of allowance for expected credit losses in the balance sheet

  Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the statement of profit and loss.

  Write off

  The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the counter party does not have assets or sources of income that could generate cash flows to repay the amounts. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

- **Collateral valuation and repossession**

  To mitigate the credit risk on financial assets, the Group seeks to use collateral, where possible as per the Board approved Credit Policy. The Group provides fully secured, partially secured and unsecured loans to customers. The parameters relating to acceptability and valuation of each type of collateral is a part of the Credit Policy of the Group.

In its normal course of business, the Group does not physically repossess properties in its retail portfolio. For other collaterals, the Group liquidates the assets and recovers the amount due against the loan. Any surplus funds are returned to the customers/obligors.

3. Cash and Cash Equivalents

Cash and cash equivalents for the purpose of the cash flow statement comprise of the cash on hand, call deposits and other short term, highly liquid securities with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Cash and cash equivalents consists of balances with banks which are unrestricted for withdrawal and usage.

4. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of specific asset or assets and the arrangement conveys a right to use the assets or assets, even if the right is not explicitly specified in an arrangement.

Operating Lease

Leases where the lessor effectively retains substantially all risks and benefits incidental to ownership of the asset are classified as Operating lease.

Group as a lessee

Operating lease payments (net of any incentive received from the lessor) are recognised as an expense in the Statement of Profit and Loss on a straight line basis over the lease term unless the payments are structured to increase in line with general inflation to compensate for the lessor's expected inflationary cost.

Group as a lessor

Rental income from operating lease is recognised on a straight line basis over the lease term unless the same is in line with general inflation to compensate for the expected inflationary cost. Initial direct costs incurred in negotiating and arranging an operating lease is recognised over the lease term on the same basis as rental income.

5. Borrowing Costs

Borrowing cost is calculated using effective interest rate on the amortised cost of the instrument. EIR includes interest and amortisation of ancillary cost, incurred in connection with the borrowing of funds. Other borrowing costs are recognised as an expense in the period in which they are incurred.

6. Foreign Currency

Transactions in foreign currency are recorded at exchange rate prevailing on the date of transaction. Exchange differences, if any, arising out of foreign exchange transactions settled during the period are recognised in the Statement of Profit and Loss. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the Balance sheet date and exchange gain or loss arising on restatement are recognised in the Statement of Profit and Loss.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. All resulting exchange differences are recognised in other comprehensive income.

7. Income Taxes

Income tax expense comprises current tax expenses, net change in the deferred tax assets or liabilities during the year and any adjustment to the tax payable or receivable in respect of previous years. Current and deferred taxes are recognised in the Statement of profit and loss, except when they relate to business combinations or to an item that are recognised in Other comprehensive income or directly in Equity, in which case, the current and deferred tax are also recognised in Other comprehensive income or directly in Equity respectively.

Current Income taxes

The current income tax includes income taxes payable by the Group computed in accordance with the tax laws applicable in the jurisdiction in which the Group generate taxable income and does not have any adjustment to the tax payable or receivable in respect of previous years.

The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred income taxes

Deferred income tax is recognised using Balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of an assets and liabilities and their carrying amount.

Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be reversed or settled. Deferred tax asset are recognised to the extent that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable sufficient taxable profit will be available to allow part of deferred income tax assets to be utilised. At each reporting date, the Group re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax asset to the extent that it has become reasonably certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset deferred tax assets and liabilities.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India which is likely to give future economic benefit in the form of availability of setoff against future income tax liability. Accordingly, MAT is recognised as deferred tax assets in the Balance sheet when the assets can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

Goods and services tax input credit

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

Expenses and assets are recognised net of the goods and services tax/value added taxes paid, except:

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

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

8. Property Plant and Equipment (Including Capital Work-in-Progress) and Intangible Assets.

Recognition and Measurement

Property, plant and equipment and intangible assets are measured at cost, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price(after deducting trade discounts and rebates) including import duties and non-refundable taxes, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Intangible assets are initially measured at cost. Subsequently, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Assets acquired which are not ready for intended use as on the reporting date are classified under Capital work in progress.

Any gain or loss arising from disposal of an item of property, plant and equipment and intangible assets is recognised as profit or loss respectively.

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group. All other expenditure is recognised in the Statement of Profit and Loss as incurred.

Depreciation/Amortisation

Depreciation on Property, plant and equipment is provided on straight-line basis as per the estimated useful life of the assets as determined by the management, which is in line with Schedule II of the Companies Act, 2013 except for certain assets as stated below.

	Useful life estimated by the Group (in years)	Useful Life as per Schedule II (in years)
Computer Server and Other Accessories *	4	6
Computer Desktop and Laptops *	3	3
Furniture and Fixtures *	5	10
Office Equipments *	5	5
Handheld devices *	2	5
Vehicles *	4	8

* Useful life of the assets has been assessed based on internal assessment, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Depreciation/Amortisation method, useful life and residual value are reviewed at each financial year end and adjusted if required. Depreciation/Amortisation on addition/ disposable is provided on a pro-rata basis i.e from/upto the date on which asset is ready to use /disposed off.

Leasehold improvements are amortised over the period of the lease subject to a maximum lease period of 66 months.

Intangible assets are amortised using the straight line method over a period of five years commencing from the date on which such asset is first installed.

9. Impairment on Non Financials Assets

The carrying amount of the non-financial assets other than deferred tax are reviewed at each Balance Sheet date if there is any indication of impairment based on internal / external factors. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets is considered as a cash generating unit.

If any indication of impairment exists, an estimate of the recoverable amount of the individual asset/cash generating unit is made. The recoverable amount of the assets/ Cash generating unit is estimated as the higher of net selling price and its value in use.

Asset/cash generating unit whose carrying value exceeds their recoverable amount are written down to the recoverable amount by recognising the impairment loss as an expense in the Statement of Profit and Loss. After impairment, depreciation / amortisation is provided on the revised carrying amount of the asset over its remaining useful life.

The Group reviews at each reporting date, whether there is any indication that the loss has decreased or no longer exists. A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation / amortisation if there were no impairment.

10. Employee Benefits

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

Defined Contribution Plans

Contributions to defined contribution schemes includes employees' state insurance, superannuation scheme, employee pension scheme. A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions into an account with a separate entity and has no legal or constructive obligation to pay further amounts. The Group makes specified periodic contributions to the credit of the employees' account with the Employees' Provident Fund Organisation. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the Statement of Profit and Loss in the periods during which the related services are rendered by employees.

Defined Benefit Plans

Gratuity

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of the defined benefit obligation is performed periodically by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in Other Comprehensive Income (OCI). The Group determines the net interest expense / income on the net defined benefit liability/ asset for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability/ asset, taking into account any changes in the net defined benefit liability /asset during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the Statement of Profit or Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in the Statement of Profit or Loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other long term employee benefits

The Group's net obligation in respect of long-term employee benefits other than post-employment benefits, which do not fall due wholly within 12 months after the end of the period in which the employees render the related services, is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an independent actuarial valuation using the projected unit credit method.

Phantom Plan (Stock Appreciation Rights)

For cash-settled share based payments, the fair value of the amount payable to employees is recognised as 'employee benefit expenses' with a corresponding increase in liabilities, over the vesting period on straight line basis. The liability is re-measured at each reporting period up to, and including the settlement date, with changes in fair value recognised in employee benefits expenses. Refer Note 38 for details.

11. Provisions (Other Than for Employee Benefits), Contingent Liabilities, Contingent Assets and Commitments

A provision is recognised when an enterprise has a present legal or constructive obligation as a result of past event and it is probable that an outflow of resources embodying economic benefits 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 estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

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 Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the financial statements.

Contingent assets are neither recognised nor disclosed in the financial statements. However, it is disclosed only when an inflow of economic benefits is highly probable.

The Group operates in a regulatory and legal environment that, by nature, has inherent litigation risk to its operations and in the ordinary course of the Group's business. Given the subjectivity and uncertainty of determining the probability and amount of losses, the Group takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents.

Commitments include the amount of purchase order (net of advances) issued to the counterparties for supplying/development of asset and amount of undisbursed portfolio loans.

Provisions, contingent assets, contingent liabilities and commitments are reviewed at each reporting date.

12. Earnings Per Share

Basic earnings per share are computed by dividing profit after tax (excluding other comprehensive income) attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing profit after tax (excluding other comprehensive income) attributable to the equity shareholders as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the profit per share.

13. Operating Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The CODM's function is to allocate the resources of the Group and assess the performance of the operating segments of the Group.

14. Dividend on Equity Shares

The Group recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders except in case of interim dividend. A corresponding amount is recognised directly in equity.

D. Recent accounting developments

Standards issued but not yet effective

Following are the new standards and amendments to existing standards (as notified by Ministry of Corporate Affairs (MCA) on 30 March, 2019 as part of the Companies (IND AS) Amendment Rules, 2019) which are effective for the annual period beginning from 01 April, 2019. The Group intends to adopt these standards and amendments from the effective date.

IND AS 116 – Leases:

IND AS 116 is applicable for financial reporting periods beginning on or after 01 April, 2019 and replaces existing lease accounting guidance, namely IND AS 17 Leases. IND AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use ("ROU") asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The nature of expenses related to those leases will change as IND AS 116 replaces the operating lease expense (i.e. rent) with depreciation charge for ROU assets and interest expense on lease liabilities. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases.

The Group plans to apply IND AS 116 on 01 April, 2019, using the prospective approach. Therefore, the ROU asset is measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application. The Company is in the process of analysing the impact of new lease standard on its financial statement

Amendments to existing IND AS:

The following amended standards are not expected to have a significant impact on the Group 's financial statements. This assessment is based on currently available information and is subject to changes arising from further reasonable and supportable information being made available to the Company when it adopts the respective amended standards.

I. Amendment to Ind AS 12 Income Taxes:

Income tax consequences of distribution of profits (i.e dividends), including payments on financial instruments classified as equity, should be recognised when a liability to pay dividend is recognised.

The income tax consequences should be recognised in profit or loss, other comprehensive income or equity according to where the past transactions or events that generated distributable profits were originally recognised.

Appendix C has been added to IND AS 12 which seeks to bring clarity to the accounting for uncertainties on income tax treatments that are yet to be accepted by tax authorities and to reflect it in the measurement of current and deferred taxes.

II. Amendments to Ind AS 109 Financial Instruments:

A financial asset would be classified and measured at amortised cost or at Fair Value through Other Comprehensive Income (FVOCI) if its contractual cash flows are solely in the nature of principle and interest on the principle amount outstanding (SPPI criterion).

An exception has been prescribed to the classification and measurement requirements with respect to the SPPI criterion for financial assets that:

- Have a prepayment feature which results in a negative compensation.
- Apart from the prepayment feature, other features of the financial asset would have contractual cash flows which would meet the SPPI criterion, and
- The fair value of the prepayment feature is insignificant when the entity initially recognises the financial asset. If this is impracticable to assess based on facts and circumstances that existed on initial recognition of the asset, then the exception would not be available.

Such financial assets could be measured at amortised cost or at FVOCI based on the business model within which they are held.

III. Amendments to Ind AS 19 Employee Benefits

When a defined benefit plan is amended, curtailed or settled, entities would be required to use updated actuarial assumptions to determine its current service cost and net interest for the remainder of the annual reporting period (post the plan amendment, curtailment or settlement).

The effect of the asset ceiling would not be considered while calculating the gain or loss on any settlement of the plan. Subsequently, it would be recognised in other comprehensive income.

IV. **Amendments to Ind AS 23 Borrowing costs**

Borrowing cost eligible for capitalisation

- Clarification that in computing the capitalisation rate for funds borrowed generally, the Company should exclude borrowing costs applicable to borrowings made specifically for obtaining a qualifying asset, only until the asset is ready for its intended use or sale. Borrowing costs related to specific borrowings that remain outstanding after the related qualifying asset is ready for intended use or for sale would subsequently be considered as part of the general borrowing cost of the Company.
- Transitional provision: The Company applying IND AS 23 should apply the amendments to the borrowing costs incurred on or after the date the Company first applies the amendments.

The amendments that are not yet effective made to the following existing standards, does not have any impact on the Group 's financial statements:

- IND AS 28 Investments in associates and joint ventures
- IND AS 103 Business Combinations and
- IND AS 111 Joint arrangements

2. Cash and Cash Equivalents

Particulars	As at 31 March, 2019 (₹ lakhs)	As at 31 March, 2018 (₹ lakhs)	As at 01 April, 2017 (₹ lakhs)
Cash on hand	1,168	834	947
Balances with banks*			
- in current accounts	25,351	14,101	7,714
- in deposit with maturity less than 3 months	3,002	9,662	1,100
Total	**29,521**	**24,597**	**9,761**

3. Bank Balances Other than Cash and Cash Equivalents

Particulars	As at 31 March, 2019 (₹ lakhs)	As at 31 March, 2018 (₹ lakhs)	As at 01 April, 2017 (₹ lakhs)
Deposit with maturity of more than 3 months but less than 12 months	26,360	8,219	4,346
Deposit with maturity of more than 12 months*	30,311	50,659	53,254
Total	**56,671**	**58,878**	**57,600**

*In respect of balance with Scheduled banks in Deposits, ₹ Nil (31 March, 2018: 247 lakhs; 1 April, 2017: ₹ 224 lakhs) pertain to collateral deposit kept with banks as credit enhancements pertaining to securitisations.

4. Investments

Particulars	As at 31 March, 2019 (₹ lakhs)	As at 31 March, 2018 (₹ lakhs)	As at 01 April, 2017 (₹ lakhs)
Measured at fair value through profit and loss			
Units of Mutual funds			
Nil (31 March, 2018: Nil; 1 April, 2017: 191,330.67) units of ₹ 1,000 each Tata Money Market Fund Option - Direct Plan Growth	-	-	4,904

Particulars	As at 31 March, 2019 (₹ lakhs)	As at 31 March, 2018 (₹ lakhs)	As at 01 April, 2017 (₹ lakhs)
Nil (31 March, 2018: Nil; 1 April, 2017: 14,296,676.46) units of ₹ 10 each Sundaram Money Fund - Direct Plan - Growth	-	-	4,903
93,604.460 (31 March, 2018: Nil; 1 April, 2017: 318,378.27) units of ₹ 1,000 each in DSP BlackRock Liquidity Fund - Direct Plan - Growth	2,503	-	7,405
Nil (31 March, 2018: Nil; 1 April, 2017: 154,897.41) units of ₹ 1,000 each SBI Premier Liquid Fund - Direct Plan -Growth	-	-	3,953
Nil (31 March, 2018: Nil; 1 April, 2017: 271,860.71) units of ₹ 1,000 each Axis Liquid Fund - Direct Plan - Growth Option	-	-	4,902
66,116.578 (31 March, 2018: Nil; 1 April, 2017: Nil) units of ₹ 10 each in Kotak Liquid - Direct Plan - Growth	2,502	-	-
Nil (31 March, 2018: Nil; 1 April, 2017: 273,651.25) units of ₹ 1,000 each in HDFC Liquid Fund - Direct Plan - Growth Option	-	-	8,781
Unquoted: Equity instruments			
50,000 (31 March, 2018: 50,000; 1 April, 2017: 50,000) equity shares of ₹ 10 each fully paid-up in Alpha Micro Finance Consultants Private Limited	5	5	5
8,397 (31 March, 2018: 8,397; 1 April, 2017 8,397) equity shares of ₹ 10 each fully paid-up in Digilend Analytics and Technology Pvt. Ltd.	-	100	100
Quoted: Government securities and T-bills			
32,500,000 (31 March, 2018: Nil; 1 April, 2017: Nil) units 0% ₹ GOI TB 2019/414	32,489	-	-
2,500,000 (31 March, 2018: Nil; 1 April, 2017: Nil) units 0% ₹ GOI TB 2019/414	2,499	-	-
12,500,000 (31 March, 2018: Nil; 1 April, 2017: Nil) units 0% ₹ GOI TB 2019/414	12,496	-	-
1,000,000 (31 March, 2018: Nil; 1 April, 2017: Nil) units 7.17 % 2028/413 Government Securities	980	-	-
500,000 (31 March, 2018: Nil; 1 April, 2017: Nil) units 7.17 % 2028/413 Government Securities	490	-	-
Nil (31 March, 2018: Nil; 1 April, 2017: 2,000,000) units 7.61 % 2030 Government Securities	-	-	2,072
Nil (31 March, 2018: Nil; 1 April, 2017: 7,000,000) units 7.59 % 2026 Government Securities	-	-	7,335
Nil (31 March, 2018: Nil; 1 April, 2017: 3,500,000) units 6.97 % 2026 Government Securities	-	-	3,567
Nil (31 March, 2018: Nil; 1 April, 2017: 7,500,000) units 0% ₹ GOI TB 18/01/2018	-	-	7,159
Nil (31 March, 2018: Nil; 1 April, 2017: 5,000,000) units 0% ₹ GOI TB 01/06/2017	-	-	4,956

Particulars	As at 31 March, 2019 (₹ lakhs)	As at 31 March, 2018 (₹ lakhs)	As at 01 April, 2017 (₹ lakhs)
Unquoted: Certificate of deposits			
22,500 (31 March, 2018: 75,00; 1 April, 2017: 15,000) units of ₹ 100,000 each of Axis Bank Ltd	21,361	7,011	14,246
20,000 (31 March, 2018: 75,00; 1 April, 2017: 16,500) units of ₹ 100,000 each of ICICI Bank Ltd	19,020	7,275	16,093
Nil (31 March, 2018: Nil; 1 April, 2017: 19,500) units of ₹ 100,000 each of NABARD	-	-	18,419
20,000 (31 March, 2018: Nil; 1 April, 2017: 20,000) units of ₹ 100,000 each of Kotak Mahindra Bank Limited	19,207	-	19,270
30,000 (31 March, 2018: 10,000; 1 April, 2017: 5,000) units of ₹ 100,000 each of Indus Ind Bank Limited	28,249	9,560	4,720
Nil (31 March, 2018: Nil; 1 April, 2017: 2,500) units of ₹ 100,000 each of Credit Suisse	-	-	2,469
17,500 (31 March, 2018: Nil; 1 April, 2017: 14,000) units of ₹ 100,000 each of IDFC Bank Limited	16,632	-	13,708
Nil (31 March, 2018: Nil; 1 April, 2017: 9,000) units of ₹ 100,000 each of SIDBI	-	-	8,446
7,000 (31 March, 2018: Nil; 1 April, 2017: Nil) units of ₹ 100,000 each of Federal Bank Limited	6,520	-	-
Nil (31 March, 2018: 15,000; 1 April, 2017: 2500) units of ₹ 100,000 each of HDFC Bank	-	14,070	2,467
Unquoted: Commercial Papers			
Nil (31 March, 2018: 3,000; 1 April, 2017: 3,000) units of ₹ 500,000 each of Housing Development Finance Corporation Ltd.	-	14,410	14,575
Quoted: Corporate Bonds			
Nil (31 March, 2018: Nil; 1 April, 2017: 1,000) units of 8.57% Bond ₹ 5,00,000 each fully paid up in HDFC Ltd.	-	-	5,062
Nil (31 March, 2018: Nil; 1 April, 2017: 1,000) units of 8.29% NCD ₹ 1, 000,000 each fully paid up in NABARD.	-	-	10,156
Nil (31 March, 2018: Nil; 1 April, 2017: 500) units of 8.40% NCD ₹ 1,000,000 each fully paid up in PFC Ltd.	-	-	5,073
Total	**1,64,953**	**52,431**	**1,94,748**

5. Trade Receivables

Particulars	As at 31 March, 2019 (₹ lakhs)	As at 31 March, 2018 (₹ lakhs)	As at 01 April, 2017 (₹ lakhs)
Receivables considered good - Secured	-	-	-
Receivables considered good - Unsecured	753	752	381
Less: Provision for impairment	-	-	-
Total	**753**	**752**	**381**

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Also no trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

6. Other Financial Assets

Particulars	As at 31 March, 2019 (₹ lakhs)	As at 31 March, 2018 (₹ lakhs)	As at 01 April, 2017 (₹ lakhs)
Security Deposits	1,846	1,501	1,195
Less- Impairment allowance	(111)	(86)	(86)
Interest Accrued on Investment	777	342	1,747
Others	515	521	10,105
Total	**3,027**	**2,278**	**12,961**

7. Loans and Advances

Particulars	As at 31 March, 2019 (₹ lakhs)	As at 31 March, 2018 (₹ lakhs)	As at 01 April, 2017 (₹ lakhs)
Loans carried at amortised cost			
(i) Loans repayable on Demand	-	-	-
(ii) Portfolio Loans*	24,57,514	17,70,143	11,88,011
Total Gross	**24,57,514**	**17,70,143**	**11,88,011**
Less- Impairment allowance	(71,146)	(51,920)	(64,462)
Total Net	**23,86,368**	**17,18,223**	**11,23,549**
(i) Secured by tangible assets	11,32,506	8,49,766	5,82,990
(ii) Secured by intangible assets	-	-	-
(iii) Covered by Bank/Government Guarantees	-	-	-
(iv) Unsecured	13,25,008	9,20,377	6,05,021
Total (B)-Gross	**24,57,514**	**17,70,143**	**11,88,011**
Less: Impairment loss allowance	(71,146)	(51,920)	(64,462)
Total (B)-Net	**23,86,368**	**17,18,223**	**11,23,549**

* All the loans are disbursed in India and there are no loans issued to public sector.

8. Current Tax

Particulars	As at 31 March, 2019 (₹ lakhs)	As at 31 March, 2018 (₹ lakhs)	As at 01 April, 2017 (₹ lakhs)
Advance tax (net of provisions)	2,534	2,368	2,478
Total	**2,534**	**2,368**	**2,478**

Advance tax (net of provision) of ₹ 2,368 lakhs FY 2018: ₹ 269 lakhs FY 2017 has been reclassified from Provision for tax (net of advance tax).

9. Deferred Tax (Net)

Particulars	As at 31 March, 2019 (₹ lakhs)	As at 31 March, 2018 (₹ lakhs)	As at 01 April, 2017 (₹ lakhs)
Deferred tax asset arising on account of :			
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	671	143	228
Timing difference between book depreciation and Income Tax Act, 1961	1,740	1,779	1,644
Provision for MTM on investments	67	1	107
Provision for expected credit loss on financial assets	21,299	16,812	22,288
Provision for security deposits	40	30	30
Provision for rent equalisation reserve	6	-	-
Processing fees and LOC adjustment related to financial assets at amortised cost	2,264	1,569	1,706
Provision for expenses disallowed as per Income-tax Act, 1961	2,730	734	416
Fair valuation of SAR liability	-	53	39
MAT credit entitlement	-	5,557	6,126
Preliminary expenses	14	33	-
Total deferred tax assets	**28,831**	**26,711**	**32,584**
Deferred tax liability arising on account of :			
Fair valuation of loans assigned	606	-	-
Borrowing cost adjustment related to financial liabilities at amortised cost	2,496	1,626	1,700
Timing difference between book depreciation and Income Tax Act, 1961	8	6	-
MTM on Investments	65	-	-
Special Reserve created as per section 29C of NHB Act, 1987 and claimed as deduction u/s 36 (1) (viii) of Income Tax Act, 1961	67	76	-
Total deferred tax liabilities	**3,242**	**1,708**	**1,700**
Deferred tax assets (net)	**25,589**	**25,003**	**30,884**

10. Other Non-Financial Assets

Particulars	As at 31 March, 2019 (₹ lakhs)	As at 31 March, 2018 (₹ lakhs)	As at 01 April, 2017 (₹ lakhs)
Advances recoverable in cash or in kind or for value to be received	850	303	388
Surplus in gratuity fund	-	78	83
Prepayments	2,752	1,982	1,851
Capital advances	115	77	375
Advances to employees	14	35	32
Others	2,958	1,737	974
Total	**6,689**	**4,212**	**3,703**

11. Property, Plants and Equipment

(₹ lakhs)

Particulars	Office Equipments	Furniture & Fixtures	Computers & Accessories	Leasehold Improvements	Vehicles	Land & Building*	Leased assets	Total
Gross block								
Balance as at 01 April, 2017	1,080	777	1,782	646	103	6	28	**4,422**
Additions	624	586	826	788	222	6	-	**3,052**
Deletions	(538)	(138)	(408)	(187)	(6)	-	-	**(1,277)**
Balance as at 31 March, 2018	1,166	1,225	2,200	1,247	319	12	28	**6,197**
Additions	856	1,129	2,942	799	297	-	-	**6,023**
Deletions	(92)	(94)	(734)	(106)	(55)	-	-	**(1,081)**
Balance as at 31 March, 2019	1,930	2,260	4,408	1,940	561	12	28	**11,139**
Accumulated depreciation								
Balance as at 01 April, 2017	-	-	-	-	-	-	-	**-**
Depreciation charge	567	385	954	489	74	-	21	**2,490**
Deletions	(532)	(127)	(406)	(179)	(1)	-	-	**(1,245)**
Balance as at 31 March, 2018	35	258	548	310	73	-	21	**1,245**
Depreciation charge	627	425	1,140	451	121	-	7	**2,771**
Deletions	(90)	(88)	(731)	(104)	(41)	-	-	**(1,054)**
Balance as at 31 March, 2019	572	595	957	657	153	-	28	**2,962**
Net block								
Balance as at 01 April, 2017	1,080	777	1,782	646	103	6	28	**4,422**
Balance as at 31 March, 2018	1,131	967	1,652	937	246	12	7	**4,951**
Balance as at 31 March, 2019	1,358	1,665	3,451	1,283	408	12	0	**8,176**
Capital Work in Progress								
Balance as at 01 April, 2017	133	55	104	-	-	-	-	**292**
Balance as at 31 March, 2018	-	-	-	-	-	-	-	**-**
Balance as at 31 March, 2019	-							**-**

*Pledged as security against secured non -convertible debenture.

As per management assessment there are not probable scenario in which the recoverable amount of asset would decrease below the carrying amount of asset. Consequently no impairment required.

The Group has availed the deemed cost exemption as per Ind AS 101 in relation to the Property Plant and Equipment as on the date of transition (01 April, 2017) and hence the net block of carrying amount as at 31 March, 2017 has been considered as the gross block of carrying amount on the date of transition. Refer note below for the gross block value and the accumulated depreciation as at 31 March, 2017 under the previous GAAP.

(₹ lakhs)

Particulars	Gross block	Accumulated depreciation	Net block
Property, plant and equipment			
Office equipments	3,729	2,649	1,080
Furniture & fixtures	3,075	2,298	777
Computer & accessories	6,501	4,719	1,782
Leasehold improvements	3,550	2,904	646
Vehicles	173	70	103
Land & Building	6	-	6
Leased assets	138	110	28

12. Intangible Assets

(₹ lakhs)

Particulars	Computer Software	Total
Gross block		
Balance as at 01 April, 2017	2,640	**2,640**
Additions	515	**515**
Deletions	-	**-**
Balance as at 31 March, 2018	**3,155**	**3,155**
Additions	2,022	**2,022**
Deletions	-	**-**
Balance as at 31 March, 2019	**5,177**	**5,177**
Amortisation		
Balance as at 01 April, 2017	**-**	**-**
Amortisation	891	**891**
Deletions	-	**-**
Balance as at 31 March, 2018	**891**	**891**
Amortisation	1,022	**1,022**
Deletions	-	**-**
Balance as at 31 March, 2019	**1,913**	**1,913**
Net block		
Balance as at 01 April, 2017	**2,640**	**2,640**
Balance as at 31 March, 2018	2,264	**2,264**
Balance as at 31 March, 2019	**3,264**	**3,264**
Intangibles assets under development		
Balance as at 01 April, 2017	**68**	**68**
Balance as at 31 March, 2018	349	**349**
Balance as at 31 March, 2019	138	**138**

The Company has availed the deemed cost exemption as per Ind AS 101 in relation to the Intangible Assets as on the date of transition (01 April, 2017) and hence the net block of carrying amount as at 31 March, 2017 has been considered as the gross block of carrying amount on the date of transition. Refer note below for the gross block value and the accumulated depreciation as at 31 March, 2017 under the previous GAAP.

(₹ lakhs)

Intangible assets	Gross block	Accumulated depreciation	Net block
Computer software	9,154	6,514	2,640

13. Trade Payables*

Particulars	As at 31 March, 2019 (₹ lakhs)	As at 31 March, 2018 (₹ lakhs)	As at 01 April, 2017 (₹ lakhs)
Dues of micro and small enterprises (refer Note 42)	52	93	69
Dues of creditors other than micro and small enterprises	5,962	5,561	4,741
Total	**6014**	**5,654**	**4,810**

*Other payable of ₹ 5,654 lakhs FY 2018: ₹ 4,810 lakhs FY 2017 has been reclassified to Trade payable.

14. Debt Securities##

Particulars	As at 31 March, 2019 (₹ lakhs)	As at 31 March, 2018 (₹ lakhs)	As at 01 April, 2017 (₹ lakhs)
At amortised cost			
Non- convertible debentures (secured)*	10,15,728	6,82,175	4,91,804
Total	**10,15,728**	**6,82,175**	**4,91,804**
Subordinated liabilities	1,11,181	70,541	70,218
Total	**1,11,181**	**70,541**	**70,218**

*Non- Convertible Debentures are secured by first pari passu charge over all loan receivables and immovable property. Non-Convertible Debenture includes Masala Bonds of ₹ 100,000 Lakhs of which ₹ 50,000 Lakhs is listed on Singapore Stock Exchange.

The funds raised by the Company during the year by issue of Secured / Unsecured Non-Convertible Debentures / bonds were utilised for the purpose intended, i.e. towards lending, financing, to refinance the existing indebtedness of the Company or for long-term working capital, in compliance with applicable laws.

15. Borrowings

Particulars	As at 31 March, 2019 (₹ lakhs)	As at 31 March, 2018 (₹ lakhs)	As at 01 April, 2017 (₹ lakhs)
At amortised cost			
Term loans from bank (secured)*	8,63,403	5,92,018	4,75,993
Cash credit from bank (unsecured)	102	12,191	9,963
Other Loans	-	-	-
Commercial papers (unsecured)#	2,23,085	1,59,388	1,09,714
Total	**10,86,590**	**7,63,597**	**5,95,670**

(a) Nature of securities and terms of repayment for borrowings

*Indian rupee loan from banks are secured by first pari passu charge over all loan receivables except specific charge on specific loan receivables for one of the financial institution (Term loan outstanding as on 31 March, 2018 : ₹ 201 Lakhs; 31 March, 2017 : 1,833 lakhs)

Commercial paper carries interest in the range of 7.02% to 9.75% p.a. and tenure of 90 to 365 days fully payable at maturity. The interest rate is on XIRR basis.

(b) Net Debt reconciliation

Particulars	As at 31 March, 2019 (₹ lakhs)	As at 31 March, 2018 (₹ lakhs)	As at 01 April, 2017 (₹ lakhs)
Borrowings	10,86,590	7,63,597	5,95,670
Debt securities	11,26,909	7,52,716	5,62,022
Less: Cash and cash equivalents	29,521	24,597	9,761
Net Debt	**21,83,978**	**14,91,716**	**11,47,931**

Changes in Financial Liabilities arising from financing activities

(₹ lakhs)

Particulars	Borrowings	Debt securities
Balance as at 1 April, 2017	**5,95,670**	**5,62,022**
Receipts#	7,84,979	2,38,400
Repayment#	(6,15,305)	(48,800)
Finance costs*	49,860	54,154
Finance costs paid	(51,606)	(53,062)
Balance as at 31 March, 2018	**7,63,598**	**7,52,714**
Receipts#	9,28,827	4,61,131
Repayment#	(6,03,166)	(1,07,390)
Finance costs*	82,895	79,375
Finance costs paid	(85,564)	(58,921)
Balance as at 31 March, 2019	**10,86,590**	**11,26,909**

*Finance cost includes interest accrued but not due.

#in above table receipt/payment includes the change in the cash credit.

Terms of repayment of non-convertible debentures as on 31 March, 2019

Original maturity of loan (in no. of days)	Rate of interest	Due within 1 year	Due 1 to 2 Years	Due 2 to 3 Years	More than 3 Years	Total
		₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
Issued at par and redeemable at par						
366-730	08% - 09%	15,300	-	-	-	15,300
731-1095	07% - 08%	2,500	13,500	-	-	16,000
	08% - 09%	56,000	35,000	-	-	91,000
	09% - 11%	-	77,500	50,000	-	1,27,500
1096-1460	07% - 08%	-	51,500	8,000	-	59,500
	08% - 09%	65,500	-	34,100	-	99,600
	09% - 11%	4,000	-	1,02,500	20,300	1,26,800
More than 1460	07% - 08%	-	-	20,000	50,000	70,000
	08% - 09%	-	-	9,930	27,800	37,730
	09% - 11%	47,500	76,500	26,500	87,900	2,38,400
	11% - 12%	-	-	-	13,810	13,810
Issued at discount and redeemable at par						
731-1095	08% - 09%	-	-	5,000	-	5,000
	09% - 11%	-	-	15,500	-	15,500
More than 1460	09% - 11%	-	-	-	19,500	19,500
Issued at par and redeemable at premium						
1096-1460	08% - 09%	-	7,500	78,400	5,800	91,700
	09% - 11%	-	-	-	13,940	13,940
Issued at premium and redeemable at premium-						
731-1095	08% - 09%	-	-	4,730	-	4,730
	09% - 11%	-	-	18,060	-	18,060
1096-1460	08% - 09%	-	-	5,000	-	5,000
	09% - 11%	-	-	2,070	3,030	5,100
Issued at premium and redeemable at par-						
1096-1460	09% - 11%	-	-	5,500	-	5,500
Total		**1,90,800**	**2,61,500**	**3,85,290**	**2,42,080**	**10,79,670**

Terms of repayment of non-convertible debentures as on 31 March, 2018

Original maturity of loan (in no. of days)	Rate of interest	Due within 1 year ₹ lakhs	Due 1 to 2 Years ₹ lakhs	Due 2 to 3 Years ₹ lakhs	More than 3 Years ₹ lakhs	Total ₹ lakhs
Issued at par and redeemable at par						
731-1095	07% - 08%	12,500	2,500	13,500	-	28,500
	08% - 09%	12,500	76,000	30,000	-	1,18,500
	09% - 11%	1,700	-	-	-	1,700
1096-1460	07% - 08%	-	-	51,500	8,000	59,500
	08% - 09%	11,500	55,500	-	37,630	1,04,630
	09% - 11%	5,500	14,000	-	-	19,500
More than 1460	07% - 08%	-	-	-	70,000	70,000
	08% - 09%	10,000	10,000	20,000	16,800	56,800
	09% - 11%	27,500	37,500	56,500	84,400	2,05,900
	11% - 12%	6,190	-	-	13,810	20,000
Issued at par and redeemable at premium						
1096-1460	08% - 09%	-	-	7,500	28,400	35,900
Issued at premium and redeemable at premium						
1096-1460	08% - 09%	-	-	-	5,000	5,000
Total		**87,390**	**1,95,500**	**1,79,000**	**2,64,040**	**7,25,930**

Terms of repayment of non-convertible debentures as on 01 April, 2017

Original maturity of loan (in no. of days)	Rate of interest	Due within 1 year ₹ lakhs	Due 1 to 2 Years ₹ lakhs	Due 2 to 3 Years ₹ lakhs	More than 3 Years ₹ lakhs	Total ₹ lakhs
Issued at par and redeemable at par						
366-730	08% - 09%	3,950	-	-	-	3,950
	09% - 11%	3,350	-	-	-	3,350
731-1095	08% - 09%	-	25,000	25,000	-	50,000
	09% - 11%	33,000	1,700	-	-	34,700
1096-1460	08% - 09%	-	11,500	1,06,500	12,500	1,30,500
	09% - 11%	7,500	5,500	10,000	-	23,000
More than 1460	08% - 09%	-	-	-	19,930	19,930
	09% - 11%	1,000	32,500	51,500	1,60,900	2,45,900
	11% - 12%	-	11,190	-	13,810	25,000
Total		**48,800**	**87,390**	**1,93,000**	**2,07,140**	**5,36,330**

Terms of repayment of term loans as on 31 March, 2019

Original maturity of loan	Rate of Interest	Due within 1 year		Due 1 to 2 Years		Due 2 to 3 Years		More than 3 Years		Total
		No. of installments	₹ lakhs	No. of installments	₹ lakhs	No. of installments	₹ lakhs	No. of installments	₹ lakhs	₹ lakhs
Quarterly repayment schedule										
1096-1460	08% - 09%	8	5,333	4	2,667	-	-	-	-	8,000
	09% - 11%	7	4,583	2	417	-	-	-	-	5,000
More than 1460	08% - 09%	4	9,167	-	3,333	-	3,333	14	10,833	26,667
	09% - 11%	54	59,811	53	75,783	29	51,124	36	56,244	2,42,963
Half yearly repayment schedule										
366-730	09% - 11%	-	250	-	-	-	-	-	-	250
731-1095	09% - 11%	7	13,333	4	9,500	2	7,250	4	5,000	35,083
1096-1460	09% - 11%	1	250	2	1,333	1	1,917	4	2,500	6,000
	08% - 09%	4	1,667	4	1,667	-	-	-	-	3,333
More than 1460	08% - 09%	28	48,632	28	51,236	22	40,819	23	48,653	1,89,340
	09% - 11%	4	12,166	1	13,002	-	17,042	2	37,917	80,126
Yearly repayment schedule										
731-1095	08% - 09%	1	5,000	1	5,000	-	-	-	-	10,000
1096-1460	09% - 11%	1	3,333	1	3,333	1	3,333	-	-	10,000
More than 1460	08% - 09%	1	6,667	2	8,330	1	1,667	1	16,667	33,330
	09% - 11%	4	20,000	6	28,542	6	28,542	6	20,417	97,500
Bullet repayment schedule										
731-1095	08% - 09%	-	-	2	12,500	-	-	-	-	12,500
	09% - 11%	2	15,000	1	4,000	-	-	-	-	19,000
1096-1460	08% - 09%	-	-	-	-	-	-	1	15,000	15,000
	09% - 11%	-	-	4	15,000	2	25,000	-	-	40,000
More than 1460	09% - 11%	-	-	-	-	-	-	1	30,000	30,000
Total		**126**	**2,05,192**	**115**	**2,35,643**	**64**	**1,80,027**	**92**	**2,43,231**	**8,64,093**

Terms of repayment of term loans as on 31 March, 2018

Original maturity of loan	Rate of Interest	Due within 1 year		Due 1 to 2 Years		Due 2 to 3 Years		More than 3 Years		Total
		No. of installments	₹ lakhs	No. of installments	₹ lakhs	No. of installments	₹ lakhs	No. of installments	₹ lakhs	₹ lakhs
Monthly repayment schedule										
More than 1460	09% - 11%	1	201	-	-	-	-	-	-	201
Quarterly repayment schedule										
1096-1460	07% - 08%	-	-	8	5,333	4	2,667	-	-	8,000
	08% - 09%	10	6,666	11	6,250	6	2,083	2	833	15,833
More than 1460	07% - 08%	4	6,600	8	13,200	8	13,200	16	27,000	60,000
	08% - 09%	38	41,000	39	38,033	28	26,783	15	6,580	1,12,397
	09% - 11%	4	1,111	4	1,111	2	556	-	-	2,778
Half yearly repayment schedule										
731-1095	08% - 09%	10	4,666	11	5,584	-	-	-	-	10,250
	09% - 11%	4	3,750	2	5,000	-	-	-	-	8,750
1096-1460	08% - 09%	4	1,667	4	1,667	4	1,667	-	-	5,000
More than 1460	07% - 08%	3	3,674	6	7,347	6	7,347	12	14,133	32,500
	08% - 09%	23	41,541	30	39,790	27	35,210	31	37,875	1,54,416
	09% - 11%	3	7,417	2	2,500	-	-	-	-	9,917
Yearly repayment schedule										
731-1095	08% - 09%	-	-	2	5,000	1	5,000	-	-	10,000
More than 1460	08% - 09%	3	11,667	6	26,667	7	30,000	9	46,667	1,15,000
Bullet repayment schedule										
731-1095	07% - 08%	-	-	2	15,000	3	16,500	-	-	31,500
1096-1460	07% - 08%	-	-	-	-	4	15,000	-	-	15,000
Total		**107**	**1,29,960**	**135**	**1,72,482**	**100**	**1,56,013**	**85**	**1,33,088**	**5,91,543**

Terms of repayment of term loans as on 01 April, 2017

Original maturity of loan	Rate of Interest	Due within 1 year		Due 1 to 2 Years		Due 2 to 3 Years		More than 3 Years		Total
		No. of installments	₹ lakhs	No. of installments	₹ lakhs	No. of installments	₹ lakhs	No. of installments	₹ lakhs	₹ lakhs
Monthly repayment schedule										
More than 1460	9% - 11%	12	1,632	1	201	-	-	-	-	1,833
Quarterly repayment schedule										
731-1095	9% - 11%	6	4,500	-	-	-	-	-	-	4,500
1096-1460	9% - 11%	12	15,417	8	3,333	8	3,333	4	1,667	23,750
More than 1460	8% - 9%	22	25,037	22	25,037	21	23,370	17	19,537	92,980
	9% - 11%	36	29,777	34	29,944	33	31,944	17	15,035	1,06,701
Half yearly repayment schedule										
731-1095	8% - 9%	1	1,667	-	-	-	-	-	-	1,667
	9% - 11%	3	1,874	9	5,582	9	5,041	-	-	12,498
1096-1460	8% - 9%	1	2,500	-	-	-	-	-	-	2,500
	9% - 11%	1	1,875	2	3,750	1	1,875	-	-	7,500
More than 1460	8% - 9%	4	8,750	8	10,375	11	14,708	15	14,417	48,250
	9% - 11%	11	26,917	18	34,917	17	30,000	9	17,084	1,08,917
Yearly repayment schedule										
731-1095	9% - 11%			1	500	2	1,000	-	-	1,500
1096-1460	8% - 9%	1	5,000	-	-	-	-	-	-	5,000
More than 1460	8% - 9%	3	7,500	2	5,000	2	3,333	2	1,667	17,500
	9% - 11%	1	1,500	2	6,500	2	6,500	2	11,500	26,000
Bullet repayment schedule										
731-1095	8% - 9%	-	-	-	-	1	10,000	-	-	10,000
1096-1460	8% - 9%	-	-	-	-	1	5,000	-	-	5,000
Total		**114**	**1,33,946**	**107**	**1,25,139**	**108**	**1,36,106**	**66**	**80,906**	**4,76,097**

Note: The above disclosures are based on face value of non-convertible debentures / principal amounts of term loans as per terms of issue / contract and outstanding as at respective reporting dates.

Particulars of Secured Redeemable Non-convertible Debentures:

(₹ lakhs)

Particulars	Face Value (₹)	Quantity As at 31 March, 2019	Date of Redemption	31 March, 2019	31 March, 2018	01 April, 2017
9.20% Series-73	10	500	08-Aug-25	5,000	-	-
8.35% Series-67	10	700	17-Apr-24	7,000	-	-
10.45% Series-27C	5	500	23-Nov-23	2,500	2,500	2,500
9.85% Series-24	10	400	22-May-23	4,000	4,000	4,000
10.60% Series-22	10	750	28-Apr-23	7,500	7,500	7,500
7.35% MS-002	10	-	25-Nov-22	50,000	50,000	-
8.99% Series-49	10	500	15-Jul-22	5,000	5,000	5,000
9.16% SERIES-33C	10	230	20-May-22	2,300	2,300	2,300
8.89% Series-81	10	580	10-May-22	5,800	-	-
9.51% Series-75	10	1,394	19-Apr-22	13,940	-	-
9.70% Series-76	10	1,300	19-Apr-22	13,000	-	-
9.40% Series-78-II	10	1,033	13-Apr-22	10,330	-	-
9.30% Series-80	10	7,500	31-Jan-22	75,000	-	-
10.00% Series-29AII	5	1,800	30-Dec-21	9,000	9,000	9,000
8.00% Series-62	10	2,000	28-Dec-21	20,000	20,000	-
9.10% Series-68-II	10	1,550	15-Dec-21	15,500	-	-
9.10% Series-68-I	10	2,550	01-Dec-21	25,500	-	-
8.25% Series-53	10	713	22-Nov-21	7,130	7,130	7,130
8.83% Series-70	10	5,000	22-Jul-21	50,000	-	-
8.83% Series-69	10	2,373	15-Jul-21	23,730	-	-
9.20% Series-77	10	5,000	09-Jul-21	50,000	-	-
8.52% Series-65	10	2,050	08-Jun-21	20,500	15,500	-
9.20% Series-32II	10	1,500	28-May-21	15,000	15,000	15,000
8.95% Series-42	10	100	10-May-21	1,000	1,000	1,000
8.95% Series-41	10	180	29-Apr-21	1,800	1,800	1,800
8.52% Series-64	10	1,850	20-Apr-21	18,500	18,500	-
8.00% Series-58	10	800	13-Apr-21	8,000	8,000	-
8.45% Series-66	10	1,963	08-Apr-21	19,630	14,900	-
9.33% Series-78-I	10	1,000	19-Mar-21	10,000	-	-
9.30% Series-79	10	5,000	15-Mar-21	50,000	-	-
9.22% Series-34B (ii)	10	700	08-Mar-21	7,000	7,000	7,000
8.20% Series-63	10	750	26-Feb-21	7,500	7,500	-
9.05% Series-34F	10	100	18-Jan-21	1,000	1,000	1,000
9.25% SERIES-33DIII	10	1,000	30-Dec-20	10,000	10,000	10,000
9.05% Series-36A	10	1,500	30-Dec-20	15,000	15,000	15,000
8.75% Series-37	10	3,000	15-Dec-20	30,000	40,000	40,000
7.65% Series-61	10	1,000	15-Dec-20	10,000	10,000	-

(₹ lakhs)

Particulars	Face Value (₹)	Quantity As at 31 March, 2019	Date of Redemption	31 March, 2019	31 March, 2018	01 April, 2017
9.10% Series-34D (ii)	10	250	30-Nov-20	2,500	2,500	2,500
9.05% Series-35	10	1,500	28-Nov-20	15,000	15,000	15,000
8.01% Series-57	10	2,500	06-Oct-20	25,000	25,000	-
7.65% Series-59	10	1,350	06-Oct-20	13,500	13,500	-
8.85% Series-74	10	500	31-Aug-20	5,000	-	-
7.68% Series-56	10	1,600	14-Aug-20	16,000	16,000	-
8.00% Series-55	10	1,250	30-Apr-20	12,500	12,500	12,500
9.85% Series-29AI	5	1,200	14-Apr-20	6,000	6,000	6,000
8.80% Series-72	10	1,250	30-Jan-20	12,500	-	-
9.30% Series-30DII	10	250	29-Jan-20	2,500	2,500	2,500
8.75% Series-71	10	280	30-Dec-19	2,800	-	-
7.65% Series-60	10	250	20-Dec-19	2,500	2,500	-
9.42% Series-30B	10	500	09-Dec-19	5,000	5,000	5,000
9.10% Series-34D (i)	10	400	29-Nov-19	4,000	4,000	4,000
8.59% MS-001	10	-	23-Nov-19	50,000	50,000	50,000
8.90% Series-47	10	500	16-Sep-19	5,000	5,000	5,000
8.75% Series-52	10	1,000	12-Aug-19	10,000	10,000	10,000
8.65% Series-50	10	1,500	02-Aug-19	15,000	15,000	15,000
8.79% Series-51	10	250	23-Jul-19	2,500	2,500	2,500
9.90% Series-28	5	3,000	24-Jun-19	15,000	15,000	15,000
8.90% Series-46	10	250	07-Jun-19	2,500	2,500	2,500
9.10% Series-32I	10	1,500	28-May-19	15,000	15,000	15,000
9.73% Series-44	10	1,000	27-May-19	10,000	10,000	10,000
8.90% Series-45	10	200	24-May-19	2,000	2,000	2,000
8.90% Series-39(ii)	10	50	29-Apr-19	500	500	500
8.85% Series-40	10	1,550	19-Apr-19	15,500	15,500	15,500
8.90% Series-38	10	600	04-Apr-19	6,000	6,000	6,000
8.90% Series-39(i)	10	250	03-Apr-19	2,500	2,500	2,500
8.80% Series-48	10	-	27-Mar-19	-	20,000	20,000
7.97% Series-54	10	-	22-Mar-19	-	12,500	12,500
9.30% Series 30DI	10	-	29-Jan-19	-	2,500	2,500
10.90% Series-27F	5	-	07-Jan-19	-	5,000	5,000
8.95% Series-34E	10	-	17-Dec-18	-	1,500	1,500
11.00% Series-27E	5	-	10-Dec-18	-	5,000	5,000
8.90% Series-34C	10	-	15-Oct-18	-	10,000	10,000
8.90% Series 43	10	-	17-Sep-18	-	12,500	12,500
9.10% Series-34B (i)	10	-	07-Sep-18	-	1,500	1,500
9.30% Series-25	10	-	14-Jun-18	-	5,000	5,000

(₹ lakhs)

Particulars	Face Value (₹)	Quantity As at 31 March, 2019	Date of Redemption	31 March, 2019	31 March, 2018	01 April, 2017
9.11% Series-33DII	10	-	25-May-18	-	1,700	1,700
9.50% Series-23	10	-	08-May-18	-	10,000	10,000
9.05% Series-33A	10	-	30-Apr-18	-	4,000	4,000
10.05% Series-31A	10	-	12-Mar-18	-	-	5,000
9.20% Series-30C	10	-	23-Jan-18	-	-	2,500
10.00% Series-20E	10	-	15-Jan-18	-	-	1,000
9.00% Series-34A	10	-	07-Aug-17	-	-	10,500
9.11% Series-33F	10	-	17-Jul-17	-	-	12,500
9.06% Series-33E	10	-	06-Jul-17	-	-	2,200
9.05% Series-31C	10	-	30-May-17	-	-	10,000
9.11% Series-33DI	10	-	24-May-17	-	-	1,150
8.98% Series-31B	10	-	11-Apr-17	-	-	3,950
8.05% Series-2	10	400	24-Mar-23	4,000	4,000	-
8.05% Series-5	10	500	20-Apr-21	5,000	5,000	-
8.48% Series-7	10	1,000	20-Apr-21	10,000	10,000	-
7.95% Series-4	10	300	26-Nov-20	3,000	3,000	-
7.95% Series-3	10	1,000	28-Aug-20	10,000	10,000	-
8.25% Series-1	10	500	27-May-20	5,000	5,000	-
8.75% Series-6	10	680	28-May-23	6,800	-	-
9.2% Series-8	10	750	28-Jul-21	7,500	-	-
9.25% Series-9	10	250	08-Aug-25	2,500	-	-
9.68% Series-10	10	1,250	24-Mar-21	12,500	-	-
9.67% Series-11	10	500	22-Mar-21	5,000	-	-
Total				**9,74,760**	**6,56,830**	**4,67,230**

Particulars of Unsecured Redeemable Non-convertible Debentures (Subordinated Debt):

(₹ lakhs)

Particulars	Face Value (₹)	Quantity as at 31 March, 2019	Date of Redemption	31 March, 2019	31 March, 2018	01 April, 2017
9.25% Subdebts_Series 15	10	1,500	26-Apr-29	15,000	-	-
9.45% Subdebts_Series 14	10	450	20-Jul-28	4,500	-	-
9.30% Subdebts_Series 13	10	2,250	08-Jun-28	22,500	-	-
9.30% Subdebts Series 11	10	210	30-Apr-26	2,100	2,100	2,100
9.25% Subdebts_Series 10	10	250	23-Mar-26	2,500	2,500	2,500
9.30% Subdebts_Series 9II	10	250	25-Feb-26	2,500	2,500	2,500
9.50% Subdebts_Series 7I	10	1,000	13-Oct-25	10,000	10,000	10,000
9.50% Subdebts_Series 5I	10	250	10-Jun-25	2,500	2,500	2,500
8.75% Subdebts Series 12(ii)	10	250	25-Apr-25	2,500	2,500	2,500

Particulars	Face Value (₹)	Quantity as at 31 March, 2019	Date of Redemption	31 March, 2019	31 March, 2018	01 April, 2017
9.60% Subdebts Series 4	10	500	26-Dec-24	5,000	5,000	5,000
8.75% Subdebts Series 12(i)	10	250	26-Apr-24	2,500	2,500	2,500
10.50% Subdebts Series 3	5	1,000	28-Oct-23	5,000	5,000	5,000
9.30% Subdebts_Series 9I	10	250	25-Apr-23	2,500	2,500	2,500
11.40% Subdebts Series 2C	10	500	28-Oct-22	5,000	5,000	5,000
9.40% Subdebts_Series 7II	10	500	13-Oct-22	5,000	5,000	5,000
11.40% Subdebts Series 2B	10	400	28-Sep-22	4,000	4,000	4,000
11.40% Subdebts Series 1B	10	481	14-Sep-22	4,810	4,810	4,810
9.4% Subdebts_Series 6II	10	250	03-Aug-22	2,500	2,500	2,500
9.4% Subdebts_Series 5II	10	200	10-Jun-22	2,000	2,000	2,000
9.5% Subdebts_Series 8	10	250	25-Jun-21	2,500	2,500	2,500
11.25% Subdebts Series 2A	10	-	27-Jun-18	-	1,000	1,000
11.25% Subdebts Series 1A	10	-	14-Jun-18	-	5,190	5,190
Total				**1,04,910**	**69,100**	**69,100**

16. Other Financials Liabilities*

Particulars	As at 31 March, 2019 (₹ lakhs)	As at 31 March, 2018 (₹ lakhs)	As at 01 April, 2017 (₹ lakhs)
Employee benefits and other payables	11,742	8,810	7,641
Bank balances (Book Overdraft)	60,835	73,956	24,341
Payable towards asset assignment / securitisation	1,449	967	3,273
Others	27,086	15,380	10,358
Total	**1,01,112**	**99,113**	**45,613**

*Other payable of ₹ 5,654 lakhs for FY 2018: ₹ 4,810 lakhs for FY 2017 has been reclassified to Trade payable.

17. Current Tax Liability

Particulars	As at 31 March, 2019 (₹ lakhs)	As at 31 March, 2018 (₹ lakhs)	As at 01 April, 2017 (₹ lakhs)
Provision for Income Tax (net of advance tax)	1,937	4,155	268
Total	**1937**	**4,155**	**268**

18. Provisions

Particulars	As at 31 March, 2019 (₹ lakhs)	As at 31 March, 2018 (₹ lakhs)	As at 01 April, 2017 (₹ lakhs)
Provision for employee benefits			
- Provision for superannuation	1	1	1
- Provision for compensated absences	38	38	58
- Provision for defined benefit plans	720	0	0
Total	**759**	**39**	**59**

19. Other Non-Financial Liabilities

Particulars	As at 31 March, 2019 (₹ lakhs)	As at 31 March, 2018 (₹ lakhs)	As at 01 April, 2017 (₹ lakhs)
Statutory dues	2,097	1,664	765
Others	3,961	3,035	2,553
Total	**6,058**	**4,699**	**3,318**

20. Equity Share Capital

Particulars	As at 31 March, 2019 (₹ lakhs)	As at 31 March, 2018 (₹ lakhs)	As at 01 April, 2017 (₹ lakhs)
Authorised Equity shares Capital	**250,000**	**250,000**	**250,000**
2,500,000,000 (31 March, 2018: 2,500,000,000; 1 April, 2017: 2,500,000,000) equity shares of ₹ 10 each			
Issued, subscribed and fully paid up	**201,150**	**198,007**	**198,007**
2,011,498,295 (31 March, 2018: 1,980,071,519; 1 April, 2017: 1,980,071,519) equity shares of ₹ 10 each, fully paid up			

(a) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31 March, 2019		As at 31 March, 2018		As at 01 April, 2017	
	No. of shares	Amount (₹ lakhs)	No. of shares	Amount (₹ lakhs)	No. of shares	Amount (₹ lakhs)
Balance at the beginning of the year	1,98,00,71,519	1,98,007	1,98,00,71,519	1,98,007	1,98,00,71,519	1,98,007
Add :Shares issued during the year	3,14,26,776	3,143	-	-	-	-
Balance at the end of the year	2,01,14,98,295	2,01,150	1,98,00,71,519	1,98,007	1,98,00,71,519	1,98,007

(b) Terms/right attached to equity shares:

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.

Any dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. Dividend is declared and paid in Indian rupees.

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

(c) Shares held by holding company

Out of equity shares issued by the Company, shares held by its holding company, ultimate holding company and their subsidiaries/associates are as below:

Particulars	As at 31 March, 2019		As at 31 March, 2018		As at 01 April, 2017	
	No. of shares	Amount (₹ lakhs)	No. of shares	Amount (₹ lakhs)	No. of shares	Amount (₹ lakhs)
Angelica Investments Pte Ltd, Singapore, the holding company and its nominees	1,92,62,41,938	1,92,624	1,89,48,15,162	1,89,482	1,89,48,15,162	1,89,482
Fullerton Financial Holdings Pte Ltd, Singapore, holding company of Angelica Investments Pte Ltd	8,52,56,357	8,526	8,52,56,357	8,526	8,52,56,357	8,526

(d) Shareholders holding more than 5% of the shares in the Company

Particulars	As at 31 March, 2019		As at 31 March, 2018		As at 01 April, 2017	
	Number of Shares	% of holding	Number of Shares	% of holding	Number of Shares	% of holding
Angelica Investments Pte Ltd, Singapore, the holding company and its nominees	1,92,62,41,938	95.8%	1,89,48,15,162	95.7%	1,89,48,15162	95.7%

The Group has not issued any bonus shares or shares for consideration other than cash nor has there been any buyback of shares during five years immediately preceding 31 March, 2019.

21. Other Equity

Particulars	As at 31 March, 2019 (₹ lakhs)	As at 31 March, 2018 (₹ lakhs)	As at 01 April, 2017 (₹ lakhs)
General Reserve	96	96	96
Capital Reserve	3,453	3,453	2,869
Securities premium	32,235	20,378	21,036
Reserve Fund under Section 45 - IC of the RBI Act, 1934	48,788	33,284	26,196
Reserve Fund under Section 29C(i) of the NHB Act, 1987	231	220	-
Items of OCI	(454)	1	-
Surplus in the statement of profit and loss	72,805	10,894	(16,476)
Total	**1,57,154**	**68,326**	**33,720**

(Refer Statement of Change in Equity for the year ended 31 March, 2019 for movement in Other Equity)

Nature and purpose of reserves

(i) General Reserve

Pursuant to the provisions of Companies Act 1956, the company had transferred a portion of profit of the company before declaring dividend to general reserve. However mandatory transfer to general reserve is not required under Companies Act, 2013.

(ii) Capital Reserve

Capital Reserve is created on account of reversal of debenture issue costs charged to securities premium under previous GAAP. The same shall be utilised as per the provisions of Companies Act, 2013.

(iii) Securities Premium

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

(iv) Reserve Fund under Section 45 - IC of the RBI Act, 1934

The company is required to create a fund by transferring not less than 20% its net profit every year as disclosed in the statement of profit and loss account and before any dividend is declared. The fund shall be utilised for the purpose as may be specified by the Reserve Bank of India from time to time and every such appropriation shall be reported to the Reserve Bank within 21 days from the date of such withdrawal.

(v) Reserve Fund under section 29C(i) of the NHB Act, 1987

The company is required to create a fund by transferring not less than 20% its net profit every year as disclosed in the profit and loss account and before any dividend is declared. The fund shall be utilised for the purpose as may be specified by the National housing bank from time to time and every such appropriation shall be reported to the National housing bank within 21 days from the date of such withdrawal.

(vi) Retained Earnings & Surplus in the statement of profit and loss

Retained earnings are profit that the company has earned to date, less any dividend or other distributions paid to the shareholders, net of utilisation as permitted under applicable law.

22. Interest Income

Particulars	As at 31 March, 2019 (₹ lakhs)	As at 31 March, 2018 (₹ lakhs)
Portfolio Loans	4,17,267	2,63,994
On Deposits with Banks	3,898	4,625
On Investments	6,068	3,673
Total	**4,27,233**	**2,72,292**

23. Fee and Commission Income

Particulars	As at 31 March, 2019 (₹ lakhs)	As at 31 March, 2018 (₹ lakhs)
Fees & Commission Income	6,742	4,672
Total	**6,742**	**4,672**

24. Net Gain on Financial Assets at FVTPL

Particulars	As at 31 March, 2019 (₹ lakhs)	As at 31 March, 2018 (₹ lakhs)
Realised Gain	4,905	793
Unrealised Gain	181	314
Total	**5,086**	**1,107**

25. Ancillary Income

Particulars	As at 31 March, 2019 (₹ lakhs)	As at 31 March, 2018 (₹ lakhs)
Other fee income	6,385	5,240
Total	**6,385**	**5,240**

26. Other Income

Particulars	As at 31 March, 2019 (₹ lakhs)	As at 31 March, 2018 (₹ lakhs)
Profit on de-recognition of property plant and equipment	11	9
Security Deposits	404	133
Miscellaneous income	918	1,470
Total	**1,333**	**1,612**

27. Finance Cost

Particulars	As at 31 March, 2019 (₹ lakhs)	As at 31 March, 2018 (₹ lakhs)
On financial liabilities measured at amortised cost		
Borrowings	81,708	49,023
Debt Securities	79,375	54,155
Bank charges and others	1,174	808
Total	**1,62,257**	**1,03,986**

28. Net Loss on Financial Assets at FVTPL

Particulars	As at 31 March, 2019 (₹ lakhs)	As at 31 March, 2018 (₹ lakhs)
Unrealised loss	193	24
Total	**193**	**24**

29. Impairment on Financial Instruments

Particulars	As at 31 March, 2019 (₹ lakhs)	As at 31 March, 2018 (₹ lakhs)
Bad debts and Write off (net of recovery)	36,139	62,279
Provision for loans and advances	19,228	(12,745)
Total	**55,367**	**49,745**

*Bad debts and write offs are offset by recovery of 21,320 lakhs (FY 2018: 20,361 lakhs)

30. Employee Benefits Expense

Particulars	As at 31 March, 2019 (₹ lakhs)	As at 31 March, 2018 (₹ lakhs)
Salaries, bonus and allowances	56,523	44,403
Share based payment to employees and directors	1,116	535
Contribution to provident and other funds	2,830	2,107
Gratuity expense (refer note 37)	343	329
Staff welfare and training expenses	2,564	1,738
Total	**63,376**	**49,112**

31. Other Expenses

Particulars	As at 31 March, 2019 (₹ lakhs)	As at 31 March, 2018 (₹ lakhs)
Printing and stationery	1,621	1,273
Rent	4,728	3,801
Rates and taxes	75	69
Insurance	91	67
Business promotion expenses	5,060	1,170
Legal charges	740	328
Professional charges	11,565	8,360
Collection expenses	2,169	1,711
Courier charges	736	524
Repairs and maintenance		
Office premises	2,262	1,515
Others	181	308
Directors' sitting fees	104	52
Travelling expenses	4,081	2,807
Telecommunication expenses	1,533	1,018
Payment to auditor (refer details below)	102	73
Electricity charges	1,132	928
Security charges	414	246
Recruitment expenses	441	394
Training expenses	965	230
Fees and subscriptions	161	41
Corporate social responsibility expenses as per section 135 (5) of Companies Act, 2013 (see note 43)	834	577
Miscellaneous expenses	3,059	834
Write off of Property, plant & equipment and intangible assets	10	24
Total	**42,064**	**26,350**

Particulars	As at 31 March, 2019 (₹ lakhs)	As at 31 March, 2018 (₹ lakhs)
Professional fees payable to auditors		
Statutory Audit fee	54	46
Tax Audit fee	9	9
Other services	10	9
In other capacity		
- Certification matter and others	24	6
- Reimbursement of expenses	5	3
Total	**102**	**73**

32. Tax Expense

(a) Amount recognised in the statement of profit and loss

Particulars	As at 31 March, 2019 (₹ lakhs)	As at 31 March, 2018 (₹ lakhs)
Current tax for the year	48,445	13,794
Adjustment of tax relating to earlier periods	-	(1,128)
Current tax expense (A)	48,445	12,666
Deferred taxes for the year		
(Increase)/decrease in deferred tax assets	(7,675)	5,303
Increase/(decrease) in deferred tax liabilities	1,534	(324)
Net deferred tax Asset (B)	(6,141)	4,979
Total Income Tax Expense (A+B)	**42,304**	**17,645**

(b) Amount recognised in Other comprehensive income

Particulars	As at 31 March, 2019 (₹ lakhs)	As at 31 March, 2018 (₹ lakhs)
Items that will not be reclassified to profit or loss		
Actuarial loss on defined benefit obligations (net of tax)	(455)	1
Total	**(455)**	**1**

(c) Tax reconciliation (for profit and loss)

Particulars	As at 31 March, 2019 (₹ lakhs)	As at 31 March, 2018 (₹ lakhs)
Profit before income tax expense	119,729	52,324
Tax Charge at the statutory tax rate	41,821	18,127
Tax effect of amounts which are not deductible / not taxable in calculating taxable income (Timing differences)		
Items which are taxed at different rates	156	(860)
Net expenses that are not deductible in determining taxable profit	452	284
Deductible expenses debited to OCI	(152)	(1)
Recognition of previously unrecognised temporary differences	27	95
Income tax expenses reported in PL	**42,304**	**17,645**
Tax Rate Effective*	**35.33%**	**33.72%**
Income tax expense	**42,304**	**17,645**

**In FY 2018-19 the Govt. enacted or a change in national income tax rate by increasing health and education cess tax from 3% to 4%, accordingly income tax rate has been increased from 34.61% in FY 2017-18 to 34.94% in FY 2018-19

Significant components and movement in deferred tax assets and liabilities

Particulars	As at 31 March, 2018	Recognised in Profit and loss	Recognised in OCI	Recognised in equity	As at 31 March, 2019
Deferred tax liabilities on account of:					
Fair valuation of loans assigned	-	606	-	-	606
Borrowing cost adjustment related to financial liabilities at amortised cost	1,626	870	-	-	2,496
Timing difference between book depreciation and Income Tax Act, 1961	6	2	-	-	8
Provision for security deposits	-	-	-	-	-
MTM on Investments	-	65	-	-	65
Special Reserve created as per section 29C of NHB Act, 1987 and claimed as deduction u/s 36 (1) (viii) of Income Tax Act, 1961	76	(9)	-	-	67
Deferred Tax Liability (A)	**1,708**	**1,534**	**-**	**-**	**3,242**
Deferred tax assets on account of:					
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	143	528	-	-	671
Timing difference between book depreciation and Income Tax Act, 1961	1,779	(38)	-	-	1,741
MTM on Investments	1	66	-	-	67
Impact of application on expected credit loss on financial assets	16,812	4,487	-	-	21,299
Provision for security deposits	30	10	-	-	40
Provision for rent equalisation reserve	-	6	-	-	6
Processing fees and LOC adjustment related to financial assets at amortised cost	1,569	694	-	-	2,263
Provision for expenses disallowed as per Income-tax Act, 1961	734	1,996	-	-	2,730
Fair valuation of SAR liability	53	(53)	-	-	-
MAT credit entitlement	5,557	(5,557)	-	-	-
Preliminary expenses	33	(19)	-	-	14
Deferred tax assets (B)	**26,711**	**2,120**	**-**	**-**	**28,831**
Net Deferred Tax Assets (B-A)	**25,003**	**586**	**-**	**-**	**25,589**

Particulars	As at 1 April, 2017	Recognised in Profit and loss	Recognised in OCI	Recognised in equity	As at 31 March, 2018
Deferred tax liabilities on account of:					
Borrowing cost adjustment related to financial liabilities at amortised cost	1700	(406)	-	332	1626
Timing difference between book depreciation and Income Tax Act, 1961	-	6	-	-	6
Special Reserve created as per section 29C of NHB Act, 1987 and claimed as deduction u/s 36 (1) (viii) of Income Tax Act, 1961	-	76	-	-	76
Deferred Tax Liability (A)	**1,700**	**(324)**	**-**	**332**	**1,708**
Deferred tax assets on account of:					
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	228	(85)	-	-	143
Timing difference between book depreciation and Income Tax Act, 1961	1,645	134	-	-	1,779
MTM on investments	107	(106)	-	-	1
Impact of application on expected credit loss on financial assets	22,288	(5,476)	-	-	16,812
Provision for security deposits	30	0	-	-	30
Processing fees and LOC adjustment related to financial assets at amortised cost	1,705	(136)	-	-	1,569
Provision for expenses disallowed as per Income-tax Act, 1961	416	318	-	-	734
Fair valuation of SAR liability	38	15	-	-	53
MAT credit entitlement	6,127	(570)	-	-	5,557
Preliminary expenses	-	33	-	-	33
Deferred tax assets (B)	**32,584**	**(5,873)**	**-**	**-**	**26,711**
Net Deferred Tax Assets (B-A)	**30,884**	**(5,547)**	**-**	**(332)**	**25,003**

33. Earnings Per Share

Particulars	As at 31 March, 2019 (₹ lakhs)	As at 31 March, 2018 (₹ lakhs)
Net Profit after tax attributable to equity holders (₹ lakhs)	77,425	34,679
Weighted average number of equity shares for Basic earnings per share (No. of Share)	1,99,58,27,957	1,98,00,71,519
Weighted average number of equity shares for Diluted earnings per share (No. of Share)	1,99,58,27,957	1,98,00,71,519
Earnings per Share		
Basic earning per share ₹	3.88	1.75
Diluted earning per share ₹	3.88	1.75
Nominal value of shares ₹ 10 each (Previous year: ₹ 10 each)		

The Group has not issued any potential equity shares. Accordingly diluted EPS is equal to basic EPS

34. First Time Adoption of Ind AS

These are the Group's first consolidated financial statements prepared in accordance with Ind AS applicable as at 31 March, 2019. For the period upto and including the year ended 31 March, 2018, the Group has prepared its financial statements in accordance with Previous GAAP.

The accounting policies set out in Note 1C have been applied in preparing the financial statements for the year ended 31 March, 2019, the comparative information presented in these financial statements as at and for the year ended 31 March, 2018 and in the preparation of an opening Ind AS balance sheet at 1 April, 2017 (the date of transition). This note explains the principle adjustments made by the Company in restating its Previous GAAP financial statements, including the Balance Sheet as at 1 April, 2017 and the financial statements as at and for the year ended 31 March, 2018.

Optional exemptions availed and mandatory exceptions

In preparing these Ind AS financial statements, the Group has availed certain exemptions and exceptions in accordance with Ind AS 101, as explained below. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and Previous GAAP is recognised directly in equity (retained earnings or another appropriate category of equity).

An explanation of how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows is as follows:

A. Exceptions and exemptions availed

i. Ind AS mandatory exceptions

Estimates

On assessment of the estimates made under the Previous GAAP financial statements, the Group has concluded that there is no necessity to revise the estimates under Ind AS. However, estimates that were required under Ind AS but not required under Previous GAAP are made by the Group for the relevant reporting dates reflecting conditions existing as at that date.

Classification and measurement of financial assets

The Group has determined the classification and measurement of financial assets based on facts and circumstances that existed on the date of transition.

De-recognition of financial assets and liabilities

The Group has applied the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

Stock appreciation rights

The Group has elected to apply Ind AS 102 Share-based payment to SAR that were unvested and unexercised on the date of transition to Ind AS.

Impairment of financial assets

The Group has applied the impairment related requirements of Ind AS 109 retrospectively from the transition date.

ii. Optional exemptions availed

Deemed cost - Property Plant and Equipment and Other Intangible Assets

The Group has elected to continue with the carrying value for all of its Property, Plant and Equipment and Intangible Assets as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

B Reconciliations between Previous GAAP and Ind AS

For the purposes of reporting as set out in Note 1B, the Group has transitioned its basis of accounting from Previous GAAP to Ind AS. The accounting policies set out in Note 1C have been applied in preparing the financial statements for the year ended 31 March, 2019, the comparative information presented in these financial statements for the year ended 31 March, 2018 and in the preparation of an opening Ind AS balance sheet at 01 April, 2017 (the 'transition date').

In preparing the opening Ind AS balance sheet, amounts reported in financial statements prepared in accordance with Previous GAAP have been adjusted. An explanation of how the transition from Previous GAAP to Ind AS has affected the financial performance, financial position and cash flows is set out in the following tables and the notes that accompany the tables.

B.1 First time adoption of Ind AS

i) Effect of Ind AS adoption on the balance sheet as below

(₹ lakhs)

Particulars	01 April, 2017			31 March, 2018		
	Previous GAAP*	Adjustments	Amount IND AS	Previous GAAP*	Adjustments	Amount IND AS
ASSETS						
Financial assets						
Cash and cash equivalents	9,761	-	9,761	24,597	-	24,597
Bank balances other than cash and cash equivalents	57,600	-	57,600	58,878	-	58,878
Investments	1,94,661	87	1,94,748	52,347	84	52,431
Trade receivables	381	-	381	752	-	752
Other financial assets	13,683	(722)	12,961	2,868	(590)	2,278
Loans and advances	11,53,420	(29,871)	11,23,549	17,50,196	(31,973)	17,18,223
Total Financial assets	**14,29,506**	**(30,506)**	**13,99,000**	**18,89,638**	**(32,479)**	**18,57,159**
Non- Financial assets						
Current tax assets (net)	2,478	-	2,478	2,368	-	2,368
Deferred tax asset (net)	21,930	8,953	30,884	15,279	9,724	25,003
Property, plant and equipment	4,422	-	4,422	4,951	-	4,951
Intangibles assets	2,640	-	2,640	2,264	-	2,264
Intangibles assets under development	360	-	360	349	-	349
Other Non-Financial assets	3,008	696	3,703	3,664	548	4,212
Total Non-Financial assets	**34,838**	**9,649**	**44,487**	**28,875**	**10,272**	**39,147**
Total Assets	**14,64,344**	**(20,857)**	**14,43,487**	**19,18,513**	**(22,207)**	**18,96,306**
LIABILITIES AND EQUITY						
Liabilities						
Financial liabilities						
Trade payables	4,810	-	4,810	5,654	-	5,654
Debt Securities #	5,65,990	(3,968)	5,62,022	7,56,799	(4,083)	7,52,716
Borrowings	5,95,670	-	5,95,670	7,63,597	-	7,63,597
Other financial liabilities	45,494	118	45,613	98,956	157	99,113
Total Financial Liability	**12,11,964**	**(3,850)**	**12,08,115**	**16,25,006**	**(3,926)**	**16,21,080**
Non-Financial liabilities						
Current tax liabilities (net)	268	-	268	4,155	-	4,155
Provisions	59	-	59	39	-	39
Other Non-Financial liabilities	3,318	-	3,318	4,699	-	4,699
Total Non-Financial Liability	**3,645**	**-**	**3,645**	**8,893**	**-**	**8,893**
Equity						

Particulars	01 April, 2017			31 March, 2018		
	Previous GAAP*	Adjustments	Amount IND AS	Previous GAAP*	Adjustments	Amount IND AS
Equity share capital	1,98,007	-	1,98,007	1,98,007	-	1,98,007
Other equity	50,728	(17,007)	33,720	86,607	(18,281)	68,326
Total Equity	**2,48,735**	**(17,007)**	**2,31,727**	**2,84,614**	**(18,281)**	**2,66,333**
Total Liabilities and Equity	**14,64,344**	**(20,857)**	**14,43,487**	**19,18,513**	**(22,207)**	**18,96,306**

* The Previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Debt Securities includes subordinated liabilities.

ii) Effect of Ind AS adoption on statement of Profit and Loss for the year ended 31 March, 2018

(₹ lakhs)

Particulars	Previous GAAP*	Adjustments	Amount under Ind AS
Revenue from operations			
Interest income	2,71,505	787	2,72,292
Fees and commission income	4,672	-	4,672
Net gain on fair value changes	1,110	(3)	1,107
Ancillary income	5,240	-	5,240
Total revenue from operations	**2,82,527**	**784**	**2,83,311**
Other income	1,612	-	1,612
Total Income	**2,84,139**	**784**	**2,84,923**
Expenses			
Finance costs	1,03,184	802	1,03,986
Net loss on fair value changes	24	-	24
Impairment on financial instruments	46,988	2,757	49,745
Employee benefits expense	49,073	39	49,112
Depreciation, amortisation and impairment	3,382	-	3,382
Other expenses	26,202	148	26,350
Total expenses	**2,28,853**	**3,746**	**2,32,599**
Profit before tax	**55,286**	**(2,962)**	**52,324**
Tax expense			
(i) Current tax	13,794	-	13,794
(ii) Adjustment of tax relating to earlier periods	(1,128)	-	(1,128)
(iii) Deferred tax expense / (credit)	6,083	(1,104)	4,979
Net profit after tax	**36,538**	**(1,858)**	**34,679**
Other comprehensive income / (loss)			
Items that will not be reclassified to profit or loss			
Re-measurement of defined benefit plan (net of tax)	(0)	1	1
Total comprehensive income / (loss) for the year, net of tax	36,538	(1,859)	34,680

(iii) **Reconciliation of equity from previous GAAP to IND AS**

(₹ lakhs)

Particulars	Note	Equity as at 31 March, 2018	Equity as at 01 April, 2017
Equity as per previous GAAP		**2,84,614**	**2,48,735**
GAAP adjustments:			
Impact on recognition of financial assets and financial liabilities of amortised cost by application of Effective interest rate:-			
Financial assets	a	(1,314)	(1,953)
Financial liabilities	b	4,083	3,968
Impact on application of expected credit loss	c	(30,701)	(27,944)
Fair valuation of investments	d	84	87
Fair valuation of SAR liability	e	(157)	(118)
Impact of deferred taxes on the above adjustments	g	9,724	8,953
Total - GAAP adjustments		**(18,281)**	**(17,007)**
Equity as per IND AS		**2,66,333**	**2,31,727**

Reconciliation of Total Comprehensive Income from previous GAAP to Ind AS

(₹ lakhs)

Particulars	Note	For the year 31 March, 2018 (₹ lakhs)
Net profit for the period as per previous GAAP		**36,538**
GAAP adjustments:		
Impact on recognition of financial assets and financial liabilities of amortised cost by application of Effective interest rate:-		
Financial assets	a	639
Financial liabilities	b	(802)
Impact on application of expected credit loss	c	(2,757)
Fair valuation of investments	d	(3)
Fair valuation of SAR liability	e	(39)
Reclassification of recognising actuarial gains on defined benefit obligations in other comprehensive income	f	(1)
Impact of deferred taxes on the above adjustments	g	1,104
Net profit after tax as per Ind AS		**34,679**
Impact of recognising actuarial gains on defined benefit obligations in other comprehensive income (net of tax)		1
Total comprehensive income after tax as per Ind AS		**34,680**

iv) **Impact on Cash flow statements :**
There is no significant impact on cash flow from operating, investing and financing activities for the year ended 31 March, 2018 on transition to Ind AS.

B.2 Notes to reconciliations

a. Financial assets carried at amortised cost

Security Deposits

Under the Previous GAAP, interest free lease security deposits given (that are refundable in cash on expiry/termination of the lease term) were recorded at their transaction value.

Under Ind AS, all financial assets are required to be measured at fair value on initial recognition. Accordingly, the Group has fair valued lease security deposits under Ind AS. Difference between the fair value and transaction value of the security deposits has been recognised as prepaid expenses. Subsequently, the deposit will be measured at amortised cost resulting into recognition of finance income in the statement of profit and loss.

Portfolio loans

Under the Previous GAAP, loans are accounted at the gross transaction price where processing fees is recognised as income and loan origination costs are recognised as expenses, over the period of the loan in proportion to the interest income for the entire period.

Under Ind AS, transaction costs are included in the initial recognition amount of financial assets and recognised as interest income using the effective interest method.

b. Financial liabilities carried at amortised cost

Under the Previous GAAP, transaction costs incurred on borrowings were charged to securities premium upfront.

Under Ind AS, transaction costs are included in the initial recognition amount of financial liabilities and recognised as interest expenses using the effective interest method. Ind AS impact of the amount already rightly charged in securities premium till transition date is reversed under capital reserve.

c. Impact on implementation of expected credit loss on financial assets

Under the Previous GAAP, provision for doubtful debts are made based on the RBI and NHB prudential norms for incurred losses.

Under Ind AS, an impairment loss shall be recognised as per the expected credit losses model on all financial assets (other than those measured at fair value).

d. Fair Valuation of Investments

Under the Previous GAAP, long term investments are carried at cost. Short term investments are carried at net realisable value or cost whichever is lower.

Under Ind AS, the Group has designated such investments as FVTPL investments. Ind AS requires FVTPL investments to be measured at fair value. At the date of transition to Ind AS, difference between the instruments fair value and Indian GAAP carrying amount has been recognised in equity.

e. Fair Valuation of Stock Appreciation Rights

Under the Previous GAAP, the cost of cash-settled employee share-based plan were recognised using the net book value as at the grant date.

Under Ind AS, the Group has designated such investments as FVTPL investments. Ind AS requires FVTPL investments to be measured at fair value. At the date of transition to Ind AS, difference between the instruments fair value and Indian GAAP carrying amount has been recognised in equity.

f. Impact of recognising actuarial gains / (losses) on defined benefit obligations in other comprehensive income

Under the Previous GAAP, actuarial gains / losses on defined benefit obligations were recognised in statement of profit and loss as part of employee benefit expenses.

Under Ind AS, remeasurements i.e. actuarial gains and losses, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of the statement of profit and loss.

g. Impact on account of deferred taxes

Under the Previous GAAP, deferred tax was accounted as per the income approach which required creation of deferred tax asset/ liability on timing differences between taxable income and accounting income.

Under Ind AS, deferred tax is accounted as per the balance sheet approach which requires creation of deferred tax asset/ liability on temporary differences between the carrying amount of an asset/ liability in the Balance Sheet and its corresponding tax base. The adjustments in equity and net profit, as discussed above, resulted in additional temporary differences on which deferred taxes are calculated. In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Group has accounted deferred tax on them.

h. Retained Earnings

Retained earnings as on 1 April, 2017 has been adjusted consequent to the above IND AS transition adjustment.

35. Related Party Disclosures

Related party disclosures as required under Indian Accounting standard 24, “Related party disclosure” are given below for the related parties of the Company with whom there have been transaction during the year.

35.1. List of related parties

Nature of Relationship	Name of Related Party
Ultimate Holding Company	Temasek Holdings (Private) Limited
Holding Company	Angelica Investments Pte Ltd, Singapore (‘Angelica’)
	Fullerton Financials Holdings Pte Ltd (Holding Company of Fullerton Financials Management Pte Ltd)
Fellow Subsidiary	Fullerton Securities & Wealth Advisors Ltd.
	Fullerton Financial Holdings (International) Pte Ltd
	Temasek International (Private) Limited
	Fullerton India Social & Economic Development Pvt Ltd
Key Management Personnel	Dr. Milan Robert Shuster -Independent Director
	Ms. Sudha Pillai - Independent Director
	Ms. Renu Challu - Independent Director
	Mr. Premod Thomas - Independent Director
	Mr. Shirish Apte - Independent Director
	Mr. Anindo Mukherjee - Non Executive Director (up to 31 December, 2017 and from 13 February, 2018)
	Mr. Shantanu Mitra, Chief Executive Officer and Managing Director (upto 31 December, 2017)
	Mr. Anindo Mukherjee, Interim CEO & Whole Time Director (1 January, 2018 to 12 February, 2018)

Nature of Relationship	Name of Related Party
	Ms. Rajashree Nambiar, Chief Executive Officer and Managing Director (from 12 February, 2018)

35.2. Transactions during the year with related parties :

Particulars	As at 31 March, 2019 (₹ lakhs)	As at 31 March, 2018 (₹ lakhs)
Reimbursement for expenses incurred on behalf of the Company		
Fullerton Financials Holdings Pte Ltd	-	1
Fullerton Financial Holdings (International) Pte Ltd	24	181
Expenses incurred by the Company on behalf of others		
Fullerton Financial Holdings (International) Pte Ltd	-	1
Issue of Share capital (including securities premium)		
Fullerton Financials Holdings Pte Ltd	15,000	-
Lease Rental Income		
Fullerton Securities & Wealth Advisors Ltd.	3	1

Remuneration paid to Company's Key Management Personnel	As at 31 March, 2019 (₹ lakhs)	As at 31 March, 2018 (₹ lakhs)
Short Terms benefits	425	644
Post -employment benefits	14	1,015
Share based payments	180	451
Director's sitting fees	33	33
Director's Commission	44	44

35.3. Amount due to / from related parties:

Balance outstanding as at the year end	As at 31 March, 2019 (₹ lakhs)	As at 31 March, 2018 (₹ lakhs)	As at 01 April, 2017 (₹ lakhs)
Other Receivables (Net)			
Fullerton Securities & Wealth Advisors Ltd.	1	-	-

36. Capital Management

Equity share capital and other equity are considered for the purpose of the Group's capital management. The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Group is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence. The funding requirements are met through equity, borrowings and operating cash flows generated. The management monitors the return on capital and the board of directors monitors the level of dividends to shareholders of the Company. The Group may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

37. Retirement Benefit Plans

Defined Contribution Plan

The total expense charged to income of ₹ 2,830 lakhs (2018: ₹ 2,107 lakhs) represents contributions payable to these plans by the Group at rates specified in the rules of the plan.

Defined Benefit Obligation

Particulars	As at 31 March, 2019 (₹)	As at 31 March, 2018 (₹)
Actuarial assumptions		
Mortality table	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Discount rate and expected rate of return on assets for Fullerton India Credit Company Limited	7.22%	7.68%
Discount rate (per annum) for Fullerton India Home Finance Company Limited	6.76%	6.93%
Rate of increase in compensation	10.00%	10.00%
Employee turnover for Fullerton India Credit Company Limited:		
Category 1 – For basic upto ₹ 1.2 lakhs		
Up to 4 years	51.40% p.a	49.90% p.a
5 years and above	2.00% p.a	2.00% p.a
Category 2 – For basic more than ₹ 1.2 lakhs		
Up to 4 years	27.20% p.a	23.30% p.a
5 years and above	2.00% p.a	2.00% p.a
Employee turnover for Fullerton India Home Finance Company Limited:		
Category 1 – For basic upto ₹ 1.2 lakhs		
Up to 4 years	46.70%	43.50%
5 years and above	2.00%	2.00%
Category 2 – For basic more than ₹ 1.2 lakhs		
Up to 4 years	50.90%	61.30%
5 years and above	2.00%	2.00%
Assets information:		
Insured Managed funds	19,50,89,143	20,18,89,639
Changes in the present value of defined benefit obligation		
Present value of obligation at the beginning of the year	19,40,66,154	16,39,16,038

Particulars	As at 31 March, 2019 (₹)	As at 31 March, 2018 (₹)
Interest expense	1,48,66,986	1,18,31,809
Current service cost	3,49,61,454	3,35,56,389
Past service cost	-	-
Liability Transferred In	21,75,335	24,79,973
Liability Transferred Out	(21,75,335)	(24,79,973)
Benefit Paid From the Fund	(2,41,70,673)	(1,33,16,287)
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	(41,69,867)	(42,69,457)
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	1,91,82,232	(1,51,01,196)
Actuarial (Gains)/Losses on Obligations - Due to Experience adjustments	3,23,14,359	1,74,48,858
Present Value of obligation at the end of the year	**26,70,50,645**	**19,40,66,154**

Particulars	As at 31 March, 2019 (₹)	As at 31 March, 2018 (₹)
Changes in the Fair value of Plan Assets		
Fair value of plan assets at beginning of the year	20,18,89,639	17,22,31,893
Interest income	1,55,05,124	1,24,35,143
Contributions by the Employer	-	3,24,08,837
Mortality charges and taxes	-	-
(Benefit Paid from the Fund)	(2,41,70,673)	(1,33,16,287)
Return on Plan Assets, Excluding Interest Income	18,65,053	(18,69,947)
Fair Value of Plan Assets at the end of the year	**19,50,89,143**	**20,18,89,639**
Assets and liabilities recognised in the balance sheet		
Present value of the defined benefit obligation at the end of the year	(26,70,50,645)	(19,40,66,154)
Fair Value of Plan Assets at the end of the Period	19,50,89,143	20,18,89,639
Funded Status (Surplus/ (Deficit))	**(7,19,61,502)**	**78,23,485**
Net (Liability)/Asset Recognised in the Balance Sheet	**(7,19,61,502)**	**78,23,485**

Expenses recognised in the Statement of Profit and Loss

Particulars	For the year ended 31 March, 2019 (₹)	For the year ended 31 March, 2018 (₹)
Current Service Cost	3,49,61,454	3,35,56,389
Past service cost	-	-
Net interest (income)/ expense	(6,38,138)	(6,03,334)
Net gratuity expense recognised	**3,43,23,316**	**3,29,53,055**
Included in note 30 ‘Employee benefits expense’		

Expenses recognised in the Statement of Other comprehensive income (OCI)

Particulars	For the year ended 31 March, 2019 (₹)	For the year ended 31 March, 2018 (₹)
Actuarial gain/ loss on post-employment benefit obligation	4,54,61,671	(51,848)
Total re-measurement cost / (credit) for the year recognised in OCI	**4,54,61,671**	**(51,848)**

Reconciliation of Net asset / (liability) recognised:

Particulars	As at 31 March, 2019 (₹)	As at 31 March, 2018 (₹)
Opening Net Liability	(78,23,485)	(83,15,855)
Expenses recognised at the end of period	3,43,23,316	3,29,53,055
Amount recognised in other comprehensive income	4,54,61,671	(51,848)
Net Liability/(Asset) Transfer In	21,75,335	24,79,973
Net (Liability)/Asset Transfer Out	(21,75,335)	(24,79,973)
Employer's Contribution	-	(3,24,08,837)
Net Liability/(Asset) Recognised in the Balance Sheet	**7,19,61,502**	**(78,23,485)**

Sensitivity Analysis:

Particulars	For the year ended 31 March, 2019 (₹)		For the year ended 31 March, 2018 (₹)	
	Decrease	Increase	Decrease	Increase
Discount Rate (1% movement)	4,98,56,219	(4,03,90,646)	3,56,79,942	(2,89,72,929)
Future Salary Growth (1% movement)	(3,97,90,177)	4,79,68,545	(2,86,53,026)	3,44,94,511
Rate of Employee Turnover (1% movement)	1,38,92,113	(1,19,15,227)	86,74,437	(74,81,716)

"The sensitivity analysis has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the Balance Sheet."

Maturity analysis of projected benefit obligation

Year	As at March 2019	As at March 2018
1	34,97,664	37,92,171
2	37,96,958	28,99,521
3	45,62,534	32,93,395
4	50,08,330	38,64,058
5	57,66,381	42,58,921
Sum of Years 6 to 10	4,01,51,511	2,79,95,274

Risks associated with Defined Benefit Plan:

(i) Interest Rate Risk

A fall in the discount rate which is linked to the government security rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the fair value of the assets depending on the duration of asset.

(ii) Salary Risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. The estimates of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(iii) Investment Risk

The Group has invested its funds in group employee benefit plan of Bajaj Allianz where the investment comprises of government securities, corporate bonds/debentures, money market instruments and equity securities. Accordingly, the Group is exposed to related risks based on its exposure to such financial instruments as at reporting date.

(iv) Asset Liability Matching (ALM) Risk

The plan faces the ALM risk as to the matching cash flow. Since the gratuity plan is invested in lines with Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

(v) Mortality Risk

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

(vi) Concentration Risk

The plan has a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very low as insurance companies have to follow stringent regulatory guidelines which mitigate risk.

Composition of the fair value of planned assets as at 31 March, 2019, includes government securities 58%, money market instruments and fixed deposits 18% and equity securities 24%.

During the year, there were no plan amendments, curtailments and settlements.

38. Employee Stock Appreciation Rights

The Group has a cash settled share based payment scheme, under which grants were made as per details provided below:

	Grant 1	Grant 2	Grant 3	Grant 4	Grant 5	Grant 6	Grant 7	Grant 8	Grant 6A
Date of Grant	**30-Nov-11**	**01-Apr-13**	**01-Apr-13**	**01-Apr-14**	**01-Apr-15**	**01-Apr-16**	**01-Apr-17**	**01-Apr-18**	**01-Apr-17**
Value of the Grant	₹ 568 Lakhs	₹ 706 Lakhs	₹ 741 Lakhs	₹ 750 Lakhs	₹ 800 Lakhs	₹ 935 Lakhs	₹ 960 Lakhs	₹ 922 Lakhs	₹ 1,541 Lakhs
Performance Condition	Achievement of Profit before tax (PBT) and Return on Equity (ROE) targets						Achievement	Achievement	Achievement of specific targets
	as per approved plan						PAT & ROE targets	PAT & ROE targets	

	Grant 1	Grant 2	Grant 3	Grant 4	Grant 5	Grant 6	Grant 7	Grant 8	Grant 6A
Date of Grant	**30-Nov-11**	**01-Apr-13**	**01-Apr-13**	**01-Apr-14**	**01-Apr-15**	**01-Apr-16**	**01-Apr-17**	**01-Apr-18**	**01-Apr-17**
Graded Vesting (subject to achievement of performance condition given above)	Tranche I: 33% vesting on 1 December, 2013	Tranche I: 33% vesting on 1 December, 2015	Tranche I: 33% vesting on 1 December, 2016	Tranche I: 33% vesting on 1 December, 2017	Tranche I: 33% vesting on 1 December, 2018	Tranche I: 33% vesting on 1 December, 2019	Tranche I: 33% vesting on 1 December, 2020	Tranche I: 33% vesting on 1 December, 2021	Tranche I: 50% vesting on 1 December, 2020
	Tranche II: 33% vesting on 1 December, 2014	Tranche II: 33% vesting on 1 December, 2016	Tranche II: 33% vesting on 1 December, 2017	Tranche II: 33% vesting on 1 December, 2018	Tranche II: 33% vesting on 1 December, 2019	Tranche II: 33% vesting on 1 December, 2020	Tranche II: 33% vesting on 1 December, 2021	Tranche II: 33% vesting on 1 December, 2022	Tranche II: 50% vesting on 1 December, 2021
	Tranche III: 34% vesting on 1 December, 2015	Tranche III: 34% vesting on 1 December, 2017	Tranche III: 34% vesting on 1 December, 2018	Tranche III: 34% vesting on 1 December, 2019	Tranche III: 34% vesting on 1 December, 2020	Tranche III: 34% vesting on 1 December, 2021	Tranche III: 34% vesting on 1 December, 2022	Tranche III: 34% vesting on 1 December, 2023	-
Vesting period (including performance period)	Tranche I: 2 years	Tranche I: 2 years 8 months	Tranche I: 3 years 8 months	Tranche I: 3 years 8 months	Tranche I: 3 years 8 months	Tranche I: 3 years 8 months	Tranche I: 3 years 8 months	Tranche I: 3 years 8 months	Tranche I: 3 years 8 months
	Tranche II: 3 years	Tranche II: 3 years 8 months	Tranche II: 4 years 8 months	Tranche II: 4 years 8 months	Tranche II: 4 years 8 months	Tranche II: 4 years 8 months	Tranche II: 4 years 8 months	Tranche II: 4 years 8 months	Tranche II: 4 years 8 months
	Tranche III: 4 years	Tranche III: 4 years 8 months	Tranche III: 5 years 8 months	Tranche III: 5 years 8 months	Tranche III: 5 years 8 months	Tranche III: 5 years 8 months	Tranche III: 5 years 8 months	Tranche III: 5 years 8 months	-
Exercise period	Within 30 days from each vesting date but not later than 2 years from the date of last vesting except for Grant 1 & 6A where period is 3 years								
Method of Settlement	Cash Payout as per terms of the scheme								

The estimated fair value of the grant at a notional value of ₹ 10 per unit (as at the date of grant) is as below:

Particulars	Grant 1	Grant 2	Grant 3	Grant 4	Grant 5	Grant 6	Grant 7	Grant 8	Grant 6A
As at 31 March, 2019	NA	30.00	30.00	25.84	20.88	16.18	14.47	12.70	14.47
As at 31 March, 2018	32.35	23.20	23.20	19.76	15.96	12.54	11.39	NA	11.39
As at 31 March, 2017	27.56	19.97	19.97	17.01	13.74	10.89	NA	NA	NA
As at 31 March, 2016	24.97	18.22	18.22	15.52	12.54	NA	NA	NA	NA
As at 31 March, 2015	19.49	14.53	14.53	12.38	NA	NA	NA	NA	NA
As at 31 March, 2014	15.36	11.74	11.74	NA	NA	NA	NA	NA	NA
As at 31 March, 2013	12.78	NA	NA	NA	NA	NA	NA	NA	NA
As at 31 March, 2012	10.42	NA	NA	NA	NA	NA	NA	NA	NA
Exercise price vest 1	12.78	14.53	18.22	17.01	15.96	NA	NA	NA	NA
Exercise price vest 2	15.36	18.22	19.97	19.76	NA	NA	NA	NA	NA
Exercise price vest 3	19.49	19.97	23.20	NA	NA	NA	NA	NA	NA

Fair value is computed using the method provided in the scheme for estimating the valuation of the grant which is linked to the Net Book Value of the business and board approved business plans.

The movement of the stock appreciation rights during the year is as under:

Fair value is computed using the method provided in the scheme for estimating the valuation of the grant which is linked to the Net Book Value of the business and board approved business plans.

The movement of the stock appreciation rights during the year is as under:

Particulars (No. of Options)	31-Mar-19	31-Mar-18
Options outstanding as at the beginning of the year	3,10,87,325	2,57,40,500
Options granted during the year	92,20,000	2,50,10,000
Options forfeited on resignation of employees	(1,06,03,055)	(1,25,60,600)
Options exercised during the year	(23,51,075)	(40,50,075)
Options lapsed during the year	(4,84,995)	(30,52,500)
Grants of employee transferred during the year to subsidiary company	-	-
Options Outstanding as at the end of the year	2,56,74,350	2,98,80,925
Options vested and exercisable	11,93,850	12,06,400
Expense recognised (₹ in Lakhs)	1,116	535

39. Segment Information

Business Segment

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM regularly monitors and reviews the operating result of the whole Group as one segment of "Financing". Thus, as defined in Ind AS 108 "Operating Segments", the Group 's entire business falls under this one operational segment.

Entity wide disclosures

No revenue from transactions with a single external customer or counterparty amounted to 10% or more of the company's total revenue in year ended 31 March, 2019 or 31 March, 2018. The Group operates in single geography i.e. India and therefore geographical information is not required to be disclosed separately.

40. Contingent Liability and Commitments

a) Contingent liabilities:

The Group has a process whereby periodically all long term contracts are assessed for material foreseeable losses. At the year end, the Group has reviewed and ensured that adequate provision as required under any law / accounting standards for material foreseeable losses on such long term contracts has been made in the books of account.

Description of the Liability	As at 31 March, 2019 (₹ lakhs)	As at 31 March, 2018 (₹ lakhs)	As at 01 April, 2017 (₹ lakhs)
Credit enhancement provided by the Group for the loans under securitisation arrangements (including cash collaterals and interest subordination)	-	289	270
Contingent liability for litigations pending against the Group	20	20	23

b) Capital and other commitments

(i) Estimated amount of contracts remaining to be executed on capital account and not provided for as at 31 March, 2019 is ₹ 1,217 Lakhs (31 March, 2018: ₹ 1,074 Lakhs; 1 April, 2017 ₹ 1,848 Lakhs).

(ii) Loans sanctioned not yet disbursed as at 31 March, 2019 were ₹ 53,279 Lakhs (31 March, 2018: ₹ 10,801; 1 April, 2017: ₹ 2,911 Lakhs).

c) The Group's pending litigations comprise of claims against the Group by the customers and proceedings pending with other authorities. The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in the financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.

There has been a Supreme Court (SC) Judgment dated 28 February, 2019, relating to components of salary structure that need to be taken into account while computing the contribution to provident fund under the EPF Act. There are interpretative aspects related to the judgment including the effective date of application. The Group will continue to assess any further developments in this matter for the implications on financial statements, if any.

41. Leases

a) Where the Company is the lessee:

Premises are obtained on operating lease. The lease term ranges from 11 months to 180 months and are renewable/cancellable at the option of the Group. Certain lease agreements contain clause for escalation of lease payments. There are no restrictions imposed by lease arrangements. Lease payments during the year are charged to the Statement of Profit and Loss.

The following table sets forth, for the periods indicated, the details of future rentals payable on operating leases.

Particulars	As at 31 March, 2019 (₹ lakhs)	As at 31 March, 2018 (₹ lakhs)	As at 01 April, 2017 (₹ lakhs)
Operating lease payments recognised during the year	4,743	4,038	3,812
Minimum lease obligations			
Not later than one year	4,686	3,696	3,539
Later than one year and not later than five years	12,182	9,724	10,198
Later than five years	3,677	3,382	4,419

b) Where the Company is the lessor:

The Group has entered into operating lease arrangement for servers which form part of the tangible assets. This lease has a non-cancellable arrangement of 3 years. This lease contains a clause to enable upward revision of the rental charges on an annual basis according to prevailing market conditions.

The following table sets forth, for the periods indicated, the details of future rentals receivable on operating leases were company is a lessor:

Particulars	As at 31 March, 2019 (₹ lakhs)	As at 31 March, 2018 (₹ lakhs)	As at 01 April, 2017 (₹ lakhs)
Operating lease rental recognised during the year	25	35	35
Minimum lease obligations			
Not later than one year	-	4	24
Later than one year and not later than five years	-	7	11
Later than five years	-	-	-

42. Micro and Small Enterprises

The Group identifies suppliers registered under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) by obtaining confirmations from all suppliers. Based on the information received by the Group, some of the suppliers have confirmed to be registered under MSMED Act, 2006. Accordingly the disclosure relating to amount unpaid as at the year ended together with interest paid/payable is disclosed below:

Particulars	As at 31 March, 2019 (₹ lakhs)	As at 31 March 2018 (₹ lakhs)	As at 01 April, 2017 (₹ lakhs)
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year	52	93	69
The amount of interest paid by the buyer in terms of section 16 of the Micro Small and Medium Enterprise Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	-	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year;	-	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro small and Medium Enterprise Development Act, 2006.	-	-	-

43. CSR Expenses

Gross amount required to be spent by the Group is ₹ 875 lakhs for the year ended 31 March, 2019 and ₹ 708 lakhs for 31 March, 2018. The details of amounts spent towards CSR are as under:

Particulars		For the year ended 31 March, 2019 (₹ lakhs)	For the year ended 31 March, 2018 (₹ lakhs)
i)	Construction / acquisition of any asset		
ii)	On purpose other than (i) above		
	Amount spent in cash	876	606

The Group CSR policy is both community and environment- based. Various programmes are planned in areas as diverse as health, educations, livelihood generations, skill developments and rural development.

44. Events After Reporting Date

There have been no events after the reporting date that require adjustment or disclosure in these financial statements.

45. There was no amount due and outstanding to be credited to Investor Education and Protection Fund as at 31 March, 2019 and preceding previous year.

46. During the year the Group has utilised MAT credit entitlement of ₹ 5,557 lakhs against provision for current tax of ₹ 47,986 lakhs (including adjustment of tax relating to earlier periods).

47. Additional disclosures required by Schedule III of the Act

	Net Assets (Total Assets minus Total Liabilities)		Share in Profit or Loss	
	As % of consolidated net assets	Amount (₹ lakhs)	As % of consolidated profit or loss	Amount (₹ lakhs)
Parent subsidiaries				
Indian				
1) Fullerton India Home Finance Company Limited	14%	49,705	0%	48
2) Fullerton India Social & Economic Development Pvt Ltd	0%	2	0%	-
Total	14%	49,707	0%	48

48. Financial Risk Management

Risk management framework

The Group's primary focus is to foresee the unpredictability of financial markets and seek to minimise potential adverse effects on its financial performance. The Group places emphasis on risk management practices to ensure an appropriate balance between risks and returns. The Board of Directors (BOD) along with the management are primarily responsible for Financial Risk Management of the Group. The BOD's oversight of risk includes review and approval of key risk strategies and policies. These are monitored and governed through the Risk Oversight Committee (ROC). Audit Committee (AC) ensures that an independent assurance is provided to the BOD.

The ROC controls and manages the inherent risks related to the Group's activities by the following risk categories:

Risk	Exposure arising from	Management
Credit Risk	Cash and cash equivalents, bank balances other than cash and cash equivalents, trade & other receivables, financial assets measured at amortised cost	ROC is actively involved in the following: • Oversight over the implementation of Core Credit Policies and Remedial Management Policies of the Company; • Review of the overall portfolio credit performance of the Company and establishing concentration limits by product programs, collateral types, tenors and customer profile; • Determination of portfolio credit quality by reviewing observed default rates, provisions held, write-offs and status of recoveries from defaulting borrowers; and • Review of product programs and recommending improvements/ amendments thereto.
Liquidity Risk	Financial liabilities	BOD is responsible for setting the strategic direction for the Company. This includes, establishing the liquidity risk appetite and the liquidity required to fulfil its strategic initiatives, setting boundaries/limits within such levels of tolerance and approving the policies that govern risk management under business as usual and stressed conditions.
Market Risk - Foreign Exchange	Recognised financial assets and financial liabilities not denominated in functional currency	ROC is involved in the formulation of policies for monitoring market risk. The risk is managed through close identification, supervision and monitoring of risks arising from movements in market rates such as interest rates, foreign exchange rates, traded prices and credit spreads, which may result in a loss of earnings and capital.
Market Risk - Interest Rate / Dividend Coupon	Investments in equity securities, units of mutual funds, bonds, governments securities, certificate of deposits and commercial paper	

Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counter party to the financial instrument fails to meet its contractual obligation, and arises principally from the cash and cash equivalents, bank balance other than cash and cash equivalents, trade & other receivables and financial assets measured at amortised cost.

The Risk Management Policy addresses the recognition, measurement, monitoring and reporting of the Credit risk. The ROC reviews and approves Loan Product programs on an on-going basis. Key aspects of the product programs outline the framework of any credit financial product being offered by the Group. Within this established framework, credit policies are established to manage the sourcing of proposals, channels of business acquisition, process of underwriting, information systems involved, credit appraisal, verification, documentation, disbursement and collection / recovery procedures.

Product level credit risk policies are implemented to align all new customer acquisitions across locations and regions, individual profiles, income levels, leverage positions, collateral types and value, source of income and continuity of employment/business.

The Group has additionally taken the following measures:-

- Credit risk team is appointed to enhance focus on monitoring of borrowers and to facilitate proactive action wherever required.
- Enhanced monitoring of portfolio through periodic reviews.
- Periodic trainings to its credit officers

Credit approval

The Board of Directors has delegated credit approval authority to the Group's Credit Committee, Chief Risk Officer / National Credit Manager, Regional Credit Manager and Credit Manager under the Company's Credit Policy. The branch credit team/operations team monitors compliance with the terms and conditions of credit facilities prior to disbursement. It also reviews the completeness of documentation and creation of security by the borrower.

The central operations team verifies adherence to the terms of the credit approval prior to the disbursement of credit facilities.

Credit underwriting

The Group's credit officers evaluate credit proposals on the basis of credit underwriting policies and procedures approved by the management. The criteria typically include factors such as the customer eligibility, income and debt obligation assessment, nature of product, customer scorecards wherever applicable, historical experience, type of collateral provided and demographic parameters. Any deviations need to be approved at the designated levels.

External agencies such as field investigation agencies facilitate a due diligence process including visits to offices and residences, risk containment agencies for document frauds, legal & valuer agencies for property evaluation.

Analysis of risk concentration

Since the Group provides only retail loans, there is not significant concentration risk at the borrower / counterparty level. The maximum loan outstanding to any individual borrower or counterparty as of 31 March, 2019 was ₹ 1929 lakhs, before taking into account collateral or other credit enhancements or undisbursed commitments.

Stress testing of portfolio

The Group evaluates potentially adverse scenarios that may impact the business or portfolio performance. Annual stress test exercise covering the entire portfolio is performed to assess vulnerability of the business extreme scenarios to possible extreme scenarios and effectiveness of management actions. The assessed impact is incorporated into risk appetite of the Group to ensure regulatory compliance.

Exposure to credit risk

The carrying amount of financial assets represents maximum amount of credit exposure. The maximum exposure to credit risk is as per the table below, it being total of carrying amount of cash and cash equivalent, bank balance other than cash and cash equivalents trade and other receivables and financial assets measured at amortised cost.

Particulars	As at 31 March, 2019 (₹ lakhs)	As at 31 March, 2018 (₹ lakhs)	As at 01 April, 2017 (₹ lakhs)
Maximum exposure to credit risk	24,76,340	18,04,728	12,04,252

Analysis of inputs to the ECL model under multiple economic scenarios

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows which the Group expects to receive) discounted at an approximation to the EIR.

Cash shortfalls are identified as follows.

- For 12-month ECLs: Cash shortfalls resulting from default events that are possible in the next 12 months.
- For lifetime ECLs: Cash shortfalls resulting from default events that are possible over the expected life of the financial instrument.

For undrawn loan commitments, a cash shortfall is the difference between:

- the contractual cash flows that are due to the Group if the holder of the loan commitment draws down the loan; and
- the cash flows that the Group expects to receive if the loan is drawn down.

The Group records allowance for expected credit losses for cash and cash equivalents, bank balance, investment, trade and other receivables, loans and advances together with loan commitments and other financial assets measured at amortised cost, collectively named as 'financial assets'.

The Group performs a collective assessment on a homogeneous pool of outstanding loans grouped on the basis of shared risk characteristic based on the type of products sliced down to geography as part of the impairment analysis.

For estimation of ECL, the entire portfolio is broadly partitioned into products like Personal Loans, Business Loan, Commercial Vehicle Loan, Loan against property and Group Loans. Products are further segregated on geography level and sectors. This portfolio is used to arrive exposure at Default, Probability of default and Loss given default.

The Group follows the expected credit loss (ECL) methodology based on historically available information and projection of macroeconomic indicators in order to determine the impairment allowance required against different categories / pool of loan accounts.

All defining parameters (PD, LGD, EL Adjustment factor) are estimated on a half yearly frequency. However, required changes may be done more frequently in case of change in market condition, portfolio changes and other scenarios.

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

The 12mECL is part of LTECL that represent the ECLs from default events on a financial asset that are possible within the 12 months after the reporting date.

Definition of Default

As per the Group's policy, all assets are classified into stage 1, stage 2 and stage 3. Assets up to 29 DPD (days past due) are classified as stage 1 assets. Assets with DPD of 30 days up to 89 days are classified as stage 2 assets and assets with DPD greater than 90 days are classified as stage 3 assets. The Group considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

The Group continuously monitors all financial assets subject to ECLs. In order to determine whether an instrument or a portfolio of instruments is subject to 12mECL or LTECL, the Group assesses whether there has been a significant increase in credit risk since initial recognition. The Group considers an exposure to have significantly increased in credit risk since initial recognition when contractual payments are more than 29 days past due. The Group also applies a qualitative method for triggering a significant increase in credit risk for an asset. This will be the case for exposure that meets certain heighted risk criteria, such as political situations and exceptions to normal economic scenarios. Such factors are based on its expert judgment and relevant historical experiences.

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

The Group collects performance and default information about its credit risk exposures analysed by Product and geography. The Group employs statistical models of flow analysis and marginal default rate technique to analyse the data collected and generate estimates of the remaining lifetime PD of exposures and how these are expected to change as a result of the passage of time.

The Exposure at Default (EAD) is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities and accrued interest whether due or not.

The Loss Given Default (LGD) is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due (net of recovery cost) and those that the lender would expect to receive. They are calculated on a discounted cash flow basis using the effective interest rate as the discounting factor. It is usually expressed as a percentage of the EAD.

The Group collects list of all the defaulters and tracked from the first time they become non-performing asset ("Stage 3"). The Group calculates the LGD based on the present value of month on month recovery post default for Stage 1 and 2 and takes into account of the Stage 3 recovery and present value of the actual Stage 3.

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

EL Adjustment Factor is factor used to adjust the ECL computation to eliminate the biasness in different ticket size and number of loan accounts considering the nature of business/products.

Forward Looking Information

In its ECL models, the Group relies on a broad range of forward looking information as macro- economic inputs, such as:

a) Gross Domestic Product growth

b) Personal Disposable Income growth

c) Consumer Price Index growth & average

d) Lending Interest Rate

e) Gross National Savings

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

The following pool of macro parameters have been considered for selection for estimated PD.

Gross Domestic Product Growth

Base	Range
Growth in 2019 is 1.01 times of 2018 (7.3% - 7.4%)	Growth in 2019 is 0.91 to 1.12 times of 2018 (6.66% - 8.14%)
Growth in 2018 is 1.10 times of 2017 (6.6% - 7.3%)	Growth in 2018 is 0.99 to 1.21 times of 2017 (6.57% - 8.03%)

Personal Disposable Income Growth

Base	Range
Growth in 2019 is 1.31 times of 2018 (5.4% -7.1%)	Growth in 2019 is 1.18 to 1.45 times of 2018 (6.39% - 7.81%)
Growth in 2018 is 0.82 times of 2017 (6.6% -5.4%)	Growth in 2018 is 0.74 to 0.9 times of 2017 (4.86% - 5.94%)

Consumer Price Index (average)

Base	Range
Growth in 2019 is 1.05 times of 2018 (138.7 – 143.4)	Growth in 2019 is 0.93 to 1.14 times of 2018 (129.06 – 157.74)
Growth in 2018 is 1.04 times of 2017 (133.4 – 138.7)	Growth in 2018 is 0.94 to 1.14 times of 2017 (124.89 – 152.64)

Lending interest rate (one year period)

Base	Range
Growth in 2019 is 0.99 times of 2018 (9.5% - 9.4%)	Growth in 2019 is between 0.89 to 1.09 times of year 2018 (8.46% - 10.34%)
Growth in 2018 is 1.0 times of 2017 (9.5% - 9.5%)	Growth in 2018 is between 0.90 to 1.1 times of year 2017 (8.55% - 10.4%)

Consumer Price Index % Growth

Base	Range
Growth in 2019 is 0.84 times of 2018 (4% - 3.3%)	Growth in 2019 is 0.75 to 0.92 times of 2018 (2.97% - 3.63%)
Growth in 2018 is 1.19 times of 2017 (3.3% - 4%)	Growth in 2018 is 1.07 to 1.3 times of 2017 (3.56% - 4.35%)

Gross National Savings Growth

Base	Range
Growth in 2019 is flat compared to 2018 (29.6% - 29.6%)	Growth in 2018 is 0.90 to 1.10 times 2017 (26.64% - 32.56%)
Growth in 2018 is 1.08 times of 2017 (27.4% - 29.6%)	Growth in 2018 is 0.97 to 1.19 times 2017 (26.64% - 32.56%)

Range as defined above is computed in range of 10% upside and downside of the macro parameters.

Reconciliation of ECL balances in given below:

Particulars	As at March, 2019 (₹ in lakhs)			As at March, 2018 (₹ in lakhs)		
	12 Month ECL	Life time ECL	Total	12 Month ECL	Life time ECL	Total
ECL allowance - opening balance	33,622	18,295	**51,917**	39,332	25,130	**64,462**
New assets originated or purchased	29,806	38,496	**68,302**	28,777	38,407	**67,184**
Assets derecognised or repaid (excluding write offs)	(824)	(17,018)	**(17,842)**	(16,707)	(17,266)	**(33,973)**
Transfers to Stage 1	2,414	(2,414)	-	2,147	(2,147)	-
Transfers to Stage 2	(1,164)	1,164	-	(1,098)	1,098	-
Transfers to Stage 3	(560)	560	-	(605)	605	-
Amounts written off	(17,274)	(13,957)	**(31,231)**	(1,8226)	(27,528)	**(45,756)**
ECL allowance - closing balance	46,020	25,126	**71,146**	33,620	18,297	**51,917**

Credit Quality

The Group has classified portfolio loans as financial assets at amortised cost and has assessed it at the collective pool level. The vintage analysis methodology has been used to create the PD term structure which incorporates both 12 month (Stage 1 Loans) and lifetime PD (Stage 2 and stage 3 Loans). The vintage analysis captures a vintage default experience across a particular portfolio by tracking the periodic slippages. The vintage slippage experience/ default rate is then used to build the PD term structure.

The vintage analysis methodology has been used to create the LGD vintage. The LGD vintage takes into account the recovery experience across accounts of a particular portfolio post default. The recoveries are tracked and discounted to the date of default using the effective interest rate.

Accordingly, the Group analysis exposure to credit risk on the basis of vintage experience across its products. The Group categorises its loans into Stage 1, Stage 2 and Stage 3 based on vintage experience.

Particulars	FY 2018-19 (₹ in lakhs)				FY 2017-18 (₹ in lakhs)			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance	16,78,117	38,538	34,972	**17,51,627**	10,78,988	49,391	46,844	**11,75,223**
New assets originated or purchased	10,95,725	(94)	160	**10,95,791**	10,57,023	(1,544)	(2,137)	**10,53,342**
Assets derecognised/ repaid/ recovery (excluding write offs)	(3,59,657)	(8,504)	(8,067)	**(3,76,228)**	(3,84,299)	(8,572)	(7,995)	**(4,00,866)**
Transfers to Stage 1	10,099	(6,169)	(3,930)	-	6,532	(4,471)	(2,061)	-
Transfers to Stage 2	(41,458)	42,199	(741)	-	(34,995)	35,598	(603)	-
Transfers to Stage 3	(22,885)	(9,537)	32,422	-	(18,575)	(9,305)	27,880	-
Amounts written off	(24,189)	(8,789)	(13,819)	**(46,797)**	(26,556)	(22,560)	(26,956)	**(76,072)**
Closing balance	**23,35,752**	**47,644**	**40,997**	**24,24,393**	**16,78,118**	**38,538**	**34,972**	**17,51,627**

Trade receivables

Exposures to customers' outstanding at the end of each reporting period are reviewed by the Group to determine incurred and expected credit losses. Historical trends of collection from counterparties on timely basis reflects low level of credit risk. Group creates ECL on trade receivable balances in line with board's approved provisioning policy.

Cash and cash equivalents, other bank balance and other financial assets

The Group has a low credit risk in respect of its exposure with financial institutions and other financial assets. Funds are invested after taking into account parameters like safety, liquidity and post-tax returns etc. The Group avoids concentration of credit risk by spreading them over several counterparties with good credit rating profile and sound financial position. The Group's exposure and credit ratings of its counterparties are monitored on an ongoing basis.

The Group holds cash and cash equivalents and other bank balances with banks and financial institutions. The credit worthiness of such banks and financial institutions is evaluated by the management on an ongoing basis and is considered to be high.

While exposure with respect to security deposit and advance given for business purpose is spread across and carry low credit exposure as the Group has possession of rental premises and other with whom the Group has worked with for a number of years.

Write off policy

The Group has laid down explicit policies on loan write-offs to deal with assets which are impaired due to customer's inability to repay the loan beyond a timeline. Unsecured products are written-off at 120 Days Past Due, Commercial Vehicle Loans are written-off in 360 Days Past Due and Loan against Property and home loans is written-off at 720 Days Past Due.

Collateral management and associated risks

The Group holds collateral like Vehicle, residential, commercial land & building against certain of its secured portfolio loans such as Commercial Vehicle Loans, Mortgage loans, Housing loans, Loans against property, Developer funding and Loans against shares.

The Group has a collateral management system to address the risks associated in the mortgage business. Onsite inspections by independent experts are carried out to satisfy that the value of the collateral is sufficient to cover the associated credit risk and that the claim on property is legally enforceable. Credit policy guidelines clearly specify Loan to value (LTV) ratios and ensures a maximum permissible limit on exposure in any collateral backed funding. This takes care of any revaluation or depreciation in value of asset due to unforeseen circumstances.

The Collection team follows up with the customers through field visits as well as through telecommunication for payment of over dues. Collection team is also responsible for initiating legal action including repossession and selling of collaterals. In its normal course of business, the Group does not physically repossess properties in its retail portfolio. For other collaterals the Group liquidates the assets and recovers the amount due against the loan. Negotiations with customers with respect to settlement of loans are also carried out by the authorised personnel from collection team. Any surplus funds are returned to the customers/obligors.

An estimate of the lower of fair value of collateral and other security enhancements held and carrying amounts of the financial assets as at the reporting date is shown below. This excludes the value of collateral and other security enhancements that are determined not to be enforceable (legally or practically) by the Group.

As at March, 2019 (₹ lakhs)	Maximum exposure to credit risk	Vehicle	Land & building	Securities	Total Collateral	Net Exposure	Associated ECLs
Financial Assets							
Cash & cash equivalents	86,192	-	-	-	-	86,192	-
Loans & Advances (gross)*	2,457,515	153,777	2,607,001	737	2,761,515	(304,000)	71,146
Trade receivables	753	-	-	-	-	753	-
Financial Assets at FVTPL	164,953	-	-	-	-	164,953	-
Other financial asset	3,027	-	-	-	-	3,027	-
Total Financial Asset	**2,712,440**	**153,777**	**2,607,001**	**737**	**2,761,515**	**(49,075)**	**71,146**

*Include unsecured loans valued ₹ 1,325,008 lakhs

As at March, 2018 (₹ lakhs)	Maximum exposure to credit risk	Vehicle	Land & building	Securities	Total Collateral	Net Exposure	Associated ECLs
Financial Assets							
Cash & cash equivalents	83,475	-	-	-	-	83,475	-
Loans & Advances (gross)*	17,70,143	1,19,908	17,85,208	-	19,05,116	(1,34,972)	51,920
Trade receivables	752	-	-	-	-	752	-
Financial Assets at FVTPL	52,431	-	-	-	-	52,431	-
Other financial asset	2,278	-	-	-	-	2,278	-
Total Financial Asset	**19,09,079**	**1,19,908**	**17,85,208**	**-**	**19,05,116**	**3,964**	**51,920**

*Include unsecured loans valued ₹ 920,377 lakhs

01 April, 2017 (₹ lakhs)	Maximum exposure to credit risk	Vehicle	Land & building	Securities	Total Collateral	Net Exposure	Associated ECLs
Financial Assets							
Cash & cash equivalents	67,361	-	-	-	-	67,361	-
Loans & Advances (gross)*	11,88,011	87,058	11,35,963	-	12,23,021	(35,010)	64,462
Trade receivables	381	-	-	-	-	381	-
Financial Assets at FVTPL	1,94,748	-	-	-	-	1,94,748	-
Other financial asset	12,961	-	-	-	-	12,961	-
Total Financial Asset	**14,63,462**	**87,058**	**11,35,963**	**-**	**12,23,021**	**2,40,441**	**64,462**

*Include unsecured loans valued ₹ 6, 05,021 lakhs

The value of the collateral for residential & commercial mortgage loans is based on the collateral value at origination. For credit-impaired loans the value of collateral is based on the most recent appraisals.

The below tables provide an analysis of the current fair values of collateral held and credit enhancements for stage 3 assets.

Fair value of collateral and credit enhancements held under the base case scenario

(₹ lakhs)

Portfolio Loans	Maximum exposure to credit risk	Commercial Vehicle	Land & building	Total Collateral	Net Exposure	Associated ECLs
As at 31 March, 2019	48,876	3,542	54,534	58,076	(9,200)	24,275
As at 31 March, 2018	40,741	2,337	56,428	58,765	(18,024)	17,630
As at 01 April, 2017	37,789	2,917	44,761	47,678	(9,889)	41,408

Liquidity Risk

Liquidity risk is the risk that the Group, though solvent, either does not have sufficient financial resources available to meet its obligations as they fall due, or can secure them only at excessive costs. Liquidity risk management involves estimating and managing the liquidity requirements of the Group within acceptable structural boundaries and in a cost-efficient manner, and involves the Board and senior management's development and oversight of a comprehensive process that identifies, measures, monitors and controls the Group's liquidity risk exposure.

The Group maintains a reliable management information system designed to provide the senior management with timely and forward-looking information on the liquidity position of the Group. In terms of actions, the Group's liquidity risk management policy is guided by the following principles:

1. Lender diversification demonstrated by an increase in lenders, across instruments (bank finance, bonds, money market instruments, and sell down of loan portfolio of loan portfolio) and liquidity pools (banks, mutual funds, insurance companies, pension funds, foreign portfolio investors)

2. Matching of asset and liability tenor
3. Maintenance of adequate liquidity buffer as per internal policy
4. Structural liquidity mismatch

Tools to manage Liquidity Risk

The Group manages its liquidity risk through liquidity gap analysis, monitoring concentration limits (tenor, counterparty and instrument type) and liquidity ratios.

Projected rolling cash flow for the next 6 months is prepared which provides a gap analysis of expected cash inflow and outflow on a given date. Treasury is responsible to prepare a suitable funding plan based on the cash flow.

Single lender limit, single financial instrument or category limit and negative gap mismatches are monitored on a monthly basis to ensure these are within the policy limits.

The Group manages liquidity risk by maintaining sufficient cash and cash equivalents and by having access to funding through an adequate amount of committed credit lines. The Group maintains flexibility in funding by maintaining availability under committed credit lines to meet obligations when due.

Analysis of financial asset and liabilities by remaining contractual maturities

The tables below analyses the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for all financial liabilities for which the contractual maturities are essential for an understanding of the timing of the cash flows. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

(₹ lakhs)

31 March, 2019	Within 1 year	1 to 5 years	After 5 years	Total
Financial liabilities				
Trade payables	6,014	-	-	6,014
Borrowings other than debt securities*	5,08,179	7,48,347	12,735	12,69,261
Debt Securities#	2,73,192	9,92,104	1,13,051	13,78,346
Other financial liabilities	99,305	1,807		1,01,112

(₹ lakhs)

31 March, 2018	Within 1 year	1 to 5 years	After 5 years	Total
Financial liabilities				
Trade payables	5,654	-	-	5,654
Borrowings other than debt securities*	3,30,534	5,24,045	2,303	8,56,882
Debt Securities#	1,93,498	6,83,657	48,600	9,25,755
Other financial liabilities	97,593	1,520	-	99,113

(₹ lakhs)

01 April, 2017	Within 1 year	1 to 5 years	After 5 years	Total
Financial liabilities				
Trade payables	4,810	-	-	4,810
Borrowings other than debt securities*	3,36,124	3,35,374	-	6,71,498
Debt Securities#	1,00,576	5,18,344	99,399	7,18,319
Other financial liabilities	41,292	4,332	-	45,624

*The interest payments on variable interest rate loans in the table above reflect interest rates at the reporting date and these amount may change as market interest rates change.

Debt Securities includes subordinated liabilities

Financing arrangement

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

Particulars	31 March, 2019 (₹ lakhs)	31 March, 2018 (₹ lakhs)	01 April, 2017 (₹ lakhs)
Expiring within one year	3,43,500	2,36,415	1,38,500
Expiring beyond one year (term loan)	-	-	-

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to maintenance of satisfactory credit ratings, the bank loan facilities may be drawn at any time in INR ₹ and have an average maturity of 1 year (2018: 1 year, 2017: 1 year).

Market Risk

Market risk is the risk of loss of future earnings, fair values or future cash flows related to financial instrument that may result from adverse changes in market rates and prices (such as foreign exchange rates, interest rates, other prices). The Group is exposed to market risk primarily related to currency risk, interest rate risk and price risk.

Currency risk

The Group has insignificant amount of foreign currency denominated assets and liabilities. Accordingly, there is no significant exposure to currency risk.

Price risk

Price risk is the risk that the value of the financial instrument will fluctuate as a result of changes in market prices and related market variables whether caused by factors specific to an individual investment, its issuer and market.

To manage its price risk arising from investments, the Group has invested in the mutual fund after considering the risk and return profile of the mutual funds i.e. the debt profile of the mutual fund indicates that the debt has been given to creditworthy banks and other institutional parties and equity investment is made after considering the performance of the stock.

The Group's exposure to price risk arises from investments in unlisted equity securities, debt securities, units of mutual funds, which are classified as financial assets at Fair Value through Profit and Loss and amounts to as follows:

Particulars	31 March, 2019 (₹ lakhs)	31 March, 2018 (₹ lakhs)	01 April, 2017 (₹ lakhs)
Exposure to price risk	1,64,947	52,431	1,94,748

Sensitivity analysis

The table below sets out the effect on profit or loss due to reasonable possible weakening / strengthening in prices of 5%:

Particulars	Effect on profit or loss	
	As at 31 March, 2019 (₹ lakhs)	As at 31 March, 2018 (₹ lakhs)
Impact on profit before tax for 5% increase in prices	(1,374)	(437)
Impact on profit before tax for 5% decrease in prices	1,374	437

Interest rate risk

The interest rate risk is the vulnerability of the Group's financial condition to adverse movements in market interest rates. It corresponds to the potential effects of interest rate changes on the Group's profitability, in particular net interest income. Exposure to this risk primarily results from timing spread in the re-pricing of both on and off-balance sheet assets and liabilities as they mature (fixed rate instruments) or contractual re-pricing (floating rate instruments). The objective of interest rate risk policy is to establish boundaries on interest rate risk exposure for the Group and the governance and monitoring policies for interest rate risk management.

The exposure of the Group's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	31 March, 2019 (₹ lakhs)	31 March, 2018 (₹ lakhs)	01 April, 2017 (₹ lakhs)
Fixed rate borrowings			
Debt Securities	10,49,670	6,85,930	496,330
Borrowings	2,23,624	1,59,796	1,09,872
Variable rate borrowings	8,94,093	6,31,542	5,16,098
Total borrowings	**21,67,387**	**14,77,268**	**11,23,300**

The following metrics are employed for measurement of interest rate risks:

- Repricing Gap analysis – measured by calculating gaps over different time intervals as at a given date, and measures mismatches between rate sensitive liabilities and rate sensitive assets (including off-balance sheet positions).
- Sensitivity analysis – interest rate sensitivity is monitored as per interest rate simulations, viz. potential loss due to an adverse movement in interest rates of 100 bps for mismatch up to 1 year.

Sensitivity analysis

Particulars	Effect on profit or loss (₹ lakhs)	
	As at 31 March, 2019	As at 31 March, 2018
Impact on profit before tax of 100 bps increase in interest rate	(8941)	(6315)
Impact on profit before tax of 100 bps decrease in interest rate	8941	6315

Financial Instrument

a. Classification and Fair Values of Financial Assets & Liabilities

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at reporting date:

Particulars	31 March, 2019		31 March, 2018		01 April, 2017	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial assets:						
Cash and cash equivalent	-	29,521	-	24,597	-	9,761
Bank balances other than cash and cash equivalent	-	56,671	-	58,878	-	57,600
Trade Receivables	-	753	-	752	-	381
Loans and advances to customers	-	23,86,368	-	17,18,223	-	11,23,549
Investments	1,64,953	-	52,431	-	1,94,748	-
Other financial assets	-	3,027	-	2,278	-	12,961
Total financial assets	**1,64,953**	**24,76,340**	**52,431**	**18,04,728**	**1,94,748**	**12,04,252**
Financial liabilities:						
Trade payables	-	6,014	-	5,654	-	4,810
Debt securities	-	11,26,909	-	7,52,716	-	5,62,022
Borrowing other than debt securities	-	10,86,590	-	7,63,597	-	5,95,670
Other financial liabilities	-	1,01,112	-	99,113	-	45,613
Total financial liabilities	**-**	**23,20,625**	**-**	**16,21,080**	**-**	**12,08,115**

Fair value of cash and cash equivalents, bank balances other than cash and cash equivalent, trade receivables, loans and advances to customers, other financial assets, trade payables, debt securities, borrowing other than debt securities and other financial liabilities approximate their carrying amounts largely due to short term maturities of these instruments.

b. Fair value hierarchy

As per Ind AS 107, 'Financial Instruments: Disclosures', the fair values of the financial assets or financial liabilities are defined as the price that would be received on sale of asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities and lowest priority to unobservable inputs.

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the Ind AS 107. An explanation of each level follows underneath the table.

The hierarchy used is as follows:

Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 — Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 — Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

a) Financial assets at FVTPL at each reporting date

Particulars	Level 2		
	31 March, 2019 (₹ lakhs)	31 March, 2018 (₹ lakhs)	01 April, 2017 (₹ lakhs)
Investments	1,64,953	52,431	1,94,748
Total	**1,64,953**	**52,431**	**1,94,748**

b) Financial assets and liabilities measured at amortised cost at each reporting date

(₹ lakhs)

Particulars	As at 31 March, 2019		
	Carrying Value	Fair value	
		Level 2	Level 3
Financial assets measured at amortised cost			
Loans and advances to customers *	24,57,514	-	24,75,676
Other financial assets	3,027	-	3,323
Total	**24,60,541**	**-**	**24,78,999**
Financial liabilities measured at amortised cost			
Debt securities#	11,26,909	-	11,26,199
Borrowing other than debt securities	10,86,590	-	10,86,590
Total	**22,13,499**	**-**	**22,12,789**

(₹ lakhs)

Particulars	As at 31 March, 2018		
	Carrying Value	Fair value	
		Level 2	Level 3
Financial assets measured at amortised cost			
Loans and advances to customers *	17,70,143	-	18,29,230
Other financial assets	2,278	-	2,407
Total	**17,72,421**	**-**	**18,31,637**
Financial liabilities measured at amortised cost			
Debt securities#	7,52,716	-	7,56,960
Borrowing other than debt securities	7,63,597	-	7,63,597
Total	**15,16,313**	**-**	**15,20,557**

(₹ lakhs)

Particulars	As at 1 April, 2017		
	Carrying Value	Fair value	
		Level 2	Level 3
Financial assets measured at amortised cost			
Loans and advances to customers *	11,88,011	-	12,83,179
Other financial assets	12,961	-	13,208
Total	**12,00,972**	**-**	**12,96,387**
Financial liabilities measured at amortised cost			
Debt securities#	5,62,022	-	563,535
Borrowing other than debt securities	5,95,670	-	5,95,670
Total	**11,57,692**	**-**	**11,59,205**

*Gross value of portfolio loans

Debt Securities includes subordinated liabilities

Fair value of financials assets and financial liabilities at amortised cost (i.e., Loans and advances to customers, Other financial assets, Debt securities, Borrowing other than debt securities) is calculated on pool basis at present values of future cash flows over expected tenure of financial instruments.

Following discounting factor are used for calculation of fair values:

Particulars	Discounting factors
Loans and advances to customers	Average loan boarding rate for respective product for recent four months as at reporting date
Other financial assets, Debt securities, Borrowing other than debt securities	Average cost of funds as at reporting date

Valuation techniques used to determine fair value

Each class of financial assets	Techniques
Government securities	The fair value is determined by applying direct quotes available from the active market for such securities.
Units of mutual funds	Net Asset Value (NAV) declared by the mutual fund at which units are issued or redeemed

Each class of financial assets	Techniques
Certificate of Deposits	The fair value for such securities is determined by applying benchmark quotes for such securities published by market aggregators on daily basis for relevant maturities.
Equity shares	Discounted cash flow based on present value of the expected future economic benefit and fair value as determined by the management based on MIS review, audited financial statements and information available in public domain

In order to assess Level 3 valuations as per Group's investment policy, the management reviews the performance of the investee companies on a regular basis by tracking their latest available financial

statements / financial information, valuation report of independent valuers, recent transaction results etc. which are considered in valuation process.

The finance department of the Group includes the team that performs the valuation of financial assets and liabilities required for financial reporting purposes, including level 3 fair value. Discussions on valuation processes and results are held between the valuation team and the senior management at least once every six months which is in line with the Group's half yearly reporting periods.

49. Maturity Analysis of Assets and Liabilities

Assets	Within 12months	After 12months	Total	Within 12months	After 12months	Total
Financial Assets						
Cash and cash equivalents	29,521	-	29,521	24,597	-	24,597
Bank balances other than cash and cash equivalents	56,671	-	56,671	58,878	-	58,878
Trade receivables	753	-	753	752	-	752
Loans and advances	7,71,148	16,15,220	23,86,368	4,99,936	12,18,286	17,18,223
Investments	1,63,477	1,476	1,64,953	52,327	105	52,431
Other financial assets	370	2,657	3,027	768	1,510	2,278
Non-Financial assets						
Current tax assets (net)	2,534	-	2,534	2,368	-	2,368
Deferred tax asset (net)	-	25,589	25,589	-	25,003	25,003
Property, plant and equipment	-	8,176	8,176	-	4,951	4,951
Intangibles assets	-	3,264	3,264	-	2,264	2,264
Intangibles assets under development	138	-	138	349	-	349
Other non-financial assets	-	6,689	6,689	-	4,212	4,212
Total Assets	**10,24,612**	**16,63,071**	**26,87,683**	**6,39,975**	**12,56,331**	**18,96,306**

Liabilities	Within 1year	After 1year	Total	Within 1year	After 1year	Total
Financial liabilities						
Trade payables	6,014	-	6,014	5,655	-	5,655
Debt Securities#	1,98,356	9,28,553	11,26,909	90,776	6,61,939	7,52,715
Borrowings	4,28,247	6,58,343	10,86,590	3,01,636	4,61,961	7,63,597
Other financial liabilities	98,529	2,583	1,01,112	97,233	1,880	99,113
Non-Financial liabilities						
Current tax liabilities (net)	1,937	-	1,937	4,155	0	4,155
Provisions	-	759	759	-	39	39
Other non-financial liabilities	6,057	1	6,058	4,699	0	4,699
Equity						
Equity share capital	-	2,01,150	2,01,150	-	1,98,007	1,98,007
Other equity	-	1,57,154	1,57,154	-	68,326	68,326
Total liabilities	**7,39,140**	**19,48,542**	**26,87,683**	**5,04,154**	**13,92,152**	**18,96,306**

Debt Securities includes subordinated liabilities.

50. The Group does not have any outstanding loan against gold jewellery as at 31 March, 2019 (Previous year: ₹ Nil).

51. The Group has reclassified/regrouped previous year figures to conform to current year's classification, where applicable.

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.: 101248W/W-100022

Sd/-
Milind Ranade
Partner
Membership No.: 100564

Place: Mumbai
Date: 29 May, 2019

For and on behalf of the Board of Directors of
Fullerton India Credit Company Limited

Sd/-
Gan Chee Yen
Chairman
DIN : 03602857

Sd/-
Rajashree Nambiar
CEO & MD
DIN : 06932632

Sd/-
Pankaj Malik
Chief Financial Officer

Sd/-
Arun Mulge
Company Secretary

Independent Auditor's Report

To the Members of Fullerton India Credit Company Limited

Report on the audit of the standalone financial statements

Opinion

We have audited the accompanying standalone financial statements of Fullerton India Credit Company Limited (the 'Company'), which comprise the Balance Sheet as at 31 March, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of the 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 standalone financial statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view, in conformity with the Indian Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ('Ind AS') and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2019, and its profit and other comprehensive income, the changes in equity and cash flows for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) 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 standalone 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 (the 'ICAI') together with the ethical requirements that are relevant to our audit of these standalone 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 ICAI Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters:

<table>
<tr><th>Key Audit Matter</th><th>How the Matter was Addressed in Our Audit</th></tr>
<tr><td colspan="2">Transition date accounting - adoption of new accounting framework (Ind AS)</td></tr>
<tr><td colspan="2">Refer to the accounting policies in the Standalone Financial Statements: Significant accounting policies -Basis of preparation and Note 34 to the standalone financial statements: "First time adoption of Ind AS"</td></tr>
<tr><td>Effective 1 April, 2018, the Company adopted the Ind AS notified by the Ministry of Corporate Affairs with the transition date of 1 April, 2017.

The following are the major impact areas for the Company upon transition:
• Classification and measurement of financial assets and financial liabilities
• Measurement of loan losses (expected credit losses)
• Accounting for loan fees and costs
• Additional disclosures as per the requirements of the new financial reporting framework

Transition to the new financial reporting framework (Ind AS) is an intricate process involving multiple decision points for management i.e: Ind AS 101, First Time Adoption prescribes choices and exemptions for first time application of Ind AS principles at the transition date.</td><td>Our key audit procedures included:

Design / controls
• Assessed the design, implementation and operating effectiveness of key internal financial controls over management's evaluation of transition date choices and exemptions availed in line with the principles under Ind AS 101.
• We have also noticed the approvals of Audit Committee for the choices and exemptions made by the Company for compliance/acceptability under Ind AS 101.

Substantive tests
• Evaluated management's transition date choices and exemptions for compliance / acceptability under Ind AS 101;
• Understood the methodology implemented by management to give impact on the transition;
• Test checked the computations associated with the transition adjustments;</td></tr>
</table>

<table>
<tr><th>Key Audit Matter</th><th>How the Matter was Addressed in Our Audit</th></tr>
<tr><td>We identified the transition date accounting as a key audit matter because of the significant degree of management judgment in the first time application of Ind AS principles as at the transition date particularly in the areas noted above and the additional disclosures associated with transition to Ind AS.</td><td>• Assessed areas of significant estimates and management judgement in line with principles under Ind AS;
• Compared the reasonableness of management assumptions in respect of classification and measurement of financial instruments, expected credit loss model, cash settled share based payments, etc.</td></tr>
<tr><td colspan="2">Impairment of portfolio loans</td></tr>
<tr><td colspan="2">Refer to the accounting policies in "Note 1.C.2 to the Standalone Financial Statements: Impairment and write off", "Note 1.B.v to the Standalone Financial Statements: Significant Accounting Policies- use of estimates and judgments", Note 29 to the Standalone Financial Statements: Impairment on financial instruments" and "Note 50 to the Standalone Financial Statements: Financial Risk Management – Credit Risk"</td></tr>
<tr><td>Subjective estimate

Recognition and measurement of impairment on portfolio loans involves significant management judgement.

Ind AS 109 credit loss assessment is based on Expected Credit Loss (ECL) model. The Company's impairment allowance is derived from estimates including historical default and loss ratios. Management exercises judgement in determining the quantum of loss based on a range of factors.

The most significant factors are :
• Segmentation of loan book
• Loan staging criteria
• Calculation of probability of default / Loss given default
• Consideration of probability weighted scenarios and forward looking macro-economic factors including use of management overlay

There is a significant increase in the data inputs required for the computation of ECL. This increases the risk of completeness and accuracy of the data that has been used as a basis of assumptions in the model. Use of alternative data points further increases management's judgment and estimates thereof.

Given the size of loan portfolio relative to the balance sheet and the impact of impairment allowance on the financial statements, we have considered impairment of portfolio loans as a key audit matter.</td><td>Our audit procedures included:

Design / controls
• Understood management's new / revised processes and system implemented in relation to impairment allowance;
• Assessed the design and operating effectiveness of key internal financial controls over impairment allowance calculation including governance controls over the development of the ECL model;
• Test checked management review controls over measurement of impairment allowances and disclosures in standalone financial statements.

Substantive tests
• Evaluated the appropriateness of the impairment principles based on the requirements of Ind AS 109, our business understanding and industry practice;
• Engaged our financial risk modelling specialists to test the methodology of the ECL model and reasonableness of assumptions used;
• Performed test of details over calculation of impairment allowance to check reasonableness of assumptions used in the ECL model;
• Re-performed calculation of ECL model on test check basis;
• Evaluated management's judgment in the determination of ECL including methodology, segmentation, economic factors, period of historical loss rates used and loss emergence periods;
• Evaluated the adequacy of disclosures relating to ECL.</td></tr>
</table>

Key Audit Matter	How the Matter was Addressed in Our Audit
Information technology	
IT systems and controls relating to Loan Management System The Company's processes on sanctions, disbursements and recovery of portfolio loans are highly dependent on the automated controls in information systems, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated. The Company uses Loan Management Systems to manage its portfolio loans. Due to the large transaction volumes and the increasing challenge to protect the integrity of the Company's systems and data, controls over data integrity has become more significant. We have focused on program development, user access management, change management, segregation of duties and system application controls over loan management systems. We have identified 'IT system and controls' as key audit matters since the Company relies on automated processes and controls for recording of portfolio loans.	Our audit procedures to assess the IT system controls relating to Loan Management System included the following: • Evaluated the design of General IT controls i.e. access management, change management, program development and computer operations and IT application controls i.e. controls on system generated reports and system / application processing over key financial accounting and reporting related to loans. • Tested a sample of key internal financial controls operating over the information technology in relation to Loan Management System, including granting access right, new user creation, removal of user rights and preventative controls designed to enforce segregation of duties and system change management. • Engaged our IT and Data & Analytics specialists to evaluate the design, implementation and operating effectiveness of the significant accounts related selected IT automated controls which are core to automated computation carried out by the IT system and the consistency of data transmission. • Other areas that were independently assessed included password policies, controls over changes to applications and databases and that business users, developers and production support did not have access to change applications, the operating system or databases in the production environment.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Director's report and management discussion & analysis section – "Analysis of the Financial Statements", but does not include the standalone financial statements and our auditor's report thereon.

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

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

Management's Responsibility for the Standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in Section 134 (5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit / loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind

AS specified under Section 133 of the Act read with relevant rules issued thereunder. 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 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors are 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.

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

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone 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 standalone 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone 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.

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

Other Matter

The opening balance sheet as at 1 April, 2017 (transition date) included in these standalone financial statements, is based on the previously issued statutory standalone financial statements of the Company, prepared in accordance with the accounting standards specified under Section 133 of the Act read with relevant rules thereunder, other relevant provisions of the Act and guidelines issued by the RBI as applicable to NBFCs, audited by the predecessor auditor whose report for the year ended 31 March, 2017 dated 18 May, 2017 expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have been audited by us. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

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

(A) 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 (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account;

d) in our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act read with relevant rules issued thereunder;

e) on the basis of the written representations received from the Directors as on 31 March, 2019 and taken on record by the Board of Directors, none of the Directors are disqualified as on 31 March, 2019 from being appointed as a Director in terms of Section 164 (2) of the Act and

f) with respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".

(B) 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, in our opinion and to the best of our information and according to the explanations given to us:

i. the Company has disclosed the impact of pending litigation as at 31 March, 2019 on its financial position in the standalone financial statements – refer note 40 to the standalone financial statements;

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 and

iv. the disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November, 2016 to 30 December, 2016 have not been made in these standalone financial statements since they do not pertain to the financial year ended 31 March, 2019.

C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its Directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any Director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197 (16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sd/-
Milind Ranade
Partner
Membership No: 100564

Place: Mumbai
Date: 29 May, 2019

Annexure A to the Independent Auditor's Report – 31 March, 2019

(Referred to in our report of even date)

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

(b) According to the information and explanations given to us, the Company has a regular programme of physical verification of its property, plant and equipment by which all the property, plant and equipment are verified annually. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us, the title deeds of immovable properties recorded as property, plant and equipment in the books of account of the Company are held in the name of the Company.

ii. The Company is in the business of providing non-banking financial services and consequently, does not hold any inventories. Thus, paragraph 3 (ii) of the Order is 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 Act. Thus, paragraph 3 (iii) of the Order is not applicable to the Company.

iv. According to the information and explanations given to us, the Company has not advanced any loan, given any guarantee or provided any security in connection with loan to any of its Directors or to any person in whom the Director is interested. The Company has complied with the provisions of Section 186 of the Act, with respect to the investments made, as applicable.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits as per the directives issued by Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and Rules framed there under. Thus, paragraph 3 (v) of the Order is not applicable to the Company.

vi. The Central Government has not prescribed the maintenance of cost records under Section 148 (1) of the Act, for any of the services rendered by the Company. Accordingly, paragraph 3 (vi) of the Order is not applicable to the Company.

vii. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including employee's state insurance, income tax, goods and services tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities except provident fund which is deposited with appropriate authority with few delays. As explained to us, the Company did not have any dues on account of sales tax, wealth tax, duty of customs, duty of excise and value added tax. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employee's state insurance, income tax, goods and services tax, cess and other material statutory dues were in arrears as at 31 March, 2019 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of provident fund, employee's state insurance, income tax, goods and services tax, cess and other material statutory dues which have not been deposited by the Company on account of disputes. The dues outstanding on account of dispute are as follows:

Name of the statute	Nature of dues	Amounts (₹ In lakhs)	Period to which the amount relates	Forum where dispute is pending
Chapter V of the Finance Act, 1994	Service Tax	2	2006-07	Commissioner of Central Excise (Appeals)
Chapter V of the Finance Act, 1994	Service Tax	33 (amount paid under protest 35)	2006-07	Commissioner of Central Excise (Appeals)
Chapter V of the Finance Act, 1994	Service Tax	336	2007-11	Customs, Excise and Service Tax Appellate Tribunal (Appeals)

viii. On the basis of examination of relevant records and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowing to financial institution, bank or debenture holders. During the year, the Company did not have any loans or borrowing from the government.

ix. According to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer.

Further, monies raised by the Company by way of debt instruments and term loans were applied for the purpose for which those were raised, though idle / surplus funds which were not required for immediate utilisation were invested in liquid assets.

x. During the course of our examination of the books and records of the Company, carried out in accordance with generally accepted auditing practices in India, and according to the information and explanations given to us, except for ₹ 10.41 lakhs as disclosed in Note 44 to the standalone financial statements, we have neither come across any instance of fraud by the Company or on the Company by its officer or employees, noticed or reported during the year, nor have been informed of such case by the management.

xi. According to the information and explanations given to us and based on our examination of the records, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

xii. According to the information and explanations given to us, the Company is not a Nidhi Company as per the Act. Thus, paragraph 3 (xii) of the Order is not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. According to the information and explanations given to us and based on our examination of the records, the Company has not made preferential allotment or private placement of shares or allotted fully or partly convertible debentures during the year. Thus, paragraph 3 (xiv) of the Order is not applicable to the Company.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with Directors or person connected with him. Thus, paragraph 3(xv) of the Order is not applicable to the Company.

xvi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and holds a valid certificate of registration under the same.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sd/-
Milind Ranade
Partner
Membership No: 100564

Place: Mumbai
Date: 29 May, 2019

Annexure B to the Independent Auditor's Report – 31 March, 2019

(Referred to in our report of even date)

Report on the Internal Financial Controls with reference to the standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

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

Opinion

We have audited the internal financial controls with reference to standalone financial statements of Fullerton India Credit Company Limited (the 'Company') as of 31 March, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

Management's Responsibility for Internal Financial Controls

The Company's management and Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143 (10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. 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 with reference to standalone financial statements were established and maintained and whether 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 with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal financial control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with Reference to Standalone Financial Statements

The company's internal financial controls with reference to standalone financial statements is a process designed to provide a reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. The company's internal financial controls with reference to standalone 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and Directors of the company and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone 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 with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sd/-
Milind Ranade
Partner
Membership No: 100564

Place: Mumbai
Date: 29 May, 2019

Balance Sheet

as at 31 March, 2019

	Note	As at 31 March, 2019 (₹ lakhs)	As at 31 March, 2018 (₹ lakhs)	As at 01 April, 2017 (₹ lakhs)
ASSETS				
Financial assets				
Cash and cash equivalents	2	20,060	24,249	8,157
Bank balances other than cash and cash equivalents	3	51,665	53,521	53,055
Investments	4	1,91,675	90,650	2,09,061
Trade receivables	5	690	726	381
Other financial assets	6	2,506	1,912	12,885
Loans and advances	7	20,89,638	15,30,735	10,76,677
		23,56,234	**17,01,793**	**13,60,216**
Non financial assets				
Current tax assets	8	2,205	2,335	2,469
Deferred tax asset (net)	9	22,717	22,198	28,658
Other non-financial assets	10	5,867	3,915	3,685
Property, plants and equipment	11	7,166	4,812	4,369
Intangible assets	12	3,180	2,254	2,627
Intangible assets under development	12	138	349	68
Capital Work in Progress	11	-	-	292
		41,273	**35,863**	**42,168**
Total Assets		**23,97,507**	**17,37,656**	**14,02,384**
LIABILITIES AND EQUITY				
Liabilities				
Financial liabilities				
Trade payables	13			
i) total outstanding dues to micro enterprises and small enterprises		52	93	69
ii) total outstanding dues to creditors other than micro enterprises and small enterprises		5,180	5,109	4,407
Debt Securities	14	9,40,740	6,43,828	4,91,804
Borrowings	15	8,85,479	6,68,072	5,61,032
Subordinated liabilities	14	1,11,181	70,541	70,218
Other financial liabilities	16	81,860	68,637	33,323
		20,24,492	**14,56,280**	**11,60,853**
Non financial liabilities				
Current tax liabilities	17	1,929	4,090	268
Provisions	18	665	30	42
Other non-financial liabilities	19	5,234	4,156	3,001
		7,828	**8,276**	**3,311**
Equity				
Equity share capital	20	2,01,150	1,98,007	1,98,007
Other equity	21	1,64,037	75,093	40,213
		3,65,187	**2,73,100**	**2,38,220**
Total liabilities and equity		**23,97,507**	**17,37,656**	**14,02,384**
Summary of significant accounting policies and accompanying notes which form an integral part of the financial statements	1-55			

As per our report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.: 101248W/W-100022

Sd/-
Milind Ranade
Partner
Membership No.: 100564

For and on behalf of the Board of Directors of Fullerton India Credit Company Limited

Sd/-
Gan Chee Yen
Chairman
DIN : 03602857

Sd/-
Rajashree Nambiar
CEO & Managing Director
DIN : 06932632

Sd/-
Pankaj Malik
Chief Financial Officer

Sd/-
Arun Mulge
Company Secretary
ICSI Reg No. : A18322

Place: Mumbai
Date: 29 May, 2019

Statement of Profit and Loss

Year ended 31 March, 2019

	Note	Year ended 31 March, 2019 (₹ lakhs)	Year ended 31 March, 2018 (₹ lakhs)
Revenue from operations			
Interest income	22	3,96,471	2,59,337
Fees and commission income	23	6,384	4,522
Net gain on financial asset at FVTPL	24	4,014	871
Ancillary income	25	5,839	5,020
Total revenue from operations		**4,12,708**	**2,69,750**
Other income	26	1,104	1,512
Total Income		**4,13,812**	**2,71,262**
Expenses			
Finance costs	27	1,43,882	98,021
Net loss on fair value changes	28	193	24
Impairment on financial instruments	29	51,016	46,938
Employee benefits expense	30	57,714	46,146
Depreciation, amortisation and impairment	11&12	3,559	3,340
Other expenses	31	38,015	24,125
Total expenses		**2,94,379**	**2,18,594**
Profit before tax		**1,19,433**	**52,668**
Tax expense	32		
Current tax		47,986	13,270
Adjustment of tax relating to earlier periods		-	(1,128)
Deferred tax expense / (credit)		(6,075)	5,563
		41,911	**17,705**
Net profit after tax		**77,522**	**34,963**
Other comprehensive income / (loss)	32(b)		
Items that will not be reclassified to profit or loss			
Re-measurement of gain/loss on defined benefit plans (net of tax)		(435)	(8)
Other comprehensive loss		**(435)**	**(8)**
Total comprehensive income for the year		**77,087**	**34,955**
Earnings per equity share:	33		
Basic earnings per share (in ₹)		3.88	1.77
Diluted earnings per share (in ₹)		3.88	1.77
Face value per share (in ₹)		10.00	10.00
Summary of significant accounting policies and accompanying notes which form an integral part of the financial statements	1-55		

As per our report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.: 101248W/W-100022

Sd/-
Milind Ranade
Partner
Membership No.: 100564

For and on behalf of the Board of Directors of Fullerton India Credit Company Limited

Sd/-
Gan Chee Yen
Chairman
DIN : 03602857

Sd/-
Rajashree Nambiar
CEO & Managing Director
DIN : 06932632

Sd/-
Pankaj Malik
Chief Financial Officer

Sd/-
Arun Mulge
Company Secretary
ICSI Reg No. : A18322

Place: Mumbai
Date: 29 May, 2019

Statement of Changes in Equity
for the year ended 31 March, 2019

A. Equity share capital

Particulars	Number of shares	Amount (₹ lakhs)
Equity share of Rs. 10 each fully paid up as at 1 April, 2017	**1,98,00,71,519**	**1,98,007**
Changes during the year	-	-
Equity share of Rs. 10 each fully paid up as at 31 March, 2018	**1,98,00,71,519**	**1,98,007**
Changes during the year	3,14,26,776	3,143
Equity share of Rs. 10 each fully paid up as at 31 March, 2019	**2,01,14,98,295**	**2,01,150**

B. Other equity

Particulars	Reserves and surplus					Items of OCI	Total
	General Reserve	Capital Reserve	Securities premium	Reserve Fund under Section 45 - IC of the RBI Act, 1934	Retained Earnings	Re-measurement of gain/loss on defined benefit plans (net of tax)	
Opening balance as at 01 April, 2017	**96**	**2,869**	**21,036**	**26,196**	**(9,984)**	**-**	**40,213**
Reversed/ (utilised) for debenture issue costs	-	574	(649)	-	-	-	(75)
Transferred from retained earnings to reserve fund	-	-	-	7,088	(7,088)	-	-
Profit for the year	-	-	-	-	34,963	-	34,963
Other comprehensive income/(loss) for the year	-	-	-	-	-	(8)	(8)
Closing balance as at 31 March, 2018	**96**	**3,443**	**20,387**	**33,284**	**17,891**	**(8)**	**75,093**
Securities Premium on shares issued	-	-	11,857	-	-	-	11,857
Transferred from retained earnings to reserve fund	-	-	-	15,504	(15,504)	-	-
Profit for the year	-	-	-	-	77,522	-	77,522
Other comprehensive income/(loss) for the year	-	-	-	-	-	(435)	(435)
Closing balance as at 31 March, 2019	**96**	**3,443**	**32,244**	**48,788**	**79,909**	**(443)**	**1,64,037**

As per our report of even date attached.

1-55

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.: 101248W/W-100022

Sd/-
Milind Ranade
Partner
Membership No.: 100564

For and on behalf of the Board of Directors of Fullerton India Credit Company Limited

Sd/-
Gan Chee Yen
Chairman
DIN : 03602857

Sd/-
Rajashree Nambiar
CEO & Managing Director
DIN : 06932632

Sd/-
Pankaj Malik
Chief Financial Officer

Sd/-
Arun Mulge
Company Secretary
ICSI Reg No. : A18322

Place: Mumbai
Date: 29 May, 2019

Statement of Cash flow
for the year ended 31 March, 2019

		Year ended 31 March, 2019 (₹ lakhs)	Year ended 31 March, 2018 (₹ lakhs)
A.	CASH FLOW FROM OPERATING ACTIVITIES		
	Profit before tax	**1,19,433**	**52,668**
	Adjustments for :		
	(Includes amount spent towards Corporate Social Responsibility expense as per Section 135 (5) of the Companies Act, 2013 (Refer Note 43))		
	Financial asset measured at amortised cost	(4,994)	(54)
	Financial liabilities measured at amortised cost	830	382
	Depreciation, amortisation and impairment	3,559	3,339
	Interest income on fixed deposits, bond and investments	(9,165)	(7,377)
	Profit on sale of property, plant and equipment	(12)	(9)
	Net (gain)/loss on financial assets at FVTPL	(4,014)	(844)
	Impairment on financial instruments	51,016	38,778
	Write off of fixed assets & intangible assets	9	24
	Fair valuation of stock appreciation rights liability	271	16
	Amortisation of ancillary borrowing costs	-	463
	Operating profit before working capital changes	**1,56,933**	**87,386**
	Adjustments for working capital:		
	- (Increase)/decrease in loans and advances	(5,78,084)	(4,81,479)
	- (Increase)/ decrease in other Assets (financial and non financial assets)	(2,570)	(11,690)
	- (Increase)/decrease in trade receivables	35	(345)
	- Increase/(decrease) in other liabilities (Provision, financial and non financial liabilities)	14,966	44,013
	Cash generated from/(used in) operating activities	**(4,08,720)**	**(3,62,115)**
	Income tax paid (net)	(44,499)	(4,892)
	Net cash generated from/(used in) operating activities (A)	**(4,53,219)**	**(3,67,007)**
B.	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of property, plant and equipment and intangibles	(6,866)	(3,148)
	Proceeds from sale of property, plant and equipment and intangibles	30	16
	Investments in subsidiary company	(15,000)	-
	Purchase of investments	(47,43,152)	(11,28,621)
	Sale/maturity of investments	46,57,444	12,49,483
	Fixed deposit placed	(69,994)	(62,064)
	Fixed deposit matured	67,052	61,946
	Interest received on fixed deposits and bonds	5,597	6,333
	Interest received on investments	5,086	640
	Net cash generated from/(used in) investing activities (B)	**(99,803)**	**1,24,585**

Statement of Cash flow
for the year ended 31 March, 2019

	Year ended 31 March, 2019 (₹ lakhs)	Year ended 31 March, 2018 (₹ lakhs)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issuance of share capital (including share premium)	15,000	-
Proceeds from borrowings from banks and financial institutions	12,00,957	9,19,400
Repayment of borrowings from banks and financial institutions	(6,63,428)	(6,60,203)
Payment of ancillary borrowing costs	(3,696)	(683)
Net cash generated from/(used in) financing activities (C)	**5,48,833**	**2,58,514**
Net increase / (decrease) in cash and cash equivalents D=(A+B+C)	**(4,189)**	**16,092**
Cash and cash equivalents as at the beginning of the period (E)	24,249	8,157
Closing balance of cash and cash equivalents (D+E)	**20,060**	**24,249**
Components of cash and cash equivalents:		
Cash on hand	1,168	834
Balances with banks		
- in current accounts	15,889	13,753
- in fixed deposit with maturity less than 3 months	3,003	9,662
Cash and cash equivalents	**20,060**	**24,249**

Note:

The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows. Effective 1 April, 2017, the Company adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of amendment did not have any material impact on the financial statements. (Refer note 15 (b) for net debt reconciliation)

As per our report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.: 101248W/W-100022

Sd/-
Milind Ranade
Partner
Membership No.: 100564

For and on behalf of the Board of Directors of Fullerton India Credit Company Limited

Sd/-
Gan Chee Yen
Chairman
DIN : 03602857

Sd/-
Rajashree Nambiar
CEO & Managing Director
DIN : 06932632

Sd/-
Pankaj Malik
Chief Financial Officer

Sd/-
Arun Mulge
Company Secretary
ICSI Reg No. : A18322

Place: Mumbai
Date: 29 May, 2019

Notes to Financial Statements
for the year ended 31 March, 2019

1. Notes to Financial Statements

A. Company Information

Fullerton India Credit Company Limited ('The Company') is a public limited company domiciled in India and incorporated under the provisions of Companies Act, 1956. The Company is a non-banking financial company ('NBFC') registered as Deposit taking NBFC vide Registration no. A-07-00791 dated 27 May, 2011 with the Reserve Bank of India ('RBI'). Registered address of the Company is Fullerton India Credit Limited, Megha Towers, III Floor, New No 165, Old No 307, Poonamallee High Road, Maduravoyal, Chennai. The Company provides loans to small and medium enterprises for working capital and growth, loans for commercial vehicles, loans against shares, two-wheelers, home improvement loans, loans against property, personal loans, working capital loans for urban salaried, self-employed, loans for rural livelihood advancement and financing of various rural micro enterprises (collectively referred to as "Portfolio Loans").

As at 31 March, 2019, Angelica Investments Pte Ltd, the holding company owned 95.76% of the Company's equity share capital.

B. Basis of Preparation

i. Statement of compliance

These financial statements have been prepared on a going concern basis in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015, as amended by the Companies (Indian Accounting Standards) Rules, 2016, notified under Section 133 of the Companies Act, 2013 (the "Act"), other relevant provisions of the Act, guidelines issued by the RBI as applicable to NBFCs and other accounting principles generally accepted in India.

The financial statements up to and for the year ended 31 March, 2018 were prepared in accordance with accounting standards notified under Section 133 of the Act, the relevant rules thereunder, other relevant provisions of the Act and guidelines issued by the RBI as applicable to NBFCs (Previous GAAP).

These are the first Ind AS financial statements of the Company prepared in accordance with Ind AS. Ind AS 101, First-time Adoption of Indian Accounting Standards has been applied. Refer note 34 for an explanation of how the transition from Previous GAAP to Ind AS has affected the Company's previously reported financial position, financial performance and cash flows.

ii. Presentation of financial statements

The balance sheet, the statement of profit and loss and the statement of changes in equity are presented in the format prescribed in the Schedule III vide their Notification G.S.R. 1022 (E) dated 11 October, 2018 for Non-Banking Financial Companies in Division III to the Act. The statement of cash flow has been presented as per the requirements of Ind AS 7 "Statement of Cash Flows"

The Company presents its balance sheet in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date and more than 12 months after the reporting date is presented in Note 51.

iii. Functional and presentation currency

Indian rupees is the Company's functional currency and the currency of the primary economic environment in which the Company operates. Accordingly, the management has determined that financial statements are presented in Indian Rupees. All amounts have been rounded off to the nearest lakhs unless otherwise indicated.

iv. Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial instruments (as explained in the accounting policies below)	Fair value
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations
Liabilities for cash settled share based payments	Fair value

v. Use of estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make estimates, assumptions and exercise judgments in applying the accounting policies that affect the reported amount of a¬ssets, liabilities and disclosure of contingent liabilities at the date of financial statements and the reported amounts of income and expenses during the year.

The Management believes that these estimates are prudent and reasonable and are based upon the Management's best knowledge of current events and actions. Actual results could differ from these estimates and differences between actual results and estimates are recognised in the periods in which the results are known or materialised.

Assumptions and estimation uncertainties

Information about critical judgments, assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 March, 2019 is included in the following notes of the policy:

Note 1.C.9 – Impairment test of non-financial assets: key assumptions underlying recoverable amounts including the recoverability of expenditure on intangible assets;

Note 1.C.7 – recognition of deferred tax assets

Note 1.C.10 – measurement of defined benefit obligation: key actuarial assumptions;

Note 1.C.2 – financial instruments – Fair values, risk management and impairment of financials assets

Note 1.C.10 – cash settled - share based payments

Note 1.C.8 – estimates of useful lives and residual value of property, plant and equipment and intangible assets

Note 1.C.11 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources, if any

vi. Measurement of fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. Measurement of fair value includes determining appropriate valuation techniques.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

Valuation models that employ significant unobservable inputs require a higher degree of judgment and estimation in the determination of fair value. Judgment and estimation are usually required for selection of the appropriate valuation methodology, determination of expected future cash flows on the financial instrument being valued, determination of probability of counterparty default and selection of appropriate discount rates.

The management regularly reviews significant unobservable inputs and valuation adjustments.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques. When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

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

Further information about the assumptions made in measuring fair values is included in the following notes to accounts:

Note 50 - Financial instruments - Fair values and risk management

Note 38 - Cash settled share based payments

C. Significant Accounting Policies

1. Revenue Recognition

Interest income

The Company calculates interest income by using the effective interest rate (EIR) method.

The effective interest rate method

Interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial instrument.

The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, commission, fees and costs incremental and directly attributable to the specific lending arrangement.

The Company recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the financial asset. The future cash flows are estimated taking into account all the contractual terms of the asset. If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet. The adjustment is subsequently amortised through Interest income in the statement of profit and loss.

When a financial asset becomes credit-impaired subsequent to initial recognition, the Company calculates interest income by applying the effective interest rate to the amortised cost (net of provision) of the financial asset. If the financial assets cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

Interest income on financial assets classified as FVTPL is recognised at contractual interest rate of financial instruments.

Penal/additional interest on default in payment of dues by customer is recognised on realisation basis.

Fee income

Loan processing fee/document fees/stamp fees which are integral part of financials assets are recognised through effective interest rate over the term of the loan. For the agreements foreclosed or transferred through assignment, the unamortised portion of the fee is recognised as income to the Statement of profit and loss at the time of such foreclosure/ transfer through assignment. Applications fee is recognised at the commencement of the contracts. Additional charges such as penal, dishonor, foreclosure charges, delayed payment charges etc. are recognised on realisation basis.

Dividend income

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

Net gain from financial instruments at FVTPL

The realised gain from financial instruments at FVTPL represents the difference between the carrying amount of a financial instrument at the beginning of the reporting period, or the transaction price if it was purchased in the current reporting period, and its settlement price.

The unrealised gain represents the difference between the carrying amount of a financial instrument at the beginning of the period, or the transaction price if it was purchased in the current reporting period, and its carrying amount at the end of the reporting period.

Rendering of services

The Company recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115 to determine when to recognise revenue and at what amount.

Revenue is measured based on the consideration specified in the contract with a customer and excludes amounts collected on behalf of third parties. Revenue from contracts with customers is recognised when services are provided and it is highly probable that a significant reversal of revenue is not expected to occur.

If the consideration promised in a contract includes a variable amount, an entity estimates the amount of consideration to which it will be entitled in exchange for rendering the promised services to a customer. An amount of consideration can vary because of discounts, rebates, refunds, credits, price concessions, incentives, performance bonuses, or other similar items. The promised consideration can also vary if an entitlement to the consideration is contingent on the occurrence or non-occurrence of a future event.

Commission income

Commission income earned for the services rendered are recognised on accrual basis, while rate conversion charges are recognised upfront based on event occurrence.

2. **Financial Instruments**

- **Recognition and initial measurement**

Financial assets and liabilities are recognsied when the company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially recognised at fair value on trade date basis. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial assets or financial liability. Transaction costs of financial instrument carried at fair value through profit or loss are expensed in profit or loss.

- **Classification and subsequent measurement**

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

Financial assets

The company subsequently classifies its financial assets in the following measurement categories:

- amortised cost;
- fair value through profit or loss
- fair value through other comprehensive income

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost using Effective Interest Rate (EIR) method if it meets both of the following conditions:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made an investment – by – investment basis.

All financials assets not classified and measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the company may irrevocabaly designate the financials assets that otherwise meets the requirements to be measured at amortised cost or at FVOCI or at FVTPL, if doing so eliminates or significantly reduces the accounting mismatch that would otherwise arise.

Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

– the stated policies and objectives for the portfolio and the operation of those policies in practice;

– how the performance of the portfolio is evaluated and reported to the Company's management;

– the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed and

- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectation about future sales activity.

At initial recognition of a financial asset, the Company determines whether newly recognised financial assets are part of an existing business model or whether they reflect a new business model. The Company reassess its business models each reporting period to determine whether the business models have changed since the preceding period.

Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. That principal amount may change over the life of the financial assets (e.g. if there are payments of principal) Amount 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- Contingent events that would change the amount or timing of cash flows;
- Terms that may adjust the contractual coupon rate, including variable interest rate features;
- Prepayment and extension features; and
- Terms that limit the Company's claim to cash flows from specified assets.

Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI.

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the statement of profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the statement of profit or loss. Any gain or loss on de-recognition is recognised in the statement of profit or loss.
Financial assets (other than Equity Investments) at FVOCI	Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognised in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the statement of Profit and Loss.

Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in the Statement of Profit and Loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial liabilities and equity instruments

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

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

Financial liabilities are subsequently measured at the amortised cost using the effective interest method, unless at initial recognition, they are classified as fair value through profit and loss. Interest expense and foreign exchange gains and losses are recognised in the Statement of profit and loss. Any gain or loss on derecognition is also recognised in the statement of profit or loss.

- **Reclassification**

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

- **De-recognition, modification and transfer**

Financial Assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred.

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

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Profit/premium arising at the time of assignment of portfolio loans, is recognised as an upfront gain/loss. Interest on retained portion of assigned portfolio is recognised basis Effective Interest Rate. Service fee received is accounted for based on the terms of underlying deal structure of transaction.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised as profit or loss.

- **Offsetting of financial instruments**

  Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

- **Impairment and write off**

  In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets at amortised cost along with related undrawn commitments and loans sanctioned but not disbursed.

  Undrawn loan commitments are commitments under which, over the duration of the commitment, the Company is required to provide a loan with pre-specified terms to the customer. Commitment starts from the date of the sanction letter till the amount is fully drawn down by the customer.

  The Company recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. For recognition of impairment loss on financial assets, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognising impairment loss allowance based on 12-month ECL.

  Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

  Measurement of expected credit losses

  Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows which the Company expects to receive) discounted at an approximation to the EIR.

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

  The Company measures ECL on a collective basis for portfolios of loans that share similar economic risk characteristics. The measurement of the loss allowance is based on the present value of the asset

  Presentation of allowance for expected credit losses in the balance sheet

  Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the statement of profit and loss.

  Write off

  The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the counter party does not have assets or sources of income that could generate cash flows to repay the amounts. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

- **Collateral valuation and repossession**

  To mitigate the credit risk on financial assets, the Company seeks to use collateral, where possible as per the Board approved Credit Policy. The Company provides fully secured, partially secured and unsecured loans to customers. The parameters relating to acceptability and valuation of each type of collateral is a part of the Credit Policy of the Company.

  In its normal course of business, the Company does not physically repossess properties in its retail portfolio. For other collaterals, the Company liquidates the assets and recovers the amount due against the loan. Any surplus funds are returned to the customers/obligors.

3. Cash and Cash Equivalents

Cash and cash equivalents for the purpose of the cash flow statement comprise of the cash on hand, call deposits and other short term, highly liquid securities with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Cash and cash equivalents consists of balances with banks which are unrestricted for withdrawal and usage.

4. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of specific asset or assets and the arrangement conveys a right to use the asset or assets, even if the right is not explicitly specified in an arrangement.

Operating Lease

Leases where the lessor effectively retains substantially all risks and benefits incidental to ownership of the asset are classified as Operating lease.

Company as a lessee

Operating lease payments (net of any incentive received from the lessor) are recognised as an expense in the Statement of Profit and Loss on a straight line basis over the lease term unless the payments are structured to increase in line with general inflation to compensate for the lessor's expected inflationary cost.

Company as a lessor

Rental income from operating lease is recognised on a straight line basis over the lease term unless the same is in line with general inflation to compensate for the expected inflationary cost. Initial direct costs incurred in negotiating and arranging an operating lease is recognised over the lease term on the same basis as rental income.

5. Borrowing Costs

Borrowing cost is calculated using effective interest rate on the amortised cost of the instrument. EIR includes interest and amortisation of ancillary cost incurred in connection with the borrowing of funds. Other borrowing costs are recognised as an expense in the period in which they are incurred.

6. Foreign Currency

Transactions in foreign currency are recorded at exchange rate prevailing on the date of transaction. Exchange differences, if any, arising out of foreign exchange transactions settled during the period are recognised in the Statement of Profit and Loss. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the Balance sheet date and exchange gain or loss arising on restatement are recognised in the Statement of Profit and Loss.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. All resulting exchange differences are recognised in other comprehensive income.

7. Income Taxes

Income tax expense comprises current tax expenses, net change in the deferred tax assets or liabilities during the year and any adjustment to the tax payable or receivable in respect of previous years. Current and deferred taxes are recognised in the Statement of profit and loss, except when they relate to business combinations or to an item that are recognised in Other comprehensive income or directly in Equity, in which case, the current and deferred tax are also recognised in Other comprehensive income or directly in Equity respectively.

Current Income taxes

The current income tax includes income taxes payable by the Company computed in accordance with the tax laws applicable in the jurisdiction in which the Company generate taxable income and does not include any adjustment to the tax payable or receivable in respect of previous years.

The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred income taxes

Deferred income tax is recognised using Balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of an assets and liabilities and their carrying amount.

Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be reversed or settled. Deferred tax asset are recognised to the extent that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable sufficient taxable profit will be available to allow part of deferred income tax assets to be utilised. At each reporting date, the company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax asset to the extent that it has become reasonably certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset deferred tax assets and liabilities.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India which is likely to give future economic benefit in the form of availability of setoff against future income tax liability. Accordingly, MAT is recognised as deferred tax assets in the Balance sheet when the assets can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

Goods and services tax input credit

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

Expenses and assets are recognised net of the goods and services tax/value added taxes paid, except:

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

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

8. Property Plant and Equipment (Including Capital Work-in-Progress) and Intangible Assets

Recognition and measurement

Property, plant and equipment and intangible assets are measured at cost, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price(after deducting trade discounts and rebates) including import duties and non-refundable taxes, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Intangible assets are initially measured at cost. Subsequently, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Any gain or loss arising from disposal of an item of property, plant and equipment and intangible assets is recognised as profit or loss respectively.

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company. All other expenditure is recognised in the Statement of Profit and Loss as incurred.

Depreciation/Amortisation

Depreciation on Property, plant and equipment is provided on straight-line basis as per the estimated useful life of the assets as determined by the management, which is in line with Schedule II of the Companies Act, 2013 except for certain assets as stated below.

	Useful life estimated by the Company (in years)	Useful life as per Schedule II (in years)
Computer Server and Other Accessories *	4	6
Computer Desktop and Laptops *	3	3
Furniture and Fixtures *	5	10
Office Equipments *	5	5
Handheld devices *	2	5
Vehicles *	4	8

* Useful life of the assets has been assessed based on internal assessment, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Depreciation/Amortisation method, useful life and residual value are reviewed at each financial year end and adjusted if required. Depreciation/Amortisation on addition/ disposable is provided on a pro-rata basis i.e from/upto the date on which asset is ready to use /disposed off.

Leasehold improvements are amortised over the period of the lease subject to a maximum lease period of 66 months.

Intangible assets are amortised using the straight line method over a period of five years commencing from the date on which such asset is first installed.

9. **Impairment on Non Financials Assets**

The carrying amount of the non-financial assets other than deferred tax are reviewed at each Balance Sheet date if there is any indication of impairment based on internal / external factors. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets is considered as a cash generating unit.

If any indication of impairment exists, an estimate of the recoverable amount of the individual asset/cash generating unit is made. The recoverable amount of the assets/ Cash generating unit is estimated as the higher of net selling price and its value in use. Asset/cash generating unit whose carrying value exceeds their recoverable amount are written down to the recoverable amount by recognising the impairment loss as an expense in the Statement of Profit and Loss. After impairment, depreciation / amortisation is provided on the revised carrying amount of the asset over its remaining useful life.

The Company reviews at each reporting date, whether there is any indication that the loss has decreased or no longer exists. A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation / amortisation if there were no impairment.

10. Employee Benefits

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

Defined Contribution Plans

Contributions to defined contribution schemes includes employees' state insurance, superannuation scheme, employee pension scheme. A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into an account with a separate entity and has no legal or constructive obligation to pay further amounts. The Company makes specified periodic contributions to the credit of the employees' account with the Employees' Provident Fund Organisation. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the Statement of Profit and Loss in the periods during which the related services are rendered by employees..

Defined Benefit Plans

Gratuity

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

The calculation of the defined benefit obligation is performed periodically by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in Other Comprehensive Income (OCI). The Company determines the net interest expense /income on the net defined benefit liability/ asset for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability/ asset, taking into account any changes in the net defined benefit liability /asset during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the Statement of Profit or Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in the Statement of Profit or Loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other long term employee benefits

The Company's net obligation in respect of long-term employee benefits other than post-employment benefits, which do not fall due wholly within 12 months after the end of the period in which the employees render the related services, is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an independent actuarial valuation using the projected unit credit method.

Phantom Plan (Stock Appreciation Rights)

For cash-settled share based payments, the fair value of the amount payable to employees is recognised as 'employee benefit expenses' with a corresponding increase in liabilities, over the vesting period on straight line basis. The liability is re-measured at each reporting period up to, and including the settlement date, with changes in fair value recognised in employee benefits expenses. Refer Note 38 for details.

11. **Provisions (other than for employee benefits), contingent liabilities, contingent assets and commitments**

A provision is recognised when an enterprise has a present legal or constructive obligation as a result of past event and it is probable that an outflow of resources embodying economic benefits 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 estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

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 recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

Contingent assets are neither recognised nor disclosed in the financial statements. However, it is disclosed only when an inflow of economic benefits is highly probable.

The Company operates in a regulatory and legal environment that, by nature, has inherent litigation risk to its operations and in the ordinary course of the Company's business. Given the subjectivity and uncertainty of determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents.

Commitments include the amount of purchase order (net of advances) issued to the counterparties for supplying/development of asset and amount of undisbursed portfolio loans.

Provisions, contingent assets, contingent liabilities and commitments are reviewed at each reporting date.

12. **Earnings per share**

Basic earnings per share are computed by dividing profit after tax (excluding other comprehensive income) attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing profit after tax (excluding other comprehensive income) attributable to the equity shareholders as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the profit per share.

13. **Operating Segments**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM's function is to allocate the resources of the Company and assess the performance of the operating segments of the Company.

14. **Dividend on equity shares**

The Company recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders except in case of interim dividend. A corresponding amount is recognised directly in equity.

D. Recent accounting developments

Standards issued but not yet effective

Following are the new standards and amendments to existing standards (as notified by Ministry of Corporate Affairs (MCA) on 30 March, 2019 as part of the Companies (Ind AS) Amendment Rules, 2019) which are effective for the annual period beginning from 01 April, 2019. The Company intends to adopt these standards and amendments from the effective date.

IND AS 116 – Leases:

Ind AS 116 is applicable for financial reporting periods beginning on or after 01 April, 2019 and replaces existing lease accounting guidance, namely Ind AS 17 Leases. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use ("ROU") asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The nature of expenses related to those leases will change as Ind AS 116 replaces the operating lease expense (i.e. rent) with depreciation charge for ROU assets and interest expense on lease liabilities. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases.

The Company plans to apply Ind AS 116 on 01 April, 2019, using the prospective approach. Therefore, the ROU asset is measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application. The Company is in the process of analyzing the impact of new lease standard on its financial statements.

Amendments to existing IND AS:

The following amended standards are not expected to have a significant impact on the Company's financial statements. This assessment is based on currently available information and is subject to changes arising from further reasonable and supportable information being made available to the Company when it adopts the respective amended standards.

I. **Amendment to Ind AS 12 Income Taxes:**

Income tax consequences of distribution of profits (i.e dividends), including payments on financial instruments classified as equity, should be recognised when a liability to pay dividend is recognised.

The income tax consequences should be recognised in profit or loss, other comprehensive income or equity according to where the past transactions or events that generated distributable profits were originally recognised.

Appendix C has been added to Ind AS 12 which seeks to bring clarity to the accounting for uncertainties on income tax treatments that are yet to be accepted by tax authorities and to reflect it in the measurement of current and deferred taxes.

II. **Amendments to Ind AS 109 Financial Instruments:**

A financial asset would be classified and measured at amortised cost or at Fair Value through Other Comprehensive Income (FVOCI) if its contractual cash flows are solely in the nature of principle and interest on the principle amount outstanding (SPPI criterion).

An exception has been prescribed to the classification and measurement requirements with respect to the SPPI criterion for financial assets that:

- Have a prepayment feature which results in a negative compensation.
- Apart from the prepayment feature, other features of the financial asset would have contractual cash flows which would meet the SPPI criterion, and
- The fair value of the prepayment feature is insignificant when the entity initially recognises the financial asset. If this is impracticable to assess based on facts and circumstances that existed on initial recognition of the asset, then the exception would not be available.

Such financial assets could be measured at amortised cost or at FVOCI based on the business model within which they are held.

III. **Amendments to Ind AS 19 Employee Benefits**

When a defined benefit plan is amended, curtailed or settled, entities would be required to use updated actuarial assumptions to determine its current service cost and net interest for the remainder of the annual reporting period (post the plan amendment, curtailment or settlement).

The effect of the asset ceiling would not be considered while calculating the gain or loss on any settlement of the plan. Subsequently, it would be recognised in other comprehensive income.

IV. **Amendments to Ind AS 23 Borrowing costs**

Borrowing cost eligible for capitalisation:

- Clarification that in computing the capitalisation rate for funds borrowed generally, the Company should exclude borrowing costs applicable to borrowings made specifically for obtaining a qualifying asset, only until the asset is ready for its intended use or sale. Borrowing costs related to specific borrowings that remain outstanding after the related qualifying asset is ready for intended use or for sale would subsequently be considered as part of the general borrowing cost of the Company.
- Transitional provision: The Company applying Ind AS 23 should apply the amendments to the borrowing costs incurred on or after the date the Company first applies the amendments.

The amendments that are not yet effective made to the following existing standards, does not have any impact on the Company's financial statements:

- Ind AS 28 Investments in associates and joint ventures
- Ind AS 103 Business Combinations and
- Ind AS 111 Joint arrangements

2. Cash and cash equivalents

Particulars	As at 31 March, 2019 (₹ lakhs)	As at 31 March, 2018 (₹ lakhs)	As at 01 April, 2017 (₹ lakhs)
Cash on hand	1,168	834	947
Balances with banks *			
- in current accounts	15,889	13,753	7,210
- in deposit with maturity less than 3 months	3,003	9,662	-
Total	**20,060**	**24,249**	**8,157**

3. Bank balances other than cash and cash equivalents

Particulars	As at 31 March, 2019 (₹ lakhs)	As at 31 March, 2018 (₹ lakhs)	As at 01 April, 2017 (₹ lakhs)
Deposit with maturity of more than 3 months but less than 12 months	26,355	8,218	4346
Deposit with maturity of more than 12 months*	25,310	45,303	48,709
Total	**51,665**	**53,521**	**53,055**

*In respect of balance with Scheduled banks in Deposits, ₹ Nil (31 March, 2018: 247 lakhs; 1 April, 2017: ₹ 224 lakhs) pertain to collateral deposit kept with banks as credit enhancements pertaining to securitisations.

4. Investments

Particulars	As at 31 March, 2019 (₹ lakhs)	As at 31 March, 2018 (₹ lakhs)	As at 01 April, 2017 (₹ lakhs)
Measured at fair value through profit and loss			
Units of Mutual funds			
Nil (31 March, 2018: Nil; 1 April, 2017: 191,330.67) units of ₹ 1,000 each Tata Money Market Fund Option - Direct Plan Growth	-	-	4,904
Nil (31 March, 2018: Nil; 1 April, 2017: 14,296,676.46) units of ₹ 10 each Sundaram Money Fund - Direct Plan - Growth	-	-	4,903
Nil (31 March, 2018: Nil; 1 April, 2017: 318,378.27) units of ₹ 1,000 each DSP BlackRock Liquidity Fund - Direct Plan - Growth	-	-	7,405
Nil (31 March, 2018: Nil; 1 April, 2017: 154,897.41) units of ₹ 1,000 each SBI Premier Liquid Fund - Direct Plan -Growth	-	-	3,953
Nil (31 March, 2018: Nil; 1 April, 2017: 271,860.71) units of ₹ 1,000 each Axis Liquid Fund - Direct Plan - Growth Option	-	-	4,902
Nil (31 March, 2018: Nil; 1 April, 2017: 273,651.25) units of ₹ 1,000 each in HDFC Liquid Fund - Direct Plan - Growth Option	-	-	8,781
Measured at fair value through profit and loss			
Unquoted: Equity instruments			
50,000 (31 March, 2018: 50,000; 1 April, 2017: 50,000) equity shares of ₹ 10 each fully paid-up in Alpha Micro Finance Consultants Private Limited	5	5	5
8,397 (31 March, 2018: 8,397; 1 April, 2017 8,397) equity shares of ₹ 10 each fully paid-up in Digilend Analytics and Technology Pvt. Ltd.	-	100	100
Quoted: Government securities and T-bills			
32,500,000 (31 March, 2018: Nil; 1 April, 2017: Nil) units 0% ₹ GOI TB 2019/414	32,489	-	-
2,500,000 (31 March, 2018: Nil; 1 April, 2017: Nil) units 0% ₹ GOI TB 2019/414	2,499	-	-
12,500,000 (31 March, 2018: Nil; 1 April, 2017: Nil) units 0% ₹ GOI TB 2019/414	12,496	-	-
1,000,000 (31 March, 2018: Nil; 1 April, 2017: Nil) units 7.17 % 2028/413 G Sec	980	-	-
500,000 (31 March, 2018: Nil; 1 April, 2017: Nil) units 7.17 % 2028/413 G Sec	490	-	-
Nil (31 March, 2018: Nil; 1 April, 2017: 2,000,000) units 7.61 % 2030 Government Securities	-	-	2,072
Nil (31 March, 2018: Nil; 1 April, 2017: 7,000,000) units 7.59 % 2026 Government Securities	-	-	7,335

Particulars	As at 31 March, 2019 (₹ lakhs)	As at 31 March, 2018 (₹ lakhs)	As at 01 April, 2017 (₹ lakhs)
Nil (31 March, 2018: Nil; 1 April, 2017: 3,500,000) units 6.97 % 2026 Government Securities	-	-	3,567
Nil (31 March, 2018: Nil; 1 April, 2017: 7,500,000) units 0% ₹ GOI TB 18/01/2018	-	-	7,159
Nil (31 March, 2018: Nil; 1 April, 2017: 5,000,000) units 0% ₹ GOI TB 01/06/2017	-	-	4,956
Unquoted: Certificate of deposits			
17,500 (31 March, 2018: 5,000; 1 April, 2017: 12,500) units of ₹100,000 each of Axis Bank Limited	16,491	4,663	11,778
15,000 (31 March, 2018: 5,000; 1 April, 2017: 9,000) units of ₹100,000 each of ICICI Bank Limited	14,207	4,881	8,774
Nil (31 March, 2018: Nil; 1 April, 2017: 14,500) units of ₹100,000 each of NABARD	-	-	13,688
20,000 (31 March, 2018: Nil; 1 April, 2017: 17,500) unit of ₹100,000 each of Kotak Mahindra Bank Ltd	19,207	-	16,801
20,000 (31 March, 2018: 10,000; 1 April, 2017: 5,000) units of ₹100,000 each of Indus Ind Bank Limited	18,840	9,560	4,720
10,000 (31 March, 2018: Nil; 1 April, 2017: 11,000) units of ₹100,000 each of IDFC Bank Limited	9,490	-	10,744
Nil (31 March, 2018: Nil; 1 April, 2017: 5,000) units of ₹100,000 each of SIDBI	-	-	4,686
7,000 (31 March, 2018: Nil; 1 April, 2017: Nil) units of ₹ 100,000 each of Federal Bank Limited	6,520	-	-
Nil (31 March, 2018: 15,000; 1 April, 2017: Nil) units of ₹ 100,000 each of HDFC Bank	-	14,070	-
Unquoted: Commercial Papers			
Nil (31 March, 2018: 3,000; 1 April, 2017: 3,000) units of ₹ 500,000 each of Housing Development Finance Corporation Ltd.	-	14,410	14,575
Quoted: Corporate Bonds			
Nil (31 March, 2018: Nil; 1 April, 2017: 1,000) units of 8.57% Bond ₹5,00,000 each fully paid up in HDFC Ltd.	-	-	5,062
Nil (31 March, 2018: Nil; 1 April, 2017: 1,000) units of 8.29% NCD ₹1,000,000 each fully paid up in NABARD.	-	-	10,156
Nil (31 March, 2018: Nil; 1 April, 2017: 500) units of 8.40% NCD ₹1,000,000 each fully paid up in PFC Ltd.	-	-	5,074
Others*			
245,356,916 (31 March, 2018: 195,273,443; 1 April, 2017: 195,273,443) equity shares of ₹ 10 each fully paid-up in Fullerton India Home Finance Company Limited	57,961	42,961	42,961
Total	**191,675**	**90,650**	**209,061**

* The Company has elected option to fair value investment in subsidiary at fair value on transition date. This fair value has been considered as deemed cost subsequently. (Refer note 34 (A)(i))

5. Trade Receivables

	As at 31 March, 2019 (₹ lakhs)	As at 31 March, 2018 (₹ lakhs)	As at 01 April, 2017 (₹ lakhs)
Receivables considered good – Secured	-	-	-
Receivables considered good – Unsecured	690	726	381
Less: Provision for impairment	0	-	-
Total	**690**	**726**	**381**

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Also, no trade or other receivables are due from firms or private companies in which any director is a partner, a director or a member respectively.

6. Other Financial Assets

	As at 31 March, 2019 (₹ lakhs)	As at 31 March, 2018 (₹ lakhs)	As at 01 April, 2017 (₹ lakhs)
Security Deposits	1,738	1,499	1,194
Less- Impairment allowance	(111)	(86)	(86)
Interest Accrued on Investment	568	184	1,731
Others	311	315	10,046
Total	**2,506**	**1,912**	**12,885**

7. Loans and Advances

	As at 31 March, 2019 (₹ lakhs)	As at 31 March, 2018 (₹ lakhs)	As at 01 April, 2017 (₹ lakhs)
Loans carried at amortised cost			
(i) Loans repayable on Demand	-	-	-
(ii) Portfolio Loans*	2,156,206	1,579,328	1,140,578
Total Gross	**2,156,206**	**1,579,328**	**1,140,578**
Less- Impairment allowance	(66,568)	(48,593)	(63,901)
Total Net	**2,089,638**	**1,530,735**	**1,076,677**
(i) Secured by tangible assets	831,198	658,951	535,557
(ii) Secured by intangible assets	-	-	-
(iii) Covered by Bank/Government Guarantees	-	-	-
(iv) Unsecured	1,325,008	920,377	605,021
Total (B)-Gross	**2,156,206**	**1,579,328**	**1,140,578**
Less: Impairment loss allowance	(66,568)	(48,593)	(63,901)
Total (B)-Net	**2,089,638**	**1,530,735**	**1,076,677**

* All the loans are disbursed in India and there are no loans issued to public sector.

8. Current Tax Assets

	As at 31 March, 2019 (₹ lakhs)	As at 31 March, 2018 (₹ lakhs)	As at 01 April, 2017 (₹ lakhs)
Advance tax (net of provision)	2,205	2,335	2,469
Total	**2,205**	**2,335**	**2,469**

Advance tax (net of provision) of ₹ 2,335 lakhs FY 2018: ₹ 269 lakhs FY 2017 has been reclassified from Provision for tax (net of advance tax).

9. Deferred Tax (Net)

	As at 31 March, 2019 (₹ lakhs)	As at 31 March, 2018 (₹ lakhs)	As at 01 April, 2017 (₹ lakhs)
Deferred tax asset arising on account of :			
Impact of expenditure charged to profit and loss but allowed for tax purposes on payment basis	643	132	228
Timing difference between book depreciation and Income Tax Act, 1961	1,740	1,779	1,644
MTM on Investments	67	(1)	107
Provision for expected credit loss on financial assets	20,015	15,759	22,288
Provision for security deposits	39	30	30
Processing fees and LOC adjustment related to financial assets at amortised cost	1,784	1,265	1,706
Provision for expenses disallowed as per Income-tax Act, 1961	2,621	734	415
Fair valuation of SAR liability	-	47	39
MAT credit entitlement	-	5,557	6,126
Total deferred tax assets (A)	**26,909**	**25,302**	**32,583**
Deferred tax liability arising on account of :			
Fair valuation of investment in subsidiary	1,373	1,518	2,225
Fair valuation of loans assigned	422	-	-
Borrowing cost adjustment related to financial liabilities at amortised cost	2,332	1,586	1,700
MTM on Investments	65	-	-
Total deferred tax liabilities (B)	**4,192**	**3,104**	**3,925**
Deferred tax assets (net) (A-B)	**22,717**	**22,198**	**28,658**

10. Other Non-Financial Assets

	As at 31 March, 2019 (₹ lakhs)	As at 31 March, 2018 (₹ lakhs)	As at 01 April, 2017 (₹ lakhs)
Advances recoverable in cash or in kind or for value to be received	766	271	380
Surplus in gratuity fund	-	128	106
Prepayments	2,565	1,933	1,835
Capital advances	114	77	369
Advances to employees	13	34	32
Others	2,409	1,472	963
Total	**5,867**	**3,915**	**3,685**

11. Property, Plants and Equipment

(₹ lakhs)

Particulars	Office Equipments	Furniture & Fixtures	Computers & Accessories	Leasehold Improvements	Vehicles	Land & Building*	Leased assets	Total
Gross block								
Balance as at 01 April, 2017	1,080	763	1,742	646	104	6	28	**4,369**
Additions	623	562	784	781	177	-	-	**2,927**
Deletions	(538)	(138)	(408)	(187)	(6)	-	-	**(1,277)**
Balance as at 31 March, 2018	**1,165**	**1,187**	**2,118**	**1,240**	**275**	**6**	**28**	**6,019**
Additions	731	722	2,677	512	289	-	-	**4,931**
Deletions	(92)	(92)	(734)	(106)	(55)	-	-	**(1,079)**
Balance as at 31 March, 2019	**1,804**	**1,817**	**4,061**	**1,646**	**509**	**6**	**28**	**9,871**
Accumulated depreciation								
Balance as at 01 April, 2017	-	-	-	-	-	-	-	**-**
Depreciation charge	566	376	931	488	70	-	20	**2,451**
Deletions	(532)	(127)	(406)	(177)	(2)	-	-	**(1,244)**
Balance as at 31 March, 2018	**34**	**249**	**525**	**311**	**68**	**-**	**20**	**1,207**
Depreciation charge	611	370	1,051	402	110	-	7	**2,551**
Deletions	(90)	(87)	(731)	(104)	(41)	-	-	**(1,053)**
Balance as at 31 March, 2019	**555**	**532**	**845**	**609**	**137**	**-**	**27**	**2,705**
Net block								
Balance as at 01 April, 2017	1,080	763	1,742	646	104	6	28	**4,369**
Balance as at 31 March, 2018	1,131	938	1,593	929	207	6	8	**4,812**
Balance as at 31 March, 2019	1,249	1,285	3,216	1,037	372	6	1	**7,166**
Capital Work in Progress								
Balance as at 01 April, 2017	133	55	104	-	-	-	-	**292**
Balance as at 31 March, 2018	-	-	-	-	-	-	-	**-**
Balance as at 31 March, 2019	-	-	-	-	-	-	-	**-**

*Pledged as security against secured non -convertible debenture.

As per management assessment there are no probable scenario in which the recoverable amount of asset would decrease below the carrying amount of asset. Consequently no impairment required.

The Company has availed the deemed cost exemption as per Ind AS 101 in relation to the Property Plant and Equipment as on the date of transition (01 April, 2017) and hence the net block of carrying amount as at 31 March, 2017 has been considered as the gross block of carrying amount on the date of transition. Refer note below for the gross block value and the accumulated depreciation as at 31 March, 2017 under the previous GAAP.

(₹ lakhs)

Particulars	Gross block	Accumulated depreciation	Net block
Office equipments	3,729	2,649	1,080
Furniture & fixtures	3,059	2,296	763
Computer & accessories	6,440	4,698	1,742
Leasehold improvements	3,550	2,904	646
Vehicles	173	69	104
Land & Building	6	-	6
Leased assets	138	110	28
Total	**17,095**	**12,726**	**4,369**

12. Intangible Assets

(₹ lakhs)

Particulars	Computer Software	Total
Gross block		
Balance as at 01 April, 2017	2,627	**2,627**
Additions	516	**516**
Deletions	-	**-**
Balance as at 31 March, 2018	**3,143**	**3,143**
Additions	1,934	**1,934**
Deletions	-	**-**
Balance as at 31 March, 2019	**5,077**	**5,077**
Amortisation		
Balance as at 01 April, 2017	**-**	**-**
Amortisation	889	**889**
Deletions	-	**-**
Balance as at 31 March, 2018	**889**	**889**
Amortisation	1,008	**1,008**
Deletions	-	**-**
Balance as at 31 March, 2019	**1,897**	**1,897**
Net block		
Balance as at 01 April, 2017	2,627	**2,627**
Balance as at 31 March, 2018	2,254	**2,254**
Balance as at 31 March, 2019	3,180	**3,180**
Intangibles under development		
Balance as at 01 April, 2017	68	**68**
Balance as at 31 March, 2018	349	**349**
Balance as at 31 March, 2019	138	**138**

The Company has availed the deemed cost exemption as per Ind AS 101 in relation to the Intangible Assets as on the date of transition (01 April, 2017) and hence the net block of carrying amount as at 31 March, 2017 has been considered as the gross block of carrying amount on the date of transition. Refer note below for the gross block value and the accumulated depreciation as at 31 March, 2017 under the previous GAAP.

(₹ lakhs)

Intangible assets	Gross block	Accumulated depreciation	Net block
Computer software	9,140	6,513	2,627

13. Trade Payables*

	As at 31 March, 2019 (₹ lakhs)	As at 31 March, 2018 (₹ lakhs)	As at 01 April, 2017 (₹ lakhs)
Dues of micro and small enterprises (refer Note 42)	52	93	69
Dues of creditors other than micro and small enterprises	5,180	5,109	4,407
Total	**5,232**	**5,202**	**4,476**

*Other payable of FY 2018 :₹ 5,202 lakhs, FY 2017 : ₹ 4,476 lakhs has been reclassified to trade payables.

14. Debt Securities##

	As at 31 March, 2019 (₹ lakhs)	As at 31 March, 2018 (₹ lakhs)	As at 01 April, 2017 (₹ lakhs)
At amortised cost			
Non- convertible debentures (secured)*	940,740	643,828	491,804
Total	**940,740**	**643,828**	**491,804**
Subordinated liabilities	111,181	70,541	70,218
Total	**111,181**	**70,541**	**70,218**

* Non convertible Debentures are secured by first pari passu charge over all loan receivables and immovable property. Non-Convertible Debenture includes Masala Bonds of ₹ 100,000 Lakhs of which ₹50,000 Lakhs is listed on Singapore Stock Exchange.

The funds raised by the Company during the year by issue of Secured / Unsecured Non-Convertible Debentures /bonds were utilised for the purpose intended, i.e. towards lending, financing, to refinance the existing indebtedness of the Company or for long-term working capital, in compliance with applicable laws.

15. Borrowings

	As at 31 March, 2019 (₹ lakhs)	As at 31 March, 2018 (₹ lakhs)	As at 01 April, 2017 (₹ lakhs)
At amortised cost			
Term loans from bank (secured)*	670,045	506,646	443,730
Cash credit from bank (unsecured)	102	12,191	9,962
Other Loans			
Commercial papers (unsecured) #	215,332	149,235	107,340
Total	**885,479**	**668,072**	**561,032**

(a) Nature of securities and terms of repayment for borrowings

*Indian rupee loan from banks are secured by first pari passu charge over all loan receivables except specific charge on specific loan receivables for one of the financial institution (Term loan of ₹ 201 Lakhs as on 31 March, 2018; ₹ 1,833 lakhs as on 31 March, 2017)

Commercial paper carries interest in the range of 7.02% to 9.75% p.a. and tenure of 90 to 365 days fully payable at maturity. The interest rate is on XIRR basis.

(b) **Net Debt Reconciliation**

	As at 31 March, 2019 (₹ lakhs)	As at 31 March, 2018 (₹ lakhs)	As at 01 April, 2017 (₹ lakhs)
Borrowings	885,479	668,072	561,032
Debt securities	1,051,921	714,369	562,022
Less: Cash and cash equivalents	(20,060)	(24,249)	(8,157)
Net Debt	**1,917,340**	**1,358,192**	**1,114,897**

Changes in financial liabilities arising from financing activities

(₹ lakhs)

Particulars	Borrowings	Debt securities
Balance as at 01 April, 2017	**5,61,032**	**5,62,022**
Receipts #	7,20,229	2,01,400
Repayment #	(6,11,555)	(48,800)
Finance costs*	45,227	52,794
Finance costs paid	(46,861)	(53,048)
Balance as at 31 March, 2018	**6,68,072**	**7,14,368**
Receipts #	7,74,127	4,26,831
Repayment #	(5,54,666)	(1,07,390)
Finance costs*	69,013	74,869
Finance costs paid	(71,067)	(56,757)
Balance as at 31 March, 2019	**8,85,479**	**10,51,921**

*Finance cost includes interest accrued but not due.

#in above table receipt/payment includes the change in the cash credit.

Terms of repayment of non-convertible debentures as on 31 March, 2019

Original maturity of loan (in no. of days)	Rate of interest	Due within 1 year ₹ lakhs	Due 1 to 2 Years ₹ lakhs	Due 2 to 3 Years ₹ lakhs	More than 3 Years ₹ lakhs	Total ₹ lakhs
Issued at par and redeemable at par						
366-730	08% - 09%	15,300	-	-	-	15,300
731-1095	07% - 08%	2,500	13,500	-	-	16,000
	08% - 09%	56,000	30,000	-	-	86,000
	09% - 11%	-	60,000	50,000	-	1,10,000
1096-1460	07% - 08%	-	38,500	8,000	-	46,500
	08% - 09%	65,500	-	19,100	-	84,600
	09% - 11%	4,000	-	95,000	20,300	1,19,300
More than 1460	07% - 08%	-	-	20,000	50,000	70,000
	08% - 09%	-	-	9,930	17,000	26,930
	09% - 11%	47,500	76,500	26,500	85,400	2,35,900
	11% - 12%	-	-	-	13,810	13,810

Original maturity of loan (in no. of days)	Rate of interest	Due within 1 year	Due 1 to 2 Years	Due 2 to 3 Years	More than 3 Years	Total
		₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
Issued at discount and redeemable at par						
731-1095	08% - 09%	-	-	5,000	-	5,000
	09% - 11%	-	-	15,500	-	15,500
More than 1460	09% - 11%	-	-	-	19,500	19,500
Issued at par and redeemable at premium						
1096-1460	08% - 09%	-	7,500	78,400	5,800	91,700
	09% - 11%	-	-	-	13,940	13,940
Issued at premium and redeemable at premium						
731-1095	08% - 09%	-	-	4,730	-	4,730
	09% - 11%	-	-	18,060	-	18,060
1096-1460	08% - 09%	-	-	5,000	-	5,000
	09% - 11%	-	-	2,070	3,030	5,100
Issued at premium and redeemable at par						
1096-1460	09% - 11%	-	-	5,500	-	5,500
Total		**1,90,800**	**2,26,000**	**3,62,790**	**2,28,780**	**10,08,370**

Terms of repayment of non-convertible debentures as on 31 March, 2018

Original maturity of loan (in no. of days)	Rate of interest	Due within 1 year	Due 1 to 2 Years	Due 2 to 3 Years	More than 3 Years	Total
		₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
Issued at par and redeemable at par						
731-1095	07% - 08%	12,500	2,500	13,500	-	28,500
	08% - 09%	12,500	76,000	25,000	-	1,13,500
	09% - 11%	1,700	-	-	-	1,700
1096-1460	07% - 08%	-	-	38,500	8,000	46,500
	08% - 09%	11,500	55,500	-	22,630	89,630
	09% - 11%	5,500	14,000	-	-	19,500
More than 1460	07% - 08%	-	-	-	70,000	70,000
	08% - 09%	10,000	10,000	20,000	12,800	52,800
	09% - 11%	27,500	37,500	56,500	84,400	2,05,900
	11% - 12%	6,190	-	-	13,810	20,000
Issued at par and redeemable at premium						
1096-1460	08% - 09%	-	-	7,500	28,400	35,900
Issued at premium and redeemable at premium-						
1096-1460	08% - 09%	-	-	-	5,000	5,000
Total		**87,390**	**1,95,500**	**1,61,000**	**2,45,040**	**6,88,930**

Terms of repayment of non-convertible debentures as on 01 April, 2017

Original maturity of loan (in no. of days)	Rate of interest	Due within 1 year	Due 1 to 2 Years	Due 2 to 3 Years	More than 3 Years	Total
		₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
Issued at par and redeemable at par						
366-730	08% - 09%	3,950	-	-	-	3,950
	09% - 11%	3,350	-	-	-	3,350
731-1095	08% - 09%	-	25,000	25,000	-	50,000
	09% - 11%	33,000	1,700	-	-	34,700
1096-1460	08% - 09%	-	11,500	1,06,500	12,500	1,30,500
	09% - 11%	7,500	5,500	10,000	-	23,000
More than 1460	08% - 09%	-	-	-	19,930	19,930
	09% - 11%	1,000	32,500	51,500	1,60,900	2,45,900
	11% - 12%	-	11,190	-	13,810	25,000
Total		**48,800**	**87,390**	**1,93,000**	**2,07,140**	**5,36,330**

Terms of repayment of term loans as on 31 March, 2019

Original maturity of loan (in no. of days)	Rate of Interest	Due within 1 year		Due 1 to 2 Years		Due 2 to 3 Years		More than 3 Years		Total
		No. of installments	₹ lakhs	No. of installments	₹ lakhs	No. of installments	₹ lakhs	No. of installments	₹ lakhs	₹ lakhs
Quarterly repayment schedule										
1096-1460	08% - 09%	8	5,333	4	2,667	-	-	-	-	8,000
	09% - 11%	7	4,583	2	417	-	-	-	-	5,000
More than 1460	08% - 09%	4	6,667	-	-	-	-	-	-	6,667
	09% - 11%	54	56,644	53	70,950	29	46,291	36	46,578	2,20,463
Half yearly repayment schedule										
731-1095	09% - 11%	7	8,500	4	9,500	2	4,750	-	-	22,750
1096-1460	09% - 11%	1	250	2	500	1	250	-	-	1,000
More than 1460	08% - 09%	28	41,632	28	42,569	22	30,486	23	31,944	1,46,632
	09% - 11%	4	9,166	1	3,335	-	-	2	10,000	22,501
Yearly repayment schedule										
1096-1460	09% - 11%	1	3,333	1	3,333	1	3,333	-	-	10,000
More than 1460	08% - 09%	1	6,667	2	8,330	1	1,667	1	16,667	33,330
	09% - 11%	4	13,333	6	21,875	6	21,875	6	20,417	77,500
Bullet repayment schedule										
731-1095	08% - 09%	-	-	2	12,500	-	-	-	-	12,500
	09% - 11%	2	15,000	1	4,000	-	-	-	-	19,000
1096-1460	08% - 09%	-	-	-	-	-	-	1	15,000	15,000
	09% - 11%	-	-	4	15,000	2	25,000	-	-	40,000
More than 1460	09% - 11%	-	-	-	-	-	-	1	30,000	30,000
Total		**121**	**1,71,109**	**110**	**1,94,976**	**64**	**1,33,652**	**70**	**1,70,606**	**6,70,343**

Terms of repayment of term loans as on 31 March, 2018

Original maturity of loan (in no. of days)	Rate of Interest	Due within 1 year		Due 1 to 2 Years		Due 2 to 3 Years		More than 3 Years		Total
		No. of installments	₹ lakhs	No. of installments	₹ lakhs	No. of installments	₹ lakhs	No. of installments	₹ lakhs	₹ lakhs
Monthly repayment schedule										
More than 1460	09% - 11%	1	201	-	-	-	-	-	-	201
Quarterly repayment schedule										
1096-1460	07% - 08%	-	-	8	5,333	4	2,667	-	-	8,000
	08% - 09%	10	6,667	11	6,250	6	2,083	2	833	15,833
More than 1460	07% - 08%	4	6,600	8	13,200	8	13,200	16	27,000	60,000
	08% - 09%	38	41,000	35	37,333	24	26,083	3	4,480	1,08,896
	09% - 11%	4	1,111	4	1,111	2	556	-	-	2,778
Half yearly repayment schedule										
731-1095	09% - 11%	4	3,750	2	5,000	-	-	-	-	8,750
More than 1460	07% - 08%	2	2,674	4	5,347	4	5,347	7	9,133	22,500
	08% - 09%	16	39,166	17	34,749	13	27,669	11	26,333	1,27,917
	09% - 11%	3	7,417	2	2,500	-	-	-	-	9,918
Yearly repayment schedule										
More than 1460	08% - 09%	3	11,667	5	20,000	6	23,333	8	40,000	95,000
Bullet repayment schedule										
731-1095	07% - 08%	-	-	2	15,000	3	16,500	-	-	31,500
1096-1460	07% - 08%	-	-	-	-	4	15,000	-	-	15,000
Total		**85**	**1,20,252**	**98**	**1,45,823**	**74**	**1,32,439**	**47**	**1,07,779**	**5,06,293**

Terms of repayment of term loans as on 01 April, 2017

Original maturity of loan (in no. of days)	Rate of Interest	Due within 1 year		Due 1 to 2 Years		Due 2 to 3 Years		More than 3 Years		Total
		No. of installments	₹ lakhs	No. of installments	₹ lakhs	No. of installments	₹ lakhs	No. of installments	₹ lakhs	₹ lakhs
Monthly repayment schedule										
More than 1460	9% - 11%	12	1,632	1	201	-	-	-	-	1,833
Quarterly repayment schedule										
731-1095	9% - 11%	6	4,500	-	-	-	-	-	-	4,500
1096-1460	9% - 11%	12	15,417	8	3,334	8	3,333	4	1,667	23,751
More than 1460	8% - 9%	22	25,037	22	25,037	21	23,370	17	19,537	92,980
	9% - 11%	36	29,777	34	29,944	33	31,944	17	15,035	1,06,700
Half yearly repayment schedule										
731-1095	8% - 9%	1	1,667	-	-	-	-	-	-	1,667
	9% - 11%	3	625	9	1,250	9	625	-	-	2,500
1096-1460	8% - 9%	1	2,500	-	-	-	-	-	-	2,500
	9% - 11%	1	1,875	2	3,750	1	1,875	-	-	7,500

Original maturity of loan (in no. of days)	Rate of Interest	Due within 1 year		Due 1 to 2 Years		Due 2 to 3 Years		More than 3 Years		Total
		No. of installments	₹ lakhs	No. of installments	₹ lakhs	No. of installments	₹ lakhs	No. of installments	₹ lakhs	₹ lakhs
More than 1460	8% - 9%	4	8,750	8	8,750	11	8,750	15	2,500	28,750
	9% - 11%	11	26,917	18	34,500	17	29,583	9	16,667	1,07,667
Yearly repayment schedule										
1096-1460	08% - 9%	1	5,000	-	-	-	-	-	-	5,000
More than 1460	08% - 9%	3	7,500	2	5,000	2	3,333	2	1,667	17,500
	09% - 11%	1	1,500	2	6,500	2	6,500	2	11,500	26,000
Bullet repayment schedule										
731-1095	8% - 9%	-	-	-	-	1	10,000	-	-	10,000
1096-1460	8% - 9%	-	-	-	-	1	5,000	-	-	5,000
Total		**114**	**1,32,696**	**106**	**1,18,266**	**106**	**1,24,314**	**66**	**68,572**	**4,43,848**

Note : The above disclosures are based on face value of non-convertible debentures / principal amounts of term loans as per terms of issue / contract and outstanding as at respective reporting dates.

Particulars of Secured Redeemable Non-convertible Debentures:

(₹ lakhs)

Particulars	Face Value (₹)	Quantity As at 31 March, 2019	Date of Redemption	As at 31 March, 2019	As at 31 March, 2018	As at 01 April, 2017
9.20% Series-73	10	500	08-Aug-25	5,000	-	-
8.35% Series-67	10	700	17-Apr-24	7,000	-	-
10.45% Series-27C	5	500	23-Nov-23	2,500	2,500	2,500
9.85% Series-24	10	400	22-May-23	4,000	4,000	4,000
10.60% Series-22	10	750	28-Apr-23	7,500	7,500	7,500
7.35% MS-002	10	-	25-Nov-22	50,000	50,000	-
8.99% Series-49	10	500	15-Jul-22	5,000	5,000	5,000
9.16% SERIES-33C	10	230	20-May-22	2,300	2,300	2,300
8.89% Series-81	10	580	10-May-22	5,800	-	-
9.51% Series-75	10	1,394	19-Apr-22	13,940	-	-
9.70% Series-76	10	1,300	19-Apr-22	13,000	-	-
9.40% Series-78-II	10	1,033	13-Apr-22	10,330	-	-
9.30% Series-80	10	7,500	31-Jan-22	75,000	-	-
10.00% Series-29AII	5	1,800	30-Dec-21	9,000	9,000	9,000
8.00% Series-62	10	2,000	28-Dec-21	20,000	20,000	-
9.10% Series-68-II	10	1,550	15-Dec-21	15,500	-	-
9.10% Series-68-I	10	2,550	01-Dec-21	25,500	-	-
8.25% Series-53	10	713	22-Nov-21	7,130	7,130	7,130
8.83% Series-70	10	5,000	22-Jul-21	50,000	-	-
8.83% Series-69	10	2,373	15-Jul-21	23,730	-	-
9.20% Series-77	10	5,000	09-Jul-21	50,000	-	-
8.52% Series-65	10	2,050	08-Jun-21	20,500	15,500	-
9.20% Series-32II	10	1,500	28-May-21	15,000	15,000	15,000
8.95% Series-42	10	100	10-May-21	1,000	1,000	1,000

(₹ lakhs)

Particulars	Face Value (₹)	Quantity As at 31 March, 2019	Date of Redemption	As at 31 March, 2019	As at 31 March, 2018	As at 01 April, 2017
8.95% Series-41	10	180	29-Apr-21	1,800	1,800	1,800
8.52% Series-64	10	1,850	20-Apr-21	18,500	18,500	-
8.00% Series-58	10	800	13-Apr-21	8,000	8,000	-
8.45% Series-66	10	1,963	08-Apr-21	19,630	14,900	-
9.33% Series-78-I	10	1,000	19-Mar-21	10,000	-	-
9.30% Series-79	10	5,000	15-Mar-21	50,000	-	-
9.22% Series-34B (ii)	10	700	08-Mar-21	7,000	7,000	7,000
8.20% Series-63	10	750	26-Feb-21	7,500	7,500	-
9.05% Series-34F	10	100	18-Jan-21	1,000	1,000	1,000
9.25% SERIES-33DIII	10	1,000	30-Dec-20	10,000	10,000	10,000
9.05% Series-36A	10	1,500	30-Dec-20	15,000	15,000	15,000
8.75% Series-37	10	3,000	15-Dec-20	30,000	40,000	40,000
7.65% Series-61	10	1,000	15-Dec-20	10,000	10,000	-
9.10% Series-34D (ii)	10	250	30-Nov-20	2,500	2,500	2,500
9.05% Series-35	10	1,500	28-Nov-20	15,000	15,000	15,000
8.01% Series-57	10	2,500	06-Oct-20	25,000	25,000	-
7.65% Series-59	10	1,350	06-Oct-20	13,500	13,500	-
8.85% Series-74	10	500	31-Aug-20	5,000	-	-
7.68% Series-56	10	1,600	14-Aug-20	16,000	16,000	-
8.00% Series-55	10	1,250	30-Apr-20	12,500	12,500	12,500
9.85% Series-29AI	5	1,200	14-Apr-20	6,000	6,000	6,000
8.80% Series-72	10	1,250	30-Jan-20	12,500	-	-
9.30% Series-30DII	10	250	29-Jan-20	2,500	2,500	2,500
8.75% Series-71	10	280	30-Dec-19	2,800	-	-
7.65% Series-60	10	250	20-Dec-19	2,500	2,500	-
9.42% Series-30B	10	500	09-Dec-19	5,000	5,000	5,000
9.10% Series-34D (i)	10	400	29-Nov-19	4,000	4,000	4,000
8.59% MS-001	10	-	23-Nov-19	50,000	50,000	50,000
8.90% Series-47	10	500	16-Sep-19	5,000	5,000	5,000
8.75% Series-52	10	1,000	12-Aug-19	10,000	10,000	10,000
8.65% Series-50	10	1,500	02-Aug-19	15,000	15,000	15,000
8.79% Series-51	10	250	23-Jul-19	2,500	2,500	2,500
9.90% Series-28	5	3,000	24-Jun-19	15,000	15,000	15,000
8.90% Series-46	10	250	07-Jun-19	2,500	2,500	2,500
9.10% Series-32I	10	1,500	28-May-19	15,000	15,000	15,000
9.73% Series-44	10	1,000	27-May-19	10,000	10,000	10,000
8.90% Series-45	10	200	24-May-19	2,000	2,000	2,000
8.90% Series-39(ii)	10	50	29-Apr-19	500	500	500
8.85% Series-40	10	1,550	19-Apr-19	15,500	15,500	15,500
8.90% Series-38	10	600	04-Apr-19	6,000	6,000	6,000
8.90% Series-39(i)	10	250	03-Apr-19	2,500	2,500	2,500

(₹ lakhs)

Particulars	Face Value (₹)	Quantity As at 31 March, 2019	Date of Redemption	As at 31 March, 2019	As at 31 March, 2018	As at 01 April, 2017
8.80% Series-48	10	-	27-Mar-19	-	20,000	20,000
7.97% Series-54	10	-	22-Mar-19	-	12,500	12,500
9.30% Series 30DI	10	-	29-Jan-19	-	2,500	2,500
10.90% Series-27F	5	-	07-Jan-19	-	5,000	5,000
8.95% Series-34E	10	-	17-Dec-18	-	1,500	1,500
11.00% Series-27E	5	-	10-Dec-18	-	5,000	5,000
8.90% Series-34C	10	-	15-Oct-18	-	10,000	10,000
8.90% Series 43	10	-	17-Sep-18	-	12,500	12,500
9.10% Series-34B (i)	10	-	07-Sep-18	-	1,500	1,500
9.30% Series-25	10	-	14-Jun-18	-	5,000	5,000
9.11% Series-33DII	10	-	25-May-18	-	1,700	1,700
9.50% Series-23	10	-	08-May-18	-	10,000	10,000
9.05% Series-33A	10	-	30-Apr-18	-	4,000	4,000
10.05% Series-31A	10	-	12-Mar-18	-	-	5,000
9.20% Series-30C	10	-	23-Jan-18	-	-	2,500
10.00% Series-20E	10	-	15-Jan-18	-	-	1,000
9.00% Series-34A	10	-	07-Aug-17	-	-	10,500
9.11% Series-33F	10	-	17-Jul-17	-	-	12,500
9.06% Series-33E	10	-	06-Jul-17	-	-	2,200
9.05% Series-31C	10	-	30-May-17	-	-	10,000
9.11% Series-33DI	10	-	24-May-17	-	-	1,150
8.98% Series-31B	10	-	11-Apr-17	-	-	3,950
Total				**9,03,460**	**6,19,830**	**4,67,230**

Particulars of Unsecured Redeemable Non-convertible Debentures (Subordinated Debt):

(₹ lakhs)

Particulars	Face Value (₹)	Quantity as at 31 March, 2019	Date of Redemption	31 March, 2019	31 March, 2018	01 April, 2017
9.25% Subdebts_Series 15	10	1,500	26-Apr-29	15,000	-	-
9.45% Subdebts_Series 14	10	450	20-Jul-28	4,500	-	-
9.30% Subdebts_Series 13	10	2,250	08-Jun-28	22,500	-	-
9.30% Subdebts Series 11	10	210	30-Apr-26	2,100	2,100	2,100
9.25% Subdebts_Series 10	10	250	23-Mar-26	2,500	2,500	2,500
9.30% Subdebts_Series 9II	10	250	25-Feb-26	2,500	2,500	2,500
9.50% Subdebts_Series 7I	10	1,000	13-Oct-25	10,000	10,000	10,000
9.50% Subdebts_Series 5I	10	250	10-Jun-25	2,500	2,500	2,500
8.75% Subdebts Series 12(ii)	10	250	25-Apr-25	2,500	2,500	2,500
9.60% Subdebts Series 4	10	500	26-Dec-24	5,000	5,000	5,000
8.75% Subdebts Series 12(i)	10	250	26-Apr-24	2,500	2,500	2,500
10.50% Subdebts Series 3	5	1,000	28-Oct-23	5,000	5,000	5,000
9.30% Subdebts_Series 9I	10	250	25-Apr-23	2,500	2,500	2,500

Particulars	Face Value (₹)	Quantity as at 31 March, 2019	Date of Redemption	31 March, 2019	31 March, 2018	01 April, 2017
11.40% Subdebts Series 2C	10	500	28-Oct-22	5,000	5,000	5,000
9.40% Subdebts_Series 7II	10	500	13-Oct-22	5,000	5,000	5,000
11.40% Subdebts Series 2B	10	400	28-Sep-22	4,000	4,000	4,000
11.40% Subdebts Series 1B	10	481	14-Sep-22	4,810	4,810	4,810
9.4% Subdebts_Series 6II	10	250	03-Aug-22	2,500	2,500	2,500
9.4% Subdebts_Series 5II	10	200	10-Jun-22	2,000	2,000	2,000
9.5% Subdebts_Series 8	10	250	25-Jun-21	2,500	2,500	2,500
11.25% Subdebts Series 2A	10	-	27-Jun-18	-	1,000	1,000
11.25% Subdebts Series 1A	10	-	14-Jun-18	-	5,190	5,190
Total				**1,04,910**	**69,100**	**69,100**

16. Other Financials Liabilities

Particulars	As at 31 March, 2019 (₹ lakhs)	As at 31 March, 2018 (₹ lakhs)	As at 01 April, 2017 (₹ lakhs)
Employee benefits and other payables	10,633	8,256	7,248
Bank balances (Book overdraft)	44,785	45,335	12,717
Payable towards asset assignment / securitisation	1,246	967	3,273
Others*	25,196	14,079	10,085
Total	**81,860**	**68,637**	**33,323**

*Other payable of FY 2018 : ₹ 5,202 lakhs, FY 2017 : ₹ 4,476 lakhs has been reclassified to Trade payables.

17. Current Tax Liability

Particulars	As at 31 March, 2019 (₹ lakhs)	As at 31 March, 2018 (₹ lakhs)	As at 01 April, 2017 (₹ lakhs)
Provision for Income Tax (net of advance tax)	1,929	4,090	268
Total	**1,929**	**4,090**	**268**

18. Provisions

Particulars	As at 31 March, 2019 (₹ lakhs)	As at 31 March, 2018 (₹ lakhs)	As at 01 April, 2017 (₹ lakhs)
Provision for employee benefits			
- Provision for superannuation	1	1	1
- Provision for compensated absences	29	29	41
- Provision for defined benefit plans	635	-	-
Total	**665**	**30**	**42**

19. Other Non-Financial Liabilities

Particulars	As at 31 March, 2019 (₹ lakhs)	As at 31 March, 2018 (₹ lakhs)	As at 01 April, 2017 (₹ lakhs)
Statutory dues	1,914	1,527	680
Others	3,320	2,629	2,321
Total	**5,234**	**4,156**	**3,001**

20. Equity Share capital

Particulars	As at 31 March, 2019 (₹ lakhs)	As at 31 March, 2018 (₹ lakhs)	As at 01 April, 2017 (₹ lakhs)
Authorised Equity shares Capital	**250,000**	**250,000**	**250,000**
2,500,000,000 (31 March, 2018: 2,500,000,000; 1 April, 2017: 2,500,000,000) equity shares of ₹10 each			
Issued, subscribed and fully paid up	**201,150**	**198,007**	**198,007**
2,011,498,295 (31 March, 2018: 1,980,071,519; 1 April, 2017: 1,980,071,519) equity shares of ₹10 each, fully paid up			

(a) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31 March, 2019		As at 31 March, 2018		As at 01 April, 2017	
	No. of shares	Amount (₹ lakhs)	No. of shares	Amount (₹ lakhs)	No. of shares	Amount (₹ lakhs)
Balance at the beginning of the year *	1,980,071,519	1,98,007	1,980,071,519	1,98,007	1,980,071,519	1,98,007
Add :Shares issued during the year	3,14,26,776	3,143	-	-	-	-
Balance at the end of the year	2,01,14,98,295	2,01,150	1,980,071,519	1,98,007	1,980,071,519	1,98,007

* Includes equity shares of ₹ 10 each allotted to Fullerton Financial Holdings Pte Ltd., the holding Company of erstwhile Fullerton Enterprises Pvt. Ltd., for consideration other than cash, pursuant to the scheme of Amalgamation approved by the Honorable High Court, Bombay during Financial Year 2008-09

(b) Terms/right attached to equity shares:

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.

Any dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. Dividend is declared and paid in Indian rupees.

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

(c) Shares held by holding company

Out of equity shares issued by the Company, shares held by its holding company, ultimate holding company and their subsidiaries/associates are as below:

Particulars	As at 31 March, 2019		As at 31 March, 2018		As at 01 April, 2017	
	No. of shares	Amount (₹ lakhs)	No. of shares	Amount (₹ lakhs)	No. of shares	Amount (₹ lakhs)
Angelica Investments Pte Ltd, Singapore the holding company and its nominees	1,926,241,938	1,92,624	1,894,815,162	1,89,481	1,894,815,162	1,89,481
Fullerton Financial Holdings Pte Ltd, Singapore, The holding company of Angelica Investments Pte Ltd	8,52,56,357	8,526	8,52,56,357	8,526	8,52,56,357	8,526

(d) **Shareholders holding more than 5% of the shares in the Company**

Particulars	As at 31 March, 2019		As at 31 March, 2018		As at 01 April, 2017	
	Number of Shares	% of holding	Number of Shares	% of holding	Number of Shares	% of holding
Angelica Investments Pte. Ltd, Singapore, the holding company and its nominees	1,926,241,938	95.8%	1,894,815,162	95.7%	1,894,815,162	95.7%

The Company has not issued any bonus shares or shares for consideration other than cash nor has there been any buyback of shares during five years immediately preceding 31 March, 2019.

21. Other Equity

Particulars	As at 31 March, 2019 (₹ lakhs)	As at 31 March, 2018 (₹ lakhs)	As at 01 April, 2017 (₹ lakhs)
General Reserve	96	96	96
Capital Reserve	3,443	3,443	2,869
Securities premium Account	32,245	20,388	21,036
Reserve Fund under Section 45 - IC of the RBI Act, 1934	48,789	33,284	26,196
Other Comprehensive Income	(443)	(8)	-
Surplus in the statement of profit and loss	79,908	17,890	(9,984)
Total	**164,037**	**75,093**	**40,213**

(Refer Statement of Change in Equity for the year ended 31 March, 2019 for movement in Other Equity)

Nature and purpose of reserves

(i) **General Reserve**

Pursuant to the provisions of Companies Act 1956, the company had transferred a portion of profit of the company before declaring dividend to general reserve. However mandatory transfer to general reserve is not required under Companies Act, 2013.

(ii) **Capital Reserve**

Capital Reserve is created on account of reversal of debenture issue costs charged to securities premium under previous GAAP. The same shall be utilised as per the provisions of Companies Act, 2013.

(iii) Securities Premium

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

(iv) Reserve Fund under Section 45 - IC of the RBI Act, 1934

The company is required to create a fund by transferring not less than 20% its net profit every year as disclosed in the statement of profit and loss account and before any dividend is declared. The fund shall be utilised for the purpose as may be specified by the Reserve Bank of India from time to time and every such appropriation shall be reported to the Reserve Bank within 21 days from the date of such withdrawal.

(v) Retained Earnings & Surplus in the statement of profit and loss

Retained earnings is profit that the company has earned to date, less any dividend or other distributions paid to the shareholders, net of utilisation as permitted under applicable law.

22. Interest Income

Particulars	For the year ended 31 March, 2019 (₹ lakhs)	For the year ended 31 March, 2018 (₹ lakhs)
On Portfolio Loans	387,200	251,960
On deposits with banks	3,695	4,282
On Investments	5,576	3,095
Total	**396,471**	**259,337**

23. Fee and Commission Income

Particulars	For the year ended 31 March, 2019 (₹ lakhs)	For the year ended 31 March, 2018 (₹ lakhs)
Fees and Commission Income	6,384	4,522
Total	**6,384**	**4,522**

24. Net Gain on Financial Assets at FVTPL

Particulars	For the year ended 31 March, 2019 (₹ lakhs)	For the year ended 31 March, 2018 (₹ lakhs)
Realised Gain	3,829	557
Unrealised Gain	185	314
Total	**4,014**	**871**

25. Ancillary Income

Particulars	For the year ended 31 March, 2019 (₹ lakhs)	For the year ended 31 March, 2018 (₹ lakhs)
Other fee income	5,839	5,020
Total	**5,839**	**5,020**

26. Other Income

Particulars	For the year ended 31 March, 2019 (₹ lakhs)	For the year ended 31 March, 2018 (₹ lakhs)
Profit on de-recognition of property plant and equipment	11	9
Interest on Security Deposits	398	133
Miscellaneous income	695	1,370
Total	**1,104**	**1,512**

27. Finance Cost

Particulars	For the year ended 31 March, 2019 (₹ lakhs)	For the year ended 31 March, 2018 (₹ lakhs)
On financial liabilities measured at amortised cost		
Borrowings	67,866	44,513
Debt securities	74,869	52,794
Bank charges and others	1,147	714
Total	**143,882**	**98,021**

28. Net Loss on Financial Assets at FVTPL

Particulars	For the year ended 31 March, 2019 (₹ lakhs)	For the year ended 31 March, 2018 (₹ lakhs)
Unrealised Loss	193	24
Total	**193**	**24**

29. Impairment on Financial Instruments

Particulars	For the year ended 31 March, 2019 (₹ lakhs)	For the year ended 31 March, 2018 (₹ lakhs)
Bad debts and Write off (net of recovery)	33,040	62,238
Provision for loans and advances	17,976	(15,299)
Total	**51,016**	**46,938**

*Bad debts and write offs are offset by recovery of ₹ 18,865 lakhs (FY 2018: ₹ 20,361 lakhs)

30. Employee Benefits Expense

Particulars	For the year ended 31 March, 2019 (₹ lakhs)	For the year ended 31 March, 2018 (₹ lakhs)
Salaries, bonus and allowances	51,554	41,641
Share based payment to employees and directors	795	516
Contribution to provident and other funds	2,647	2,006
Gratuity expense (refer note 37)	306	316
Staff welfare and training expenses	2,412	1,667
Total	**57,714**	**46,146**

31. Other Expenses

Particulars	For the year ended 31 March, 2019 (₹ lakhs)	For the year ended 31 March, 2018 (₹ lakhs)
Printing and stationery	1,557	1,238
Rent	4,342	3,744
Rates and taxes	73	68
Insurance	92	67
Business promotion expenses	4,906	1,134
Legal charges	671	324
Professional charges	9,947	7,304
Collection expenses	2,057	1,664
Courier charges	714	522
Repairs and maintenance		
- Office premises	2,182	1,495
- Others	178	304
Directors' sitting fees	85	31
Travelling expenses	3,921	2,699
Telecommunication expenses	1,459	1,009
Payment to auditor (refer details below)	70	57
Electricity charges	1,100	928
Security charges	351	244
Recruitment expenses	386	346
Training expenses	958	209
Fees and subscription	158	40
Corporate social responsibility expenses as per section 135 (5) of Companies Act, 2013 (see note 43)	834	577
Miscellaneous expenses	1,965	97
Write off of Property, plant & equipment and intangible assets	9	24
Total	**38,015**	**24,125**

Professional fees payable to auditors		
Statutory Audit fee	41	37
Tax Audit fee	7	7
Other services	7	7
In other capacity		
- Certification matter & others	12	4
- Reimbursement of expenses	3	2
Total	**70**	**57**

32. Tax Expense

(a) Amount recognised in the statement of profit and loss

Particulars	For the year ended 31 March, 2019 (₹ lakhs)	For the year ended 31 March, 2018 (₹ lakhs)
Current tax for the year	47,986	13,270
Adjustment of tax relating to earlier periods	-	(1,128)
Current tax expense (A)	47,986	12,142
Deferred taxes for the year		
(Increase)/decrease in deferred tax assets	(7,164)	6,712
Increase/(decrease) in deferred tax liabilities	1,089	(1,149)
Net deferred tax Asset (B)	(6,075)	5,563
Total Income Tax Expense (A+B)	**41,911**	**17,705**

(b) Amount recognised in Other comprehensive income

Particulars	For the year ended 31 March, 2019 (₹ lakhs)	For the year ended 31 March, 2018 (₹ lakhs)
Items that will not be reclassified to profit or loss		
Actuarial loss on defined benefit obligations (net of tax)	(435)	(8)
Total	**(435)**	**(8)**

(c) Tax reconciliation (for profit and loss)

Particulars	For the year ended 31 March, 2019 (₹ lakhs)	For the year ended 31 March, 2018 (₹ lakhs)
Net Profit / (Loss) before OCI as per PL	**1,19,433**	**52,668**
Income tax @ Statutory Tax Rate of 34.944%*	41,735	18,227
Tax effects of:		
Items which are taxed at different rates	(144)	(896)
Net expenses that are not deductible in determining taxable profit	442	285
Tax deductible expenses debited to OCI	(152)	(3)
Recognition of previously unrecognised temporary differences	30	92
Income tax expenses reported in PL	**41,911**	**17,705**
Tax Rate Effective	**35.09%**	**33.62%**

*In FY 2018-19 the Govt. enacted or a change in national income tax rate by increasing health and education cess tax from 3% to 4%, accordingly income tax rate has been increased from 34.61% in FY 2017-18 to 34.94% in FY 2018-19.

Significant components and movement in deferred tax assets and liabilities

(₹ lakhs).

Particulars	As at 31 March, 2018	Recognised in Profit and loss	Recognised in OCI	Recognised in equity	As at 31 March, 2019
Deferred tax liabilities on account of:					
Fair valuation of investment in subsidiary	1,518	(145)	-	-	1,373
Borrowing cost adjustment related to financial liabilities at amortised cost	1,586	746	-	-	2,332
MTM on Investments	-	65	-	-	65
Fair valuation of loans assigned	-	422	-	-	422
Deferred Tax liability (A)	**3,104**	**1,088**	**-**	**-**	**4,192**
Deferred tax asset on account of:					
Impact of expenditure charged to profit and loss but allowed for tax purposes on payment basis	132	510	-	-	642
Difference in book value of PPE	1,779	(38)	-	-	1,741
MTM on investments	(1)	68	-	-	67
Impact of application on expected credit loss on financial assets	15,759	4,256	-	-	20,015
Provision for security deposits	30	9	-	-	39
Processing fees and LOC adjustment related to financial assets at amortised cost	1,265	519	-	-	1,784
Provision for expenses disallowed as per Income-tax Act, 1961	734	1,887	-	-	2,621
Fair valuation of SAR liability	47	(47)	-	-	-
MAT credit entitlement	5,557	(5,557)	-	-	-
Deferred tax asset (B)	**25,302**	**1,607**	**-**	**-**	**26,909**
Net Deferred tax assets (B-A)	**22,198**	**519**	**-**	**-**	**22,717**

(₹ lakhs).

Particulars	As at 1 April, 2017	Recognised in Profit and loss	Recognised in OCI	Recognised in equity	As at 31 March, 2018
Deferred tax liabilities on account of:					
Fair valuation of investment of subsidiary	2,225	(707)	-	-	1,518
Borrowing cost adjustment related to financial liabilities at amortised cost	1,700	(442)	-	328	1,586
Financial assets measured at fair value through profit or loss	-	-	-	-	-
Deferred tax liability (A)	**3,925**	**(1,149)**	**-**	**328**	**3,104**
Deferred tax asset on account of:					
Impact of expenditure charged to profit and loss but allowed for tax purposes on payment basis	228	(96)	-	-	132
Difference in book value of PPE	1,644	135	-	-	1,779

(₹ lakhs).

Particulars	As at 1 April, 2017	Recognised in Profit and loss	Recognised in OCI	Recognised in equity	As at 31 March, 2018
MTM on investments	107	(108)	-	-	(1)
Impact of application on expected credit loss on financial assets	22,288	(6,529)	-	-	15,759
Provision for security deposits	30	-	-	-	30
Processing fees and LOC adjustment related to financial assets at amortised cost	1,706	(441)	-	-	1,265
Provision for expenses disallowed as per Income-tax Act, 1961	415	319	-	-	734
Fair valuation of SAR liability	39	8	-	-	47
MAT credit entitlement	6,126	(569)	-	-	5,557
Deferred tax asset (B)	32,583	(7,282)	-	-	25,301
Net Deferred tax asset (B-A)	**28,658**	**(6,133)**	**-**	**(328)**	**22,198**

33. Earnings Per Share

Particulars	As at 31 March, 2019 (₹ lakhs)	As at 31 March, 2018 (₹ lakhs)
Net Profit after tax attributable to Equity Holders (₹ lakhs)	77,522	34,963
Weighted Average number of Equity Shares for basic earnings per share	1,995,827,957	1,980,071,519
Weighted Average number of Equity Shares for diluted earnings per share	1,995,827,957	1,980,071,519
Earnings per Share		
Basic earning per share ₹	3.88	1.77
Diluted earning per share ₹	3.88	1.77
Nominal value of shares ₹ 10 each (Previous year: ₹ 10 each)		

The Company has not issued any potential equity shares. Accordingly diluted EPS is equal to basic EPS

34. First Time Adoption of Ind AS

These financial statements, for the year ended 31 March, 2019, are the Company's first financial statements prepared in accordance with Ind AS. For the period upto and including the year ended 31 March, 2018, the Company has prepared its financial statements in accordance with Previous GAAP.

The accounting policies set out in Note 1 have been applied in preparing the financial statements for the year ended 31 March, 2019, the comparative information presented in these financial statements as at and for the year ended 31 March, 2018 and in the preparation of an opening Ind AS balance sheet at 1 April, 2017 (the date of transition). This note explains the principle adjustments made by the Company in restating its Previous GAAP financial statements, including the Balance Sheet as at 1 April 2017 and the financial statements as at and for the year ended 31 March, 2018.

Optional exemptions availed and mandatory exceptions

In preparing these Ind AS financial statements, the Company has availed certain exemptions and exceptions in accordance with Ind AS 101, as explained below. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and Previous GAAP is recognised directly in equity (retained earnings or another appropriate category of equity).

An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is as follows:

A. Exceptions and exemptions availed

i. Ind AS mandatory exceptions

Estimates

On assessment of the estimates made under the Previous GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under Ind AS. However, estimates that were required under Ind AS but not required under Previous GAAP are made by the Company for the relevant reporting dates reflecting conditions existing as at that date.

Classification and measurement of financial assets

The Company has determined the classification and measurement of financial assets based on facts and circumstances that existed on the date of transition.

De-recognition of financial assets and liabilities

The Company has applied the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

Stock appreciation rights

The Company has elected to apply Ind AS 102 Share-based payment to SAR that were unvested and unexercised on the date of transition to Ind AS.

Impairment of financial assets

The Company has applied the impairment related requirements of Ind AS 109 retrospectively from the transition date.

ii. Optional exemptions availed

Deemed cost - Property Plant and Equipment and Other Intangible Assets

The Company has elected to continue with the carrying value for all of its Property, Plant and Equipment and Intangible Assets as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

Investment in Subsidiaries

The Company has elected to measure its investment in subsidiaries at fair value on the date of transition and subsequently considered the same as deemed cost.

B Reconciliations between Previous GAAP and Ind AS

For the purposes of reporting as set out in Note 1B, the Company has transitioned its basis of accounting from Previous GAAP to Ind AS. The accounting policies set out in Note 1C have been applied in preparing the financial statements for the year ended 31 March, 2019, the comparative information presented in these financial statements for the year ended 31 March, 2018 and in the preparation of an opening Ind AS balance sheet at 01 April, 2017 (the 'transition date').

In preparing the opening Ind AS balance sheet, amounts reported in financial statements prepared in accordance with Previous GAAP have been adjusted. An explanation of how the transition from Previous GAAP to Ind AS has affected the financial performance, financial position and cash flows is set out in the following tables and the notes that accompany the tables.

B.1 First time adoption of Ind AS

i) Effect of Ind AS adoption on the balance sheet as below

(₹ lakhs)

Particulars	01 April, 2017			31 March, 2018		
	Previous GAAP*	Adjustments	Amount IND AS	Previous GAAP*	Adjustments	Amount IND AS
ASSETS						
Financial Assets						
Cash and cash equivalents	8,157	-	8,157	24,249	-	24,249
Bank balances other than cash and cash equivalents	53,055	-	53,055	53,521	-	53,521
Investments	202,005	7,056	209,061	83,596	7,054	90,650
Trade receivables	381	-	381	726	-	726
Other financial assets	13,607	(722)	12,885	2,503	(591)	1,912
Loans and advances	1,106,474	(29,797)	1,076,677	15,61,625	(30,890)	15,30,735
Total financial assets	**1,383,679**	**(23,463)**	**1,360,216**	**1,726,220**	**(24,427)**	**1,701,793**
Non financial assets						
Current tax asset	2,469	-	2,469	2,335	-	2,335
Deferred tax asset (net)	21,930	6,728	28,658	14,299	7,899	22,198
Property, plants and equipment	4,369	-	4,369	4,812	-	4,812
Intangible assets	2,627	-	2,627	2,254	-	2,254
Tangible/ Intangible asset under development	360	-	360	349	-	349
Other non financial asset	2,989	696	3,685	3,367	548	3,915
Total non financial asset	**34,744**	**7,424**	**42,168**	**27,416**	**8,447**	**35,863**
Total Assets	**1,418,423**	**(16,039)**	**1,402,384**	**1,753,636**	**(15,980)**	**1,737,656**
LIABILITIES AND EQUITY						
Liabilities						
Financial liabilities						
Trade payables	4,476	-	4,476	5,202	-	5,202
Debt Securities#	565,990	(3,968)	562,022	7,18,394	(4,025)	7,14,369
Borrowings	561,032	-	561,032	6,68,072	-	6,68,072
Other financial liabilities	33,211	112	33,323	68,501	136	68,637
Total Financial Liabilities	**1,164,709**	**(3,856)**	**1,160,853**	**14,60,169**	**(3,889)**	**14,56,280**
Non financial liability						
Current tax liabilities	268	-	268	4,090	-	4,090
Provisions	42	-	42	30	-	30
Other Non financial liabilities	3,001	-	3,001	4,156	-	4,156
Total Non financial liability	**3,311**	**-**	**3,311**	**8,276**	**-**	**8,276**
Equity						
Equity share capital	198,007	-	198,007	1,98,007	-	1,98,007
Other equity	52,396	(12,183)	40,213	87,184	(12,091)	75,093
Total Equity	**250,403**	**(12,183)**	**238,220**	**2,85,191**	**(12,091)**	**2,73,100**
Total Liabilities and Equity	**1,418,423**	**(16,039)**	**1,402,384**	**17,53,636**	**(15,980)**	**17,37,656**

* The Previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.
#Debt Securities includes subordinated liabilities.

ii) Effect of Ind AS adoption on statement of Profit and Loss for the year ended 31 March, 2018

(₹ lakhs)

Particulars	Previous GAAP*	Adjustments	Amount under Ind AS
Revenue from operations			
Interest income	258,672	665	259,337
Fees and commission income	4,522	-	4,522
Net gain on fair value changes	874	(3)	871
Ancillary income	5,020	-	5,020
Total revenue from operations	**269,088**	**662**	**269,750**
Other income	1,512	-	1,512
Total Income	**270,600**	**662**	**271,262**
Expenses			
Finance costs	97,176	845	98,021
Net loss on fair value changes	24	-	24
Impairment on financial instruments	45,313	1,625	46,938
Employee benefits expense	46,130	16	46,146
Depreciation, amortisation and impairment	3,340	-	3,340
Other expenses	23,977	148	24,125
Total expenses	**215,960**	**2,634**	**218,594**
Profit before tax	54,640	(1,972)	52,668
Tax expense			
(i) Current tax	13,270	-	13,270
(ii) Adjustment of tax relating to earlier periods	(1,128)	-	(1,128)
(iii) Deferred tax expense / (credit)	7,063	(1,500)	5,563
Net profit after tax	**35,435**	**(472)**	**34,963**
Other comprehensive income / (loss)			
Items that will not be reclassified to profit or loss			
Re-measurement of defined benefit plan (net of tax)	-	(8)	(8)
Total Comprehensive income / (loss) for the year, net of tax	**35,435**	**(480)**	**34,955**

iii) Reconciliation of equity from previous GAAP to Ind AS

(₹ lakhs)

Particulars	Note	Equity as at 31 March, 2018	Equity as at 01 April, 2017
Equity as reported under previous GAAP		**285,191**	**250,403**
GAAP adjustments:			
Impact on recognition of financial assets and financial liabilities of amortised cost by application of Effective interest rate:-			
Financial assets	a	(1,436)	(1,953)
Financial liabilities	b	4,025	3,968
Impact on application of expected credit loss	c	(29,496)	(27,871)

(₹ lakhs)

Particulars	Note	Equity as at 31 March, 2018	Equity as at 01 April, 2017
Fair valuation of investments	d	7,053	7,056
Fair valuation of SAR liability	e	(136)	(112)
Impact of deferred taxes on the above adjustments	g	7,899	6,728
Total - GAAP adjustments		**(12,091)**	**(12,184)**
Equity as per Ind AS		**273,100**	**238,220**

Reconciliation of total comprehensive income from previous GAAP to Ind AS

Particulars	Note	For the year 31 March, 2018 (₹ lakhs)
Net profit after tax as reported under previous GAAP		**35,435**
GAAP adjustments:		
Impact on recognition of financial assets and financial liabilities of amortised cost by application of Effective interest rate:-		
Financial assets	a	517
Financial liabilities	b	(846)
Impact on application of expected credit loss	c	(1,625)
Fair valuation of investments	d	(4)
Fair valuation of SAR liability	e	(24)
Reclassification of recognising actuarial gains on defined benefit obligations in other comprehensive income	f	8
Impact of deferred taxes on the above adjustments	g	1,500
Total - GAAP adjustments		**(474)**
Net profit after tax as per Ind AS		**34,963**
Impact of recognising actuarial gains on defined benefit obligations in other comprehensive income (net of tax)		(8)
Total - GAAP adjustments		**(8)**
Total comprehensive income after tax as per Ind AS		**34,953**

iv) Impact on Cash flow statements :

There is no significant impact on cash flow from operating, investing and financing activities for the year ended 31 March, 2018 on transition to Ind AS.

B.2 Notes to reconciliations

a. Financial assets carried at amortised cost

Security Deposits

Under the Previous GAAP, interest free lease security deposits given (that are refundable in cash on expiry/termination of the lease term) were recorded at their transaction value.

Under Ind AS, all financial assets are required to be measured at fair value in initial recognition. Accordingly, the Company has fair valued lease security deposits under Ind AS. Difference between the fair value and transaction value of the security deposits has been recognised as prepaid expenses. Subsequently, the deposit will be measured at amortised cost resulting into recognition of finance income in the statement of profit and loss.

Portfolio loans

Under the Previous GAAP, loans are accounted at the gross transaction price where processing fees is recognised as income and loan origination costs are recognised as expenses, over the period of the loan in proportion to the interest income for the entire period.

Under Ind AS, transaction costs are included in the initial recognition amount of financial assets and recognised as interest income using the effective interest method.

b Financial liabilities carried at amortised cost

Under the Previous GAAP, transaction costs incurred on borrowings were charged to securities premium upfront.

Under Ind AS, transaction costs are included in the initial recognition amount of financial liabilities and recognised as interest expenses using the effective interest method. Ind AS impact of the amount already charged in securities premium till transition date is reversed under capital reserve.

c Impact on implemantation of expected credit loss on financial assets.

Under the Previous GAAP, provision for doubtful debts are made based on the RBI prudential norms for incurred losses.

Under Ind AS, an impairment loss shall be recognised as per the expected credit losses model on all financial assets (other than those measured at fair value).

d Fair value of Investments

Under the Previous GAAP, long term investments are carried at cost. Provision for diminution was recognised for a decline, if any, which was other than temporary in the value of Long Term investments. Short term investments are carried at net realisable value or cost whichever is lower.

Under Ind AS, the Company has measured its investments in government securities, treasury bills, mutual funds, commercial papers, corporate bonds, certificate of deposits, equity shares of unlisted companies (other than subsidiaries) at FVTPL as they do not meet the SPPI criteria (i.e. solely payments of principal and interest).

e Fair value of Stock Appreciation Rights

Under the Previous GAAP, the cost of cash-settled employee share-based plan were recognised using the net book value as at the grant date.

Under Ind AS, the Company has measured the cost of cash-settled employee share-based plan at fair value as at reporting date. The resulting employee compensation cost has been recognised in retained earnings as at the date of transition 01 April, 2017 and subsequently in the Statement of Profit and Loss for the year ended 31 March, 2018.

f Impact of recognising actuarial gains / (losses) on defined benefit obligations in other comprehensive income

Under the Previous GAAP, actuarial gains / losses on defined benefit obligations were recognised in statement of profit and loss as part of employee benefit expenses.

Under Ind AS, re-measurements i.e. actuarial gains and losses, are recognised in other comprehensive income instead of the statement of profit and loss.

g Impact on account of deferred taxes

Under the Previous GAAP, deferred tax was accounted as per the income approach which required creation of deferred tax asset/ liability on timing differences between taxable income and accounting income.

Under Ind AS, deferred tax is accounted as per the balance sheet approach which requires creation of deferred tax asset/ liability on temporary differences between the carrying amount of an asset/ liability in the Balance Sheet and its corresponding tax base. The adjustments in equity and net profit, as discussed above, resulted in additional temporary differences on which deferred taxes are calculated. In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has accounted deferred tax on them.

h. Retained Earnings

Retained earnings as on 1 April, 2017 has been adjusted consequent to the above Ind AS transition adjustment.

35. Related Party Disclosures

Related party disclosures as required under Indian Accounting standard 24, " Related party disclosure" are given below for the related parties of the Company with whom there have been transaction during the year.

35.1. List of related parties

Nature of Relationship	Name of Related Party
Ultimate Holding Company	Temasek Holdings (Private) Limited
Holding Company	Angelica Investments Pte Ltd, Singapore ('Angelica')
	Fullerton Financials Holdings Pte Ltd (Holding Company of Fullerton Financial Management Pte Ltd)
Fellow Subsidiary	Fullerton Securities & Wealth Advisors Ltd.
	Fullerton Financial Holdings (International) Pte Ltd
Subsidiary	Fullerton India Social & Economic Development Pvt Ltd
	Fullerton India Home Finance Company Ltd.
Key Management Personnel	Dr. Milan Robert Shuster -Independent Director
	Ms. Sudha Pillai - Independent Director
	Ms. Renu Challu - Independent Director
	Mr. Premod Thomas - Independent Director
	Mr. Shirish Apte - Independent Director
	Mr. Kenneth Ho Tat Meng - Non Executive Director
	Mr. Anindo Mukherjee - Non Executive Director (up to 31 December, 2017 and from 13 February, 2018)
	Mr. Shantanu Mitra, Chief Executive Officer and Managing Director (upto 31 December, 2017)
	Mr. Anindo Mukherjee, Interim CEO & Whole Time Director (1 January, 2018 to 12 February, 2018)
	Ms. Rajashree Nambiar, Chief Executive Officer and Managing Director (from 12 February, 2018)

35.2. Transactions during the year with related parties :

Particulars	As at 31 March, 2019 (₹ lakhs)	As at 31 March, 2018 (₹ lakhs)
Reimbursement for expenses incurred on behalf of the Company		
Fullerton Financials Holdings Pte Ltd	-	1
Fullerton India Home Finance Company Ltd	4	34
Fullerton Financial Holdings (International) Pte Ltd	24	181
Expenses incurred by the Company on behalf of others		
Fullerton Financial Holdings (International) Pte Ltd	-	1
Issue of Share capital (including securities premium)		
Fullerton Financials Holdings Pte Ltd	15,000	-
Income as per Resource sharing agreement		
Fullerton India Home Finance Company Ltd.	1,033	795
Lease Rental Income		
Fullerton Securities & Wealth Advisors Ltd.	3	1
Fee for committed credit line		

Fullerton India Home Finance Company Ltd.	15	34

Remuneration paid to Company's Key Management Personnel	As at 31 March, 2019 (₹ lakhs)	As at 31 March, 2018 (₹ lakhs)
Salary, bonus and allowances (including short term benefits)	425	644
Post -employment benefits	14	1,015
Share based payments	180	451
Director's sitting fees	33	33
Director's Commission	44	44
Total	**696**	**2,187**

35.3. Amount due to / from related parties:

Balance outstanding as at the year end	31 March, 2019 (₹ lakhs)	31 March, 2018 (₹ lakhs)	01 April, 2017 (₹ lakhs)
Investment in equity shares			
Fullerton India Home Finance Company Ltd*	51,000	36,000	36,000
Fullerton India Social & Economic Development Pvt Ltd	2	2	2
Less: Provision for diminution of investments	(2)	(2)	(2)
Other Receivables (Net)			
Fullerton India Home Finance Company Ltd	106	194	53
Fullerton Securities & Wealth Advisors Ltd.	1	-	-

*Deemed cost in fair value is ₹ 57,961 as at 31 March 2019, ₹ 42,961 as at 31 March 2018, ₹ 42,961 as at 01 April 2017

36. Capital Management

Equity share capital and other equity are considered for the purpose of the Company's capital management. The Company's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence. The funding requirements are met through equity, borrowings and operating cash flows generated. The management monitors the return on capital and the board of directors monitors the level of dividends to shareholders of the Company. The Company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

The company maintains its capital base to cover the risks inherent in the business and in meeting the capital adequacy requirements of the Reserve Bank of India (RBI). The adequacy of the company's capital is monitored using, among other measures, the regulations issued by the RBI. Company has complied in full with all its externally imposed capital requirements over the reported period. For details refer Note 53.1.

37. Retirement Benefit Plans

Defined Contribution Plan

The total expense charged to income of ₹ 2,646 lakhs (2018: ₹ 2,006 lakhs) represents contributions payable to these plans by the Company at rates specified in the rules of the plan.

Defined Benefit Obligation

Particulars	**As at 31 March, 2019 (₹)**	**As at 31 March, 2018 (₹)**
Actuarial assumptions		
Mortality table	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Discount rate and expected rate of return on assets	7.22% p.a.	7.68% p.a.
Rate of increase in compensation	10.00% p.a.	10.00% p.a.
Employee turnover :		
Category 1 – For basic upto ₹ 1.2 lakhs		
Up to 4 years	51.40% p.a	49.90% p.a
5 years and above	2.00% p.a	2.00% p.a
Category 2 – For basic more than ₹ 1.2 lakhs		
Up to 4 years	27.20% p.a	23.30% p.a
5 years and above	2.00% p.a	2.00% p.a
Assets information:		
Insured Managed funds	19,50,89,143	20,18,89,639
Changes in the present value of defined benefit obligation		
Present value of obligation at the beginning of the year	18,90,93,512	16,16,62,827
Interest expense	1,45,22,382	1,16,72,056
Current service cost	3,37,50,039	3,23,47,956
Past service cost	-	-
Liability Transferred In	-	1,38,141
Liability Transferred Out	(21,75,335)	(23,41,832)
Benefit Paid From the Fund	(2,41,70,673)	(1,33,16,287)
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	(37,49,548)	(22,69,926)
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	1,89,11,966	(1,51,94,849)
Actuarial (Gains)/Losses on Obligations - Due to Experience adjustments	3,02,27,613	1,63,95,426
Present Value of obligation at the end of the year	**25,64,09,956**	**18,90,93,512**
Changes in the Fair value of Plan Assets		
Fair value of plan assets at beginning of the year	20,18,89,639	17,22,31,893
Interest income	1,55,05,124	1,24,35,143
Contributions by the Employer	-	3,24,08,837
Mortality charges and taxes		
Benefit Paid from the Fund	(2,41,70,673)	(1,33,16,287)
Return on Plan Assets, Excluding Interest Income	18,65,053	(18,69,947)
Fair Value of Plan Assets at the end of the year	**19,50,89,143**	**20,18,89,639**
Assets and liabilities recognised in the balance sheet		
Present value of the defined benefit obligation at the end of the year	(25,64,09,956)	(18,90,93,512)

Particulars	As at 31 March, 2019 (₹)	As at 31 March, 2018 (₹)
Fair Value of Plan Assets at the end of the Period	19,50,89,143	20,18,89,639
Funded Status (Surplus/ (Deficit))	**(6,13,20,813)**	**1,27,96,127**
Net (Liability)/Asset Recognised in the Balance Sheet	**(6,13,20,813)**	**1,27,96,127**
Expenses recognised in the Statement of Profit and Loss		
Current Service Cost	3,37,50,039	3,23,47,956
Past service cost		-
Net interest (income)/ expense	(9,82,742)	(7,63,087)
Net gratuity expense recognised	**3,27,67,297**	**3,15,84,869**
Included in note 29 'Employee benefits expense'		
Expenses recognised in the Statement of Other comprehensive income (OCI)		
Actuarial gain/ loss on post-employment benefit obligation	4,35,24,978	8,00,598
Total remeasurement cost / (credit) for the year recognised in OCI	**4,35,24,978**	**8,00,598**

Particulars	For the year ended 31 March, 2019 (₹)	For the year ended 31 March, 2018 (₹)
Opening Net Liability	(1,27,96,127)	(1,05,69,066)
Expenses recognised at the end of period	3,27,67,297	3,15,84,869
Amount recognised in other comprehensive income	4,35,24,978	8,00,598
Net Liability/(Asset) Transfer In	-	1,38,141
Net (Liability)/Asset Transfer Out	(21,75,335)	(23,41,832)
Employer's Contribution	-	(3,24,08,837)
Net Liability/(Asset) Recognised in the Balance Sheet	**6,13,20,813**	**(1,27,96,127)**

Sensitivity Analysis:

Particulars	31 March, 2019 (₹)		31 March, 2018 (₹)	
	Decrease	Increase	Decrease	Increase
Discount Rate (1% movement)	4,80,67,514	(3,89,21,991)	3,50,19,664	(2,84,34,070)
Future Salary Growth (1% movement)	(3,83,48,937)	4,62,54,977	(2,81,23,434)	3,38,60,934
Rate of Employee Turnover (1% movement)	1,33,22,628	(1,14,21,848)	84,36,471	(72,73,473)

"The sensitivity analysis has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the Balance Sheet."

Maturity analysis of projected benefit obligation

Year	As at March 2019	As at March 2018
1	33,55,164	25,42,115
2	36,47,659	28,48,920
3	43,90,067	32,39,312
4	48,14,563	37,97,113
5	55,50,473	41,82,181
Sum of Years 6 to 10	3,57,93,120	2,73,85,201

Risks associated with Defined Benefit Plan:

(i) Interest Rate Risk

A fall in the discount rate which is linked to the government security rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the fair value of the assets depending on the duration of asset.

(ii) Salary Risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. The estimates of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(iii) Investment Risk

The Company has invested its funds in group employee benefit plan of Bajaj Allianz where the investment comprises of government securities, corporate bonds/debentures, money market instruments and equity securities. Accordingly, the Company is exposed to related risks based on its exposure to such financial instruments as at reporting date.

(iv) Asset Liability Matching (ALM) Risk

The plan faces the ALM risk as to the matching cash flow. Since the gratuity plan is invested in lines with Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

(v) Mortality Risk

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

(vi) Concentration Risk

The plan has a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very low as insurance companies have to follow stringent regulatory guidelines which mitigate risk.

Composition of the fair value of planned assets as at 31 March, 2019, includes government securities 58%, money market instruments and fixed deposits 18% and equity securities 24%.

During the year, there were no plan amendments, curtailments and settlements.

38. Employee Stock Appreciation Rights

The Company has an has cash settled share based payments scheme, under which grants were made as per details provided below:

	Grant 1	Grant 2	Grant 3	Grant 4	Grant 5	Grant 6	Grant 7	Grant 8	Grant 6A
Date of Grant	**30-Nov-11**	**01-Apr-13**	**01-Apr-13**	**01-Apr-14**	**01-Apr-15**	**01-Apr-16**	**01-Apr-17**	**01-Apr-18**	**01-Apr-17**
Value of the Grant	₹556 Lakhs	₹ 678 Lakhs	₹ 711 Lakhs	₹635 Lakhs	₹ 685 Lakhs	₹ 790 Lakhs	₹ 805 Lakhs	₹ 796 Lakhs	₹ 1,290 Lakhs
Performance Condition	Achievement of Profit before tax (PBT) and Return on Equity (ROE) targets as per approved plan						Achievement PAT & ROE targets	Achievement PAT & ROE targets	Achievement of specific targets
Graded Vesting (subject to achievement of performance condition given above)	Tranche I: 33% vesting on 1 December, 2013	Tranche I: 33% vesting on 1 December, 2015	Tranche I: 33% vesting on 1 December, 2016	Tranche I: 33% vesting on 1 December, 2017	Tranche I: 33% vesting on 1 December, 2018	Tranche I: 33% vesting on 1 December, 2019	Tranche I: 33% vesting on 1 December, 2020	Tranche I: 33% vesting on 1 December, 2021	Tranche I: 50% vesting on 1 December, 2020
	Tranche II: 33% vesting on 1 December, 2014	Tranche II: 33% vesting on 1 December, 2016	Tranche II: 33% vesting on 1 December, 2017	Tranche II: 33% vesting on 1 December, 2018	Tranche II: 33% vesting on 1 December, 2019	Tranche II: 33% vesting on 1 December, 2020	Tranche II: 33% vesting on 1 December, 2021	Tranche II: 33% vesting on 1 December, 2022	Tranche II: 50% vesting on 1 December, 2021
	Tranche III: 34% vesting on 1 December, 2015	Tranche III: 34% vesting on 1 December, 2017	Tranche III: 34% vesting on 1 December, 2018	Tranche III: 34% vesting on 1 December, 2019	Tranche III: 34% vesting on 1 December, 2020	Tranche III: 34% vesting on 1 December, 2021	Tranche III: 34% vesting on 1 December, 2022	Tranche III: 34% vesting on 1 December, 2023	-
Vesting period (including performance period)	Tranche I: 2 years	Tranche I: 2 years 8 months	Tranche I: 3 years 8 months	Tranche I: 3 years 8 months	Tranche I: 3 years 8 months	Tranche I: 3 years 8 months	Tranche I: 3 years 8 months	Tranche I: 3 years 8 months	Tranche I: 3 years 8 months
	Tranche II: 3 years	Tranche II: 3 years 8 months	Tranche II: 4 years 8 months	Tranche II: 4 years 8 months	Tranche II: 4 years 8 months	Tranche II: 4 years 8 months	Tranche II: 4 years 8 months	Tranche II: 4 years 8 months	Tranche II: 4 years 8 months
	Tranche III: 4 years	Tranche III: 4 years 8 months	Tranche III: 5 years 8 months	Tranche III: 5 years 8 months	Tranche III: 5 years 8 months	Tranche III: 5 years 8 months	Tranche III: 5 years 8 months	Tranche III: 5 years 8 months	-
Exercise period	Within 30 days from each vesting date but not later than 2 years from the date of last vesting except for Grant 1 & 6A where period is 3 years								
Method of Settlement	Cash Payout as per terms of the scheme								

The estimated fair value of the grant at a notional value of ₹ 10 per unit (as at the date of grant) is as below:

Particulars	Grant 1	Grant 2	Grant 3	Grant 4	Grant 5	Grant 6	Grant 7	Grant 8	Grant 6A
As at 31 March, 2019	NA	30.00	30.00	25.84	20.88	16.18	14.47	12.70	14.47
As at 31 March, 2018	32.35	23.20	23.20	19.76	15.96	12.54	11.39	NA	11.39
As at 31 March, 2017	27.56	19.97	19.97	17.01	13.74	10.89	NA	NA	NA
As at 31 March, 2016	24.97	18.22	18.22	15.52	12.54	NA	NA	NA	NA
As at 31 March, 2015	19.49	14.53	14.53	12.38	NA	NA	NA	NA	NA
As at 31 March, 2014	15.36	11.74	11.74	NA	NA	NA	NA	NA	NA
As at 31 March, 2013	12.78	NA	NA	NA	NA	NA	NA	NA	NA
As at 31 March, 2012	10.42	NA	NA	NA	NA	NA	NA	NA	NA
Exercise price vest 1	12.78	14.53	18.22	17.01	15.96	NA	NA	NA	NA
Exercise price vest 2	15.36	18.22	19.97	19.76	NA	NA	NA	NA	NA
Exercise price vest 3	19.49	19.97	23.20	NA	NA	NA	NA	NA	NA

Fair value is computed using the method provided in the scheme for estimating the valuation of the grant which is linked to the Net Book Value of the business and board approved business plan.

The movement of the stock appreciation rights during the year is as under:

Particulars (No. of Options)	31-Mar-19	31-Mar-18
Options outstanding as at the beginning of the year	26,788,700	23,944,300
Options granted during the year	7,960,000	21,547,500
Options forfeited on resignation of employees	(10,603,055)	(10,160,500)
Options exercised during the year	(2,351,075)	(3,796,475)
Options lapsed during the year	(297,495)	(2,420,000)
Grants of employee transferred during the year to subsidiary company	-	2,326,125
Options Outstanding as at the end of the year	20,600,225	25,582,300
Options vested and exercisable	896,850	1,206,400
Expense recognised (₹ in Lakhs)	795	516

39. Segment Information

Business Segment

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM regularly monitors and reviews the operating result of the whole Company as one segment of “Financing”. Thus, as defined in Ind AS 108 “Operating Segments”, the Company’s entire business falls under this one operational segment.

Entity wide disclosures

No revenue from transactions with a single external customer or counterparty amounted to 10% or more of the company’s total revenue in year ended 31 March, 2019 or 31 March, 2018. The Company operates in single geography i.e. India and therefore geographical information is not required to be disclosed separately.

40. Contingent Liability and Commitments

a) Contingent liabilities:

Description of the Liability	As at 31 March, 2019 (₹ lakhs)	As at 31 March, 2018 (₹ lakhs)	As at 01 April, 2017 (₹ lakhs)
Credit enhancement provided by the Company for the loans under securitisation arrangements (including cash collaterals and interest subordination)	-	289	270
Contingent liability for litigations pending against the Company	20	20	23

b) Capital and other commitments

(i) Estimated amount of contracts remaining to be executed on capital account and not provided for as at 31 March, 2019 is ₹ 1,141 Lakhs (31 March, 2018: ₹ 1,030 Lakhs; 1 April, 2017 ₹ 1,846 Lakhs).

(ii) Loans sanctioned not yet disbursed as at 31 March, 2019 were ₹ 22,421 Lakhs (31 March, 2018: ₹ 2,494; 1 April, 2017: ₹ 1,104 Lakhs).

(iii) Committed credit lines given to wholly owned subsidiary (FIHFC) as at 31 March, 2019 was ₹ Nil Lakhs (31 March, 2018: ₹ 10,000 Lakhs; 1 April, 2017: ₹ 10,000 Lakhs).

c) The Company’s pending litigations comprise of claims against the Company by the customers and proceedings pending with other authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in the financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements.

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

41. Leases

a) Where the Company is the lessee:

Premises are obtained on operating lease. The lease term ranges from 11 months to 180 months and are renewable/cancellable at the option of the Company. Certain lease agreements contain clause for escalation of lease payments. There are no restrictions imposed by lease arrangements. Lease payments during the year are charged to the Statement of Profit and Loss.

The following table sets forth, for the periods indicated, the details of future rentals payable on operating leases.

Particulars	As at 31 March, 2019 (₹ lakhs)	As at 31 March, 2018 (₹ lakhs)	As at 01 April, 2017 (₹ lakhs)
Operating lease payments recognised during the year	4,343	4,038	3,812
Minimum lease obligations			
Not later than one year	4,350	3,696	3,539
Later than one year and not later than five years	10,842	9,724	10,198
Later than five years	2,760	3,382	4,419

b) Where the Company is the lessor:

The Company has entered into operating lease arrangement for servers which form part of the tangible assets. This lease has a non-cancellable arrangement of 3 years. This lease contains a clause to enable upward revision of the rental charges on an annual basis according to prevailing market conditions.

The following table sets forth, for the periods indicated, the details of future rentals receivable on operating leases were company is a lessor:

Particulars	As at 31 March, 2019 (₹ lakhs)	As at 31 March, 2018 (₹ lakhs)	As at 01 April, 2017 (₹ lakhs)
Operating lease rental recognised during the year	25	35	35
Minimum lease obligations			
Not later than one year	-	4	24
Later than one year and not later than five years	-	7	11
Later than five years	-	-	-

42. Micro and Small Enterprises

The Company identifies suppliers registered under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) by obtaining confirmations from all suppliers. Based on the information received by the Company, some of the suppliers have confirmed to be registered under MSMED Act, 2006. Accordingly the disclosure relating to amount unpaid as at the year ended together with interest paid/payable is disclosed below:

Particulars	As at 31 March, 2019 (₹ lakhs)	As at 31 March, 2018 (₹ lakhs)	As at 01 April, 2017 (₹ lakhs)
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year	52	93	69
The amount of interest paid by the buyer in terms of section 16 of the Micro Small and Medium Enterprise Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	-	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year;	-	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro small and Medium Enterprise Development Act, 2006.	-	-	-

43. CSR Expenses

Gross amount required to be spent by the company is ₹ 875 lakhs for the year ended 31 March, 2019 and ₹ 708 lakhs for 31 March, 2018.

The details of amounts spent towards CSR are as under :

Particulars	For the year ended 31 March, 2019 (₹ lakhs)	For the year ended 31 March, 2018 (₹ lakhs)
i) Construction / acquisition of any asset		
ii) On purpose other than (i) above		
Amount spent in cash	**876**	**606**

The Company's CSR policy is both community and environment- based. Various programmes are planned in areas as diverse as health, educations, livelihood generations, skill developments and rural development.

44. As required by the RBI circular no DNBS.PD.CC. No. 256 /03.10.042 / 2011-12 dated 2 March, 2012 the details of frauds noticed / reported are as below:

Particulars	For the year ended 31 March, 2019 (₹ lakhs)	For the year ended 31 March, 2018 (₹ lakhs)
Amount Involved	1929	119
Amount Recovered	231	37
Amount written off/provided	1698	82
Balance	-	-

45. Events After Reporting Date

There have been no events after the reporting date that require adjustment or disclosure in these financial statements.

46. Support Service Cost

During the year, the Company leased its premises to its subsidiary, Fullerton India Home Finance Company Limited to carry out its operations. The Company has entered into resource sharing agreement with the subsidiary company, as per which the Company has agreed to share premises and other resources and thereby to facilitate achieve economies of scale and avoid duplication. The reimbursement of cost is calculated on the basis of number of employees, area occupied, time spent by employees for other company, actual identification, etc.

During the year the Company has charged ₹ 1,033 lakhs (31 March, 2018; ₹ 795 lakhs) on account of above mentioned arrangement.

47. IRDA

Disclosure as per Schedule VI B for insurance commission income earned during the year ended:

Particulars	For the year ended 31 March, 2019 (₹ lakhs)	For the year ended 31 March, 2018 (₹ lakhs)
ICICI Lombard General Insurance Company Ltd	1,091	856
ICICI Prudential Life Insurance Company Ltd	338	548
Kotak Life Insurance Company Ltd	167	143
HDFC Life	232	-
CIGNA TTK Health Insurance Company Ltd	148	86

48. There was no amount due and outstanding to be credited to Investor Education and Protection Fund as at 31 March, 2019 and preceding previous year.

49. During the year the company has utilised MAT credit entitlement of ₹ 5,557 lakhs against provision for current tax of ₹47,986 lakhs (including adjustment of tax relating to earlier periods).

50. Financial Risk Management

Risk management framework

The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimise potential adverse effects on its financial performance. The Company places emphasis on risk management practices to ensure an appropriate balance between risks and returns. The Board of Directors of the Company (BOD) along with the management are primarily responsible for Financial Risk Management of the Company. The BOD's oversight of risk includes review and approval of key risk strategies and policies. These are monitored and governed through the Risk Oversight Committee (ROC). Audit Committee (AC) ensures that an independent assurance is provided to the BOD.

The ROC controls and manages an inherent risks related to the Company's activities by the following risk categories:

<table>
<tr><th>Risk</th><th>Exposure arising from</th><th>Management</th></tr>
<tr><td>Credit Risk</td><td>Cash and cash equivalents, bank balance other than cash and cash equivalents, trade & other receivables, financial assets measured at amortised cost</td><td>ROC is actively involved in the following:
• Oversight over the implementation of Core Credit Policies and Remedial Management Policies of the Company;
• Review of the overall portfolio credit performance of the Company and establishing concentration limits by product programs, collateral types, tenors and customer profile;
• Determination of portfolio credit quality by reviewing observed default rates, provisions held, write-offs and status of recoveries from defaulting borrowers; and
• Review of product programs and recommending improvements/ amendments thereto.</td></tr>
<tr><td>Liquidity Risk</td><td>Financial liabilities</td><td>BOD is responsible for setting the strategic direction for the Company. This includes, establishing the liquidity risk appetite and the liquidity required to fulfil its strategic initiatives, setting boundaries/limits within such levels of tolerance and approving the policies that govern risk management under business as usual and stressed conditions.

Liquidity risk is managed by the Asset Liability Committee (ALCO), based on the Company's Liquidity Policy and procedures which are based on guidelines provided by ROC. ALCO derives its authority from the ROC and is responsible for ensuring adherence to the liquidity and asset – liability management limits set by the BOD and to oversee implementation of the strategic direction articulated by the BOD. ALCO not only ensures that the Company has adequate liquidity on an on-going basis but also examines how liquidity requirements are likely to evolve under different assumptions.</td></tr>
<tr><td>Market Risk - Foreign Exchange</td><td>Recognised financial assets and financial liabilities not denominated in functional currency</td><td rowspan="2">ROC is involved in the formulation of policies for monitoring market risk. The risk is managed through close identification, supervision and monitoring of risks arising from movements in market rates such as interest rates, foreign exchange rates, traded prices and credit spreads, which may result in a loss of earnings and capital.</td></tr>
<tr><td>Market Risk - Interest Rate / Dividend Coupon
Market Risk - Price</td><td>Investments in equity securities, units of mutual funds, bonds, goverments securities, certificate of deposits and commercial paper</td></tr>
</table>

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counter party to the financial instrument fails to meet its contractual obligation, and arises principally from the cash and cash equivalents, bank balance other than cash and cash equivalents, trade & other receivables and financial assets measured at amortised cost.

The Risk Management Policy addresses the recognition, measurement, monitoring and reporting of the Credit risk. The ROC reviews and approves Loan Product programs on an on-going basis. Key aspects of the product programs outline the framework of any credit financial product being offered by the Company. Within this established framework, credit policies are established to manage the sourcing of proposals, channels of business acquisition, process of underwriting, information systems involved, credit appraisal, verification, documentation, disbursement and collection / recovery procedures.

Product level credit risk policies are implemented to align all new customer acquisitions across locations and regions, individual profiles, income levels, leverage positions, collateral types and value, source of income and continuity of employment/business.

The Company has additionally taken the following measures:-

- Credit risk team is appointed to enhance focus on monitoring of borrowers and to facilitate proactive action wherever required.
- Enhanced monitoring of portfolio through periodic reviews.
- Periodic trainings to its credit officers

Credit approval

The Board of Directors has delegated credit approval authority to the Company's Credit Committee, Chief Risk Officer / National Credit Manager, Regional Credit Manager and Credit Manager under the Company's Credit Policy. The branch credit team/operations team monitors compliance with the terms and conditions of credit facilities prior to disbursement. It also reviews the completeness of documentation and creation of security by the borrower.

The central operations team verifies adherence to the terms of the credit approval prior to the disbursement of credit facilities.

Credit underwriting

The Company's credit officers evaluate credit proposals on the basis of credit underwriting policies and procedures approved by the management. The criteria typically include factors such as the customer eligibility, income and debt obligation assessment, nature of product, customer scorecards wherever applicable, historical experience, type of collateral provided and demographic parameters. Any deviations need to be approved at the designated levels.

External agencies such as field investigation agencies facilitate a due diligence process including visits to offices and residences, risk containment agencies for document frauds, legal & valuer agencies for property evaluation.

Analysis of risk concentration

Since the Company provides only retail loans, there is not significant concentration risk at the borrower / counterparty level. The maximum loan outstanding to any individual borrower or counterparty as of 31 March, 2019 was ₹ 1929 lakhs, before taking into account collateral or other credit enhancements or undisbursed commitments.

Stress testing of portfolio

The Company evaluates potentially adverse scenarios that may impact the business or portfolio performance. Annual stress test exercise covering the entire portfolio is performed to assess vulnerability of the business extreme scenarios to possible extreme scenarios and effectiveness of management actions. The assessed impact is incorporated into risk appetite of the Company to ensure regulatory compliance.

Exposure to credit risk

The carrying amount of financial assets represents maximum amount of credit exposure. The maximum exposure to credit risk is as per the table below, it being total of carrying amount of cash and cash equivalent, bank balance other than cash and cash equivalents, trade and other receivables and financial assets measured at amortised cost.

Particulars	As at 31 March, 2019 (₹ lakhs)	As at 31 March, 2018 (₹ lakhs)	As at 01 April, 2017 (₹ lakhs)
Maximum exposure to credit risk	2,164,559	1,611,143	1,151,155

Analysis of inputs to the ECL model under multiple economic scenarios

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows which the Company expects to receive) discounted at an approximation to the EIR.

Cash shortfalls are identified as follows.

- For 12-month ECLs: Cash shortfalls resulting from default events that are possible in the next 12 months.
- For lifetime ECLs: Cash shortfalls resulting from default events that are possible over the expected life of the financial instrument.

For undrawn loan commitments, a cash shortfall is the difference between:

- the contractual cash flows that are due to the Company if the holder of the loan commitment draws down the loan; and
- the cash flows that the Company expects to receive if the loan is drawn down.

The Company records allowance for expected credit losses for cash and cash equivalents, bank balance, investment, trade and other receivables, loans and advances together with loan commitments and other financial assets measured at amortised cost, collectively named as 'financial assets'.

The Company performs a collective assessment on a homogeneous pool of outstanding loans grouped on the basis of shared risk characteristic based on the type of products sliced down to geography as part of the impairment analysis.

For estimation of ECL, the entire portfolio is broadly partitioned into products like Personal Loans, Business Loan, Commercial Vehicle Loan, Loan against property and Group Loans. Products are further segregated on geography level and sectors. This portfolio is used to arrive exposure at Default, Probability of default and Loss given default.

The Company follows the expected credit loss (ECL) methodology based on historically available information and projection of macroeconomic indicators in order to determine the impairment allowance required against different categories / pool of loan accounts.

All defining parameters (PD, LGD, EL Adjustment factor) are estimated on a half yearly frequency. However, required changes may be done more frequently in case of change in market condition, portfolio changes and other scenarios.

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

The 12mECL is part of LTECL that represent the ECLs from default events on a financial asset that are possible within the 12 months after the reporting date.

Definition of Default

As per the Company's policy, all assets are classified into stage 1, stage 2 and stage 3. Assets up to 29 DPD (days past due) are classified as stage 1 assets. Assets with DPD of 30 days up to 89 days are classified as stage 2 assets and assets with DPD greater than 90 days are classified as stage 3 assets. The Company considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

The Company continuously monitors all financial assets subject to ECLs. In order to determine whether an instrument or a portfolio of instruments is subject to 12mECL or LTECL, the Company assesses whether there has been a significant increase in credit risk since initial recognition. The Company considers an exposure to have significantly increased in credit risk since initial recognition when contractual payments are more than 29 days past due. The Company also applies a qualitative method for triggering a significant increase in credit risk for an asset. This will be the case for exposure that meets certain heighted risk criteria, such as political situations and exceptions to normal economic scenarios. Such factors are based on its expert judgement and relevant historical experiences.

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

The Company collects performance and default information about its credit risk exposures analysed by Product and geography. The Company employs statistical models of flow analysis and marginal default rate technique to analyse the data collected and generate estimates of the remaining lifetime PD of exposures and how these are expected to change as a result of the passage of time.

The Exposure at Default (EAD) is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities and accrued interest whether due or not.

The Loss Given Default (LGD) is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due (net of recovery cost) and those that the lender would expect to receive. They are calculated on a discounted cash flow basis using the effective interest rate as the discounting factor. It is usually expressed as a percentage of the EAD.

The Company collects list of all the defaulters and tracked from the first time they become non-performing asset ("Stage 3"). The Company calculates the LGD based on the present value of month on month recovery post default for Stage 1 and 2 and takes into account of the Stage 3 recovery and present value of the actual Stage 3.

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

EL Adjustment Factor is factor used to adjust the ECL computation to eliminate the biasness in different ticket size and number of loan accounts considering the nature of business/products.

Forward Looking Information

In its ECL models, the Company relies on a broad range of forward looking information as macro- economic inputs, such as:

a) Gross Domestic Product growth

b) Personal Disposable Income growth

c) Consumer Price Index growth & average

d) Lending Interest Rate

e) Gross National Savings

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

The following pool of macro parameters have been considered for selection for estimated PD.

Gross Domestic Product Growth

Base	Range
Growth in 2019 is 1.01 times of 2018 (7.3% - 7.4%)	Growth in 2019 is 0.91 to 1.12 times of 2018 (6.66% - 8.14%)
Growth in 2018 is 1.10 times of 2017 (6.7% - 7.3%)	Growth in 2018 is 0.99 to 1.21 times of 2017 (6.57% - 8.03%)

Personal Disposable Income Growth

Base	Range
Growth in 2019 is 1.31 times of 2018 (5.4% -7.1%)	Growth in 2019 is 1.18 to 1.45 times of 2018 (6.39% - 7.81%)
Growth in 2018 is 0.82 times of 2017 (6.6% -5.4%)	Growth in 2018 is 0.74 to 0.9 times of 2017 (4.86% - 5.94%)

Consumer Price Index (average)

Base	Range
Growth in 2019 is 1.05 times of 2018 (138.8 – 143.4)	Growth in 2019 is 0.93 to 1.14 times of 2018 (129.06 – 157.74)
Growth in 2018 is 1.04 times of 2017 (133.5 – 138.8)	Growth in 2018 is 0.94 to 1.14 times of 2017 (124.89 – 152.64)

Lending interest rate (one year period)

Base	Range
Growth in 2019 is 0.99 times of 2018 (9.5% - 9.4%)	Growth in 2019 is between 0.89 to 1.09 times of year 2018 (8.46% - 10.34%)
Growth in 2018 is 1.0 times of 2017 (9.5% - 9.5%)	Growth in 2018 is between 0.90 to 1.1 times of year 2017 (8.55% - 10.4%)

Consumer Price Index % Growth

Base	Range
Growth in 2019 is 0.84 times of 2018 (4.0% - 3.3%)	Growth in 2019 is 0.75 to 0.92 times of 2018 (2.97% - 3.63%)
Growth in 2018 is 1.19 times of 2017 (3.3% - 4.0%)	Growth in 2018 is 1.07 to 1.3 times of 2017 (3.56% - 4.35%)

Gross National Savings Growth

Base	Range
Growth in 2019 is flat compared to 2018 (29.6% - 29.6%)	Growth in 2018 is 0.90 to 1.10 times 2017 (26.64% - 32.56%)
Growth in 2018 is 1.08 times of 2017 (27.4% - 29.6%)	Growth in 2018 is 0.97 to 1.19 times 2017 (26.64% - 32.56%)

Range as defined above is computed in range of 10% upside and downside of the macro parameters.

Reconciliation of ECL balances in given below :

Particulars	As at March, 2019 (₹ in lakhs)			As at March, 2018 (₹ in lakhs)		
	12 Month ECL	Life time ECL	Total	12 Month ECL	Life time ECL	Total
ECL allowance - opening balance	31,987	16,604	**48,591**	38,771	25,130	**63,901**
New assets originated or purchased	29,358	35,612	**64,970**	27,552	36,748	**64,301**
Assets derecognised or repaid*						
(excluding write offs)	(735)	(15,637)	**(16,372)**	(16,591)	(17,264)	**(33,855)**
Transfers to Stage 1	2,202	(2,202)	-	2,123	(2,123)	-
Transfers to Stage 2	(1,128)	1,128	-	(1,080)	1,080	-
Transfers to Stage 3	(519)	519	-	(561)	561	-
Amounts written off	(17,183)	(13,438)	**(30,621)**	(18,226)	(27,529)	**(45,756)**
ECL allowance - closing balance	**43,982**	**22,586**	**66,568**	**31,987**	**16,604**	**48,591**

*ECL derecognised includes ECL realised on account of assignment

Credit Quality

The Company has classified portfolio loans as financial assets at amortised cost and has assessed it at the collective pool level. The vintage analysis methodology has been used to create the PD term structure which incorporates both 12 month (Stage 1 Loans) and lifetime PD (Stage 2 and stage 3 Loans). The vintage analysis captures a vintage default experience across a particular portfolio by tracking the periodic slippages. The vintage slippage experience/ default rate is then used to build the PD term structure.

The vintage analysis methodology has been used to create the LGD vintage. The LGD vintage takes into account the recovery experience across accounts of a particular portfolio post default. The recoveries are tracked and discounted to the date of default using the effective interest rate.

Accordingly, the Company analysis exposure to credit risk on the basis of vintage experience across its products. The Company categorises its loans into Stage 1, Stage 2 and Stage 3 based on vintage experience.

	As at March, 2019 (₹ in lakhs)				As at March, 2018 (₹ in lakhs)			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance	14,94,096	35,093	32,222	**15,61,411**	10,32,103	48,922	46,844	**11,27,869**
New assets originated or purchased	9,58,230	(362)	(585)	**9,57,283**	9,08,229	(3,143)	(2,730)	**9,02,356**
Assets derecognised/ repaid/ recovery (excluding write offs)	(3,34,312)	(7,229)	(6,888)	**(3,48,429)**	(3,76,197)	(8,558)	(7,995)	**(3,92,750)**
Transfers to Stage 1	8,938	(5,224)	(3,714)	-	6,416	(4,355)	(2,061)	-
Transfers to Stage 2	(37,518)	38,250	(732)	-	(33,182)	33,785	(603)	-
Transfers to Stage 3	(18,463)	(9,144)	27,607	-	(16,725)	(8,998)	25,723	-
Amounts written off	(23,949)	(8,549)	(12,813)	**(45,311)**	(26,548)	(22,560)	(26,956)	**(76,064)**
Closing balance	**20,47,022**	**42,835**	**35,097**	**21,24,954**	**14,94,096**	**35,093**	**32,222**	**15,61,411**

*includes assets assigned and recovery

Trade receivables

Exposures to customers' outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Historical trends of collection from counterparties on timely basis reflects low level of credit risk. Company creates ECL on trade receivable balances in line with board's approved provisioning policy.

Cash and cash equivalents, other bank balance and other financial assets

The Company has a low credit risk in respect of its exposure with financial institutions and other financial assets. Funds are invested after taking into account parameters like safety, liquidity and post tax returns etc. The Company avoids concentration of credit risk by spreading them over several counterparties with good credit rating profile and sound financial position. The Company's exposure and credit ratings of its counterparties are monitored on an ongoing basis.

The Company holds cash and cash equivalents and other bank balances with banks and financial institutions. The credit worthiness of such banks and financial institutions is evaluated by the management on an ongoing basis and is considered to be high.

While exposure with respect to security deposit and advance given for business purpose is spread across and carry low credit exposure as the Company has possession of rental premises and other with whom the Company has worked with for a number of years.

Write off policy

The Company has laid down explicit policies on loan write-offs to deal with assets which are impaired due to customer's inability to repay the loan beyond a timeline. Unsecured products are written-off at 120 Days Past Due, Commercial Vehicle Loans are written-off in 360 Days Past Due and Loan against Property is written-off at 720 Days Past Due.

Collateral management and associated risks

The Company holds collateral like Vehicle, residential, commercial land & building against certain of its secured portfolio loans such as Commercial Vehicle Loans, Loan against Properties, Developer funding and Loan against shares.

The Company has a collateral management system to address the risks associated in the mortgage business. Onsite inspections by independent experts are carried out to satisfy that the value of the collateral is sufficient to cover the associated credit risk and that the claim on property is legally enforceable. Credit policy guidelines clearly specify Loan to value (LTV) ratios and ensures a maximum permissible limit on exposure in any collateral backed funding. This takes care of any revaluation or depreciation in value of asset due to unforeseen circumstances.

The Collection team follows up with the customers through field visits as well as through telecommunication for payment of over dues. Collection team is also responsible for initiating legal action including repossession and selling of collaterals. In its normal course of business, the Company does not physically repossess properties in its retail portfolio. For other collaterals the Company liquidates the assets and recovers the amount due against the loan. Negotiations with customers with respect to settlement of loans are also carried out by the authorised personnel from collection team. Any surplus funds are returned to the customers/obligors.

An estimate of the lower of fair value of collateral and other security enhancements held and carrying amounts of the financial assets as at the reporting date is shown below. This excludes the value of collateral and other security enhancements that are determined not to be enforceable (legally or practically) by the Company.

As at March, 2019 (₹ lakhs)	Maximum exposure to credit risk	Vehicle	Land & building	Securities	Total Collateral	Net Exposure	Associated ECLs
Financial Assets							
Cash & cash equivalents	71,725	-	-	-	-	71,725	-
Loans & Advances (gross)*	2,156,205	153,777	1,722,733	737	1,877,247	278,958	66,568
Trade receivables	690	-	-	-	-	690	-
Financial Assets at FVTPL	133,714	-	-	-	-	133,714	-
Other financial asset	2,507	-	-	-	-	2,507	-
Total Financial Asset	**2,364,841**	**153,777**	**1,722,733**	**737**	**1,877,247**	**487,594**	**66,568**

*Includes unsecured loans valued ₹ 1,325,008 lakhs

As at March, 2018 (₹ lakhs)	Maximum exposure to credit risk	Vehicle	Land & building	Securities	Total Collateral	Net Exposure	Associated ECLs
Financial Assets							
Cash & cash equivalents	77,770	-	-	-	-	77,770	-
Loans & Advances(gross)*	1,579,328	119,908	1,319,506	-	1,439,414	139,914	48,593
Trade receivables	726	-	-	-	-	726	-
Financial Assets at FVTPL	47,689	-	-	-	-	47,689	-
Other financial asset	1,912	-	-	-	-	1,912	-
Total Financial Asset	**1,707,425**	**119,908**	**1,319,506**	**-**	**1,439,414**	**268,011**	**48,593**

*Includes unsecured loans valued ₹ 920,377 lakhs

As at March, 2017 (₹ lakhs)	Maximum exposure to credit risk	Vehicle	Land & building	Securities	Total Collateral	Net Exposure	Associated ECLs
Financial Assets							
Cash & cash equivalents	61,213	-	-	-	-	61,213	-
Loans & Advances (gross)*	1,140,578	87,058	1,034,885	-	1,121,943	18,635	63,901
Trade receivables	381	-	-	-	-	381	-
Financial Assets at FVTPL	166,100	-	-	-	-	166,100	-
Other financial asset	12,885	-	-	-	-	12,885	-
Total Financial Asset	**1,381,157**	**87,058**	**1,034,885**	**-**	**1,121,943**	**259,214**	**63,901**

*Includes unsecured loans valued ₹ 605,021 lakhs

The value of the collateral for residential & commercial mortgage loans is based on the collateral value at origination. For credit-impaired loans the value of collateral is based on the most recent appraisals. Collateral value for Vehicles for credit –impaired loans are value arrived basis grid model of vehicles which consider model of vehicles, age, make, manufacturer etc.

The below tables provide an analysis of the current fair values of collateral held and credit enhancements for stage 3 assets. Dependent on the level of collateral, some Stage 3 exposures may not have individual ECLs when the expected value of the collateral is greater than the LGD, even if the future value of collateral is forecast using multiple economic scenarios. However, the Stage 3 ECL can be higher than net exposure when the future value of collateral, measured using multiple economic scenarios, is expected to decline.

Fair value of collateral and credit enhancements held under the base case scenario

(₹ lakhs)

Portfolio Loans	Maximum exposure to credit risk	Commercial Vehicle	Land & building	Total Collateral	Net Exposure	Associated ECLs
As at 31 March, 2019	42,679	3,542	43,748	47,290	(4,611)	21,735
As at 31 March, 2018	37,869	2,337	50,841	53,178	(15,309)	15,939
As at 01 April, 2017	37,715	2,917	44,664	47,581	(9,866)	41,397

Liquidity Risk

Liquidity risk is the risk that the Company, though solvent, either does not have sufficient financial resources available to meet its obligations as they fall due, or can secure them only at excessive costs. Liquidity risk management involves estimating and managing the liquidity requirements of the Company within acceptable structural boundaries and in a cost-efficient manner, and involves the Board and senior management's development and oversight of a comprehensive process that identifies, measures, monitors and controls the Company's liquidity risk exposure.

The Company maintains a reliable management information system designed to provide the senior management with timely and forward-looking information on the liquidity position of the Company. In terms of actions, the Company's liquidity risk management policy is guided by the following principles:

1. Lender diversification demonstrated by an increase in lenders, across instruments (bank finance, bonds, money market instruments, sell down of loan portfolio of loan portfolio) and liquidity pools (banks, mutual funds, insurance companies, pension funds, foreign portfolio investors)
2. Matching of asset and liability tenor
3. Maintenance of adequate liquidity buffer as per internal policy
4. Structural liquidity mismatch

Tools to manage Liquidity Risk

The Company manages its liquidity risk through liquidity gap analysis, monitoring concentration limits (tenor, counterparty and instrument type) and liquidity ratios.

Projected rolling cash flow for the next 6 months is prepared which provides a gap analysis of expected cash inflow and outflow on a given date. Treasury is responsible to prepare a suitable funding plan based on the cash flow.

Single lender limit, single financial instrument or category limit and negative gap mismatches are monitored on a monthly basis to ensure these are within the policy limits.

The Company manages liquidity risk by maintaining sufficient cash and cash equivalents and by having access to funding through an adequate amount of committed credit lines. The Company maintains flexibility in funding by maintaining availability under committed credit lines to meet obligations when due.

Analysis of financial liabilities by remaining contractual maturities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all financial liabilities for which the contractual maturities are essential for an understanding of the timing of the cash flows. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

(₹ lakhs)

As at 31 March, 2019	Within 1 year	1 to 5 years	After 5 years	Total
Financial liabilities				
Trade payables	5,232	-	-	**5,232**
Borrowings other than debt securities*	456,334	568,817	2,588	**1,027,739**
Debt Securities#	268,913	908,934	110,090	**1,287,937**
Other financial liabilities	80,053	1,807	-	**81,860**

(₹ lakhs)

As at 31 March, 2018	Within 1 year	1 to 5 years	After 5 years	Total
Financial liabilities				
Trade payables	5,202	-	-	**5,202**
Borrowings other than debt securities*	313,353	438,569	-	**751,922**
Debt Securities#	191,739	637,776	48,600	**878,115**
Other financial liabilities	67,117	1,520	-	**68,637**

(₹ lakhs)

As at 01 April, 2017	Within 1 year	1 to 5 years	After 5 years	Total
Financial liabilities				
Trade payables	4,476	-	-	**4,476**
Borrowings other than debt securities*	331,665	296,131	-	**627,796**
Debt Securities#	100,576	518,344	99,399	**718,319**
Other financial liabilities	28,991	4,332	-	**33,323**

* The interest payments on variable interest rate loans in the table above reflect interest rates at the reporting date and these amount may change as market interest rates change.

#Debt Securities includes subordinated liabilities

Financing arrangement

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

Particulars	As at 31 March, 2019 (₹ lakhs)	As at 31 March, 2018 (₹ lakhs)	As at 1 April, 2017 (₹ lakhs)
Expiring within one year	2,71,500	2,18,495	1,38,500
Expiring beyond one year (term loan)	-	-	-

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to maintenance of satisfactory credit ratings, the bank loan facilities may be drawn at any time in ₹ and have an average maturity of 1 year (2018 : 1 year, 2017 : 1 year).

Market Risk

Market risk is the risk of loss of future earnings, fair values or future cash flows related to financial instrument that may result from adverse changes in market rates and prices (such as foreign exchange rates, interest rates, other prices). The Company is exposed to market risk primarily related to currency risk, interest rate risk and price risk.

Currency risk

The Company has insignificant amount of foreign currency denominated assets and liabilities. Accordingly, there is no significant exposure to currency risk.

Price risk

Price risk is the risk that the value of the financial instrument will fluctuate as a result of changes in market prices and related market variables whether caused by factors specific to an individual investment, its issuer and market.

To manage its price risk arising from investments, the Company has invested in the mutual fund after considering the risk and return profile of the mutual funds i.e. the debt profile of the mutual fund indicates that the debt has been given to creditworthy banks and other institutional parties and equity investment is made after considering the performance of the stock.

The Company's exposure to price risk arises from investments in unlisted equity securities (other than investment in subsidiary company), debt securities, units of mutual funds, which are classified as financial assets at Fair Value through Profit and Loss and amounts to as follows:

Particulars	As at 31 March, 2019 (₹ lakhs)	As at 31 March, 2018 (₹ lakhs)	As at 01 April, 2017 (₹ lakhs)
Exposure to price risk	1,33,714	47,689	1,66,100

Sensitivity analysis

The table below sets out the effect on profit or loss due to reasonable possible weakening / strengthening in prices of 5% :

Particulars	Effect on profit or loss	
	As at 31 March, 2019 (₹ lakhs)	As at 31 March, 2018 (₹ lakhs)
Impact on profit before tax for 5% increase in prices	(1,114)	(397)
Impact on profit before tax for 5% decrease in prices	1,114	397

Interest rate risk

The interest rate risk is the vulnerability of the Company's financial condition to adverse movements in market interest rates. It corresponds to the potential effects of interest rate changes on the Company's profitability, in particular net interest income. Exposure to this risk primarily results from timing spread in the re-pricing of both on and off-balance sheet assets and liabilities as they mature (fixed rate instruments) or contractual re-pricing (floating rate instruments). The objective of interest rate risk policy is to establish boundaries on interest rate risk exposure for the Company and the governance and monitoring policies for interest rate risk management.

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	As at 31 March, 2019 (₹ lakhs)	As at 31 March, 2018 (₹ lakhs)	As at 01 April, 2017 (₹ lakhs)
Fixed rate borrowings			
Debt Securities*	978,370	648,930	496,330
Borrowings	215,424	149,296	107,372
Variable rate borrowings	700,343	546,292	483,848
Total borrowings	**1,894,137**	**1,344,518**	**1,087,550**

*Debt Securities includes subordinated liabilities

The following metrics are employed for measurement of interest rate risks:

- Repricing Gap analysis – measured by calculating gaps over different time intervals as at a given date, and measures mismatches between rate sensitive liabilities and rate sensitive assets (including off-balance sheet positions).
- Sensitivity analysis – interest rate sensitivity is monitored as per interest rate simulations, viz. potential loss due to an adverse movement in interest rates of 100 bps for mismatch up to 1 year.

Sensitivity analysis

Particulars	Effect on profit or loss (₹ lakhs)	
	As at 31 March, 2019	As at 31 March, 2018
Impact on profit before tax of 100 bps increase in interest rate	(7,003)	(5,463)
Impact on profit before tax of 100 bps decrease in interest rate	7,003	5,463

Financial Instrument

a. Classification and Fair Values of Financial Assets & Liabilities

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at reporting date :

Particulars	As at 31 March, 2019 (₹ lakhs)		As at 31 March, 2018 (₹ lakhs)		As at 1 April, 2017 (₹ lakhs)	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial assets:						
Cash and cash equivalent	-	20,060	-	24,249	-	8,157
Bank balances other than cash and cash equivalent	-	51,665	-	53,521	-	53,055
Trade Receivables	-	690	-	726	-	381
Loans and advances to customers	-	20,89,638	-	15,30,735	-	10,76,677
Investments (other than investment in subsidiaries)	1,33,714	-	47,689	-	1,66,100	-
Other financial assets	-	2,506	-	1,912	-	12,885
Total financial assets	**1,33,714**	**21,64,559**	**47,689**	**16,11,143**	**1,66,100**	**11,51,155**
Financial liabilities:						
Trade payables	-	5,232	-	5,202	-	4,476
Debt securities*	-	1,051,921	-	714,369	-	562,022
Borrowing other than debt securities	-	8,85,479	-	6,68,072	-	5,61,032
Other financial liabilities	-	81,860	-	68,637	-	33,323
Total financial liabilities	**-**	**2,024,492**	**-**	**14,56,280**	**-**	**1,160,853**

*Debt Securities includes subordinated liabilities

Fair Value of cash and cash equivalents, bank balances other than cash and cash equivalent, trade receivables, loans and advances to customers, other financial assets, trade payables and other financial liabilities approximate their carrying amounts largely due to short term maturities of these instruments.

b. Fair value hierarchy

As per Ind AS 107, 'Financial Instruments: Disclosures', the fair values of the financial assets or financial liabilities are defined as the price that would be received on sale of asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities and lowest priority to unobservable inputs.

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the Ind AS 107. An explanation of each level follows underneath the table.

The hierarchy used is as follows :

Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 — Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 — Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

a) Financial assets (other than investment in subsidiaries) measured at FVTPL at each reporting date

Particulars	Level 2		
	As at 31 March, 2019 (₹ lakhs)	As at 31 March, 2019 (₹ lakhs)	As at 1 April, 2017 (₹ lakhs)
Investment (Other than investment in Subsidiary)	133,714	47,689	166,100
Total	**133,714**	**47,689**	**166,100**

b) Financial assets (other than investment in subsidiaries) and liabilities measured at amortised cost at each reporting date

Particulars	As at 31 March, 2019 (₹ lakhs)		
	Carrying Value	Fair value	
		Level 2	Level 3
Financial assets measured at amortised cost			
Loans and advances to customers *	2,156,206	-	2,178,945
Other financial assets	2,506	-	2,807
Total	**2,158,712**	**-**	**2,181,752**
Financial liabilities measured at amortised cost			
Debt securities#	1,051,921	-	1,051,796
Borrowing other than debt securities	885,479	-	885,479
Total	**1,937,400**	**-**	**1,937,275**

Particulars	As at 31 March, 2018 (₹ lakhs)		
	Carrying Value	Fair value	
		Level 2	Level 3
Financial assets measured at amortised cost			
Loans and advances to customers *	1,579,328	-	1,641,742
Other financial assets	1,912	-	2,013
Total	**15,81,240**	**-**	**16,43,755**
Financial liabilities measured at amortised cost			
Debt securities#	714,369	-	718,730
Borrowing other than debt securities	668,072	-	668,071
Total	**1,382,441**	**-**	**1,386,801**

(₹ lakhs)

Particulars	As at 1 April, 2017 (₹ lakhs)		
	Carrying Value	Fair value	
		Level 2	Level 3
Financial assets measured at amortised cost			
Loans and advances to customers *	1,140,578	-	1,236,306
Other financial assets	12,885	-	13,121
Total	**11,53,463**	**-**	**12,49,427**
Financial liabilities measured at amortised cost			
Debt securities#	562,022	-	563,535
Borrowing other than debt securities	561,032	-	561,032
Total	**1,123,054**	**-**	**1,124,567**

*Gross value of portfolio loans
#Debt Securities includes subordinated liabilities

Fair value of financials assets and financial liabilities at amortised cost (i.e., Loans and advances to customers, Other financial assets, Debt securities, Borrowing other than debt securities) is calculated on pool basis at present values of future cash flows over expected tenure of financial instruments.

Following discounting factor are used for calculation of fair values:

Particulars	Discounting factors
Loans and advances to customers	Average loan boarding rate for respective product for recent four months as at reporting date
Other financial assets, Debt securities, Borrowing other than debt securities	Average cost of funds as at reporting date

Valuation techniques used to determine fair value

Each class of financial assets	Techniques
Government securities	The fair value is determined by applying direct quotes available from the active market for such securities.
Units of mutual funds	Net Asset Value (NAV) declared by the mutual fund at which units are issued or redeemed
Certificate of Deposits	The fair value for such securities is determined by applying benchmark quotes for such securities published by market aggregators on daily basis for relevant maturities.
Equity shares	Discounted cash flow based on present value of the expected future economic benefit and fair value as determined by the management based on MIS review, audited financial statements and information available in public domain

In order to assess Level 3 valuations as per Company's investment policy, the management reviews the performance of the investee companies on a regular basis by tracking their latest available financial statements / financial information, valuation report of independent valuers, recent transaction results etc. which are considered in valuation process.

The finance department of the Company includes the team that performs the valuation of financial assets and liabilities required for financial reporting purposes, including level 3 fair value. Discussions on valuation processes and results are held between the valuation team and the senior management at least once every six months which is in line with the Company's half yearly reporting periods.

51. Maturity Analysis of Assets and Liabilities

Assets	As at 31 March, 2019 (₹ lakhs)			As at 31 March, 2018 (₹ lakhs)		
	Within 12months	After 12months	Total	Within 12months	After 12months	Total
Financial Assets						
Cash and cash equivalents	20,060	-	20,060	24,249	-	24,249
Bank balances other than cash and cash equivalents	51,665	-	51,665	53,521	-	53,521
Trade receivables	690	-	690	726	-	726
Loans and advances	7,62,565	13,27,073	20,89,638	4,93,322	10,37,413	15,30,735
Investments	1,32,239	59,436	1,91,675	47,584	43,066	90,650
Other financial assets	161	2,345	2,506	610	1,302	1,912
Non Financial assets						
Current tax assets	2,205	-	2,205	2,335	-	2,335
Deferred tax asset (net)	-	22,717	22,717	-	22,198	22,198
Property, plant and equipment	-	7,166	7,166	-	4,812	4,812
Intangibles assets	-	3,180	3,181	-	2,254	2,254
Intangibles assets under development	138	-	138	349	-	349
Other non financial assets	-	5,867	5,867	-	3,915	3,915
Total Assets	**9,69,723**	**14,27,784**	**23,97,507**	**6,22,696**	**11,14,960**	**17,37,656**
Liabilities						
Financial liabilities						
Trade payables	5,232	-	5,232	5,202	-	5,202
Debt Securities*	1,98,356	8,53,565	10,51,921	90,776	6,23,593	7,14,369
Borrowings	3,86,468	4,99,011	8,85,479	2,81,761	3,86,311	6,68,072
Other financial liabilities	80,053	1,807	81,860	67,117	1,520	68,637
Non-Financial liabilities						
Current tax liabilities	1,929	-	1,929	4,090	-	4,090
Provisions	-	665	665	-	30	30
Other Non-Financial liabilities	5,234	-	5,234	4,156	-	4,156
Equity						
Equity share capital	-	2,01,150	2,01,150	-	1,98,007	1,98,007
Other equity	-	1,64,037	1,64,037	-	75,093	75,093
Total liabilities	**6,77,272**	**17,20,235**	**23,97,507**	**4,53,102**	**12,84,554**	**17,37,656**

*Debt Securities includes subordinated liabilities

52. As required by the RBI circular no. DNBS.CO.PD.No. 367/03.10.01/2013-14 dated 23 January, 2014, the details of accounts restructured during the year ended 31 March, 2019 are given below:

No	Type of restructuring	Restructuring Account as on 31 March, 2018			Fresh restructuring during the year			Downgradations of Restructured accounts during the FY			Write-offs/sale/Recovery/of Restructured A/cs during the FY			Restructured accounts as on 31 March, 2019		
	Asset Classification	No of borrowers	Amount outstanding	Provision thereon	No of borrowers	Amount outstanding as at 31 March, 2018	Provision thereon	No of borrowers	Amount outstanding as at 31 March, 2018	Provision thereon	No of borrowers	Amount outstanding	Provision thereon	No of borrowers	Amount outstanding	Provision thereon
1	CDR															
	Standard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Substandard	1	262	262	-	-	-	1	262	262	-	-	-	-	(0)	(0)
	Doubtful	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Loss	-	-	-	-	-	-	(1)	(262)	(262)	-	-	-	1	262	262
	Total	**1**	**262**	**262**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1**	**262**	**262**
2	Others															
	Standard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Substandard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Doubtful	1	2,115	1,057	-	-	-	-	-	-	-	498	249	1	1,617	808
	Loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**1**	**2,115**	**1,057**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**498**	**249**	**1**	**1,617**	**809**
3	Grand Total															
	Standard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Substandard	1	262	262	-	-	-	1	262	262	-	-	-	-	(0)	(0)
	Doubtful	1	2,115	1,057	-	-	-	-	-	-	-	498	249	1	1,617	808
	Loss	-	-	-	-	-	-	(1)	(262)	(262)	-	-	-	1	262	262
	Total	**2**	**2,377**	**1,319**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**498**	**249**	**2**	**1,879**	**1,070**

1. The outstanding amount and number of borrowers as at 31 March, 2019 is after considering recoveries and sale of assets during the year.
2. The above table pertains to advances and does not include investment in shares which have been fully provided for.
3. The provision in the above table includes general loan loss provision and other provisions held on the restructured advances.
4. For the purpose of arithmetical accuracy as required by circular, movement in provisions in the existing restructured account as compared to opening balance is disclosed under column fresh restructuring (for increase in provision) and write-off/sale/recovery (for decrease in provision) during the year and are not comparable with the additional facilities availed and partial recovery disclosed under the respective columns.

53. The Company is required to provide additional disclosures in financial statements as required by the RBI circulars. As the Company has moved to Ind AS accounting framework, such additional disclosures are compiled using Ind AS numbers. The comparative numbers for previous years have also been re-casted using Ind AS numbers.

i) Capital to Risk Assets Ratio ('CRAR')

Particulars	As at 31 March, 2019 %	As at 31 March, 2018 %
CRAR (%)	19.64%	18.82%
CRAR - Tier I Capital (%)	14.16%	14.03%
CRAR - Tier II Capital (%)	5.48%	4.78%
Amount of subordinated debt raised as Tier-II capital (₹ lakhs)	1,04,910	69,100

ii) Details of investments with movement in provision for depreciation

Particulars	As at 31 March, 2019 (₹ lakhs)	As at 31 March, 2018 (₹ lakhs)
Value of Investments		
Gross Value of Investments		
In India	1,91,866	90,741
Outside India,	-	-
Provisions for Impairment		
In India	191	91
Outside India,	-	-
Net Value of Investments		
In India	1,91,675	90,650
Outside India	-	-
Movement of provisions held towards depreciation on investments		
Opening balance	91	91
Add : Provisions made during the year	100	-
Less : Write-off / write-back of excess provisions during the year	-	-
Closing balance	191	91

iii) Derivatives

The Company has not entered into any forward rate agreements, interest rate swaps, exchange traded interest rate derivatives. Hence, no disclosure is made for the same.

iv) Securitisation

a) During the year Company has not transferred any loans through securitisation. The information on securitisation activity of the Company as an originator is given below:

Particulars	For the year ended 31 March, 2019 (₹ lakhs)	For the year ended 31 March, 2018 (₹ lakhs)
Total number of Portfolio Loans securitised	-	-
Total book value of the Portfolio Loans securitised	-	-
Total book value of the loans securitised including loans placed as collateral	-	-
Sale consideration received for the Portfolio Loan securitised	-	-
Excess interest spread recognised in the statement of profit and loss	2	41

Particulars	For the year ended 31 March, 2019 (₹ lakhs)	For the year ended 31 March, 2018 (₹ lakhs)
Credit enhancements provided and outstanding (Gross):		
Interest subordination	-	2
Cash Collateral	-	247
Corporate Guarantee	-	40

The information on securitisation of the Company as an originator in respect of outstanding amount of assets securitised under par structure is given below:

Particulars	For the year ended 31 March, 2019 (₹ lakhs)	For the year ended 31 March, 2018 (₹ lakhs)
No. of SPVs Sponsored by the NBFC for securitisation transactions	-	1
Total Amount of securitised assets as per books of the SPVs sponsored by the NBFC	-	218
Total amount of exposures retained by the company to comply with MRR as on the date of balance sheet	-	-
a) Off-balance sheet exposures		
First loss	-	-
Others	-	-
b) On-balance sheet exposures		
First loss	-	-
Others	-	247
Amount of exposures to securitisation transactions other than MRR		
a) Off-balance sheet exposures		
i) Exposure to own Securitisation		
First loss	-	-
Others	-	40
ii) Exposure to third party Securitisation transactions		
First loss	-	-
Others	-	-
b) On-balance sheet exposures		
i) Exposure to own securitisation		
First loss	-	-
Others	-	-
ii) Exposure to third party Securitisation transactions		
First loss	-	-
Others	-	-

b) **Assignment**

Details of Assignment transactions Undertaken by the Company during the year

Particulars	For the year ended 31 March, 2019 (₹ lakhs)	For the year ended 31 March, 2018 (₹ lakhs)
No. of accounts	428	-
Aggregate value (net of provisions) of accounts sold	21,535	-
Aggregate consideration	21,535	-
Additional consideration realised in respect of accounts transferred in earlier years	-	-
Aggregate gain / loss over net book value*	1,134	-

*upfront gain recongised under Ind AS

v) **Asset Liability Management Maturity pattern of certain items of Assets and Liabilities:**

As at 31 March, 2019 **(₹ lakhs)**

Particulars	Up to 30/31 days	Over 1 month upto 2 Months	Over 2 months upto 3months	Over 3 months & up to 6 months	Over 6 Months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Advances*	86,419	65,827	65,353	1,95,842	3,51,667	7,29,211	3,19,617	2,75,701	**20,89,638**
Investments	47,615	-	-	19,211	65,412	-	-	59,436	**1,91,675**
Borrowings	34,896	36,792	96,927	1,46,289	2,75,352	9,41,774	3,19,548	85,822	**19,37,401**

* Advances are net of provision at amortised cost

As at 31 March, 2018 **(₹ lakhs)**

Particulars	Up to 30/31 days	Over 1 month upto 2 Months	Over 2 months upto 3months	Over 3 months & up to 6 months	Over 6 Months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Advances*	54,061	41,002	40,608	1,23,326	2,34,325	5,53,583	2,19,178	2,64,651	**15,30,735**
Investments	-	-	-	19,452	28,133	-	-	43,065	**90,649**
Borrowings	19,221	12,795	76,597	78,628	1,85,297	6,48,824	3,11,245	49,835	**13,82,441**

* Advances are net of provision at amortised cost

vi) **Exposures**

a) **Exposure to real estate sector**

Particulars	As at 31 March, 2019 (₹ lakhs)	As at 31 March, 2018 (₹ lakhs)
Direct exposure		
Residential Mortgages - Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	17,003	11,388
Commercial Real Estate - Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based limits	-	-
Investments in Mortgage Backed Securities (MBS) and other securitised exposures -	-	-
a) Residential	-	-
b) Commercial Real Estate	-	-
Total Exposure to Real Estate Sector	16,223	11,388

The Company provides loans which are fully collateralised against property, in accordance with the approved policy of the Company which includes credit assessment of financial statements and cash flow of the customers. The end use of the loan may be business in the case of business customers or could be personal in case of salaried individuals. Accordingly, there is no direct real estate exposure except as disclosed above.

b) **Exposure to capital market**

The Company has exposure to the capital markets directly or indirectly. Details as below :

Particulars	As at 31 March, 2019 (₹ lakhs)	As at 31 March, 2018 (₹ lakhs)
(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;	300	-
(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;	-	-

Particulars	As at 31 March, 2019 (₹ lakhs)	As at 31 March, 2018 (₹ lakhs)
(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	**300**	**-**

c) Details of financing of parent company products

The Company does not finance any of its holding/parent company products.

d) Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC

The Company has not lent / invested / lent and invested in any borrower / group of borrower in excess of limits prescribed by the RBI.

e) Unsecured advances

Refer note number 7 for unsecured advances. The Company has not given any advances against the rights, licenses, authorisations, etc.

f) Details of non-performing financial assets purchased / sold

I. Details of non performing financial assets purchased during the year:

Particulars	For the year ended 31 March, 2019 (₹ lakhs)	For the year ended 31 March, 2018 (₹ lakhs)
No. of accounts purchased during the year		
Aggregate outstanding	NIL	NIL
Of these, number of accounts restructured		
Aggregate outstanding		

II. Details of non performing financial assets sold:

Particulars	For the year ended 31 March, 2019 (₹ lakhs)	For the year ended 31 March, 2018 (₹ lakhs)
No. of accounts sold during the year (No.)	-	1,59,510
Aggregate outstanding	-	-
Aggregate consideration received	-	1,175

vii) Registration with other financial sector

Name of Regulator	Status	Registration Details
Insurance Regulatory and Development Authority (IRDA)	Corporate Agent	License No. CA0098 Valid till 31 March, 2022

viii) No penalties were imposed by RBI and other regulators during the current and previous year.

ix) Refer note 35.2 for related party transactions during the current and previous year.

x) Ratings assigned by credit rating agencies and migration of ratings during the year

Particulars	For the year ended 31 March, 2019				For the year ended 31 March, 2018		
	ICRA	INDIA RATING	CARE	CRISIL	ICRA	INDIA RATING	CARE
Non convertible debentures/ Sub debt	ICRA AAA	IND AA+	CARE AAA	CRISIL AAA	ICRA AA+	IND AA+	CARE AAA
	with Stable Outlook	with Stable Outlook	with stable outlook	with stable outlook	with Stable Outlook	with Stable Outlook	with stable outlook
Term Loan	ICRA AAA	-	CARE AAA	CRISIL AAA	ICRA AA+	IND AA+	CARE AAA
	with Stable Outlook	-	with stable outlook	with stable Outlook	with Stable Outlook	with Stable Outlook	with stable outlook
Short term debt/ Commercial paper	ICRA A1+	IND A1+	CARE A1+	CRISIL A1+	ICRA A1+	IND A1+	CARE A1+
Company Ratings	ICRA AAA	IND AA+	-	CRISIL AAA	ICRA AA+	IND AA+	-
	with Stable Outlook	with Stable Outlook	-	with stable outlook	with Stable Outlook	with Stable Outlook	

LT - Long Term	ST - Short Term
NCD - Non Convertible Debenture	SD - Subordinated Debt
CP - Commercial paper	TL - Term Loan
STD - Short Term Debt	PTC - Series A PTC's

There were no migrations of ratings during the year. All ratings are subject to annual surveillance.

xi) Net Profit or Loss for the period, prior period items and changes in accounting policies.

The Company has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from 1 April, 2018, with a transition date of 1 April, 2017. These financial statements are prepared under Ind AS for the period ended 31 March, 2019. Previous year number for the corresponding period has been restated accordingly. Revenue has been recognised in accordance with the revenue recognition policy of the Company and there are no deviations to the same (refer Note 1.C).

xii) **Break up of 'Provisions and Contingencies' shown under the head Expenditure in the Statement of Profit & Loss Account**

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	For the year ended 31 March, 2019 (₹ lakhs)	For the year ended 31 March, 2018 (₹ lakhs)
Provision towards Stage 3/NPA portfolio loans	5,796	(1650)
Provision made towards income tax (incl. Adj for tax of earlier period)	47,986	12,143
Provision for standard portfolio loans	12,212	(13,658)

xiii) **Draw down from reserves**

The Company has not withdrawn any amount from any of the reserves during the year ended 31 March, 2019 (31 March, 2018: Nil)

xiv) **Concentration of Deposits, Advances, Exposures and NPAs**

(a) **Concentration of Deposits**

The Company has not accepted any deposits during the current and previous year. Also there are no outstanding deposit from earlier years.

(b) **Concentration of Advances**

Particulars	As at 31 March, 2019 (₹ lakhs)	As at 31 March, 2018 (₹ lakhs)
Total advances to twenty largest borrowers	29,585	32,710
Percentage of advances to twenty largest borrowers to total advances of the Company	1%	2%

(c) **Concentration of Exposures**

Particulars	As at 31 March, 2019 (₹ lakhs)	As at 31 March, 2018 (₹ lakhs)
Total exposure to twenty largest borrowers / customers	30,014	33,272
Percentage of exposures to twenty largest borrowers / customers to Total Exposure of the Company on borrowers / customers	1%	3%

(d) **Concentration of Non Performing Accounts**

Particulars	As at 31 March, 2019 (₹ lakhs)	As at 31 March, 2018 (₹ lakhs)
Total Exposure to top four NPA accounts	5,448	5,559

(e) Concentration of Non Performing Accounts

Particulars	Percentage of NPAs to Total Advances in that sector (%)	
Sector*	**As at 31 March, 2019**	**As at 31 March, 2018**
Agriculture and allied activities	0.4%	0.5%
MSME	6.2%	5.3%
Services	0.0%	0.0%
Unsecured personal loans	0.9%	1.0%
Auto loans (Commercial Vehicle)	3.0%	2.5%
Other personal loans (incl. TW, used car, Loan against property)	3.8%	5.0%

*Above sectors includes corporate borrowers NPA of 6.2% (31 March, 2018; 5.3%)

xv) Movement of NPA's, provision, net NPA

Particulars	As at 31 March, 2019 (₹ lakhs)	As at 31 March, 2018 (₹ lakhs)
Net NPA to Net Advances (%)	**1.00%**	**1.42%**
Movement in Gross NPAs		
(a) Opening Balance	37,869	37,715
(b) additions during the year	83,922	105,728
Sub Total (A)	**121,791**	**143,443**
(a) Up gradations	19,772	12,250
(b) Recoveries	14,039	17,260
(c) Write-Offs	45,301	76,064
Sub Total (B)	**79,112**	**105,574**
Gross NPAs as on 31 Mar (A-B)	**42,679**	**37,869**
Movement in provisions for NPAs		
(a) Opening Balance	**15,939**	**17,588**
(a) Provisions made during the year	38,074	46,585
(b) Write off / Write back of excess provisions	32,278	48,234
(b) Closing Balance	**21,735**	**15,939**
Movement in Net NPAs		
(a) Opening Balance	**21,930**	**20,127**
(b) additions during the year	45,848	59,143
(c) Reductions during the Year	46,834	57,340
(d) Closing Balance	**20,944**	**21,930**

a. Non-Performing assets (NPA) includes loans having days past due of more than 3 months calculated as per the Company's credit risk policy.

b. Net advances are computed as principal amount outstanding in the customer's account as at reporting date reduced by the ECL provisions held on the portfolio loans.

xvi) The company has not invested in any overseas assets in the current and previous year. The Company has not sponsored any off-Balance Sheet SPV in the current and previous years which were required to be consolidated as per accounting norms. Also there are no outstanding investments from earlier years.

xvii) Disclosure on complaints

No. of complaints pending at the beginning of the year	10
No. of complaints received during the year	268
No. of complaints redressed during the year	266
No. of complaints pending at the end of the year	12

54. The Company does not have any outstanding loan against gold jewelries as at 31 March, 2019 (31 March, 2018: ₹ Nil).

55. The Company has reclassified/regrouped previous year figures to conform to current year's classification, where applicable.

As per our report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.: 101248W/W-100022

Sd/-
Milind Ranade
Partner
Membership No.: 100564

For and on behalf of the Board of Directors of
Fullerton India Credit Company Limited

Sd/-
Gan Chee Yen
Chairman
DIN : 03602857

Sd/-
Rajashree Nambiar
CEO & Managing Director
DIN : 06932632

Sd/-
Pankaj Malik
Chief Financial Officer

Sd/-
Arun Mulge
Company Secretary
ICSI Reg No. : A18322

Place: Mumbai
Date: 29 May, 2019

Schedule to The Balance Sheet

of a Non Banking Financial Company (as required in terms of paragraph 13 of Non-banking financials (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank of India) Direction 2007)

Liabilities side:				(₹ lakhs)
1	**Loans and advances availed by the Non -Banking Financial Company inclusive of interest accrued thereon but not paid:**		**Amount Outstanding**	**Amount Overdue**
	(a)	Debentures (other than falling within the meaning of public deposits)		
		Secured	9,40,740	-
		Unsecured	1,11,181	-
	(b)	Deferred Credits	-	-
	(c)	Term Loans	6,70,045	-
	(d)	Inter-corporate loans and borrowing	-	-
	(e)	Commercial Paper	2,15,332	-
	(f)	Public Deposits	-	-
	(g)	Other Loans	102	-
2	**Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):**			
	(a)	In the form of Unsecured debentures	-	-
	(b)	In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-
	(c)	Other public deposits	-	-

Assets side:				
3	**Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :**			**Amount Outstanding**
	(a)	Gross Secured		8,23,421
	(b)	Gross Unsecured		13,01,531
4	**Break up of Leased Assets and stock on hire and other assets counting towards AFC activities**			
	(i)	Lease assets including lease rentals under		
		sundry debtors :		
		(a)	Finance Lease	-
		(b)	Operating Lease	-
	(ii)	Stock on hire including hire charges under		
		sundry debtors:		
		(a)	Assets on hire	-
		(b)	Repossessed Assets	-
	(iii)	Other Loans counting towards AFC activities :		
		(a)	Loans where assets have been repossessed	-
		(b)	Loans other than (a) above	1,48,057

	(₹ lakhs)
	Amount Outstanding
5 Break-up of Investments :	
Current Investments	
1. Quoted:	
(i) Shares:	
(a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	48,954
(v) Others	
2. Unquoted:	
(i) Shares:	
(a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others – Certificate of Deposits	84,755
– Commercial papers	-
Long Term Investments	
1. Quoted:	
(i) Shares:	
(a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others	-
2. Unquoted:	
(i) Shares:	
(a) Equity	57,966
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others	-

Schedule to The Balance Sheet

of a Non Banking Financial Company

(as required in terms of paragraph 13 of Non-banking financials (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank of India) Direction 2007)

6	Borrower group-wise classification of all leased assets, stock-on-hire and loans and advances :			
	Category	**Amount net of Provision**		
		Secured	**Unsecured**	**Total**
	1. Related Parties			
	(a) Subsidiaries	-	-	-
	(b) Companies in the same group	-	-	-
	(c) Other related parties	-	-	-
	2. Other than related parties	8,02,820	12,55,566	20,58,386
	Total	**8,02,820**	**12,55,566**	**20,58,386**

7	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
	1. Related Parties		
	(a) Subsidiaries	57,961	57,961
	(b) Companies in the same management	-	-
	(c) Other related parties	-	-
	2. Other than related parties	1,33,714	1,33,714
	Total	**1,91,675**	**1,91,675**

8	**Other Information**	**Amount (₹ lakhs)**
	(i) Gross Non-Performing Assets	
	(a) Related parties	
	(b) Other than related parties	42,679
	(ii) Net Non-Performing Assets	
	(a) Related parties	
	(b) Other than related parties	20,944
	(iii) Assets acquired in satisfaction of debt	-

Statement containing Salient Features

of the financial statement of subsidiaries/associate companies/joint ventures (as required in terms of paragraph 13 of Non-banking financials

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Sr. No	Particulars			Fullerton India Home Finance Company Ltd	Fullerton India Social and Economic Development Pvt. Ltd
1	Financial years of the subsidiary Company ended on			31 March, 2019	31 March, 2019
2	Reporting currency			₹ lakhs	₹ lakhs
3	Shares of the subsidiary held on the above date and extent of holding				
	a)	Equity Shares (face value of ₹ 10 each) (no of shares)		24,53,59,416	23,575
	b)	Extent of holding		100%	100%
4	Net aggregate amount of Profit/(Losses) of the Subsidiary for the period so far as it concerns members of Fullerton India Credit Co. Ltd.				
	i)	Not dealt within the accounts of the Holding Company			
		a)	For the financial year of the Subsidiary	48	-
		b)	For the previous financial years of the Subsidiary/since it became the Holding company's subsidiary	(1,553)	-
	ii)	Deal within the Holding company's accounts			
		a)	For the financial year of the Subsidiary	Nil	Nil
		b)	For the previous financial years of the Subsidiary/since it became the Holding company's subsidiary	Nil	Nil
5	Material changes if any between the end of financial year of the subsidiary company and that of the Holding Company			Nil	Nil
6	Additional information on Subsidiary Companies				
	Share Capital			24,536	2
	Reserves and Surplus			25,169	-
	Total Assets			3,46,792	2
	Total Liabilities			2,97,057	-
	Investment (except in case of investment in subsidiaries)			31,238	-
	Turnover			32,980	-
	Profit before Taxation			296	-
	Provision for Taxation			(248)	-
	Profit after Taxation			48	-
	Proposed Dividend (including Dividend Distribution Tax thereon)			-	-
7	Operation commenced			Yes	No

No subsidiaries were sold or liquidated during the year.

Part B : Associates and Joint Ventures
The Company does not have associates and joint ventures during the year ended 31 March, 2019.

For and on behalf of the Board of Directors of
Fullerton India Credit Company Limited

Sd/-
Gan Chee Yen
Chairman
DIN : 03602857

Sd/-
Rajashree Nambiar
CEO & Managing Director
DIN : 06932632

Sd/-
Pankaj Malik
Chief Financial Officer

Sd/-
Arun Mulge
Company Secretary
ICSI Reg No. : A18322

Place: Mumbai
Date: 29 May,2019

Notes

Notes

Fullerton India Credit Company Ltd.

Registered office address
Megh Towers, Third Floor, New No. 165, Old No. 307,
Poonamallee High Road, Maduravoyal, Chennai-600 095

Corporate office address
Floor 6, B Wing, Supreme Business Park, Supreme City,
Behind Lake Castle, Powai, Mumbai – 400076

Email: namaste@fullertonindia.com | **Website:** www.fullertonindia.com
CIN number: U65191TN1994PLC079235
Toll Free No: 1800 103 6001