NOTICE TO MEMBERS

NOTICE is hereby given that the 5th Annual General Meeting of the Members of the Company will be held on Monday, 10th August, 2020 at the registered office of the Company situated at No. 8B, Doshi Towers, 8th Floor, No. 205, Poonamallee High Road, Kilpauk, Chennai 600 010 at 11:00 A.M to transact the following businesses:

ORDINARY BUSINESS

1. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

   RESOLVED THAT the Board's Report, the audited statement of profit and loss and the cash flow statement for the year ended 31st March 2020 and the audited balance sheet as at that date, be and are hereby considered, approved and adopted.

2. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

   RESOLVED THAT Mr. Suman Bollina (DIN: 07136443) who retires by rotation at this 5th annual general meeting and who has offered himself for re-appointment, be and is hereby re-appointed as a Non-Executive Director of the Company liable to retire by rotation.

SPECIAL BUSINESS

3. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a SPECIAL RESOLUTION:

   RESOLVED THAT pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013 and other applicable provisions if any, or any other law for the time being in force (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force) and in terms of the Memorandum and Articles of Association of the Company, the Company hereby accords its consent to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Resourcing and Business Committee or any such Committee which the Board may constitute / authorize for this purpose) of the Company to borrow such sum or sums of moneys and for availing all kinds and types of loans, advances, debt facilities and credit facilities including issuance of debentures and other debt instruments, (apart from temporary loans from the Company's bankers), from time to time, upto a sum of Rs. 600

Crores (Rupees Six Hundred Crores only) outstanding at any point of time on account of principal, for and on behalf of the Company, from its bankers, other banks, Non-Banking Financial Companies, Financial Institutions, Companies, Firms, Bodies Corporate, Co-Operative Banks, Investment Institutions and their Subsidiaries, Mutual Funds, Trusts, other Body Corporate or from any other person as may be permitted under applicable laws, whether unsecured or secured.

RESOLVED FURTHER THAT the Company may issue from time to time, Debenture/Bonds and other debt instruments, aggregating up to Rs. 150 Crores (Rupees One Hundred and Fifty Crores) within the overall borrowing limits of Rs. 600 Crores (Rupees Six Hundred Crores only).

RESOLVED FURTHER THAT the Board of Directors of the Company (including the Resourcing & Business Committee or any such Committee which the Board may constitute/ authorize for this purpose) be and is hereby authorized to take all such steps as may be necessary to give effect to this resolution.

4. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a SPECIAL RESOLUTION:

RESOLVED THAT pursuant to the provisions of section 180(1)(a) of the Companies Act, 2013 and all other applicable provisions if any, or any other law for the time being in force (including any statutory modification or amendment(s) thereto or re-enactment(s) thereof for the time being in force) and in terms of the Memorandum and Articles of Association of the Company, consent be and is hereby accorded to the Board of Directors of the Company (which term shall be deemed to include the Resourcing & Business Committee and any such committee which the Board may constitute / authorize for this purpose) for mortgaging / charging / hypothecating all or any of the immovable and movable properties and assets of the Company, both present and future and the whole or substantially the whole of the undertaking or the undertakings of the Company, on such terms and conditions, as may be agreed to between the Board and Lender(s), Debenture holders and providers of credit and debt facilities to secure the loans / borrowings / credit / debt facilities obtained or as may be obtained, or Debentures/Bonds and other instruments issued or to be issued by the Company to or in favour of the Financial Institutions, Non-Banking Financial Companies, Co-operative Banks, Investment Institutions and their Subsidiaries, from its Bankers and other Banks, Mutual Funds, Trusts and other Bodies Corporate or Trustees for the holders of debentures/bonds and/ or other instruments, or any other person, which may exceed the paid-up capital and free reserves provided that the total amount of monies borrowed / credit facilities obtained or as may be obtained, or Debentures/Bonds and other instruments issued or to be issued by the Company (apart from temporary loans from the Company's bankers) shall not at any time exceed a sum of Rs. 600 Crores (Rupees Six Hundred Crores only) outstanding at any point of time on account of principal.

RESOLVED FURTHER THAT the Board of Directors of the Company (including the Resourcing & Business Committee or any such Committee which the Board may constitute/ authorize for this purpose) be and is hereby authorized to take all such steps as may be necessary to give effect to this resolution.

5. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a SPECIAL RESOLUTION:

   RESOLVED THAT pursuant to the provisions of Sections 42, 71, 179 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Non-Banking Financial Company –Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 and other regulations, rules and guidelines issued by Reserve Bank of India, the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (as amended from time to time), and in accordance with the Memorandum of Association and Articles of Association of the Company, consent of the members be and is hereby given to issue, offer or invite subscriptions for all kinds and types of NCDs including NCDs which are Listed/Unlisted, Secured, Rated, Redeemable, in one or more series / tranches, aggregating up to Rs. 150 Crores (Rupees One Hundred and Fifty Crores) to any Institution, Body Corporate, Mutual Fund, entity, any other person or persons, domestic or foreign, as permitted under applicable laws, on private placement basis on such terms and conditions as the Board of Directors (which term shall be deemed to include Resourcing and Business Committee of the Board or any other committee which may be constituted/authorized for this purpose) may, from time to time, determine and consider proper and most beneficial to the Company including as to when the said NCDs be offered, the consideration for the offer, utilization of the proceeds and all matters connected with or incidental thereto.

   RESOLVED FURTHER THAT the Board of Directors be and is hereby instructed to ensure compliance particularly with regard to the directions / guidelines issued by Reserve Bank of India and other authorities including Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016.

   RESOLVED FURTHER THAT the Board of Directors be and is hereby instructed to act upon the resolution within a period of 12 months and that the any director be and is hereby authorized to take such steps as may be necessary to give effect to this resolution.

   RESOLVED FURTHER THAT for the purpose of giving effect to any issue or allotment of Debentures of the Company, the Board of Directors (which term shall be deemed to include Resourcing and Business Committee of the Board or any other committee which may be constituted/authorized for this purpose) be and is hereby authorized on behalf of the Company to take all such actions and do all such deeds, matters, and things as it may, in its absolute discretion, deem necessary, desirable or expedient and to settle any question, difficulties or doubts that may arise in this regard including but not limited to the offering, issue and allotment of debentures of the Company as it may in its absolute discretion deem fit and proper.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to delegate all or any of the powers herein conferred by this resolution to the Resourcing and Business Committee or any Director or Directors or to any member the Resourcing and Business Committee or to any Committee of Directors or to any officer or officers of the Company to give effect to this resolution.

By Order of the Board
For Aptus Finance India Private Limited

Sd

Jyoti Munot
Chennai **Company Secretary**
29th May 2020 **Membership no. A56971**

NOTES:

1. **A member entitled to attend and vote is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. Provided that a member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder. A blank proxy form is enclosed as Annexure A to this notice.**

2. Corporate members intending to send their authorized representatives to attend the Annual General Meeting are requested to send to the Company a certified copy of the board resolution/authorization letter authorizing their representative to attend and vote on their behalf at the Annual General Meeting.

3. A statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.

4. Quorum of the Annual General meeting shall be in accordance with Section 103 of the Companies Act, 2013.

5. The Member/Proxies should bring their proxy form and attendance slip, sent herewith, duly filled in, for attending the meeting as mentioned in Annexure A and Annexure B of this notice.

6. Route Map for the location of the aforesaid meeting is enclosed as Annexure C

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 3: Fixing of Borrowing Limits

In terms of provisions of Section 180(1)(c) of the Companies Act, 2013, the Board of Directors of the Company cannot, except with the consent of the Company in a general meeting, borrow moneys apart from temporary loans obtained from the Company's bankers in the ordinary course of business, in excess of the aggregate of the paid-up capital and its free reserves.

Since the borrowing limit as proposed in the special resolution appearing in item no. 3 of this notice, i.e. Rs. 600 crores is in excess of paid up capital and its free reserves, the proposal requires the approval of shareholders by means of a special resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives is, in anyway, concerned or interested, financially or otherwise, in the resolution set out at item no. 3 of the Notice.

Your Directors recommend the above Special Resolution in item no. 3 for your approval.

Item No. 4: Charge / Mortgage on Assets

For creation of security through mortgage or pledge/ or hypothecation or otherwise of the movable and immovable properties and assets of the company or through a combination of the above for securing the limits/ credit/ debt facilities as may be sanctioned by the lenders, and / or for securing the issuance of debentures/ bonds/ and other instruments, the Company would be required to secure all or any of the movable and immovable assets and properties of the Company, present and future.

Section 180(1)(a) of the Companies Act, 2013, provides that the Board of Directors of a Company shall not, without the consent of members in general meeting, sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company. Hence it is necessary for the members to pass a special resolution under Section 180(1)(a) of the Companies Act, 2013 authorizing the Board of Directors or its committees to mortgage/ charge/ hypothecate or otherwise create security against the properties and/or the whole or substantially the whole of the undertaking of the Company.

None of the Directors or Key Managerial Personnel of the Company or their relatives are, in anyway, concerned or interested, financially or otherwise, in the resolution set out at item no. 4 of the Notice.

The Board recommends the Special Resolution set out at item no. 4 of the Notice for approval by the shareholders.

Item No.5: Offer / invitation to subscribe to Non-Convertible Debentures on private placement basis

Section 42 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 prescribed under and Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 deals with private placement of securities by a company. Second proviso of Sub-rule (1) of the Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, provides that in case of an offer or invitation to subscribe for non-convertible debentures on private placement basis, it is sufficient if the company obtains previous approval of its shareholders by means of a special resolution only once in a year for all the offers or invitations for such debentures during the year.

As part of its fund raising plans for the next 12 months of the Company, your Company proposes to issue Non-Convertible Debentures (NCDs) on a private placement basis to institutions, mutual funds, bodies corporate, and other persons, both domestic and non-domestic. The Company may offer or invite subscription for Secured Redeemable Non-Convertible Debentures, in one or more series / tranches on private placement.

In this context, approval of the shareholders is being sought for issuance / offer of NCDs aggregating upto Rs 150 Crores by way of a special resolution as set out at item no. 5 of the Notice.

Aptus Finance India Private Limited
8B, Doshi Towers, 205, Poonamallee High Road, Kilpauk, Chennai – 600 010.
Tel: 044 – 4565 0000, Fax: 044 – 4555 4170
CIN: U74900TN2015PTC102252
www.aptusfinance.com

This resolution enables the Company to offer or invite subscription for non-convertible debentures, as may be required by the Company, from time to time for a year from the conclusion of this General Meeting.

None of the Directors or Key Managerial Personnel of the Company or their relatives are, in anyway, concerned or interested, financially or otherwise, in the resolution set out at item no. 5 of the Notice.

By Order of the Board
For Aptus Finance India Private Limited

Sd

Jyoti Munot
Company Secretary
Membership no. A56971

Chennai
29th May 2020

Aptus Finance India Private Limited
8B, Doshi Towers, 205, Poonamallee High Road, Kilpauk, Chennai – 600 010.
Tel: 044 – 4565 0000, Fax: 044 – 4555 4170
CIN: U74900TN2015PTC102252
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ANNEXURE A

FORM No. MGT – 11

Proxy Form

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

CIN: U74900TN2015PTC102252

Name of the Company: APTUS FINANCE INDIA PRIVATE LIMITED

Registered Office: No. 8B, Doshi Towers, 8th Floor, No. 205, Poonamallee High Road, Kilpauk, Chennai, Tamilnadu – 600010.

Website: www.aptusindia.com

Name of the Member (s) :
Registered address :
E-mail id :
Folio No. / Client Id :
DP ID :

I / We, being the member(s) of
, hereby appoint :

1. Name :
Address :

E-mail Id :
Signature : , or failing him / her

2. Name :
Address :

E-mail Id :
Signature : , or failing him /her

3. Name :
Address :

E-mail Id :

Signature : , or failing him / her

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the Annual General Meeting of the Company, to be held on Monday, 10th August 2020 at 11:00 AM at No.8B, Doshi Towers, 8th Floor, No. 205, Poonamallee High Road, Kilpauk, Chennai – 600010 and at any adjournment thereof, in respect of such resolutions set out in the notice convening the meeting, as are indicated below:

S. No	Resolutions	For	Against
1	To consider and adopt the audited financial statements for the financial year ended 31st March 2020		
2	To appoint Mr. Suman Bollina (DIN: 07136443) who retires by rotation and being eligible, offers himself for re-appointment as Non-Executive Director liable to retire by rotation.		
3	Fixing of Borrowing Limits		
4	Charge / Mortgage on Assets		
5	Offer / invitation to subscribe to Non-Convertible Debentures on private placement basis		

Signed this ……. day of …..…………….…, 2020

Affix Revenue Stamp here

Signature of Shareholder

Signature of Proxy Holder (s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the Meeting.

ANNEXURE B

Attendance Slip

(Please complete this attendance slip and hand it over at the entrance of the Hall)

I hereby record my presence at the 5th Annual General Meeting of the Company, Aptus Finance India Private Limited will be held on Monday, 10th August 2020 at 11:00 AM at No. 8B, Doshi Towers, 8th Floor, No. 205, Poonamallee High Road, Kilpauk, Chennai, Tamilnadu – 600010.

Regd. Folio No:

DP Id / Client Id:

Full Name of the Shareholder in Block Letters:

No. of Share held:

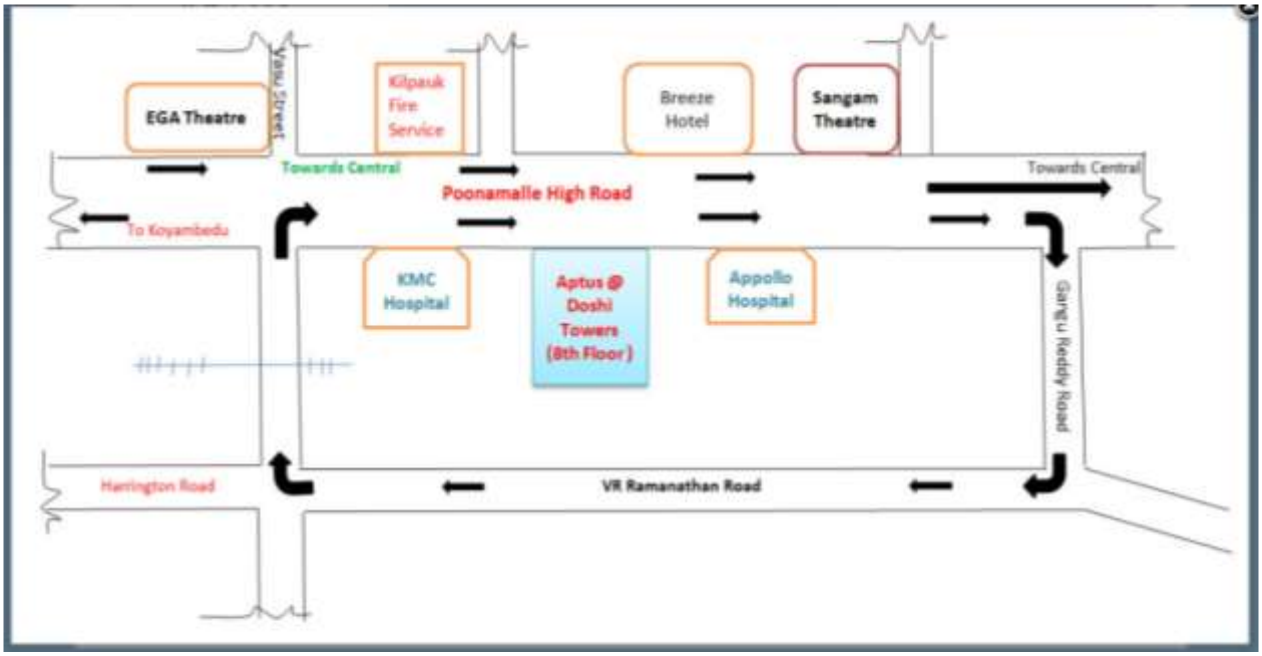
Name of the representative or proxy (if any) in Block Letters:

____

Signature of the Shareholder/Proxy/Representative

ANNEXURE C

Route Map to the Venue



APTUS FINANCE INDIA PRIVATE LIMITED
Regd. Office: No. 8B, Doshi Towers, 8th Floor, No.205,
Poonamallee High Road, Kilpauk, Chennai – 600 010.
CIN: U74900TN2015PTC102252
Email id: balaji.p@aptusindia.com
Phone: 044 45650000, Website: www.aptusfinance.com

Directors Report

Your directors have pleasure in presenting the Fifth Annual report together with the audited financial statements of the company for the financial year ended March 31, 2020. The summarised financial results of the Company are presented hereunder:

1. Financial Results

Particulars	(Rs. in lakhs) For the Financial Year ended March 31, 2020	(Rs. in lakhs) For the Financial Year ended March 31, 2019
Total Income	7594	2475
Less: Expenditure including depreciation	3584	1181
Profit before taxation	4010	1294
Profit after taxation	2986	905

2. Operational Highlights

2.1 Sanctions and Disbursements

During the year under review, your Company sanctioned loans worth Rs. 300 crores as compared with the sanctions of Rs. 220 crores during the previous year. Your Company disbursed loans worth Rs. 261 crores during the year under review as compared with the disbursements of Rs.196 crores during the previous year, representing a growth of 33%.

2.2 Loan Assets

The total Assets under Management of Aptus stood at Rs. 436 crores as at March 31, 2020 as against Rs. 218 crores as at March 31, 2019, thereby registering a growth of 100%.

2.3 Branch Expansion

During the year under review, your Company expanded its distribution network in every state where it operates. Distribution network of 175 branches as on March 31, 2020 of parent company, Aptus Value Housing Finance India Limited is being used for the business operations of the company.

2.4 Income and Profits

During the year under review, your Company's Gross Income grew by 2 times to Rs. 76 crores as at March 31, 2020 as against Rs. 25 crores as at March 31, 2019. The Profit before tax for the year ended March 31, 2020 stood at Rs. 40.10 crores translating into an increase of 2.1 times over Rs. 12.95 crores in the corresponding period of the previous year. The Profit after Tax (PAT) stood at Rs. 29.86 cores which was 2.3 times higher over the PAT of Rs. 9.05 crores in the previous financial year. The net-worth of the Company stood at Rs. 190 crores as on March 31, 2020.

2.5 Asset Quality

Your Company closed the financial year 2019 - 20 with a Gross NPA of 0.15%. These levels, one of the best in the industry, have been maintained by Aptus since inception. This would not have been possible but for the replication of the excellent systems and processes formulated in the parent company in relation to originating loan proposals from customers and strong adherence to laid down policies in terms of credit, legal, technical and collections. The above organizational strengths coupled with very good quality of portfolio gives us confidence to aspire for more profitable and aggressive growth in the years to come.

2.6 Resource Mobilization

During the year 2019-20, resources were mobilized in the following forms:

a. Equity Raise

The Company is a wholly owned subsidiary of M/s Aptus Value Housing Finance India Limited (Holding Company). During the year under review, the company issued and allotted 1,08,00,000 equity shares of Rs. 10/- each at premium of Rs. 46/- each aggregating to Rs. 60.48 crores to the Holding Company. The paid up equity share capital of the Company as on March 31, 2020 stands at Rs. 100.80 crores comprising of 10,08,00,000 equity shares of Rs. 10/- each.

Consequent to this the Company's net worth got further strengthened at Rs. 190 crores as on March 31, 2020 as against Rs. 99 crores in the previous year.

b. Term loans and NCDs

During the year under review, the company raised resources both by way of term loan from banks and issuance of NCDs. Total resources raised were to the tune of Rs. 150 crores (including Rs. 50 crores out of issuance of 5000 Secured, Rated, Senior, Redeemable Non- Convertible Debentures of Rs. 1,00,000/- each) . All these were long term loans with a tenor of 4 to 5 years. There were no short term funds raised in the form of CC limits/WCDL.

3. **Credit Rating:** During the year 2019-20, the credit rating of your company was upgraded from A to A+ by CARE.

4. **Change in nature of business**

   There is no change in the nature of business of your Company during the year under review.

5. **Amounts Transferred to Reserves**

   Your Company has transferred Rs. 5.97 crores to Statutory Reserve representing the Reserve fund created under Section 45-IC of the Reserve Bank of India Act, 1934.

   In terms of the requirement as per RBI notification no. RBl/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 on Implementation of Indian Accounting Standards, Non-Banking Financial Companies (NBFCs) are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and Income Recognition, Asset Classification and Provisioning (IRACP) norms (including provision on standard assets). Accordingly the Company has transferred Rs. 0.90 crores to Impairment Reserve.

6. **Dividend**

   Your directors do not recommend any dividend for the financial year in order to conserve its resources for future growth.

7. **Corona virus disease (COVID-19) pandemic**

   To contain the spread of Covid-19 virus, Government enforced lock down of all economic activities. The primary focus of your Company was to ensure safety and wellbeing of all its employees. The business continuity planning program of the Company was used effectively to manage its operations through this crisis. Your Company provided work from home facility to its employees, wherever possible, across all its branches and at the head office and took all reasonable steps to ensure continued service delivery to its customers. During these times, the Company's offices worked with minimal staff with necessary safety measures.

   The Company had also given option to its customers to avail moratorium for payment of installments falling due between March 1, 2020 and May 31, 2020 as a part of the COVID-19 Regulatory package announced by the Reserve Bank of India vide its circular dated March 27, 2020.

   Your Company has made donations of Rs 5 lakhs to PM CARES fund as part of its CSR initiatives.

8. **Statutory and Regulatory Compliance**

   The Company has complied with the applicable statutory provisions, including those of the Companies Act, 2013 and the Income-tax Act, 1961. Further, the Company has complied with

Reserve Bank of India (RBI) Regulations, Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and Foreign Exchange Management Act, 1999 and the Regulations thereunder.

Your Company has also complied with the provisions of the Secretarial Standard 1 (SS-1) and Secretarial Standard 2 (SS-2) issued by the Institute of Company Secretaries of India relating to 'Meetings of Board of Directors' and 'General Meetings' respectively.

9. Disclosure regarding issue of Employee Stock Options

Your Company has not implemented any Employees Stock Option Scheme.

10. Annual Return

As per Section 134 (3) (a) of the Companies Act, 2013, annual return referred to in Section 92(3) of the act has been placed at the web address as given below:
www.aptusfinance.com

As per Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in Form MGT-9 is enclosed and forms part of this report as **Annexure A**.

11. Maintenance of cost records and cost audit

Maintenance of cost records and requirements of cost audit as prescribed under the provisions of section 148(1) of the Act is not applicable for the business activities carried out by the company.

12. Internal Financial Controls

Your Company has an internal control system, commensurate with the size, scale and complexity of its operations. The Internal Auditors review internal control and risk-management measures, accounting procedures, highlight areas requiring attention, and report their main findings and recommendations to the Audit Committee. The Audit Committee regularly reviews the audit findings and action taken thereon, as well as the adequacy and effectiveness of the internal financial systems and controls. Statutory Auditors, MSKA & Associates have also reviewed the internal controls systems as existing in the Company and have given an unmodified opinion on the same.

13. Risk Management Policy

The Company has constituted a Risk Management Committee which is responsible for putting in place a risk management system, risk management policy and strategy to be followed by the Company.

As per this, various risks identified are as follows:
• Credit risk

• Liquidity risk
• Interest rate risk
• Operational risk

The Risk Management Committee along with the Asset Liability Management Committee reviews and monitors these risks at regular intervals.

Credit risk of the Company is managed through credit norms in line with the business requirements and also following a practice of personally assessing every borrower through rigorous credit evaluation including personal visits, physical verification etc to assess their credit worthiness.

The running of efficient NBFC Loan Company depends on careful assessment and effective management of Operational, Market and Reputation risks in addition to Credit risk. The Company has put in place efficient risk management policies, systems and processes that seek to strike an appropriate balance between risk and returns. These include efficient risk management measures, such as assessing the applicant's credit history with credit information bureaus, field investigation of the applicant's credentials, adoption of prudent Loan to value ratio and analysis of the borrower's debt service capacity, monitoring the end use of approved loans, lending only against approved properties, risk based loan pricing and property insurance.

Your Company has employed qualified technical and legal team to value properties, track property price movements and scrutiny of legal documents.

A separate collection vertical has been set up to monitor recovery of dues from the borrowers. The recovery team constantly follows up with the borrowers for the collection of the outstanding dues.

Liquidity risks are managed through ongoing monitoring of Asset Liability mismatch and interest rate risks are managed through regular monitoring of maturity profiles of borrowings and advances to customers.

Operational risks arising from inadequate internal processes, people and systems or from external events are adequately addressed by the internal control system and are continuously reviewed and monitored. The senior management team regularly assesses the risks and takes appropriate measure to mitigate them. Process improvements and quality control are on-going activities and are built into the employee training modules as well. The Company has well documented systems to ensure better control over transaction processing and regulatory compliance.

14. Details of Directors and Key Managerial Personnel

As on date of this report, your company's Board of Directors comprises of the following members, namely:

1. Mr. S Krishnamurthy, Independent Director, Chairman (DIN: 00066044)

2. Mr. K M Mohandass, Independent Director (DIN: 00707839)
3. Mr. Suman Bollina, Non-Executive Director (DIN: 07136443)
4. Mr. P. Balaji, Non-Executive Director (DIN: 07904681)

Mr. P Balaji, (DIN: 07904681) retired by rotation at the previous Annual General Meeting held on August 07, 2019 and was re-appointed as a Non-Executive Director.

Mr. Suman Bollina, (DIN: 07136443) will be retiring by rotation at the ensuing 5th Annual General Meeting and is seeking re-appointment.

As on date of this report, your company's Key Managerial Personnel of the Company are:

1. Ms Laxmi, Manager & CFO
2. Ms. Jyoti Munot, Company Secretary

During the financial year, there was no change in the composition of Board of Directors and Key Managerial Personnel of the Company.

15. Number of Board Meetings

During the financial year ended 31st March 2020, four (4) Board Meetings were held on May 10, 2019, August 08, 2019, November 05, 2019 and February 13, 2020 respectively. The gap between two meetings was not more than 120 days.

Particulars of the Directors' attendance to the Board Meetings are given below:

Name	**Nature of Directorship**	**Attendance**
Mr S Krishnamurthy	Independent Director	4
Mr K M Mohandass	Independent Director	3
Mr Suman Bollina	Non – Executive Director	3
Mr P. Balaji	Non – Executive Director	4

16. Committees

Details on composition of various Committees of the Board and number of meetings of the Committees are given below:-

A. Audit Committee

The Audit Committee consists of the following members:

1. Mr. K M Mohandass, Chairman
2. Mr. S Krishnamurthy
3. Mr. P Balaji

The Audit Committee of the Board met four (4) times during the year on May 10, 2019, August 8, 2019, November 5, 2019 and February 13, 2020 respectively.

B. Nomination & Remuneration Committee

The Nomination & Remuneration Committee consists of the following members:

1. Mr. S Krishnamurthy, Chairman
2. Mr. K M Mohandass
3. Mr. Suman Bollina

The Nomination & Remuneration Committee of the Board met once during the year on May 10, 2019.

C. Resourcing & Business Committee

The Resourcing & Business Committee consists of the following members:

1. Mr. S Krishnamurthy
2. Mr. K M Mohandass
3. Mr. P Balaji

The Resourcing & Business Committee of the Board met six (6) times during the year on May 7, 2019, June 28, 2019, September 27, 2019, December 2, 2019, March 4, 2020 and March 19, 2020.

D. Corporate Social Responsibility Committee

The Committee consists of following members:

1. Mr. K M Mohandass, Chairman
2. Mr. S Krishnamurthy
3. Mr. Suman Bollina

The Corporate Social Responsibility Committee of the Board met once during the year on February 13, 2020.

17. Statutory Auditors

M/s MSKA & Associates, Chartered Accountants (Part of BDO India LLP) were appointed as the statutory auditors of the Company at the 1st Annual General Meeting (AGM) of the shareholders held on August 11, 2016, to hold office from the conclusion of the 1st AGM upto the conclusion of the 6th AGM on such remuneration as may be fixed in this behalf by the Board of Directors of the Company in consultation with them.

The Statutory Auditor’s Report on the Accounts for the year ended March 31, 2020 does not contain any qualification, reservation, observation or adverse remark. There were no frauds detected or reported by the Auditors under sub-section (12) of section 143 of the Companies Act, 2013 during the year.

Secretarial Auditor

Mr. S Sandeep from M/s S Sandeep & Associates, Company Secretaries was appointed to conduct the secretarial audit of the Company for the financial year 2019 - 20, as required under Section 204 of the Companies Act, 2013 and rules made thereunder.

The secretarial audit report for the financial year ended March 31, 2020 forms part of this Annual report as **Annexure B** to Board's Report and does not contain any qualifications, reservations or adverse remark.

18. Maintenance of cost records and cost audit

Maintenance of cost records and requirements of cost audit as prescribed under the provisions of section 148(1) of the Act is not applicable for the business activities carried out by the company.

19. Particulars of Contracts or Arrangements with Related parties

During the financial year, the Company has entered into contracts or arrangements with Related Parties. The Company has framed a Related Party Transaction (RPT) policy for the Company as per the Companies Act 2013.

The RPT policy along with the details of the related party transactions in Form AOC-2 for the financial year 2019-20 is enclosed as **Annexure C** to this report.

20. Material Changes Affecting the Financial Position of the Company.

There are no material changes and commitments between March 31, 2020 and the date of this report having an adverse bearing on the financial position of the Company.

21. Conservation of Energy, Technological Absorption & Foreign Exchange Earnings / Outgo

(i) Conservation of Energy & Technological Absorption

The Company does not have any activity relating to conservation of energy and technical absorption and does not own any manufacturing facility. Hence the requirement of disclosure of particulars relating to conservation of energy and technology absorption in terms of Section 134 of the Companies Act, 2013 and the Rules framed there under is not applicable.

(ii) Foreign Exchange Earnings/Outgo

Your Company does not have any earnings or expenditure in foreign currency during the financial year ended March 31, 2020.

22. **Particulars of Loans, Guarantees or Investments under Section 186 of Companies Act, 2013**

During the year under review, the Company had not granted any loans or guarantees or made any investments under Section 186 of the Companies Act, 2013.

23. **Details of Significant & Material Orders passed by the Regulators or court or tribunal**

During the financial year, there are no significant and material orders passed by the regulators or Courts or Tribunals impacting the going concern status and your company's operations in future.

24. **Deposits**

Your Company has not accepted any deposits from the public during the financial year ended March 31, 2020.

25. **Declaration from Independent Directors**

The Company has received declarations from all the Independent Directors to the effect that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

26. **Corporate Social Responsibility Policy (CSR)**

The Company has duly constituted a Corporate Social Responsibility Committee as per the provisions of Section 135 of the Companies Act, 2013 and devised a policy for the implementation of the CSR framework, broadly defining the areas of spending for its promotion / development, of at least two percent of the average net profits made during the last three immediately preceding financial years on the activities mentioned under Schedule VII to the Companies Act, 2013.

The CSR Committee monitors the Policy of the Company from time to time and endeavours to ensure that the requisite amount is spent on CSR activities as per the framework.

A report on CSR is attached as **Annexure D** to this Report.

The CSR policy of the Company has been placed in the website of the Company at www.aptusfinance.com.

27. **Formal Annual Evaluation**

As per the provisions of the Companies Act, 2013, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Committees. A structured exercise was carried out based on the criteria for evaluation forming part of the Policy on appointment, remuneration and evaluation of the Directors, Key Managerial Personnel and Senior Management and the inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its committee, attendance at meetings, Board culture, duties of directors, and governance. The aforesaid policy is accessible on the website of the company namely www.aptusfinance.com.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its stakeholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors. The Directors have expressed their satisfaction with the evaluation process.

28. Whistle Blower Policy & Vigil Mechanism

Your Company has established a Vigil Mechanism & has adopted a Whistle Blower Policy for directors and employees to report their genuine concerns to the Chairman of the Audit Committee. The Whistle Blower Policy has been formulated with a view to provide a mechanism for employees and directors to approach the Audit Committee of the Company.

29. Policy on Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013

The Company is not required to put in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. However, during the financial year under review, no complaint of sexual harassment was received and there were no unresolved complaints as at March 31, 2020.

30. Directors' Responsibility Statement

The Board of Directors have instituted/put in place a framework of internal financial controls and compliance systems, which is reviewed by the management and the relevant board committees, including the audit committee and independently reviewed by the internal, statutory and secretarial auditors.

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors confirm that:

(i) in the preparation of the annual accounts, the applicable accounting standards have been followed and that there were no material departures therefrom;
(ii) they have, in the selection of the accounting policies, consulted the statutory auditors and have applied their recommendations consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the company as at March 31, 2020 and the profit of the company for the year ended on that date;
(iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the company and for preventing and detecting

fraud and other irregularities;

(iv) they have prepared the annual accounts on a going concern basis;

(v) they have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

(vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Acknowledgement

Your Directors wish to thank the customers, bankers, the Holding Company and its Board, service agencies, other stakeholders' and Reserve Bank of India and other regulatory authorities for their cooperation and continued support.

For and on behalf of the Board of Directors

S Krishnamurthy
Chairman
(DIN: 00066044)

Chennai
May 29, 2020

ANNEXURE A

FORM No. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2020

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

(As per Section 134 (3)(a) of the Companies Act, 2013, the annual return for the Financial Year ended March 31, 2020, forming part of the Board's Report is given in the web address.)

REGISTRATION & OTHER DETAILS:		
1	CIN	U74900TN2015PTC102252
2	Registration Date	18/09/2015
3	Name of the Company	APTUS FINANCE INDIA PRIVATE LIMITED
4	Category/Sub-category of the Company	Company Limited by Shares
5	Address of the Registered office & contact details	No. 8B, Doshi Towers, 8th Floor, No. 205, Poonamallee High Road, Kilpauk, Chennai, Tamil Nadu – 600010.
6	Whether listed company	No
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Nil

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)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Housing Finance & Non Housing Finance	As per National Industrial Classification – 2008: Section K - Financial and Insurance Activities Division 64 – Financial service activities, except insurance and pension funding.	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Aptus Value Housing Finance India Limited	U65922TN2009PLC073881	Holding	100%	2(87)

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	-	100	100	0%	-	100	100	0%	0.00%
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.		8,99,99,900	8,99,99,900	100%	-	10,07,99,900	10,07,99,900	100%	0.00%
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (1)	-	9,00,00,000	9,00,00,000	100%	-	10,07,99,900	10,07,99,900	100%	0.00%
(2) Foreign									
a) NRI Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-			-	-
d) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (2)	-	-	-	-	-	-	-	-	-
TOTAL (A)	-	9,00,00,000	9,00,00,000	100%	-	10,08,00,000	10,08,00,000	100%	0.00%
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-

b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-		-	-	-	-
b) Individuals								-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-

Non Resident Indians	-	-	-	-		-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	-	-	-	-	-	-	-	-
Total Public (B)	-	-	-	-		-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	9,00,00,000	9,00,00,000	100.00%	-	10,08,00,000	10,08,00,000	100%	0.00%

(ii) Shareholding of Promoters

S. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	M Anandan (Nominee of Aptus Value Housing Finance India Limited)	100	0.00%	-	100	0.00%	-	0.00%
2	M/s Aptus Value Housing Finance India Limited (Holding Company)	8,99,99,900	100%	-	10,07,99,900	100%	-	0.00%

(iii) Change in Promoters' Shareholding:

Aptus Value Housing Finance India Limited

S. No	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
1	At the beginning of the year	9,00,00,000	100%	9,00,00,000	100%
2	Allotment made on 2nd December, 2019	1,08,00,000	100%	10,08,00,000	100%
3	At the end of the year	10,08,00,000	100%	10,08,00,000	100%

(v) Shareholding of Directors and Key Managerial Personnel

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
Not applicable					

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Rs. in crores)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	113.15	-	-	113.15
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1.49	-	-	1.49
Total (i+ii+iii)	114.64	-	-	114.64
Change in Indebtedness during the financial year				
* Addition	192.45	-	-	192.45
* Reduction	(64.27)	-	-	(64.27)
Net Change	128.18	-	-	128.18
Indebtedness at the end of the financial year				
i) Principal Amount	242.27	-	-	242.27
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.55	-	-	0.55
Total (i+ii+iii)	242.82	-	-	242.82

B. **Remuneration to other Directors**

Particulars of Remuneration (Name of Directors)	**Mr K M Mohandass**	**Mr S Krishnamurthy**	**Total Amount**
			(Rs/Lakhs)
Independent Directors			
Fee for attending board and committee meetings	0.85	1.00	1.85
Commission	2.00	2.00	4.00
Others, please specify	-	-	-
Total (A)	**2.85**	**3.00**	**5.85**
Other Non-Executive Directors	**Suman Bollina**	**P Balaji**	
Fee for attending board and committee meetings	0.40	-	0.40
Commission	2.00	-	2.00
Others, please specify	-	-	-
Total (B)	**2.40**	**-**	**2.40**
Total Managerial Remuneration (A+B)	**5.25**	**3.00**	**8.25**

C. Remuneration of Key Managerial Personnel

SN.	**Particulars of Remuneration**	**Name of Key Managerial Personnel**		
	Name	Laxmi Sidhar	Jyoti Munot	Total Amount (Rs/Lakhs)
	Designation	Manager & CFO	CS	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	22.05	1.80	23.85
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	
4	Commission			
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify	-	-	-
	Total	22.05	1.80	23.85

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	**Not applicable**				
Punishment					
Compounding					
B. DIRECTORS - NA					
Penalty	**Not applicable**				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT – NA					
Penalty	**Not applicable**				
Punishment					
Compounding					

For and on behalf of the Board of Directors
S Krishnamurthy

sd/-
Chairman
DIN: 00066044

Chennai
May 29, 2020

ANNEXURE B

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

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

To,
The Members,

APTUS FINANCE INDIA PRIVATE LIMITED
No 8B, Doshi Towers 8th Floor, No.205, Poonamallee High Road,
Kilpauk, Chennai -600 010

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices of M/s. APTUS FINANCE INDIA PRIVATE LIMITED (CIN: U74900TN2015PTC102252) (hereinafter called "the Company"). The 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 and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2020, has 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, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020 according to the provisions of:

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

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder as applicable to the Company;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder as applicable to the Company.

iv. The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent as applicable to the Company. The Company does not have any Foreign Direct Investment, External Commercial Borrowings and Overseas Direct Investment.

v. The Company has materially complied with the following laws to the extent applicable specifically to the Non-Banking Financial Company identified (NBFC):

   (a) Reserve Bank of India Act, 1934, and the RBI Directions and Guidelines as applicable to NBFCs;
   (b) The Prevention of Money Laundering Act, 2002

We have also examined compliance with the applicable regulations of the Secretarial Standards (SS-1) for Board Meeting and Secretarial Standards (SS-2) for General Meetings issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the applicable Acts, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive, Non-Executive Directors and Independent Directors and there were no changes in the composition of the Board of Directors during the period under review.

Adequate notice is given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance as per the applicable provisions of the Act, and a proper system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. As per the minutes of the meeting, majority decision is carried through and there were no dissenting views of the members.

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 audit period the Company has allotted:

a. 5000 Secured Rated Unlisted Redeemable Non-Convertible Debentures amounting to Rs. 50,00,00,000/- (Rupees Fifty crores only) on May 07, 2019 by way of private placement.

b. 1,08,00,000 Equity Shares of Rs. 10/- each at premium of Rs. 46/- each aggregating to Rs. 60,48,00,000/- on December 02, 2019 by way of rights issue.

c. passed a special resolution under Section 180(1)(c) of the Act at the extra-ordinary general meeting held on April 29, 2019 fixing the borrowing limits as Rs. 600 Crores.

d. passed a special resolution under Section 42 and 71 of the Act at the extra-ordinary general meeting held on April 29, 2019 for private placement of debentures up to a sum of Rs. 150 Crores.

For S Sandeep & Associates

Place: Chennai
Date: May 29, 2020

sd/-
S Sandeep
Managing Partner
FCS No.5853
COP: 5987
UDIN: F005853B000331585

ANNEXURE C

APTUS FINANCE INDIA PRIVATE LIMITED

RELATED PARTY TRANSACTION POLICY

Aptus Finance India Private Limited (Subsidiary Company) which has been incorporated under the Companies Act, 2013 (CIN: U74900TN2015PTC102252) having its registered office at No. 8B, Doshi Towers, 8th Floor, No. 205, Poonamallee High Road, Kilpauk Chennai – 600010 is a wholly owned subsidiary of M/s. Aptus Value Housing Finance India Limited (Holding Company) a public limited debt listed company incorporated under the Companies Act, 1956 (CIN: U65922TN2009PLC073881) having its registered office at No. 8B, Doshi Towers, 8th Floor, No. 205, Poonamallee High Road, Kilpauk Chennai – 600010

The holding company would be providing / sharing its infrastructure and resources to / with the subsidiary company. These transactions which are proposed between the holding company and subsidiary company would fall under the purview of Related Party Transactions as dealt with under Section 188 of the Companies Act, 2013 and the rules made thereunder and other applicable laws.

This policy, namely, the related party transaction policy is being formulated and is to be implemented to address these aspects.

This policy seeks to address 2 points.

1. Identification and disclosure of Related Party Transactions (RPT)
2. Lay down transfer pricing norms between the holding company and the subsidiary company.

WHO IS A RELATED PARTY

As per Section 2(76) of the Companies Act, 2013 ―related party, with reference to a company, means―.

- A director or his relative
- Key Managerial Personnel or his relative
- A firm, in which a director, manager or his relative is a partner
- A private company in which a director or manager is a member or director

- A public company in which a director or manager is a director and holds along with his relatives, more than 2% of its paid-up share capital
- A body corporate whose board, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager, except if advice/ directions/ instructions are given in the professional capacity
- Any person on whose advice, directions or instructions a director or manager is accustomed to act, except if advice/ directions/ instructions are given in the professional capacity
- Any company which is:
    - A holding, subsidiary or an associate company of such company, or
    - A subsidiary of a holding company to which it is also a subsidiary
- Such other persons as may be prescribed

As can be clearly seen from the above, holding and subsidiary companies fall into the category of Related Party and hence transactions between these 2 entities will have to be disclosed in the accounts / financial statements as Related party transactions and necessary approvals are required o be obtained from the Audit Committee, Board of Directors and the shareholders, as the case may be as laid down under the Companies Act, 2013 and the rules made thereunder and other applicable laws.

RELATED PARTY TRANSACTIONS

The following transactions would be disclosed as Related party Transactions:

1. Investment by the Holding company into the subsidiary company
2. Other transactions between the holding company and subsidiary company

In the transactions above, the investment by the holding company into the subsidiary needs no further explanation. However, it is essential to cover the other transactions that could be entered into between the holding company and the subsidiary company.

OTHER TRANSACTIONS BETWEEN THE HOLDING COMPANY AND SUBSIDIARY COMPANY

The holding company would be providing sharing its infrastructure and resources to / with the subsidiary company, it becomes necessary for the holding company to transfer /

allocate costs / expenses appropriately and proportionately to the subsidiary company to ensure that such transactions are done on an arm's length basis.

All the costs / expenses that are incurred by the subsidiary company directly would be booked in the books of the subsidiary. However, the costs / expenses incurred by the holding where a portion of the benefits / services are utilized / accrue by / to the subsidiary company, such costs / expenses would need to be shared between the 2 entities. Such costs / expenses are listed below.

a. **Personnel costs** – The holding company would be providing or deputing its employees and personnel to manage, administer and handle the business of the subsidiary company in all areas including collections, legal, disbursements, software, customer care, marketing, etc. The holding company would be providing or deputing all kinds and types of employees and personnel who are on the rolls of the holding company to the subsidiary company including Senior Management personnel, Key Management Personnel, Managers, Cashiers, etc. Their costs would have to be proportionately and appropriately transferred / allocated to the subsidiary company.

b. **Expenses for shared infrastructure and resources** – The holding company would be sharing all kinds and types of its infrastructure, assets and resources with the subsidiary company like registered office premises, branch offices and premises, storage premises, servers, computers, work stations, hardware and peripherals, telephone and mobile connections, broad band and internet connectivity, logos, stationery, electricity, etc. Hence the expenses pertaining to such infrastructure, assets and resources like rent, electricity charges, repairs & maintenance, communication expenses, software expenses, stationery expenses, etc. would be shared between the holding company and the subsidiary company.

METHODOLOGY FOR ALLOCATION OF SHARED COSTS

The shared costs / expenses enumerated above would be shared / apportioned between the holding company and subsidiary company in the proportion to the average AUM (Assets under Management) for the relevant period.

The sharing / apportionment ratio may be modified during the course of the financial year with the approval of the Audit Committee / Board.

The Related Party Transactions are to be reviewed by the Audit Committee / Board on a quarterly basis.

Form No. AOC - 2
(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8 (2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of material contracts or arrangement or transactions not at arm's length basis:

Name of the related party and nature of relationship	Aptus Value Housing Finance India Limited, Holding Company
Nature of contracts/ arrangements/ transactions	Shared support charges
Duration of the contracts/ arrangements/ transactions	Ongoing
Salient terms of the contracts or arrangements or transactions including the value, if any	The holding company would be providing sharing its infrastructure and resources to / with the subsidiary company, it becomes necessary for the holding company to transfer / allocate costs / expenses appropriately and proportionately to the subsidiary company to ensure that such transactions are done on an arm's length basis.
Justification for entering into such contracts/ arrangements/ transactions	All the costs / expenses that are incurred by the subsidiary company directly would be booked in the books of the subsidiary. However, the costs / expenses incurred by the holding where a portion of the benefits / services are utilized / accrue by / to the subsidiary company, such costs / expenses would need to be shared between the 2 entities. The same is in the ordinary course of business.
Date of approval by the Board	On May 10, 2019, the Board reviewed and approved the Related Party Transaction Policy.
Amount paid as advance, if any	-
Date on which the special resolution was passed in general meeting as required under the first proviso to section 188	Not Applicable

For and on behalf of the Board of Directors
S Krishnamurthy
Chairman
(DIN: 00066044)

Chennai
May 29, 2020

ANNEXURE D

REPORT ON CORPORATE SOCIAL RESPONSIBILITY

Brief outline of the Company's CSR policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

Aptus is a growing company and is committed towards social welfare of the common people as it caters the needs of self-employed, informal segment of customers, belonging to middle income, primarily from semi urban and rural markets. The Company shall seek to positively impact the lives of the disadvantaged by supporting and engaging in activities that aim to improve their wellbeing.

Your company would be undertaking the CSR activities as listed in Schedule VII and Section 135 of the Companies Act, 2013 and the Rules framed thereunder.

The Company's CSR policy has been uploaded in the website of the Company www.aptusfinance.com

Composition of the CSR Committee

Mr S Krishnamurthy, Indepenent Director (DIN: 00066044)
Mr K M Mohandass, Independent Director (DIN: 00707839)
Mr Suman Bollina, Non –Executive Director (DIN: 07136443)

Average net profit of the Company for the last three financial years
Average net profit: Rs. 471.52 lakhs/-

Prescribed CSR expenditure (2% of the average net profit of the last three financial years)
The Company during the financial year 2019 - 20 is required to spend Rs. 9.43 lakhs towards CSR.

Details of CSR spent during the financial year:
a) Total amount spent for the financial year; Rs. 5 lakhs
b) Amount unspent, if any; Rs. 4.43 lakhs.

The Company made donation to Covid 19 relief fund – PM Cares Fund of Rs. 5 lakhs.

As regards the balance unspent CSR amount of about Rs. 4.43 Lakhs, it was noted that the Company is in the process of identifying CSR projects / avenues which can be aligned with the CSR initiatives of the holding company, and also with business of the company and the areas in which it operates.

The CSR committee confirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and Policy of the company.

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	CSR project or activity Identified.	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads:	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency *
1	Covid 19 relief fund – PM Cares	Relief Activities	India	5.00 lakhs	Direct expenditure on project	5.00 lakhs	Spent directly by the Company
	TOTAL			5.00 lakhs		5.00 lakhs	

For and on behalf of the Board of Directors

sd/-
S Krishnamurthy
Chairman
(DIN: 00066044)

Chennai
May 29, 2020

MSKA
& Associates
Chartered Accountants

5th Floor, Main Building, Guna Complex,
New No. 443 & 445, Old No. 304 & 305,
Mount Road, Teynampet,
Chennai 600018, INDIA
Tel: + 91 44 6131 0200

INDEPENDENT AUDITORS' REPORT

To the Members of Aptus Finance India Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Aptus Finance India Private Limited** ("the Company"), which comprise the balance sheet as at March 31, 2020, and the statement of Profit and Loss, statement of changes in equity and statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013("the Act') in the manner so required and give a true and fair view in conformity with the Indian accounting standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended, and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and profit, changes in equity and its 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 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 (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Emphasis of Matter

We draw attention to Note 34 to the financial statements, which describes that the extent to which the COVID-19 Pandemic will impact the company's financial statements will depend on future developments, which are highly uncertain. Considering the circumstances as described in Note 34 to the financial statements, the company holds provision as at March 31, 2020 based on the information available at this point in time.

Our opinion is not modified in respect of this matter

Information Other than the Financial Statements and Auditor's Report Thereon

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

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

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books

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(c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account

(d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

    i. The Company does not have any pending litigations which would impact its financial position

    ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses on long term contracts. The Company does not have any derivative contracts. Refer Note 6 to the financial statements;

    iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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3. In our opinion, according to information, explanations given to us, the provisions of Section 197 of the Act and the rules thereunder are not applicable to the Company as it is a private Company.

For MSKA & Associates

Chartered Accountants
ICAI Firm Registration No. 105047W

Geetha J

Geetha Jeyakumar

Partner

Membership No. 029409

UDIN: 20029409AAAAEL9911

Place: Chennai
Date: May 29, 2020

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Chartered Accountants

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT ON EVEN DATE ON THE FINANCIAL STATEMENTS OF APTUS FINANCE INDIA PRIVATE LIMITED

Auditor's Responsibilities for the Audit of the Financial Statements

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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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.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Geetha K

Geetha Jeyakumar
Partner
Membership No. 029409
UDIN: 20029409AAAAEL9911

Place: Chennai
Date: May 29, 2020

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ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF APTUS FINANCE INDIA PRIVATE LIMITED FOR THE YEAR ENDED MARCH 31, 2020.

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

i.

(a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets (Property, Plant and Equipment).

(b) Fixed assets (Property, Plant and Equipment) have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) According to the information and explanations given to us, there are no immovable properties, and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.

ii. The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.

iii. The Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships (LLP) or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, the provisions stated in paragraph 3 (iii) (a) to (c) of the Order are not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, the Company has not either directly or indirectly, granted any loan to any of its directors or to any other person in whom the director is interested, in accordance with the provisions of section 185 of the Act and the Company has not made investments through more than two layers of investment companies in accordance with the provisions of section 186 of the Act. Accordingly, provisions stated in paragraph 3(iv) of the Order are not applicable to the Company.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under.

vi. The provisions of sub-section (1) of section 148 of the Act are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the services of the Company.

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vii.

(a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, goods and service tax, cess and any other statutory dues applicable to it.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the information and explanation given to us and the records of the Company examined by us, there are no dues of income tax, goods and service tax, customs duty, cess and any other statutory dues which have not been deposited on account of any dispute.

viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to the financial institution, bank or debenture holders.

ix. In our opinion, according to the information explanation provided to us, money raised by way of term loans during the year have been applied for the purpose for which they were raised. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year.

x. During the course of our audit, examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees.

xi. According to the information and explanations given to us, since the Company is a Private Company, the provisions of section 197 of the Act will not be applicable. Accordingly, the provisions stated in paragraph 3(xi) of the Order are not applicable to the Company.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) of the Order are not applicable to the Company.

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xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 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. The company is Private limited company under the definition of the Act, hence the provisions of section 177 of the Act is not applicable to the company.

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions stated in paragraph 3 (xiv) of the Order are 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 persons connected with him. Accordingly, provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.

xvi. The Company is required to, and has been registered under Section 45-IA of the Reserve Bank of India Act, 1934 as Non Deposit Accepting Non-Banking Financial Companies (NBFCs-ND).

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Geetha

Geetha Jeyakumar
Partner
Membership No. 029409
UDIN: 20029409AAAAEL9911

Place: Chennai
Date : May 29, 2020

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Chartered Accountants

ANNEXURE C TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF APTUS FINANCE INDIA PRIVATE LIMITED

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

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

We have audited the internal financial controls with reference to financial statements of **Aptus Finance India Private Limited** ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to 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 (ICAI) (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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls With Reference to Financial Statements

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

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Inherent Limitations of Internal Financial Controls With Reference to Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Geethak

Geetha Jeyakumar
Partner
Membership No. 029409
UDIN: 20029409AAAAEL9911

Place: Chennai
Date: May 29, 2020

Aptus Finance India Private Limited
Balance Sheet as at March 31, 2020

Rs. in lakhs

	Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
	ASSETS			
1	**Financial Assets**			
(a)	Cash and cash equivalents	4	225.51	33.50
(b)	Bank Balance other than (a) above	5	203.80	-
(c)	Loans	6	42,741.49	21,421.91
(d)	Other Financial assets	7	3.62	1.50
	TOTAL FINANCIAL ASSETS		**43,174.42**	**21,456.91**
2	**Non-financial Assets**			
(a)	Deferred tax assets (Net)	8	182.71	115.25
(b)	Property, plant and equipment	9A	0.09	0.16
(c)	Other Intangible assets	9B	1.21	2.41
(d)	Other non-financial assets	10	16.30	1.89
	TOTAL NON-FINANCIAL ASSETS		**200.31**	**119.71**
	TOTAL ASSETS		**43,374.73**	**21,576.62**
	LIABILITIES AND EQUITY			
	LIABILITIES			
1	**Financial Liabilities**			
(a)	Payables			
	Trade Payables			
	(i) total outstanding dues of micro enterprises and small enterprises		-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		24.91	31.50
(b)	Debt Securities	11	4,003.68	-
(c)	Borrowings (Other than Debt Securities)	12	20,277.89	11,464.35
(d)	Other financial liabilities	13	0.58	1.40
	TOTAL FINANCIAL LIABILITIES		**24,307.06**	**11,497.25**
2	**Non-Financial Liabilities**			
(a)	Current tax liabilities (Net)	14	56.78	97.50
(b)	Other non-financial liabilities	15	9.47	14.76
	TOTAL NON-FINANCIAL LIABILITIES		**66.25**	**112.26**
	TOTAL LIABILITIES		**24,373.31**	**11,609.51**
3	**EQUITY**			
(a)	Equity Share capital	16	10,080.00	9,000.00
(b)	Other Equity	17	8,921.42	967.11
	TOTAL EQUITY		**19,001.42**	**9,967.11**
	TOTAL LIABILITIES AND EQUITY		**43,374.73**	**21,576.62**
	The accompanying notes are integral part of the financial statements.			

As per our report of even date
For MSKA & Associates
Chartered Accountants
Firm's Registration. No.: 105047W

Geetha Jeyakumar
Partner
Membership No. 29409

Place : Chennai
Date : May 29, 2020

For and on behalf of the Board of Directors
Aptus Finance India Private Limited
CIN - U74900TN2015PTC102252

K M Mohandass
Director
(DIN: 00707839)

P Balaji
Director
(DIN: 07904681)

Laxmi Sridhar
Manager & CFO

Jyoti Munot
Company Secretary

Place : Chennai
Date : May 29, 2020

Aptus Finance India Private Limited

Statement of Profit and Loss for the year ended 31 March 2020

Rs. in lakhs

	Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
1	Revenue from operations			
	(a) Interest Income	18	7,000.99	2,191.19
	(b) Fees and Other charges	18	145.00	36.82
	Total Revenue from operations		7,145.99	2,228.01
2	Other income	19	447.62	247.31
3	Total Income (1+2)		**7,593.61**	**2,475.32**
4	**Expenses**			
	(a) Finance costs	20	2,277.10	572.80
	(b) Employee benefits expense	21	42.25	12.73
	(c) Depreciation and amortisation expense	9A & 9B	1.27	1.24
	(d) Other expenses	22	1,245.30	577.49
	(e) Impairment of Financial Instruments	23	17.70	16.39
	Total expenses		**3,583.62**	**1,180.65**
5	**Profit before tax (3-4)**		4,009.99	1,294.67
6	**Tax expense**			
	- Current tax	8	1,091.15	490.24
	- Deferred tax	8	(67.47)	(100.20)
	Income tax expense		**1,023.68**	**390.04**
7	**Profit for the year (5-6)**		**2,986.31**	**904.63**
8	**Other Comprehensive Income**			
	(i) Items that will not be reclassified to profit or loss		-	-
	(ii) Items that will be reclassified to profit or loss		-	-
	Other Comprehensive Income		-	-
9	**Total Comprehensive Income for the year (7+8)**		**2,986.31**	**904.63**
10	**Earnings per share (of Rs. 10/- each):**			
	(a) Basic (in Rs.)	25.3	3.19	2.25
	(b) Diluted (in Rs.)	25.3	3.19	2.25
	The accompanying notes are integral part of the financial statements.			

As per our report of even date

For MSKA & Associates

Chartered Accountants

Firm's Registration. No.: 105047W

Geetha Jeyakumar

Partner

Membership No. 29409

MSKA & ASSOCIATES CHENNAI Chartered Accountants

Place : Chennai

Date : May 29, 2020

For and on behalf of the Board of Directors

Aptus Finance India Private Limited

CIN - U74900TN2015PTC102252

K M Mohandass

Director

(DIN: 00707839)

P Balaji

Director

(DIN: 07904681)

Laxmi Sridhar

Manager & CFO

Jyoti Munot

Company Secretary

Place : Chennai

Date : May 29, 2020

APTUS FINANCE INDIA PRIVATE LIMITED CHENNAI

Aptus Finance India Private Limited

Statement of Changes in Equity for the year ended March 31, 2020

1. Equity Share capital

Rs. in lakhs

Particulars	Amount
Balance as at April 1, 2018	**2,500.00**
Changes in equity share capital during the year	
(a) Fresh issue of equity shares	6,500.00
Balance as at March 31, 2019	**9,000.00**
Changes in equity share capital during the year	
(a) Fresh issue of equity shares	1,080.00
Balance as at March 31, 2020	**10,080.00**

2. Other Equity

Rs. in lakhs

Particulars	Reserves and Surplus				Total
	Securities Premium	Statutory Reserve	Impairment Reserve	Retained Earnings	
Balance as at April 1, 2018	-	**17.75**	-	**44.73**	**62.48**
Premium received during the year	-	-	-	-	-
Additions during the year	-	-	-	-	-
Profit (loss) for the year after income tax	-	-	-	904.63	904.63
Appropriations to Reserves	-	180.93	-	(180.93)	-
Other Comprehensive Income for the year (net of tax)	-	-	-	-	-
Balance as at March 31, 2019	-	**198.68**	-	**768.43**	**967.11**
Premium received during the year	4,968.00	-	-	-	4,968.00
Additions during the year	-	-	-	-	-
Profit (loss) for the year after income tax	-	-	-	2,986.31	2,986.31
Appropriations to Reserves	-	597.26	90.26	(687.52)	-
Other Comprehensive Income for the year (net of tax)	-	-	-	-	-
Share issue expenses during the year	-	-	-	-	-
Balance as at March 31, 2020	**4,968.00**	**795.94**	**90.26**	**3,067.22**	**8,921.42**

Notes:

Refer Note 17 for description of nature and purpose of each reserve.

The accompanying notes are integral part of the financial statements.

As per our report of even date

For MSKA & Associates
Chartered Accountants
Firm's Registration. No.: 105047W

Geetha Jeyakumar
Partner
Membership No. 29409

Place : Chennai
Date : May 29, 2020

For and on behalf of the Board of Directors
Aptus Finance India Private Limited
CIN - U74900TN2015PTC102252

K M Mohandass
Director
(DIN: 00707839)

P Balaji
Director
(DIN: 07904681)

Laxmi Sridhar
Manager & CFO

Jyoti Munot
Company Secretary

Place : Chennai
Date : May 29, 2020

APTUS FINANCE INDIA PRIVATE LIMITED CHENNAI

MSKA & ASSOCIATES CHENNAI Chartered Accountants

Aptus Finance India Private Limited

Cash Flow Statement for the year ended March 31, 2020

Rs. in lakhs

Particulars	For the year ended March 31, 2020		For the year ended March 31, 2019	
Cash flows from operating activities				
Profit before tax		4,009.99		1,294.67
Adjustments for:				
Finance costs	2,277.10		572.80	
Interest income from bank deposits	(57.55)		-	
Dividend income	(22.98)		(13.23)	
Depreciation and amortisation expense	1.27		1.24	
Impairment loss recognised on Receivables	17.70		16.39	
		2,215.54		577.20
Operating profit before working capital changes		6,225.53		1,871.87
Movements in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Loans	(21,337.29)		(18,574.37)	
Other Financial assets	(2.12)		(1.50)	
Other non-financial assets	(14.41)		11.11	
Adjustments for increase / (decrease) in operating liabilities:				
Trade Payables	(6.59)		28.19	
Other financial liabilities	(0.82)		1.26	
Other non-financial liabilities	(5.29)	(21,366.52)	11.79	(18,523.52)
Cash used in operations		(15,140.99)		(16,651.65)
Financing charges		(2,511.19)		(456.55)
Direct Taxes paid		(1,131.87)		(386.78)
Net cash used in operating activities (A)		**(18,784.05)**		**(17,494.98)**
Cash flows from investing activities				
Capital expenditure on Property, plant and equipment	-		(3.81)	
Bank balances not considered as cash and cash equivalents	(203.80)		-	
Interest received on Bank deposits	57.55		-	
Dividend received	22.98		13.23	
Net cash flow used in investing activities (B)		**(123.27)**		**9.42**
Cash flows from financing activities				
Proceeds from issue of equity shares (including securities premium)	6,048.00		6,500.00	
Proceeds from issue of Debt Securities	5,000.00		-	
Repayment of Debt Securities	(937.50)		-	
Proceeds from Borrowings	19,244.55		12,200.00	
Repayment of Borrowings	(10,255.72)		(2,305.78)	
Net cash flow from financing activities (C)		**19,099.33**		**16,394.22**
Net increase in cash and cash equivalents (A+B+C)		**192.01**		**(1,091.34)**

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APTUS FINANCE INDIA PRIVATE LIMITED ★ CHENNAI

Aptus Finance India Private Limited

Cash Flow Statement for the year ended March 31, 2020

Rs. in lakhs

Particulars	For the year ended March 31, 2020		For the year ended March 31, 2019	
Cash and cash equivalents at the beginning of the year		33.50		1,124.84
Cash and cash equivalents at the end of the year (Refer Note 4)		**225.51**		**33.50**
The accompanying notes are integral part of the financial statements.				

As per our report of even date

For MSKA & Associates
Chartered Accountants
Firm's Registration. No.: 105047W

Geetha Jeyakumar
Partner
Membership No. 29409

Place : Chennai
Date : May 29, 2020

For and on behalf of the Board of Directors
Aptus Finance India Private Limited
CIN - U74900TN2015PTC102252

K M Mohandass
Director
(DIN: 00707839)

P Balaji
Director
(DIN: 07904681)

Laxmi Sridhar
Manager & CFO

Jyoti Munot
Company Secretary

Place : Chennai
Date : May 29, 2020

MSKA & ASSOCIATES * Chartered Accountants * CHENNAI

APTUS FINANCE INDIA PRIVATE LIMITED * CHENNAI

1. Corporate Information

Aptus Finance India Private Limited ("the company") was incorporated on September 18, 2015 with the primary objective of carrying on the business of providing finance in the form of loan against immovable properties. The Company has been granted the certificate of registration dated December 16, 2016 issued by the Reserve Bank of India under Section 45 IA of the Reserve Bank of India Act, 1934, to commence/carry on the business of non-banking financial institution. The Company is a non-deposit taking non systemically important Non-Banking Financial Company ('NBFC-ND-Non SI').

2. Significant accounting policies

Basis of preparation and presentation

The standalone financial statements have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 as per Section 133 of the Companies Act, 2013 and relevant amendment rules issued thereafter ("Ind AS") on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below, the relevant provisions of the Companies Act, 2013 (the "Act") and the guidelines issued by the RBI to the extent applicable.

The Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity are prepared and presented in the format prescribed in the Division III of Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows".

Amounts in the standalone financial statements are presented in Indian Rupees in lakhs rounded off to two decimal places as permitted by Schedule III to the Act, except when otherwise indicated.

Presentation of standalone financial statements

The Company presents its balance sheet in order of liquidity.

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in the normal course of business, event of default or insolvency or bankruptcy of the Company and/or its counterparties.

2.1 Financial Instruments

2.1.1 Financial instruments – initial recognition

2.1.1.1 Date of recognition

Financial assets and liabilities, with the exception of loans, debt securities, and borrowings are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. Loans are recognised when fund transfers are initiated to the customers' account or cheques for disbursement have been prepared by the Company (as per the terms of the agreement with the borrowers). The Company recognises debt securities and borrowings when funds reach the Company.

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2.1.1.2 Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at their fair value, except in the case of financial assets and financial liabilities recorded at FVTPL (Fair value through profit and loss), transaction costs are added to, or subtracted from, this amount.

2.1.1.3 Measurement categories of financial assets and liabilities

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

2.1.2 Financial assets and liabilities

2.1.2.1 Bank balances, Loans, Trade receivables and financial investments at amortised cost

The Company Measures *Bank balances, Loans,* and other financial investments at amortised cost if the financial asset is held within a business model with the objective to hold financial assets in order 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 ("SPPI") on the principal amount outstanding.

The details of these conditions are outlined below.

2.1.2.1.1 Business model assessment

The Company determines its business model at the level that best reflects how it manages Company's of financial assets to achieve its business objective.

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

2.1.2.1.2 The SPPI test

As a second step of its classification process the Company assesses the contractual terms of financial asset to identify whether they meet the SPPI test.

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'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Company applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

2.1.2.2 Financial assets or financial liabilities held for trading

The Company classifies financial assets as held for trading when they have been purchased or issued primarily for short-term profit making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there is evidence of a recent pattern of short-term profit taking. Held-for-trading assets and liabilities are recorded and measured in the balance sheet at fair value. Changes in fair value are recognised in net gain on fair value changes. Interest and dividend income or expense is recorded in net gain on fair value changes according to the terms of the contract, or when the right to payment has been established.

Included in this classification are debt securities, equities, and customer loans that have been acquired principally for the purpose of selling or repurchasing in the near term.

2.1.2.3 Equity instruments at FVOCI

The Company subsequently measures all equity investments at fair value through profit or loss, unless the Company's management has elected to classify irrevocably some of its equity investments as equity instruments at FVOCI, when such instruments meet the definition of definition of Equity under Ind AS 32 *Financial Instruments: Presentation* and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

Gains and losses on these equity instruments are never recycled to profit or loss. Dividends are recognised in profit or loss as dividend income when the right of the payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI ("Other Comprehensive Income"). Equity instruments at FVOCI are not subject to an impairment assessment.

2.1.2.4 Financial assets and financial liabilities at fair value through profit or loss

Financial assets and financial liabilities in this category are those that are not held for trading and have been either designated by management upon initial recognition or are mandatorily required to be measured at fair value under Ind AS 109. Financial assets and financial liabilities at FVTPL are recorded in the balance sheet at fair value. Changes in fair value are recorded in profit and loss with the exception of movements in fair value of liabilities designated at FVTPL due to changes in the Company's own credit risk. Such changes in fair value are recorded in the Own credit reserve through OCI and do not get recycled to the profit or loss. Interest earned or incurred on instruments designated at FVTPL is accrued in interest income or finance cost, respectively, using the EIR, taking into account any discount/ premium and qualifying transaction costs being an integral part of instrument. Interest earned on assets mandatorily required to be measured at FVTPL is recorded using contractual interest rate.

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2.1.3 Reclassification of financial assets and liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified.

2.1.4 Modification of financial assets

The Company derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes.

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Company records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

2.1.5 Derecognition of financial assets and liabilities

2.1.5.1 Derecognition of financial assets due to substantial modification of terms and conditions

The Company derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes. When assessing whether or not to derecognise a loan to a customer, amongst others, the Company considers the following factors: (i) Change in counterparty (ii) If the modification is such that the instrument would no longer meet the SPPI criterion (iii) If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Company records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

2.1.5.2 Derecognition of financial assets other than due to substantial modification

A financial asset is derecognised when the rights to receive cash flows from the financial asset have expired. The Company also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

A transfer only qualifies for derecognition if either: the Company has transferred substantially all the risks and rewards of the asset or has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. Control is considered to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

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When the Company has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Company's continuing involvement, in which 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 the Company could be required to pay.

In case when transfer of a part of financial asset qualifies for derecognition, any difference between the proceeds received on such sale and the carrying value of the transferred asset is derecognised as a gain or loss on decrease of such financial asset previously under amortised cost category.

2.1.5.3 Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

2.1.6 Impairment of financial assets

2.1.6.1 Overview of the ECL principles

The Company records allowance for expected credit losses for all loans, other debt financial assets not held at FVTPL, together with loan commitments, in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment under Ind AS 109.

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 origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL) as outlined in Notes.

The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both LTECLs and 12mECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

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.

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

Stage 1:

When loans are first recognised, the Company recognises an allowance based on 12mECLs. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.

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(All amounts are in Indian rupees, unless otherwise stated)

Stage 2:

When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.

Stage 3:

Loans considered credit-impaired. The Company records an allowance for the LTECLs.

Staging rules set have been applied to the product categories to bucket them into either Stage 1, Stage 2 or Stage 3.

Stages	Days past dues	ECL
Stage 1	Upto 30 days	12 month ECL
Stage 2	31 to 90 days	Lifetime ECL
Stage 3	90 days +	Lifetime ECL

In addition to days past due, the Company also considers other qualitative factors in determining significant increase in credit risks.

2.1.6.2 The calculation of ECLs

The Company calculates ECLs to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

The key elements of the ECL are summarised below:

PD:

The *Probability of Default* is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

EAD:

The *Exposure at Default* is an estimate of the exposure at a future default date (in case of Stage 1 and Stage 2), 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 from missed payments. In case of Stage 3 loans EAD represents exposure when the default occurred.

LGD:

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

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

The mechanics of the ECL method are summarised below:

Stage 1:

The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Company calculates the 12mECL allowance based on the expectation of a default occurring in the 12

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months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.

Stage 2:

When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

Significant increase in credit risk

The Company monitors all financial assets that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Company will measure the loss allowance based on lifetime rather than 12mECLs.

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

Stage 3:

For loans considered credit-impaired, the Company recognises the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

Credit-impaired financial assets

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

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

It may not be possible to identify a single discrete event—instead, the combined effect of several events may have caused financial assets to become credit-impaired. The Company assesses whether debt instruments that are financial assets measured at amortised cost are credit-impaired at each reporting date.

A loan is considered credit-impaired when a concession is granted to the borrower due to a deterioration in the borrower's financial condition, unless there is evidence that as a result of granting the concession the risk of not receiving the contractual cash flows has reduced significantly

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and there are no other indicators of impairment. For financial assets where concessions are contemplated but not granted the asset is deemed credit impaired when there is observable evidence of credit-impairment including meeting the definition of default. The definition of default (see below) includes unlikeliness to pay indicators and a back- stop if amounts are overdue for 90 days or more.

Loan commitment:

When estimating LTECLs for undrawn loan commitments, the Company estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down. The expected cash shortfalls are discounted at an approximation to the expected EIR on the loan. For an undrawn loan commitment, ECLs are calculated and presented under provisions.

Forward looking information

In its ECL models, the Company relies on a broad range of forward looking information as economic inputs. 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 made as temporary adjustments.

2.1.6.3 Write-off

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

2.2 Recognition of Interest Income

2.2.1 The effective interest rate method

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

2.2.2 Interest Income

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Company calculates interest income by applying the effective interest rate to the net amortised cost

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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.

2.2.3 Fee and Other charges

Fee and other charges include fees other than those that are an integral part of EIR. The fees included in this part of the Company's statement of profit or loss include among other things fees charged for servicing a loan including cheque bounce charges, field visit charges, pre-closure charges etc.

2.2.4 Dividend Income

Dividend income (including from FVOCI investments) is recognised when the Company's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably. This is generally when the shareholders approve the dividend.

2.3 Taxes

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

Current tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- In respect of taxable temporary differences associated with investments in subsidiaries, where the *timing* of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

  Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable 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, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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► In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.4 Property, plant and equipment and Other intangible assets

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost less its estimated residual value. Depreciation on the following categories of tangible fixed assets has been provided on the straight-line method, the useful lives of which have been assessed as under, 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. The other assets have been depreciated on straight line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Particulars	Estimated Life
Office Equipment	3 years

Intangible assets are amortized over their estimated useful life on straight line method as follows:

Intangibles – Computer Software - 3 years or License Period whichever is lower.

Individual assets costing Rs. 5,000 or less are fully depreciated in the year of purchase.

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

Intangible Assets

The Company's other intangible assets mainly include the value of computer software.

An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Company.

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Intangible assets acquired separately are measured on initial recognition at cost. Subsequently, they are carried at cost less accumulated amortisation and impairment losses if any, and are amortised over their estimated useful life on the straight-line basis over a 3-year period or the license period whichever is lower.

The carrying amount of the assets is reviewed at each Balance sheet date to ascertain impairment based on internal or external factors. Impairment is recognised, if the carrying value exceeds the higher of the net selling price of the assets and its value in use.

2.5 Impairment of tangible and intangible assets other than goodwill

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment, if any, indication of impairment exists. An intangible asset that is not yet available for use is tested for impairment each financial year even if there is no indication that the asset is impaired.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognized for such excess amount. The impairment loss is recognized as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognized for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognized in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognized.

2.6 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

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2.7 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

2.7.1 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.8 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the 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 net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

2.9 Segment Reporting

Ind AS 108 establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers. Based on the 'management approach' as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the Company's performance based on an analysis of various performance indicators by business segments and geographic segments.

As per the requirements of Ind AS 108 "Operating Segments", based on evaluation of financial information for allocation of resources and assessing performance, the Company has identified a single segment, viz. "providing loans against properties". Accordingly, there are no separate reportable segments as per Ind AS 108.

2.10 Determination of Fair value

The Company measures financial instruments, at fair value at each balance sheet date.

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. The fair value

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measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

- **Level 1 financial instruments** –Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.
- **Level 2 financial instruments**–Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Company will classify the instruments as Level 3.
- **Level 3 financial instruments** –Those that include one or more unobservable input that is significant to the measurement as whole.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company evaluates the levelling at each reporting period on an instrument-by-instrument basis and reclassifies instruments when necessary based on the facts at the end of the reporting period.

3 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, as well as the disclosure of contingent liabilities.

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Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future period.

In the process of applying the Company's accounting policies, management has made the following judgements/estimates, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3.1 De-recognition of Financial instruments

The Company enters into securitisation transactions where financial assets are transferred to a structured entity for a consideration. The financial assets transferred qualify for derecognition only when substantial risk and rewards are transferred.

This assessment includes judgements reflecting all relevant evidence including the past performance of the assets transferred and credit risk that the Company has been exposed to. Based on this assessment, the Company believes that the credit enhancement provided pursuant to the transfer of financial assets under securitisation are higher than the loss incurred on the similar portfolios of the Company hence it has been concluded that securitisation transactions entered by the Company does not qualify for de-recognition since substantial risk and rewards of the ownership has not been transferred. The transactions are treated as financing arrangements and the sale consideration received is treated as borrowings.

3.2 Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility. For further details about determination of fair value please see Fair value note in Accounting policy.

3.3 Impairment of financial asset

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Company's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting estimates include:

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- The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a LTECL basis and the qualitative assessment
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL models, including the various formulas and the choice of inputs
- Determination of temporary adjustments as qualitative adjustment or overlays based on broad range of forward looking information as economic inputs

It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

3.4 Provisions and other contingent liabilities

When the Company can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Company records a provision against the case. Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

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. Significant judgement is required to conclude on these estimates.

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Notes forming part of the financial statements for the year ended March 31, 2020

Note 4 Cash and cash equivalents

Rs. in lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Cash on hand	18.53	6.66
Cheques on hand	-	-
Balances with banks - In current accounts	206.98	26.84
	225.51	33.50

(i) Balances with Banks in Current Accounts and cash, cheques on hand include an amount of Rs. 152.48 lakhs collected in respect of securitised receivables pending remittance to the investors.

Note 5 Bank Balance other than above

Rs. in lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Balances held as margin money against securitisation (Refer Note 29)	193.17	-
Interest Accrued but not due on Deposits with Banks	10.63	-
	203.80	-

Note 6 Loans

Rs. in lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Loans (Secured) - At Amortised Cost - Within India		
Term Loans	42,776.63	21,439.34
Less: Impairment loss allowance	(35.14)	(17.43)
Total	42,741.49	21,421.91

Notes:

(i) The above loans are secured by deposit of original title deeds of immovable properties with the Company and registered mortgage of title deeds.

(ii) Securitisation of financial assets

The Company securitises certain receivables and surrenders control over these receivables, though it continues to act as an agent for the collection of these receivables. The Company also provides credit enhancements to the transferee by way of agreeing to bear a portion of default losses. Because of the existence of credit enhancements, the Company continues to have the obligation to pay to the transferee, limited to the extent of credit enhancement, even if it does not collect the equivalent amounts from the original asset, and hence, such transfer does not meet the derecognition criteria resulting into the transfer not being recorded as sale. Consequently, the proceeds received from the transfer amounting Rs. 5,344.55 lakhs during the year are recorded as borrowings. Amount outstanding on such transactions as at March 31, 2020 is Rs. 4,496.73 lakhs (March 31, 2019 - Rs. Nil).

Refer Note 24.4.2 for exposures towards credit enhancements and Note 29 for Financial assets securitised.

(iii) Refer Note 26.11 for contractual maturities.

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Notes forming part of the financial statements for the year ended March 31, 2020

Note 7 Other Financial assets

Rs. in lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured and considered good (unless otherwise stated) - At amortised cost		
Security deposits	1.50	1.50
Accrued Income	2.12	-
	3.62	1.50

Note 8 Deferred tax assets (Net)

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred tax assets / (liabilities) (net)		
Tax effect of items constituting deferred tax assets		
Preliminary Expenses not written off	-	0.78
Impairment Allowance for Financial Assets	8.84	5.08
Deferred Processing Income	218.78	118.39
Others	0.03	-
	227.65	124.25
Tax effect of items constituting deferred tax liabilities		
Prepaid Finance Charges	(42.41)	(8.47)
Others	(2.53)	(0.53)
	(44.94)	(9.00)
	182.71	115.25
Reconciliation of Deferred Tax:		
Net Deferred Tax Asset as at the beginning of the year	115.25	15.05
Add / Less: Deferred tax asset credited to Profit and Loss	67.46	100.20
Net Deferred Tax Asset as at the end of the year	**182.71**	**115.25**

Note:

Reconciliation of Effective tax rate

The income tax expense for the year can be reconciled to the accounting profit/ (loss) as follows:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit before tax	4,009.99	1,294.67
Income tax Expense Calculated at 25.168% (2019: 29.12%)	1,009.23	377.01
Effect of change in tax rate	15.64	(0.86)
Effect of income that is exempt from taxation	(5.72)	(3.85)
Effect of inadmissible expenses	5.10	17.74
Effect of admissible deductions	(1.26)	-
Others	0.69	-
Income tax expense recognised in Profit and Loss	1,023.68	390.04

The Company has computed the tax expense of the current financial year as per the tax regime announced under section 115BAA of the Income Tax Act, 1961. Accordingly, (a) the provision for current and deferred tax has been determined at the rate of 25.168% and (b) the deferredd tax assets and deferred tax liabilities as on Apri 01, 2019 have been restated at 25.168%.
The current tax and deferred tax of the previous financial year has been computed at 29.12%

The Company has elected to exercise the option of a lower tax rate provided under Section 115BAA of the Income tax Act, 1961, as introduced by the Taxation Laws (Amendment) Ordinance, 2019 dated September 20, 2019. Accordingly, the Company has recognised provision for income tax for the year ended March 31, 2020 basis the rate provided in the said section and re-measured its opening balance of deferred tax assets ("DTA") (net) as at April 1, 2019 and has reversed DTA of Rs. 15.64 lakhs to the statement of profit and loss.

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Note 6.1

6.1.1 An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to term loans is, as follows:

Particulars	FY 2019-20 Stage 1 Collective	FY 2019-20 Stage 2 Collective	FY 2019-20 Stage 3 Collective	FY 2019-20 Total	FY 2018-19 Satge 1 Collective	FY 2018-19 Stage 2 Collective	FY 2018-19 Stage 3 Collective	FY 2018-19 Total
Gross Carrying amount opening balance	21,415.12	12.60	11.62	21,439.34	2,865.10	-	-	2,865.10
New assets originated or purchased	23,641.99	451.51	12.81	24,106.31	18,909.43	-	1.16	18,910.59
Assets derecognised or repaid	(2,730.63)	(38.39)	-	(2,769.02)	(336.01)	(0.34)	-	(336.35)
Transfers to Stage 1	-	-		-	-	-	-	-
Transfers to Stage 2	(1,397.61)	1,221.17	176.44	-	(12.94)	12.94	-	-
Transfers to Stage 3	-	(5.86)	5.86	-	(10.46)	-	10.46	-
Gross carrying amount closing balance	**40,928.87**	**1,641.03**	**206.73**	**42,776.63**	**21,415.12**	**12.60**	**11.62**	**21,439.34**

6.1.2 Reconciliation of ECL balance is given below:

Particulars	FY 2019-20 Stage 1 Collective	FY 2019-20 Stage 2 Collective	FY 2019-20 Stage 3 Collective	FY 2019-20 Total	FY 2018-19 Stage 1 Collective	FY 2018-19 Stage 2 Collective	FY 2018-19 Stage 3 Collective	FY 2018-19 Total
ECL allowance - opening balance	15.83	0.03	1.57	17.43	1.04	-	-	1.04
New assets originated or purchased	11.18	0.45	0.36	11.99	13.21	-	-	13.21
Assets derecognised or repaid	(1.23)	-	-	(1.23)	(0.06)	-	-	(0.06)
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	(0.96)	0.96	-	-	-	-	-	-
Transfers to Stage 3	(0.16)	(0.02)	0.18	-	-	-	-	-
Impact on account of exposures transferred during the year between stages	(1.32)	0.30	7.97	6.95	1.64	0.03	1.57	3.24
Amounts written off	-	-	-	-	-	-	-	-
ECL allowance - closing balance	**23.34**	**1.72**	**10.08**	**35.14**	**15.83**	**0.03**	**1.57**	**17.43**

Note 6.2 - Internal rating grade (Loans measured at Amortised cost)

The internal rating grade is assigned based on the ageing (Days Past Due - DPD) of the loans viz., Low risk (DPD of 0-30 days); Medium risk (DPD of 31-89 days); High risk (DPD of 90+ days)

Grade	March 31, 2020 Stage 1 Collective	March 31, 2020 Stage 2 Collective	March 31, 2020 Stage 3 Collective	March 31, 2020 Total	March 31, 2019 Stage 1 Collective	March 31, 2019 Stage 2 Collective	March 31, 2019 Stage 3 Collective	March 31, 2019 Total
Low Risk	40,910.63	1,641.03	-	42,551.66	21,415.12	-	-	21,415.12
Medium Risk	18.24	-	134.45	152.69	-	12.60	-	12.60
High Risk	-	-	72.28	72.28	-	-	11.62	11.62
Total	**40,928.87**	**1,641.03**	**206.73**	**42,776.63**	**21,415.12**	**12.60**	**11.62**	**21,439.34**

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Notes forming part of the financial statements for the year ended March 31, 2020

Note 9:

9A Property, plant and equipment

Rs. in lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Carrying amounts of :		
a) Office Equipments	0.09	0.16
	0.09	**0.16**

Rs. in lakhs

Particulars	Office Equipments	Total
Deemed cost		
Balance at April 1, 2018	-	-
Additions	0.21	**0.21**
Disposals	-	-
Balance at March 31, 2019	**0.21**	**0.21**
Additions	-	-
Disposals	-	-
Balance at March 31, 2020	**0.21**	**0.21**
Accumulated depreciation		
Balance at April 1, 2018	-	-
Depreciation expense	0.05	**0.05**
Elimination on disposals of assets	-	-
Balance at March 31, 2019	**0.05**	**0.05**
Depreciation expenses	0.07	**0.07**
Elimination on disposals of assets	-	-
Balance at March 31, 2020	**0.12**	**0.12**
Carrying amount		
Balance at April 1, 2018	-	-
Additions	0.21	**0.21**
Disposals	-	-
Depreciation expense	(0.05)	**(0.05)**
Balance at March 31, 2019	**0.16**	**0.16**
Additions	-	-
Disposals	-	-
Depreciation expense	(0.07)	**(0.07)**
Balance at March 31, 2020	**0.09**	**0.09**

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Notes forming part of the financial statements for the year ended March 31, 2020

Note 9:

9B Other intangibe assets

Rs. in lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Carrying amounts of :		
a) Computer software	1.21	2.41
	1.21	**2.41**

Rs. in lakhs

Particulars	Computer software	Total
Deemed cost		
Balance at April 1, 2018	-	-
Additions	3.60	3.60
Disposals	-	-
Balance at March 31, 2019	**3.60**	**3.60**
Additions	-	-
Disposals	-	-
Balance at March 31, 2020	**3.60**	**3.60**
Accumulated depreciation		
Balance at April 1, 2018	-	-
Amortisation expense	1.19	1.19
Elimination on disposals of assets	-	-
Balance at March 31, 2019	**1.19**	**1.19**
Amortisation expense	1.20	1.20
Elimination on disposals of assets	-	-
Balance at March 31, 2020	**2.39**	**2.39**
Carrying amount		
Balance at April 1, 2018	-	-
Additions	3.60	3.60
Disposals	-	-
Amortisation expense	(1.19)	(1.19)
Balance at March 31, 2019	**2.41**	**2.41**
Additions	-	-
Disposals	-	-
Amortisation expense	(1.20)	(1.20)
Balance at March 31, 2020	**1.21**	**1.21**

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Note 10 Other non-financial assets

Rs. in lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured - considered good (unless otherwise stated)		
Prepaid Expenses	1.30	1.89
Other Advances	15.00	-
	16.30	**1.89**

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Note 11 Debt Securities

Rs. in lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Secured Redeemable Non-Convertible Debentures - At Amortised cost (Within India)	4,003.68	-
	4,003.68	-

(a) Details of Secured Redeemable Non-Convertible Debentures - Redeemable at par:

No of Debentures	Effective Interest Rate	Due date of redemption	Face Value	Balance Outstanding	
				As at March 31, 2020	As at March 31, 2019
			Rs.	Rs. in lakhs	Rs. in lakhs
5,000	12.04%	March 5, 2023	81,250.00	4,062.50	-

(i) Redeemable Non-Convertible Debentures are secured by hypothecation of specified Receivables under Financing Activities amounting to Rs. 5,349.59 lakhs as at March 31, 2020 (March 31, 2019 - Rs. Nil).

(ii) Debentures aggregating to Rs. 4,062.50 lakhs as at March 31, 2020 (March 31, 2019 - Rs. Nil) has been guaranteed by Aptus Value Housing Finance India Limited, the holding company.

(iii) The company has not defaulted in the repayment of dues to its lenders.

(iv) Refer Note 26.11 for contractual maturities.

Note 12 Borrowings (Other than Debt Securities)

Rs. in lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Term loans (Within India) - At Amortised Cost		
From banks	10,681.16	3,831.10
From companies	-	946.67
From Holding Company	5,100.00	6,686.58
Amount payable on securitisation of financial assets (Within India) - At Amortised Cost	4,496.73	-
	20,277.89	11,464.35

(a) Details of Term loans and Securitisation payables are as follows:

Rs. in lakhs

Effective Interest Rate	Tenure	Balance Outstanding	
		As at March 31, 2020	As at March 31, 2019
10%-11%	2- 5 years	15,821.11	10,394.72
11%-11.50%		-	949.50
10%-11%	5-7 years	4,496.73	-
Total		20,317.84	11,344.22

(i) Term loans are secured by hypothecation of specified Receivables under Financing Activities amounting to Rs. 19,628.57 lakhs as at March 31, 2020 (March 31, 2019 - Rs. 13,081.61 lakhs).

(ii) The Company has not defaulted in the repayment of term loans from Banks.

(iii) Loans aggregating to Rs. 10,721.11 lakhs as at March 31, 2020 (March 31, 2019 - Rs. 4,794.22 lakhs) has been guaranteed by Aptus Value Housing Finance India Limited, the holding company.

(iv) Refer Note 26.11 for contractual maturities.

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Notes forming part of the financial statements for the year ended March 31, 2020

Note 13 Other financial liabilities

Rs. in lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Interest accrued but not due on borrowings	-	-
Advances from customers	0.58	1.40
	0.58	**1.40**

Note 14 Current tax liabilities (Net)

Rs. in lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for Income Tax (Net of Advance Tax and TDS: Rs. 1,561.49 lakhs March 31, 2019 - Rs. 416.03 lakhs)	56.78	97.50
	56.78	**97.50**

Note 15 Other non-financial liabilities

Rs. in lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Statutory remittances	9.47	14.76
	9.47	**14.76**

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Notes forming part of the financial statements for the year ended March 31, 2020

Note 16 Equity Share capital

Rs. in lakhs

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of shares	Amount	Number of shares	Amount
(i) Authorised				
Equity shares of Rs. 10 each with voting rights	11,00,00,000	11,000.00	10,00,00,000	10,000.00
(ii) Issued, Subscribed				
Equity shares of Rs. 10 each with voting rights - Fully paid-up	10,08,00,000	10,080.00	9,00,00,000	9,000.00
	10,08,00,000	10,080.00	9,00,00,000	9,000.00

Notes:

a) Reconciliation of number of shares and amount outstanding at the beginning and at the end of the year:

Particulars	Opening Balance	Fresh issue	Closing Balance
Equity shares with voting rights			
Year ended March 31, 2020			
- Number of shares	9,00,00,000	1,08,00,000	10,08,00,000
- Amount (Rs. in lakhs)	9,000.00	1,080.00	10,080.00
Year ended March 31, 2019			
- Number of shares	2,50,00,000	6,50,00,000	9,00,00,000
- Amount (Rs. in lakhs)	2,500.00	6,500.00	9,000.00

(b) During the current year, the Company had allotted 10,800,000 equity shares of Rs. 10 each at a premium of Rs. 46 each on rights basis to the Holding Company Aptus Value Housing Finance India Limited. The said allotment was approved by the Board of Directors at its meeting held on November 5, 2019 respectively and by the members in the Extraordinary General Meeting held on November 14, 2019.

During the year 2018-19, the Company had allotted 25,000,000 equity shares of Rs. 10 each at par & 40,000,000 equity shares of Rs. 10 each at par on rights basis to the Holding Company Aptus Value Housing Finance India Limited. The said allotment was approved by the Board of Directors at its meeting held on August 6, 2018 and March 15, 2019 respectively and by the members in the Extraordinary General Meeting held on August 7, 2018 and March 18, 2019 respectively.

(c) Terms/right attached to Equity Shares:

The Company has only one class of equity shares having a par value of Rs.10 each. Each holder is entitled to one vote per equity share. Dividends are paid in India Rupees. Dividends proposed by the Board of Directors, if any is subject to the approval of the shareholders at the Annual General Meeting except in case of interim dividend. Repayment of capital will be in proportion to the number of equity shares held. All these shares have same rights and preferences with respect to payment of dividend, repayment of capital and voting.

(d) Details of shares held by Holding Company:

Class of shares / Name of shareholder	As at March 31, 2020		As at March 31, 2019	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity Shares held by Holding Company				
Aptus Value Housing Finance India Limited and its nominees	10,08,00,000	100.00%	9,00,00,000	100.00%

(e) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at March 31, 2020		As at March 31, 2019	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity Shares held by Holding Company				
Aptus Value Housing Finance India Limited and its nominees	10,08,00,000	100.00%	9,00,00,000	100.00%

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Aptus Finance India Private Limited
Notes forming part of the financial statements for the year ended March 31, 2020

Note 17 Other Equity

Rs. in lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Securities premium account	4,968.00	-
Statutory Reserve	795.94	198.68
Impairment Reserve	90.26	-
Retained Earnings	3,067.22	768.43
	8,921.42	967.11

Notes:

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Securities premium account		
Opening balance	-	-
Add : Premium on shares issued during the year	4,968.00	-
Closing Balance	**4,968.00**	-
(b) Statutory Reserve (Refer Note (i) below)		
Balance at the beginning of the year	198.68	17.75
Add: Amount transferred from surplus in the statement of Profit and Loss	597.26	180.93
Closing Balance	**795.94**	**198.68**
(c) Impairment Reserve (Refer Note (ii) below)		
Balance at the beginning of the year	-	-
Add: Amount transferred from surplus in the statement of Profit and Loss	90.26	-
Closing Balance	**90.26**	-
(d) Retained Earnings		
Opening balance	768.43	44.73
Add: Profit for the year	2,986.31	904.63
Less: Transfer to Special reserve (Refer Note (i) below)	(597.26)	(180.93)
Less: Transfer to Impairment reserve (Refer Note (ii) below)	(90.26)	-
Closing Balance	**3,067.22**	**768.43**
Total	**8,921.42**	**967.11**

Nature and purpose of reserve:

Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes in accordance with the provisions of the Companies Act, 2013.

Statutory Reserve

Statutory reserve represents the reserve created as per Section 45-IC of the Reserve Bank of India Act, 1934, pursuant to which a Non-Banking Financial Company shall create a reserve fund and transfer therein a sum not less than twenty per cent of its net profit every year as disclosed in the Statement of Profit and Loss account, before any dividend is declared.

Impairment Reserve

In terms of the requirement as per RBI notification no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13 March 2020 on Implementation of Indian Accounting Standards, Non-Banking Financial Companies (NBFCs) are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and Income Recognition, Asset Classification and Provisioning (IRACP) norms (including provision on standard assets). Accordingly the Company has transferred the shortfall amount to Impairment Reserve.

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Notes forming part of the financial statements for the year ended March 31, 2020

Note 18 Revenue from operations

Rs. in lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest Income - On financial assets measured at amortised cost	7,000.99	2,191.19
Fees and Other charges		
Fee Income	145.00	36.82
	7,145.99	**2,228.01**

Note 19 Other income

Rs. in lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest Income from Deposits with Banks	57.55	-
Dividend income:		
from current investments	22.98	13.23
Profit on Sale of Investments	0.25	-
Charges for Marketing	361.80	234.00
Other Non Operating Income	5.04	0.08
	447.62	**247.31**

Revenue from contracts with customers

Rs. in lakhs

Particulars	31-Mar-20	31-Mar-19
Fees and Other charges *	145.00	36.82
Charges for Marketing	361.80	234.00
Total Revenue from contracts with customers	**506.80**	**270.82**

* comprises of charges collected from the customers in the nature of Preclosure charges, Cheque dishonour charges and other charges as applicable.

Over a period of time	361.80	234.00
at a point in Time	145.00	36.82
In India	506.80	270.82
Outside India	-	-
Contract Balances		
Contract liabilities	-	-
Contract assets	2.12	-

Note 20 Finance costs

Rs. in lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest expense on Financial Liabilities measured at Amortised Cost		
- Term Loans	1,771.34	572.80
- Debentures	499.02	-
- Others	6.74	-
	2,277.10	**572.80**

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Notes forming part of the financial statements for the year ended March 31, 2020

Note 21 Employee benefits expense

Rs. in lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries, Bonus and Commission	38.52	12.44
Contributions to provident and other funds	1.24	0.25
Staff welfare expenses	2.49	0.04
	42.25	**12.73**

Note 22 Other expenses

Rs. in lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Support Costs	1,008.00	455.85
Information Technology expenses	-	0.95
Rates and taxes	121.01	94.87
Office expenses	57.97	0.78
Printing and stationery	4.63	2.26
Commission to Directors	6.00	-
Sitting fees to non-whole time directors	2.35	2.30
Rating Fee	5.84	2.61
Bank charges	0.86	0.26
Legal and professional	8.18	3.71
Payments to auditors (Refer Note (i) below)	3.86	3.78
Corporate Social Responsibility Expenditure (Refer Note (ii) below)	5.00	-
Miscellaneous expenses	21.60	10.12
	1,245.30	**577.49**
Notes:		
(i) Payments to the Statutory Auditors comprise (net of indirect taxes, where applicable):		
For Statutory Audit	3.00	3.00
For Taxation matters	0.75	0.75
Reimbursement of expenses	0.11	0.03
	3.86	**3.78**

(ii) As per Section 135 of Companies Act 2013, the Company is required to spend Rs. 9.43 lakhs towards CSR activities for the year. During the year, the Company has made a contribution of Rs. 5.00 lakhs to the PM CARES fund.

Note 23 Impairment of Financial Instruments

Rs. in lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Expected Credit Loss on Loans measured at Amortised Cost	17.70	16.39
	17.70	**16.39**

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Note 24 Additional information to the financial statements

Note	Particulars

24.1 Commitments

Rs. in lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Loans sanctioned to Borrowers pending disbursement	1,960.34	788.84
Total	1,960.34	788.84

24.2 Micro, Small and Medium Enterprises

Based on the extent of information available with the Management, there are no transactions with Micro and Small Enterprises. This has been relied upon by the Auditors.

24.3 Disclosure pursuant to RBI notification no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13 March 2020 on Implementation of Indian Accounting Standards

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	40,928.85	23.32	40,905.53	104.41	(81.09)
	Stage 2	1,641.03	1.73	1,639.30	4.18	(2.45)
	Stage 3	134.47	6.56	127.91	5.98	0.58
Subtotal		42,704.35	31.61	42,672.74	114.57	(82.96)
Non-Performing Assets (NPA)						
Substandard	Stage 3	58.95	2.88	56.07	8.22	(5.34)
Doubtful - up to 1 year	Stage 3	13.33	0.65	12.68	2.61	(1.96)
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		72.28	3.53	68.75	10.83	(7.30)
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		72.28	3.53	68.75	10.83	(7.30)
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	Stage 1	40,928.85	23.32	40,905.53	104.41	(81.09)
	Stage 2	1,641.03	1.73	1,639.30	4.18	(2.45)
	Stage 3	206.75	10.09	196.66	16.81	(6.72)
	Total	42,776.63	35.14	42,741.49	125.40	(90.26)

24.4 Disclosure pursuant to RBI Master Direction - NBFC – NSI Non-Deposit taking Company (Reserve Bank) Directions, 2016 as amended from time to time

24.4.1 Schedule to the Balance Sheet as on March 31, 2020

Rs. in lakhs

Particulars	As at March 31, 2020	
Liabilities side :	Amount outstanding	Amount overdue
1) Loans and advances availed by the non-banking finance company inclusive of interest accrued thereon but not paid:		
Non-Convertible Debentures	4,062.50	Nil
Term Loans	20,277.89	Nil
Assets side :		Amount outstanding
2) Break-up of Loans and Advances:		
- Secured		43,637.84
3) Other Information:		
Category		
1. Gross Non-Performing Assets		
(a) Related party		Nil
(b) Other than related parties		65.22
2. Net Non-Performing Assets		
(a) Related party		Nil
(b) Other than related parties		54.39

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Note 24 Additional information to the financial statements

Note	Particulars

24.4.2 Securitised Assets

Rs. in lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Number of Special Purpose Vehicle (SPV) sponsored for Securitisation transactions*	1	-
Outstanding securitised Assets in books of SPV	4,492.89	-
Less: Collections not yet due to be remitted to SPV**	71.58	-
Outstanding securitised Assets as per books	4,421.31	-
Total amount of exposures retained by the HFC to comply with Minimum Retention Ratio (MRR) as on the date of balance sheet		
a) Off-balance sheet exposures towards Credit Enhancements		
· First Loss	-	-
· Others	-	-
b) On-balance sheet exposures towards Credit Enhancements		
· First Loss – Cash collateral	193.17	-
· Others – Overcollateral	1,094.65	-
Amount of exposures to securitisation transactions other than MRR		
a) Off-balance sheet exposures towards Credit Enhancements		
· Exposure to own securitizations	-	-
· Exposure to third party securitisations	-	-
b) On-balance sheet exposures towards Credit Enhancements		
· Exposure to own securitizations	-	-
· Exposure to third party securitisations	-	-
Book value of Assets sold	6,439.10	-

* Represents the SPVs relating to outstanding securitisation transactions
** excludes interest collected from customers on securitised assets.
Also refer Note 6(I)(iv) for treatment of securitisation of financial assets during the year.

24.4.3 **Disclosure on Frauds pursuant to circular no. DNBS. PD.CC. No. 256/ 03.10.042/ 2011-12 dated March 02, 2012**
There were no instances of fraud reported during the year ended March 31, 2020.

24.4.4 **Disclosure on Liquidity Risk Management**

(a) Funding concentration based on significant counterparty*(both deposits and borrowings):

Rs. in lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Number of Significant Counterparties*	2	3
Balance as at year end	9,960.74	9,630.27
% of Total Deposits	0%	0%
% of Total Borrowings	41%	83%

*Significant counterparty is as definedin RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies

(b) Top 20 large deposits:
Not applicable. The Company being a Non-Systemically Important Non-Deposit taking Non-Banking Financial Company registered with Reserve Bank of India does not accept public deposits.

(c) Total of top 10 borrowings

Rs. in lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Total of top 10 borrowings	20,277.89	11,464.35
% of Total Borrowings	100%	100%

(d) Funding concentration based on significant instrument/product#:

Rs. in lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Non-Convertible Debentures	4,003.68	-
% of Total Liabilities	16%	0%

\# Significant instrument/productis as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.

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Note 24 Additional information to the financial statements

Note	Particulars
	(e) Stock Ratios

Rs. in lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
(i) Commercial papers as a % of total public funds, total liabilities and total assets	-	-
(ii) Non-convertible debentures (original maturity of less than one year) as a % of total public funds, total liabilities and total assets	-	-
(iii) Other short-term liabilities, if any as a % of total public funds, total liabilities and total assets	-	-

(f) Institutional set-up for liquidity risk management

The Board of Directors of Aptus Finance India Private Ltd ("the Company") have adopted a Risk Management Policy. The Board adopted policy contains the framework and guidelines for Risk management. The changes brought in in the Liquidity Risk Management Framework vide its Circular No. RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 November 04, 2019 are also being covered as part of the Risk Management Policy which will be reviewed by the Board periodically for compliance and implementation.

The Board shall have the overall responsibility for management of liquidity risk by reviewing the implementation of the Risk Management Policy.
The Company has also constituted Risk Management Committee and Asset-Liability Management Committee (ALCO) to carry out the functions as listed out in the said circular.

24.4.5 Moratorium

Pursuant to the Reserve Bank of India circulars dated March 27, 2020 and May 23, 2020 ("RBI circular") allowing lending institutions to offer moratorium to borrowers on payment of installments, the Group has extended moratorium to its borrowers in accordance with its Board approved policy.

Particulars	Amount (in Rs. Lakhs)
Amounts in SMA/overdue categories where the moratorium/deferment was extended	487.57
Asset classification benefits vide above mentioned RBI circular	112.76
Provisions made during the Q4FY2020	5.64
Provisions adjusted during the respective accounting periods against slippages and the residual provisions	-

24.5 The Company has not accepted deposits within the meaning of 'Public Deposits' as defined in the prudential norms issued by the RBI. The board of directors of the Company have passed a board resolution vide board meeting dated April 26, 2019.

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Note 25 Disclosures under Accounting Standards

Note	Particulars
25.1	**Segment Reporting:**
	As per the requirements of Ind AS 108 "Operating Segments", based on evaluation of financial information for allocation of resources and assessing performance, the Company has identified a single segment, viz. "providing loans against property". Accordingly, there are no separate reportable segments as per Ind AS 108.
25.2	**Details of related parties:**
25.2.a	

Description of relationship	Names of related parties
Holding Company	Aptus Value Housing Finance India Limited
Key Management Personnel (KMP)	Ms. Laxmi Sridhar, Manager & Chief Financial Officer (from May 10, 2018)
Entities in which Key Management Personnel Exercise Significant Influence	None

Note: Related party relationships are as identified by the Management and relied upon by the Auditors.

25.2.b **Details of related party transactions for the year**

Rs. in lakhs

Transactions	Names of related parties	Year ended March 31, 2020	Year ended March 31, 2019
Support costs	Aptus Value Housing Finance India Limited	1,008.00	455.85
Advances received from Holding Company during the year	Aptus Value Housing Finance India Limited	5,950.00	8,200.00
Advances repaid to Holding Company during the year	Aptus Value Housing Finance India Limited	7,400.00	1,650.00
Advances as at the Year end	Aptus Value Housing Finance India Limited	5,100.00	6,550.00
Interest on Loan From Holding Company	Aptus Value Housing Finance India Limited	752.47	193.50
Interest Accrued but not due on Loan from Holding Company	Aptus Value Housing Finance India Limited	-	136.58
Balance Outstanding at the end of the year	Aptus Value Housing Finance India Limited	-	-
Remuneration	Ms. Laxmi Sridhar		
	- Salary	22.05	10.64

25.3 **Earnings per share**

Rs. in lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Basic & Diluted		
Profit/(Loss) After Tax (Rs. in lakhs)	2,986.31	904.63
Weighted Average Number of Equity Shares (Face Value Rs. 10 Each) - Basic	9,35,70,492	4,01,23,288
Earnings Per Share - Basic (Rs.)	**3.19**	**2.25**
Weighted Average Number of Equity Shares (Face Value Rs. 10 Each) - Diluted	9,35,70,492	4,01,23,288
Earnings Per Share - Diluted (Rs.)	**3.19**	**2.25**

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Note	Particulars

26 Financial Instruments

26.1 Capital management

The Company actively manages its capital to meet regulatory norms and current and future business needs, considering the risks in its businesses, expectations of rating agencies, shareholders and investors, and the available options of raising capital. Its capital management framework is administered by the risk committee of Company.

The Company has complied with all regulatory requiremenrs related to regulatory capital as prescribed by RBI.

The company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities.

26.2 Categories of Financial Instruments

Rs. in lakhs

	As at March 31, 2020 Measured at			As at March 31, 2019 Measured at		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Financial assets						
Cash and Cash equivalents	-	-	225.51	-	-	33.50
Bank Balance other than Cash and Cash equivalents	-	-	203.80	-	-	-
Loans (net of impairment loss allowance)	-	-	42,741.49	-	-	21,421.91
Other Financial Assets	-	-	3.62	-	-	1.50
Total Financial Assets	-	-	**43,174.42**	-	-	**21,456.91**
Financial liabilities						
Debt Securities	-	-	4,003.68	-	-	-
Borrowings (Other than Debt Securities)	-	-	20,277.89	-	-	11,464.35
Others	-	-	25.49	-	-	32.90
Total Financial liabilities	-	-	**24,307.06**	-	-	**11,497.25**

Financial risk management objectives

The Company has adequate internal processes to assess, monitor and manage financial risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Company seeks to minimise the effects of these risks in the manner detailed below. The Company does not enter into trade financial instruments, including derivative financial instruments, for speculative purposes.

26.3 Market risk

Market Risk is the risk of loss in on-balance sheet and off-balance sheet positions arising from movements in market place, in particular, changes in interest rates, exchange rates and equity. The Company has a monitoring mechanism which provides the framework for assessing market risk, in particular, tracking of events happening in market place, changes in policies / guidelines of government and regulators, exchange rate movement, equity market movements, money market movements etc.

26.4 Interest rate risk

Interest rate risk is a risk which is associated with movement of interest rates in the market. The management of the Company closely monitors the interest rate movements on a monthly basis which covers the following:

- Borrowing cost of the Company as on a particular date
- Interest rate scenario existing in the market
- Gap in cash flows at the prevalent interest rates
- Effect of Interest rate changes on the Gap in the cash flows
- Fixing appropriate interest rate to be charged to the customer based on the above factors

Interest rate sensitivity analysis

The sensitivity analysis below has been determined for borrowings where interest rates are variable, assuming the amount outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis points increase or decrease in interest rates is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rate were to increase / decrease by 50 basis points and all other variables were held constant, there will be an increase / decrease in the interest cost for the year amounting to Rs. 53.34 lakhs (March 31, 2019 - Rs. 23.97 lakhs).

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Note	Particulars

26.5 Credit risk

Credit risk in the Company arises due to default by customers on their contractual obligations which results to financial losses. Credit Risk is a major risk in the Company and the Company's asset base comprises of loans against property. Credit Risk in the Company stems from outright default due to inability or unwillingness of a customer to meet commitments in relation to lending, settlement and other financial transactions. The essence of credit risk assessment in the Company pivots around the early assessment of stress, either in a portfolio or an account, and taking appropriate measures.

26.6 Credit risk management

Credit risk in the Company is managed through a framework that sets out policies and procedures covering the measurement and management of credit risk. There is a clear segregation of duties between transaction originators in the business function and approvers in the credit risk function. Detailed credit policies have been drawn up to mitigate the the Company's prime risk which is the default risk. There is a robust Credit Risk Management set-up in the Company at various levels.

1. There are Credit teams to ensure implementation of various policies and processes through random customer visits and assessment, training of branch staff on application errors, liaison with other institutions to obtain necessary information/loan closure documents, as the case may be, and highlight early warning signals and industry developments enabling pro-active field risk management.
2. The credit sanction is done through a delegation matrix where credit sanctioning powers are defined for respective levels.
3. Portfolio analysis and reporting is used to identify and manage credit quality and concentration risks.
4. Credit risk monitoring for the Company is broadly done at two levels: account level and portfolio level. Account monitoring aims to identify weak accounts at an incipient stage to facilitate corrective action. Portfolio monitoring aims towards managing risk concentration in the portfolio as well as identifying stress in certain occupations, markets and states.

26.7 Significant increase in credit risk

The Company monitors all financial assets that are subject to impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk, the Company measures the loss allowance based on lifetime rather than Stage 1 (12-month) Expected Credit Loss (ECL). Pending the adoption of scoring models to assess the change in credit status at an account level and at portfolio level, the Company has adopted SICR (Significant Increase in Credit risk) criteria based on Days Past Due (DPD). The following table lists the staging criteria used in the Company: Staging Criterion

Stage-1:0 – 30 days past due
Stage-2:31 – 89 days past due
Stage-3:90+ days past due

Stage 2 follows the rebuttable presumption of Ind AS 109, that credit risk has increased significantly since initial recognition no later than when contractual payments are more than 30 days past due.

The Company also considers other qualitative factors and repayment history and considers guidance issued by the Institute of Chartered accountants of India (ICAI) for staging of advances to which moratorium benefit has been extended under the COVID regulatory package issued by RBI and as approved by the Board.

26.8 Measurement of ECL

As mentioned in Note 2.11.3, Probability of Default and Loss Given Default computed for the Holding Company, Aptus Value Housing Finance India Ltd, which is in the business of providing affordable housing loans and loan against properties, has been applied for computing the expected credit loss for the receivables of the Company.

The key inputs used for measuring ECL are:

Probability of default (PD): The PD is an estimate of the likelihood of default over a given time horizon (12 Month). It is estimated as at a point in time. To compute Expected Credit Loss (ECL) the portfolio is segregated into 3 stages viz. Stage 1, Stage 2 and Stage 3 on the basis of Days Past Dues. The Company uses 12 month PD for the stage 1 borrowers and lifetime PD for stage 2 and 3 to compute the ECL.

Loss given default (LGD): LGD is an estimation of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from eligible collateral.

Exposure at default (EAD): 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 expected drawdowns on committed facilities.

Probability of Default

To arrive at Probability of Default, 'Vintage Analysis' was done considering monthly defaults of borrower since origination.

The analysis considered Monthly Default Rates starting from inception until the end of observation period i.e. March 2019 to calculate default rates for each vintage month. Cumulative PD was calculated from the marginal PDs for each vintage month. Simple Average and Weighted Average PD was computed for each Month on Book (MOB) period starting from MOB 0 until MOB "n" (end of observation period). The Company has used Simple average to eliminate the bias that can be possible due to weighted average effect.

Loss Given Default

LGD was calculated using First time NPA (FTN) date and recovery data for each of these FTN dates. FTN date was taken from inception until March 2020. For each pool, recovery data was mapped to the subsequent months (until March 2020) from the respective default month i.e. recovery data was retrieved and plotted against the flow of month i.e. Months on Book MOB 0, MOB 1, MOB 2, MOB 3 till MOB (n) against each default month. Considering time value of money, recoveries in each month was discounted to arrive at the value as of FTN date. Average Interest Rates charged for each disbursement year was used as the Effective Interest Rates (EIR) for the loans.

Marginal Recovery rates was computed for each month as Discounted Recovery amount for a given month divided by the total outstanding amount for the given FTN date. Cumulative recovery rates were computed for each FTN date and LGD for corresponding FTN date was computed by using the formula (1- Recovery Rate). Weighted average LGD was computed for the entire observation period, weights being the total outstanding amount for each FTN date.

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Aptus Finance India Private Limited
Notes forming part of the financial statements for the year ended March 31, 2020

Note	Particulars

Exposure at Default :

EAD is the total outstanding balance at the reporting date including principal and accrued interests at the reporting date. EAD calculation for all portfolios is as under:

Stage 1 Assets:
- [(The total outstanding balance drawn) + (Undrawn Portion*CCF undrawn)].

Stage 2 Assets:
- [(The total outstanding balance drawn) + (Undrawn Portion*CCF undrawn)].

Stage 3 Assets:
- [(The total outstanding balance drawn) + (Undrawn Portion*CCF undrawn)].

Credit Conversion Factor (CCF) for undrawn portion has been taken at 100% based on historical experience and other information available with the company.

The Company measures ECL as the product of PD , LGD and EAD estimates for its Ind AS 109 specified financial obligations.

Credit Risk Concentrations

An analysis of the Company's credit risk concentrations per class of financial asset is provided in the following tables which represent gross carrying amounts of each class.

Rs. in lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Loans (at amortised cost) - Gross amount		
Concentration by products		
Loans against property	42,776.63	21,439.34
Total Advances	**42,776.63**	**21,439.34**

26.9 The tables below analyse the movement of the loss allowance during the year per class of assets.

Rs. in lakhs

Loss allowance on Loans at amortised cost	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL
Loss allowance as at March 31, 2020	23.32	1.73	10.09
Loss allowance as at March 31, 2019	15.81	0.04	1.58
Movement	7.51	1.69	8.51

The table below provides an analysis of the gross carrying amount of Loans by past due status.

Rs. in lakhs

Particulars	Mar-20		Mar-19	
	Gross carrying	Loss allowance	Gross carrying	Loss allowance
Loans - Gross amount				
0-30 days	42,551.66	23.32	21,415.12	15.81
31-90 days	152.69	1.73	12.60	0.04
More than 90 days	72.28	10.09	11.62	1.58
Total	**42,776.63**	**35.14**	**21,439.34**	**17.43**

Collateral held as security and other credit enhancements

The Company holds collateral or other credit enhancements to mitigate credit risk associated with financial assets. The main types of collateral and the types of assets these are associated with are listed in the table below.

Particulars	Type of Collateral held
Loan Against Properties	Mortgage of the immovable property

Offsetting financial assets and financial liabilities

The Company has not recognised any financial asset or liability on a net basis.

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Note	Particulars

26.10 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the its reputation.

26.11 Exposure to liquidity risk

The management of the Company manages and measures liquidity risk on an ongoing basis which covers monitoring of the liquidity situation as on a particular date and also for the next 6 months considering the projected cash outflows. Detailed statements are drawn to identify mismatches in cash flows across buckets spanning all maturities. Mismatches, thus, identified are closely monitored and action plans are drawn to bridge the gap.

Following are the contractual maturities of financial liability/financial assets at the reporting date. Loans, debt securities and borrowings include estimated interest receipts / payments.

Rs. in lakhs

As on March 31, 2020	1 day to 30/31 days (One Month)	Over one month to 2 months	Over 2 months up to 3 months	Over 3 months up to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 7 years	Over 7 years to 10 years	Over 10 years	Total
Financial assets											
Cash and cash equivalents	225.51	-	-	-	-	-	-	-	-	-	225.51
Bank Balance other than (a) above	-	-	-	-	-	-	-	-	336.30	-	336.30
Loans	803.85	803.85	1,017.73	3,052.93	6,105.67	24,412.01	24,285.05	17,782.98	6,125.30	241.76	84,631.13
Other Financial assets	2.12	-	-	-	-	-	-	-	-	1.50	3.62
Total	1,031.48	803.85	1,017.73	3,052.93	6,105.67	24,412.01	24,285.05	17,782.98	6,461.60	243.26	85,196.56
Financial liabilities											
Trade payables	24.91	-	-	-	-	-	-	-	-	-	24.91
Debt Securities	37.09	348.39	34.24	411.26	794.35	2,847.53	317.93	-	-	-	4,790.79
Borrowings (Other than Debt Secur	379.62	331.30	555.04	1,282.71	2,775.79	16,079.66	6,651.51	-	-	-	28,055.63
Other financial liabilities	0.58	-	-	-	-	-	-	-	-	-	0.58
Total	442.20	679.69	589.28	1,693.97	3,570.14	18,927.19	6,969.44	-	-	-	32,871.91

As on March 31, 2019	1 day to 30/31 days (One Month)	Over one month to 2 months	Over 2 months to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 to 5 years	Over 5 to 7 years	Over 7 to 10 years	Over 10 years	Total
Financial assets											
Cash and cash equivalents	33.50	-	-	-	-	-	-	-	-	-	33.50
Bank Balance other than (a) above	-	-	-	-	-	-	-	-	-	-	-
Loans	485.61	485.48	485.48	1,456.38	2,912.21	11,648.85	11,627.66	10,075.59	5,196.37	-	44,373.63
Other Financial assets	-	-	-	-	-	-	-	-	-	1.50	1.50
Total	519.11	485.48	485.48	1,456.38	2,912.21	11,648.85	11,627.66	10,075.59	5,196.37	1.50	44,408.63
Financial liabilities											
Trade payables	31.50	-	-	-	-	-	-	-	-	-	31.50
Debt Securities	-	-	-	-	-	-	-	-	-	-	-
Borrowings (Other than Debt Secur	108.21	58.94	285.37	513.96	1,108.73	9,955.83	1,425.77	-	-	-	13,456.81
Other financial liabilities	1.40	-	-	-	-	-	-	-	-	-	1.40
Total	141.11	58.94	285.37	513.96	1,108.73	9,955.83	1,425.77	-	-	-	13,489.71

26.12 Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and system or from external events. Operational risk is associated with human error, system failures and inadequate procedures and controls. It is the risk of loss arising from the potential that inadequate information system; technology failures, breaches in internal controls, fraud, unforeseen catastrophes, or other operational problems may result in unexpected losses or reputation problems. Operational risk exists in all products and business activities.

The Company recognizes that operational risk event types that have the potential to result in substantial losses includes Internal fraud, External fraud, employment practices and workplace safety, clients, products and business practices, business disruption and system failures, damage to physical assets, and finally execution, delivery and process management.

The Company cannot expect to eliminate all operational risks, but it endeavours to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, such as the use of internal audit.

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Note	Particulars
26.13	**Fair Value Measurements**

Fair Value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair value disclosure are required in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard.

(a) Fair Value of financial instruments recognised and measured at fair value

Rs. in lakhs

Particulars	Level 1	Level 2	Level 3	Total
As at March 31, 2020				
Financial assets				
Investments	-	-	-	-

Particulars	Level 1	Level 2	Level 3	Total
As at March 31, 2019				
Financial assets				
Investments	-	-	-	-

(b) Fair value of financial instruments not measured at fair value

The management believes that the fair value of of cash and cash equivalents, Loans, other financial assets, trade payables, borrowings and other financial liabilities carried at amortised cost approximate their net carrying amount.

Rs. in lakhs

Particulars	As at March 31, 2020					As at March 31, 2019				
	Carrying Value	Fair Value hierarchy				Carrying Value	Fair Value hierarchy			
		Level 1	Level 2	Level 3	Total		Level 1	Level 2	Level 3	Total
Financial assets										
Cash and cash equivalents	225.51	225.51	-	-	225.51	33.50	33.50	-	-	33.50
Bank Balance other than (a) above	203.80	203.80	-	-	203.80	-	-	-	-	-
Loans	42,741.49	-	-	42,741.49	42,741.49	21,421.91	-	-	21,421.91	21,421.91
Other Financial assets	3.62	-	-	3.62	3.62	1.50	-	-	1.50	1.50
Total Financial Assets	43,174.42	429.31	-	42,745.11	43,174.42	21,456.91	33.50	-	21,423.41	21,456.91
Financial liabilities										
Trade Payables	24.91	-	-	24.91	24.91	31.50	-	-	31.50	31.50
Debt Securities	4,003.68	-	-	4,003.68	4,003.68	-	-	-	-	-
Borrowings (Other than Debt Securities)	20,277.89	-	-	20,277.89	20,277.89	11,464.35	-	-	11,464.35	11,464.35
Other financial liabilities	0.58	-	-	0.58	0.58	1.40	-	-	1.40	1.40
Total Financial Liabilities	24,307.06	-	-	24,307.06	24,307.06	11,497.25	-	-	11,497.25	11,497.25

Note	Particulars

27 **Sharing of Costs**

The Company and its Holding Company share certain costs / service charges. These costs have been reimbursed by the Company to the Holding Company on a basis mutually agreed to between them, which has been relied upon by the Auditors.

28 **Change in liabilities arising from financing activities**

Rs. in lakhs

	01-Apr-19	Cash flows	Other *	31-Mar-20
Debt securities	-	4,062.50	(58.82)	4,003.68
Borrowings other than debt securities	11,464.35	8,988.83	(175.29)	20,277.89
Total liabilities from financing activities	**11,464.35**	**13,051.33**	**(234.11)**	**24,281.57**

	01-Apr-18	Cash flows	Other *	31-Mar-19
Debt securities	-	-	-	-
Borrowings other than debt securities	1,441.44	9,894.22	128.69	11,464.35
Total liabilities from financing activities	**1,441.44**	**9,894.22**	**128.69**	**11,464.35**

* Other column includes the effect of accrued but not paid interest on borrowing, amortisation of processing fees etc.

29 **Transferred financial assets that are not derecognised**

The following tables provide a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities:

The Company has Securitised certain loans, however the Company has not transferred substantially all risks and rewards, hence these assets have not been de-recognised.

Rs. in lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Carrying amount of transferred assets measured at amortised cost	5,443.42	-
Carrying amount of associated liabilities measured at amortised cost	4,496.73	-
Fair value of assets	5,443.42	-
Fair value of associated liabilities	4,496.73	-
Net position at Fair Value	946.69	-

30 **Collateral and other credit enhancements**

Although collateral can be an important mitigation of credit risk, it is the Company's practice to lend on the basis of the customer's ability to meet the obligations out of cash flow resources other than placing primary reliance on collateral and other credit risk enhancements.

The Company obtains first and exclusive charge on all collateral that it obtains for the loans given. The loans are secured by collateral at the time of origination.
Immovable Property is the collateral for loans given by the Company. Security Interest in favour of the Company is created by Mortgage through deposit of title deed which is registered wherever required by law.
The Company does not obtain any other form of credit enhancement other than the above. All the Company's term loan are secured by way of tangible collateral.
Any surplus remaining after settlement of outstanding debt by way of sale of collateral is returned to the customer / borrower.

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Note

31 Maturity analysis of assets and liabilities

Rs. in lakhs

Assets	March 31, 2020			March 31, 2019		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial Assets						
Cash and cash equivalents	225.51	-	225.51	33.50	-	33.50
Bank Balance other than (a) above	-	203.80	203.80	-	-	-
Loans	3,197.97	39,543.52	42,741.49	1,377.52	20,044.39	21,421.91
Other Financial assets	2.12	1.50	3.62	-	1.50	1.50
Non-financial Assets						
Deferred tax assets (Net)	-	182.71	182.71	-	115.25	115.25
Property, plant and equipment	-	0.09	0.09	-	0.16	0.16
Other Intangible assets	-	1.21	1.21	-	2.41	2.41
Other non-financial assets	16.30	-	16.30	1.89	-	1.89
TOTAL ASSETS	3,441.90	39,932.83	43,374.73	1,412.91	20,163.71	21,576.62
LIABILITIES						
Financial Liabilities						
Trade Payables	24.91	-	24.91	31.50	-	31.50
Debt Securities	1,250.00	2,753.68	4,003.68	-	-	-
Borrowings (Other than Debt Securities)	2,814.13	17,463.76	20,277.89	1,126.95	10,337.40	11,464.35
Other financial liabilities	0.58	-	0.58	1.40	-	1.40
Non-Financial Liabilities						
Current tax liabilities (Net)	56.78	-	56.78	97.50	-	97.50
Other non-financial liabilities	9.47	-	9.47	14.76	-	14.76
EQUITY						
Equity Share capital	-	10,080.00	10,080.00	-	9,000.00	9,000.00
Other Equity	-	8,921.42	8,921.42	-	967.11	967.11
TOTAL LIABILITIES AND EQUITY	4,155.87	39,218.86	43,374.73	1,272.11	20,304.51	21,576.62

32 **Events after Reporting Date**

There have been no events after the reporting date that require disclosure in the financial statements.

33 **Previous Year's Figures**

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

34 **Impact due to COVID-19 pandemic**

The SARS – CoV-2 virus responsible for COVID -19 continues to spread across the globe and India, which has contributed to a significant decline and volatility in global and Indian financial markets and a significant decrease in global and local economic activities. On March 11, 2020, the COVID -19 outbreak was declared a global pandemic by the World Health Organization. Numerous governments and Companies, have introduced a variety of measures to contain the spread of the virus. On March 24, 2020, the Indian government announced a strict 21-day lockdown which was further extended many times across the country to contain the spread of virus. The extent to which the COVID -19 pandemic will impact the company's financials will depend on future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID -19 pandemic and any action to contain its spread or mitigate its impact whether government -mandated or elected by the Company.

In accordance with the RBI guidelines relating to COVID-19 Regulatory Package dated March 27, 2020 and April 17, 2020, the Company would be granting a moratorium of three months on the payment of all installments and/or interest, as applicable, falling due between March 01, 2020 and May 31, 2020 to all eligible borrowers classified as Standard, even if overdue, as on February 29, 2020. For all such accounts where the moratorium is granted, the asset classification shall remain stand still during the moratorium period (i.e. the number of days past-due shall exclude the moratorium period for the purposes of asset classification under the Income Recognition, Asset Classification and Provisioning Norms).

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Aptus Finance India Private Limited

Notes forming part of the financial statements for the year ended March 31, 2020

Note	Particulars
35	**Approval of financial statements** The financial statements were approved for issue by the Board of Directors on May 29, 2020

For and on behalf of the Board of Directors
Aptus Finance India Private Limited
CIN - U74900TN2015PTC102252

K M Mohandass
Director
(DIN: 00707839)

P Balaji
Director
(DIN: 07904681)

Laxmi Sridhar
Manager & CFO

Jyoti Munot
Company Secretary

Place : Chennai
Date : May 29, 2020

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