

Sundaram BNP Paribas Home Finance Limited

20th Annual Report
2018-19



SUNDARAM BNP PARIBAS
— HOME FINANCE —

Board of Directors

S. Viji	Chairman
T.T. Srinivasaraghavan	
Anthony Colwyn-Thomas	
Patrick Miron de L'Espinay	
N. Ganga Ram	
P.N. Venkatachalam	
Radha Unni	
P.C. Mathew	
Srinivas Acharya	Managing Director

Audit Committee

N. Ganga Ram	Chairman
Radha Unni	
P.C. Mathew	
T.T. Srinivasaraghavan	
Anthony Colwyn-Thomas	

Executive Committee

T.T. Srinivasaraghavan	Chairman
Anthony Colwyn-Thomas	
Srinivas Acharya	

Asset Liability Management Committee

Srinivas Acharya	Chairman
Lakshminarayanan Duraiswamy	
G. Sundararajan	
S. Rajagopalan	
Moahan Venkatesan	
V. Swaminathan	

Risk Management Committee

P.N. Venkatachalam	Chairman
Anthony Colwyn-Thomas	
Srinivas Acharya	

Corporate Social Responsibility Committee

Srinivas Acharya	Chairman
P.N. Venkatachalam	
N. Ganga Ram	

Nomination & Remuneration Committee

T.T. Srinivasaraghavan Chairman
Anthony Colwyn-Thomas
N. Ganga Ram
Radha Unni

Stakeholders Relationship Committee

Anthony Colwyn-Thomas Chairman
Srinivas Acharya
N. Ganga Ram

IT Strategy Committee

P.N. Venkatachalam Chairman
Radha Unni
Patrick Miron de L'Espinay
Srinivas Acharya

Key Managerial Personnel

Srinivas Acharya Managing Director
G. Sundararajan Chief Financial Officer
V. Swaminathan Company Secretary

Senior Executives

Lakshminarayanan Duraiswamy Executive Director
S. Rajagopalan Senior Vice-President & Head – Operations
Moahan Venkatesan Vice-President – Strategy & Special Projects
V. Janaki Senior General Manager & Head - Information Systems

Statutory Auditors

M/s. Sundaram & Srinivasan
Chartered Accountants
23, C.P. Ramaswamy Road
Alwarpet, Chennai - 600 018

Secretarial Auditor

Mr. M. Damodaran
M/s. M. Damodaran & Associates
New No.6, Old No.12, Appavoo Gramani 1st Street
Mandaveli, Chennai - 600 028

Information Security Assurance Services

M/s. C.V. Ramaswamy & Co.
No.1, Vidwan Sundaram Street
Nungambakkam, Chennai 600 034

Bankers

Axis Bank	HDFC Bank
BNP Paribas	ICICI Bank
Canara Bank	IndusInd Bank
Federal Bank	State Bank of India
The Karnataka Bank Ltd	

Trustee for Debentures/Public Deposits

IDBI Trusteeship Services Limited
Asian Building, Ground Floor
17, Kamani Marg, Ballard Estate
Mumbai - 400 001

Trustee for Securitisation

Vistra ITCL (India) Limited
(Formerly known as IL & FS Trust Company Limited)
The IL & FS Financial Centre
Plot C-22, G Block, 7th Floor,
Bandra-Kurla Complex
Bandra (East), Mumbai - 400 051

Registered Office

21, Patullos Road, Chennai - 600 002
Phone: 044 2852 1181
Fax: 044 2858 6641

Corporate Office

'Sundaram Towers'
46, Whites Road, Chennai - 600 014
Phone: 044 2851 5267, 044 2851 5269
Fax: 044 2858 2235

Email

corporateaffairs@sundarambnpphome.in

Website

www.sundarambnpphome.in

Corporate Identity Number

U65922TN1999PLC042759

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HIGHLIGHTS

(₹ in crore)

	2018-19	2017-18	2016-17	2015-16	2014-15
OPERATIONAL HIGHLIGHTS	Ind AS		IGAAP		
Approvals	2672	2996	2077	1857	2097
Disbursements	2449	2626	1831	1743	1939
Loans outstanding	8855	8078	7272	6995	6805
Loans under Management (Including assets sold/ securitised)	9064	8358	7663	7510	7504
FINANCIAL HIGHLIGHTS					
Paid-up capital	101.25	101.25	101.25	101.25	101.25
Reserves and Surplus	1150.84	1047.66	927.19	773.54	663.47
Net Worth	1252.09	1148.91	1028.44	874.79	764.72
Total Borrowings	8037.39	7353.63	6470.75	6269.91	6281.68
Fixed Deposits	1230.13	1124.22	1094.72	1022.41	876.17
Profit before Tax	224.17	211.83	236.57	233.30	219.26
Profit after Tax	145.48	144.42	153.65	152.72	146.42
Total Comprehensive Income for the period comprising Profit and other comprehensive income for the period	145.55	144.25	153.65	152.72	146.42
Dividend %	35.00	35.00	35.00	35.00	35.00
Dividend (including tax) - Amount in crore	42.72	42.72	42.65	42.65	42.65
Return on average networth (%)	12.12	13.14	16.15	18.63	20.02
Book value (₹)	123.66	113.47	101.57	86.40	75.53
Earnings per share (₹)	14.37	14.26	15.17	15.08	14.46
Capital Adequacy Ratio (%)	23.54	24.28	24.78	23.94	20.41
Cost-to-income ratio (%)	27.81	25.67	24.39	22.53	18.85
Gross non-performing loans (%)	2.95	3.27	2.94	2.82	2.46
Net non-performing loans (%)	0.93	1.27	0.98	0.98	0.75

BOARD'S REPORT

To the Members

The Directors have pleasure in presenting the Twentieth Annual Report of the Company together with the audited accounts for the year ended 31st March 2019.

Implementation of Ind AS

Before giving the financial results, the Directors wish to apprise the Members that on 30th March 2016, the Ministry of Corporate Affairs (MCA) notified the Companies (Indian Accounting Standards) (Amendment) Rules, 2016, which included a road map for the implementation of Indian Accounting Standards (Ind AS) by Non-Banking Financial Companies (NBFCs) and Housing Finance Companies (HFCs).

Ind AS has been made applicable to the Company for the year ended 31st March 2019 with the transitional period commencing from 1st April 2017. For the purpose of reporting for the year 2018-19 under Ind AS, we are required to regroup our figures for the year 2017-18 (being the previous year) also as per Ind AS accounting for comparison with hitherto reported figures under Indian GAAP (IGAAP). The financial statements in this Report are recast accordingly and hence, the figures are not strictly comparable with the statements in the previous Annual Report.

National Housing Bank (NHB), *vide* Circular dated 14th June 2018, has clarified that HFCs are required to comply with the provisions of Ind AS, as notified by the Ministry of Corporate Affairs (MCA), Government of India from time to time, including the date of implementation. HFCs are expected to adopt sound methodologies, systems/ procedures commensurate with the size, complexity, risk profile etc., specific to them while implementing Ind AS.

Accordingly, the Company has adopted Ind AS on all aspects of accounting with special reference to share based payments, considering transaction cost under Effective Interest Rate (EIR) for loans and borrowings and Expected Credit Loss (ECL) model for all financial assets. In addition, the Company has made necessary disclosures under the Housing Finance Companies (NHB) Directions, 2010.

However, for regulatory and supervisory purposes, including various kinds of reporting to NHB, HFCs shall continue to follow the extant provisions of the National Housing Bank Act, 1987 and the Housing Finance Companies (NHB) Directions, 2010 including framework on Prudential Norms and other related Circulars etc., issued in this regard by NHB from time to time. HFCs are required to provide adequate disclosures / statements for furnishing compliance in the aforesaid matter in the notes forming part of the financial statements of the HFC.

The summarised financial results as per Ind AS are given hereunder:

FINANCIAL RESULTS

(₹ in Crore)
(as per Ind AS)

	For the Year ended	
	31st March 2019	31st March 2018
Income from Operations	1006.15	934.20
Other income	0.13	0.38
Total Revenue	1006.28	934.58
Less: Total Expenses	782.11	722.75
Profit Before Tax	224.17	211.83
Profit After Tax	145.48	144.42
Other comprehensive income	0.08	-0.17
Total Profit & Other comprehensive income	145.56	144.25
Add: Balance brought forward from the previous year	68.65	66.06
Amount available for appropriation	214.21	210.31

Appropriations

Transfer to Special Reserve under Section 36(1)(viii) of the Income-tax Act, 1961	29.00	29.00
Transfer to Special Reserve relating to earlier years	5.17	—
Transfer to Additional Reserve under Section 29C of National Housing Bank Act, 1987	—	—
Dividend paid for FY 2017-18	35.44	35.44
Dividend Distribution Tax	7.28	7.21
Transfer to General Reserve	70.00	70.00
Surplus carried to the Balance Sheet	67.32	68.66
Total	214.21	210.31

DIVIDEND

Your Directors are pleased to recommend a dividend of 35% (₹3.50 per share) for the Financial Year 2018-19 on the total paid-up capital of ₹101.25 crore. In terms of the Companies (Accounting Standard) Rules, 2006, as amended, the proposed dividend including dividend distribution tax of ₹42.72 crore is not recorded as a liability as on 31st March 2019. The liability will be recognised after the dividend is approved by the Members in the ensuing Annual General Meeting and it will be reflected in the accounts for the year 2019-20.

OPERATING AND FINANCIAL PERFORMANCE

Gross income of the Company during the year ended 31st March 2019 amounted to ₹1006.27 crore, higher by 7.67% over ₹934.58 crore in the previous year. Profit before tax was ₹224.17 crore, higher by 5.83% over the previous year's ₹211.83 crore. At ₹145.47 crore, profit after tax was higher by 0.73% over the previous year's ₹144.42 crore. The Company's net worth stood at ₹1252.09 crore as on 31st March 2019 (₹1148.91 crore at the end of the previous year). As on that date, the regulatory capital adequacy ratio (CRAR) was 23.8%, well above the regulatory minimum of 12%.

The Company approved loans totalling ₹2672 crore during the year, 11% lesser than corresponding figure of ₹2996 crore in FY18. Disbursements during the year amounted to ₹2449 crore as against ₹2626 crore in FY18, a drop of 7%. The average size of home loans disbursed to individuals during the year was ₹26.50 lakhs.

Gross Non-Performing Loans (NPLs) (loans in continuing default for more than 90 days) amounted to ₹261.82 crore as on 31st March 2019 which constituted 2.95% of the total loans, down from 3.27%, a year ago. Net NPLs after provisioning under ECL were 0.93%, down from 1.27% last year.

The Company continues to follow a prudent loan provisioning policy, as a result of which the level of Expected Credit Loss (ECL) provisions allocated to NPL accounts is considerably higher than the regulatory requirement.

During the year, the Company disbursed loans amounting to ₹15 crore to Affordable Housing Finance Companies through Line of Credit (LOC).

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your 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 per cent of the average net profits made during the last three immediately preceding Financial Years on the activities mentioned under Schedule VII of 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.

The CSR Committee consists of three Members, viz. Mr. Srinivas Acharya, Mr. P.N. Venkatachalam and Mr. N. Ganga Ram. Mr. Srinivas Acharya is the Chairman of the Committee.

During the Financial Year 2018-19, your Company has spent the required amount of ₹4.92 crore under the CSR framework. A Report on CSR Activities undertaken by the Company for the Financial Year 2018-19 is annexed as part of this Board's Report (Annexure I).

The Policy on Corporate Social Responsibility has been hosted on Company's website <http://www.sundarambnpphome.in>

CORPORATE GOVERNANCE

The National Housing Bank *vide* Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated 9th February 2017, has mandated all the Housing Finance Companies to follow the guidelines on Corporate Governance as per the Housing Finance Companies – Corporate Governance (NHB) Directions, 2016. The Company has accordingly framed internal guidelines on Corporate Governance which have been hosted on its website <http://www.sundarambnpphome.in>

Your Company is committed to achieving the highest standards of Corporate Governance and it aspires to benchmark itself with the best practices in this regard. The Board regularly reviews the Management's reports on statutory and regulatory compliances. A detailed report on Corporate Governance forms part of the Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of the provisions of Section 134(3) (c) read with 134(5) of the Companies Act, 2013, the Board of Directors hereby state that:

- a. in the preparation of the Annual Accounts, the applicable accounting standards have been followed;
- b. the Company has selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the Financial Year and of the profit of the Company for that period;
- c. proper and sufficient care has been exercised 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;
- d. the Annual Accounts have been prepared on a going concern basis;
- e. adequate internal financial controls have been put in place and they are operating effectively; and
- f. proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

RELATED PARTY TRANSACTIONS

During the year, the Company did not enter into any materially significant transaction with related parties, i.e., its Promoters, Directors, Key Managerial Personnel and their relatives, conflicting with the Company's interests as laid down under Section 188(1) of the Companies Act, 2013.

Approval of the Audit Committee is obtained by the Company before entering into any related party transaction as per the applicable provisions of Companies Act, 2013. In accordance with the provisions of Section 188 of the Companies Act, 2013, approval of the Board of Directors is also obtained for entering into related party transactions by the Company. A yearly update is also given to the Audit Committee and the Board of Directors on the related party transactions undertaken by the Company for their review and consideration.

All the transactions entered into by the Company with any of the related parties during the year were in the ordinary course of business and on an arm's length basis. Form AOC-2, as required under Section 134(3) (h) of the Act, read with Rule 8(2) of the Companies (Accounts) Rules 2014, is annexed as part of this Board's Report (Annexure II (i)).

Further, as mandated under the Directions issued by the National Housing Bank *vide* Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated 9th February 2017, the Company has formulated a Policy on Related Party Transactions and the Policy is annexed as part of this Board's Report (Annexure II (ii)).

The Policy on Related Party Transactions has been hosted on the Company's website <http://www.sundarambnpphome.in>

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

The Company has in place a Policy for prevention of Sexual Harassment, in line with the requirements of the “Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.” Internal Complaints Committee (ICC) has been set up to redress complaints, as and when received, regarding sexual harassment and all employees are covered under this Policy.

The Policy has been hosted on the Company’s website <http://www.sundarambnpphome.in>

There were no complaints during the year 2018-19.

WHISTLE BLOWER POLICY

The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism with effect from 1st April 2014, for Directors and Employees to report genuine concerns about unethical behaviour, pursuant to the provisions of Section 177(9) and (10) of the Companies Act, 2013 read with Rule 7 of Companies (Meetings of Board and its Powers) Rules, 2014. The vigil mechanism provides for adequate safeguards against victimisation of persons who use such mechanism and makes provision for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases. It is hereby affirmed that no personnel of the Company has been denied access to the Audit Committee under the vigil mechanism. The Whistle Blower Policy has been hosted on the Company’s website <http://www.sundarambnpphome.in>

There were no complaints during the year 2018-19.

SIGNIFICANT AND MATERIAL ORDERS

During the year under review, no significant and material orders were passed by the regulators, courts or tribunals against the Company, impacting its going concern status or its future operations.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT INDIAN ECONOMIC SCENARIO

The year 2018-19 saw the industry and service sectors settling down post Goods and Services Tax (GST) regime and the real estate sector re-aligning and consolidating its business in line with Real Estate (Regulation and Development) Act, 2016 (RERA).

The Indian economy faced two major global challenges arising from (a) an abrupt rise in crude oil prices and (b) weakening value of Indian Rupee vis-à-vis US Dollar. On the domestic front, the economy had to contend with (i) frequent revisions in GST rates, (ii) continued agrarian distress, (iii) slow progress on Insolvency and Bankruptcy Code cases, and (iv) liquidity crunch faced by non-banking finance companies since September 2018.

GDP GROWTH

As per the first advance estimates of Gross Domestic Product (GDP) released by Central Statistics Office (CSO) for 2018-19, the Indian economy was estimated to grow at 7.0% in the current fiscal ended 31st March 2019.

India’s GDP has averaged 7.5% over the last five years, indicating a near normal growth and making it one of the fastest growing major economies in the world. However, it is estimated to have slowed down to about 7% during 2018-19, as against the original projection of 7.2%.

Tax collections for the period ended 2018-19 marked an increase of 18.3% over the previous year, but were well below the targeted collections for the year. Prices largely remained under control. While the average WPI inflation for 2018-19 was at 4.3% (an increase from 2.9% in the previous year), headline inflation, based on the Consumer Price Index for 2018-19, came in at 3.4% (compared to 3.6 % in 2017-18), helped by softer food inflation.

Foreign Direct Investment flows continued to be encouraging and India's foreign exchange reserves stood at USD 412 billion at the end of March 2019 as compared to USD 424 billion at the end of the previous year, as per RBI data. The Current Account Deficit (CAD) was higher at 2.6% as against 2.0% in the previous year, reflecting a lower growth in exports as also the effects of higher crude oil prices. The gross fiscal deficit came down marginally, to 3.4% for the period April 2018 to February 2019, as compared to 3.6% for the year 2017-18. The Rupee depreciated, ending the year at ₹69.20 to the Dollar. According to the World Bank's Ease of Doing Business Report, India has improved its global ranking by several notches, from 142 to 77 in the last five years.

UNION BUDGET 2019-20

The 2019 Union Budget had made the following announcements which are aimed at boosting the residential housing sector.

- (i) Full tax rebate for total individual income of up to ₹5 lakhs;
- (ii) Increase in standard deduction from ₹40,000 to ₹50,000;
- (iii) Increase in threshold TDS on interest income from ₹10,000 to ₹40,000 (for Bank and Post Office Deposits);
- (iv) Notional rent from a second self-occupied property be exempted from tax;
- (v) Benefit of Capital Gains to be increased from investment in one residential house to two residential houses up to ₹2 core (only once in a lifetime);
- (vi) Period of tax exemption for notional rent on unsold inventory to be extended from one year to two years from the time of completion of the housing project and
- (vii) Threshold for TDS on house rents to be increased from ₹1.80 lakhs to ₹2.40 lakhs per annum.

In a separate move, the GST Council reduced GST rate on 'under construction properties' from 12% to 5% (8% to 1% for affordable housing projects) and removed the benefit of Input Tax Credit (ITC).

PRADHAN MANTRI AWAS YOJANA (PMAY)

The Central Government has continued to maintain its focus on Housing for All by 2022. Allocation for PMAY was ₹25,853 crore for FY20 as against ₹26,406 crore for FY19. Although the allocation is marginally lower compared to the last fiscal, it remains sizeable which is likely to support the growth momentum in the affordable housing segment. On the supply side, the extension of tax benefits for affordable housing projects is likely to ensure adequate builders/developers' interest in the segment. On the demand side, the disposable income for low to middle income borrowers is expected to improve through tax exemptions. This could have a positive impact on HFCs, especially those operating in the affordable housing segment where typically the income level of the borrowers would be upto ₹18 lakhs.

HOUSING FINANCE SECTOR AND FUTURE OUTLOOK

As per ICRA's research reports, the total housing credit outstanding stood at ₹18.2 lakhs crore as on 31st December 2018, recording a growth of 16% (previous year 16%) with HFCs registering a lower growth of 13% (previous year 19%), mainly due to the liquidity crisis faced by HFCs. In view of disbursements for Q4 FY19 being muted for a few entities, the housing credit growth for FY19 is likely to be in the range of 13% to 15% with the pace of growth of banks expected to be higher than that of HFCs. As some HFCs aim to go slow on construction finance to conserve liquidity, given the lumpy nature of these loans, the growth in non-housing loans is expected to decline at a steeper pace. As per ICRA, the sector is expected to grow by 14% to 16% in FY20, with the liquidity conditions likely to improve.

Based on ICRA's trend analysis of the portfolio of HFCs, the asset quality could be under some pressure due to the challenging operating environment and the emerging risk factors such as builders' tight liquidity position and limited ability to honour their obligations, self-employed borrower's longer working capital cycle and increased borrowing costs, rising delinquencies in affordable housing segment

and increasing pressure on margins. While delinquencies are on the rise, they are still at manageable levels. The ability of HFCs to re-possess and liquidate assets will be the key.

The reported capital adequacy of HFCs remained good with median CRAR of 18.9% as on 31st December 2018 owing to the relatively lower risk weights for home loans and commercial real estate loans for residential projects. Aggregate on balance sheet gearing for all HFCs and large HFCs improved to 6.5 times as on 31st December 2018 from 6.8 times as on 30th September 2018.

Against this backdrop of current sluggish markets, liquidity stress and general elections, your Company envisages a modest growth in disbursements during FY20 with focus on improving asset quality and profitability and aims to consolidate its market share in Tamil Nadu, Telangana, Andhra Pradesh and Karnataka and tap new locations.

REGULATORY CHANGES

During the year, a few major regulatory changes were made by NHB and SEBI, besides other amendments to the Directions/Regulations:

1. Implementation of Indian Accounting Standards (Ind AS) - As stated earlier, Housing Finance Companies (HFCs) are required to comply with the provisions of Ind AS, as notified by the Ministry of Corporate Affairs (MCA), Government of India from time to time, including the date of implementation notified by the MCA *vide* Notification No. G.S.R. 365(E) dated 30th March 2016. Ind AS has been made applicable to our Company for the year ending 31st March 2019 with the transitional period commencing from 1st April 2017.
2. Guidelines on Information Technology Framework – HFCs are required to formulate policies and procedures to operationalise the guidelines and put in place an effective monitoring system.
3. Guidelines on Reporting and Monitoring of Frauds – HFCs are required to adhere to the provisions of the Guidelines and the timelines stipulated with regard to reporting of frauds.
4. Revised Guidelines on ‘Know Your Customer’ and ‘Anti-Money Laundering Measures’ – HFCs are required to ensure compliance of the Guidelines in the light of subsequent developments including amendments in the Prevention of Money Laundering Act, 2002 (PMLA) and the Prevention of Money-Laundering (Maintenance of Records) Rules, 2005 (PML Rules).
5. Fund raising by issuance of Debt Securities by Large Entities - This framework shall come into effect from 01 April 2019. According to the Circular, companies being classified as Large Corporate (LC) are required to raise not less than 25% of their incremental borrowings, during the financial year (i.e., April 2019 to March 2020 and thereafter), by way of issuance of debt securities.
6. HFCs can avail External Commercial Borrowings (ECB) under all tracks and shall have a Board approved risk management policy and keep their ECB exposure hedged 100% at all times for ECBs raised under Track I.
7. The RBI raised the housing loan limits under priority sector lending (PSL) for economically weaker sections (EWS) and lower income groups (LIG) from ₹28 lakhs to ₹35 lakhs in metropolitan centres and from ₹20 lakhs to ₹25 lakhs in other, provided that the cost of the house does not exceed ₹45 lakhs in metros and ₹30 lakhs in other centres.
8. The RBI has also eased norms for risk weights on bank lending to NBFCs by allowing bank exposures to NBFCs to be risk weighted according to the ratings assigned by the rating agencies and harmonization of different categories of NBFCs into fewer ones on the principle of regulation by activity rather than regulation by entity.

TRADEMARK REGISTRATION:

During the year, the Company has duly registered four of its trademarks with the Trademark Registry.

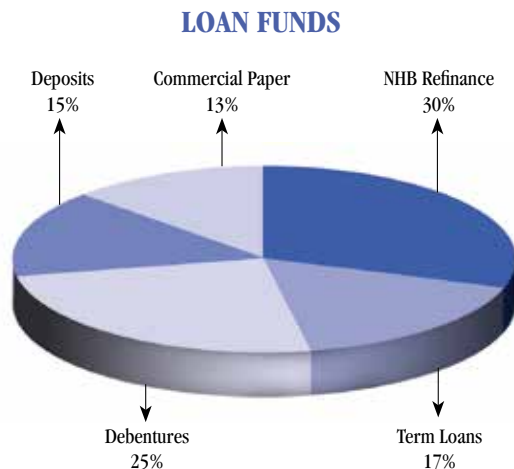
RESOURCE MOBILISATION

FRESH EQUITY

During the year, the Company did not raise funds by way of infusion of fresh equity. The Company did not face any liquidity pressure except rise in the cost of funds.

BORROWINGS

Total borrowings as on 31st March 2019 stood at ₹7840.59 crore as against ₹7090.76 crore, a year earlier. Of the total borrowings, NHB Refinance constituted 30%, Non-Convertible Debentures (NCDs) 25%, Term Loans from Banks and Financial Institutions 17% and Public Deposits 15% besides Commercial Paper 13%.



During the year, the Company availed itself of fresh refinance of ₹522 crore from NHB and repaid ₹419.23 crore of refinance. It raised term funds to the extent of ₹720 crore through non-convertible debentures and ₹815 crore from banks. The Company duly repaid its term borrowings including debentures as and when they became due for payment and no debentures remained unclaimed by the investors at the year end.

DEPOSITS

The Company mobilised fresh public deposits of ₹272.46 crore during FY19. Fixed Deposits outstanding at the year-end were ₹1175.49 crore (₹1068.34 crore at the end of FY18).

The Company notifies depositors well ahead of the maturity of their deposits and thereafter issues periodical reminders if the deposits are not renewed or repaid on or after maturity. As of 31st March 2019, deposits totalling ₹10.54 crore from 668 depositors had matured for payment but the depositors concerned had sought neither renewal nor repayment of their deposits. The Company is closely following up these cases and, as of date, such deposits stand reduced to ₹6.78 crore from 488 depositors.

As of 31st March 2019, there were no amounts pending to be transferred to the Investor Education and Protection Fund (IEPF).

COMMERCIAL PAPER

The Company issued commercial paper aggregating ₹1975 crore (face value) during the year. The maximum amount of commercial paper outstanding at any time during the year was ₹1233 crore (face value) and the amount outstanding at the end of the year ₹1045 crore (face value).

CREDIT RATINGS

The Company's borrowings enjoy the following credit ratings:

Borrowing through	Rating/Outlook and the date of Rating/ Outlook by Rating Agencies		
	ICRA	CRISIL	CARE
Short-Term Debt / Commercial Paper	(ICRA) A1+	CRISIL A1+	—
Fixed Deposits	MAAA/ Stable*	FAAA/Stable	—
Non-Convertible Debentures	(ICRA) AA+/ Stable	CRISIL AA+/ Stable	CARE AA+/ Stable
Subordinated Debt	(ICRA) AA+/ Stable	—	CARE AA+/ Stable*
Long-term Bank Loans	(ICRA) AA+/ Stable	—	CARE AA+/ Stable
Structured Obligations	(ICRA) AAA (SO)	—	—

* Upgraded during the year

INTERNAL FINANCIAL CONTROLS

The Company has well defined and adequate internal financial controls and procedures, commensurate with the size and nature of its operations. This is further strengthened by the Internal Audit system put in place.

Besides, the Company has an Audit Committee of the Board, comprising Non-Executive Directors, which reviews internal financial controls, systems control, financial management and operations of the Company.

RISK MANAGEMENT POLICY

As mandated under the Directions issued by the National Housing Bank *vide* Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated 9th February 2017, the Company has constituted a Risk Management Committee which is responsible for putting in place a progressive risk management system, risk management policy and strategy to be followed by the Company.

The Company has to manage various risks such as credit risk, liquidity risk, interest rate risk and operational risk. The Risk Management Committee and the Asset Liability Management Committee review and monitor these risks at regular intervals.

The Company manages its credit risk through stricter credit norms in line with the business requirements and continues to follow the time-tested practice of personally assessing every borrower, before committing credit exposure. This process ensures that the expertise in lending operations acquired by the Company over the past years is put to best use and acts to mitigate credit risks.

Successful mortgage lending calls for timely identification, careful assessment and effective management of the credit, operational, market (interest-rate and liquidity) and reputation risks. The Company has adopted efficient risk management policies, systems and processes that seek to strike an appropriate balance between risk and returns. The Company has also introduced appropriate risk

management measures, such as accessing 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 in addition to in-house appraisal of the legal documents, monitoring the end-use of approved loans, lending only against approved properties, risk-based loan pricing and property insurance. The Company has employed qualified personnel to value properties and track property price movements, besides engaging qualified external valuers in appropriate cases. A separate recovery 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 outstanding dues.

The Company monitors its Asset Liability Mismatch on an on-going basis to mitigate the liquidity risk, while interest rate risks arising out of Maturity Mismatch of assets and liabilities are managed through regular monitoring of the maturity profiles. The Company also measures the interest rate risk by the Duration Gap Method.

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

During the year 2018-19, there were no instances of frauds that are required to be reported by the Statutory Auditors with respect to Sub-Section 3(ca) of Section 134 of the Companies Act, 2013.

INTERNAL AUDIT

In compliance with the requirements of the Companies Act, 2013 read with Circular G.S.R. 742(E) dated 27th July 2016 issued by the Ministry of Corporate Affairs, the Company has appointed Internal Audit

Department of Sundaram Finance Limited as the Internal Auditors of the Company, to carry out an effective internal audit and such other audit functions in addition to their existing assignment on Audit of Corporate Office, Branch Inspection and Docket Verification.

The Internal Auditors review all the internal control and risk-management measures, highlight areas requiring attention and report the main findings and recommendations to the Audit Committee of the Board. The Committee regularly reviews the audit findings and the actions taken thereon, as well as the adequacy and effectiveness of the internal systems and controls. The internal control systems are being tested on an on-going basis and necessary actions are initiated wherever necessary.

INFORMATION SECURITY ASSURANCE SERVICES – SYSTEMS AUDIT

The Company's operations have a high degree of automation. Information security assurance service is provided by M/s. C.V. Ramaswamy & Co., whose recommendations have led to the introduction of several additional safeguards in operational, accounting and security-related areas.

HUMAN RESOURCES AND TRAINING

Employees' contribution is vital to the Company's performance - both qualitative and quantitative. Accordingly, the Company's performance management system is used effectively to improve staff capabilities in areas such as leadership, team building, knowledge accessibility and productivity enhancement. An exclusive Training and Development Department, headed by a senior officer, has been set up to give additional impetus to the growing training needs of the employees. In-house on-the-job coaching and enhanced training programmes in various other functional areas were conducted during the year to upgrade the skills of employees and achieve functional effectiveness. In addition, executives were seconded to various external training programmes and seminars on risk management, regulatory know-

your-customer guidelines, anti-money laundering and fair practices code. These training programmes enabled the staff members to sharpen their knowledge in their areas of responsibility. New employees are put through an induction programme covering business requirements, Company's processes, regulatory prescriptions and contours of personality development.

There are no material developments in the human resources/industrial relations front adversely affecting the Company's business.

The number of permanent employees on the rolls of the Company as on 31st March 2019 was 755.

MATERIAL CHANGES AFTER BALANCE SHEET DATE (31ST MARCH 2019)

No material changes and commitments favourably or unfavourably affecting the financial position of the Company have occurred between the end of the Financial Year (FY19) of the Company to which the Financial Statements relate and the date of this Board's Report.

BOARD OF DIRECTORS

During the year, Mr. Alexandre Adam, a nominee of BNP Paribas Personal Finance (BNPPF) resigned from the Board of the Company with effect from 27th July 2018.

The Board, at its meeting held on 30th January 2019, based on the recommendation of the Nomination & Remuneration Committee (NRC), approved the appointment of Mr. Patrick Miron de L'Espinay, a nominee of BNPPF, as an Additional Director of the Company.

Pursuant to Section 161 of the Companies Act, 2013, Mr. Patrick Miron de L'Espinay will hold office of directorship up to the date of ensuing Annual General Meeting and, subject to the approval of the Members, will be appointed as Non-Executive Director of the Company.

In terms of Section 152 of the Companies Act, 2013, Mr. S. Viji and Mr. Srinivas Acharya retire by rotation at the ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment.

The Company has received necessary declarations from the Independent Directors of the Company under Section 149(7) of the Companies Act, 2013 that they meet the criteria of Independence as provided in Section 149(6). Further, the Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV of the Companies Act, 2013.

The appointment of the Independent Directors has been made in accordance with the provisions of Section 152(5) of the Companies Act, 2013 and the Rules made there under. Details of the terms and conditions of the appointment of the Independent Directors have been hosted on the Company's website <http://www.sundarambnpphome.in>

KEY MANAGERIAL PERSONNEL

Mr. Srinivas Acharya, Managing Director, Mr. G. Sundararajan, Chief Financial Officer and Mr. V. Swaminathan, Company Secretary are deemed to be Key Managerial Personnel of the Company as per the provisions of Section 203 of the Companies Act, 2013 and the Rules made thereunder and have been in office before the commencement of the Companies Act, 2013.

BOARD AND COMMITTEE MEETINGS

Details regarding the number of Board and Committee Meetings held during the Financial Year and the composition of the various Committees of the Board are furnished in the Corporate Governance Report.

POLICY ON REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

The Nomination & Remuneration Committee formulates the criteria for determining qualifications, positive attributes and independence of a Director and its policy on remuneration of Directors, Key Managerial Personnel and other employees and ensures that:

- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay, reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

The Remuneration Policy has been hosted on the website of the Company <http://www.sundarambnpphome.in>

EXTRACT OF ANNUAL RETURN

In accordance with Section 134(3)(a) of the Companies Act, 2013, details in Form MGT-9, forming part of the extract of the Annual Return, as provided under Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, are hosted on the website of the Company <http://www.sundarambnpphome.in> and annexed as part of this Board's Report (Annexure III).

STATUTORY AUDITORS' REPORT

The Statutory Auditors' Report on the Accounts for the year ended 31st March 2019 does not contain any qualification, reservation or adverse observation. The Notes on the Financial Statements referred to in the Auditors' Report are self-explanatory.

STATUTORY AUDITORS

Your Directors, with the approval of the Members at the Nineteenth Annual General Meeting, have appointed M/s. Sundaram & Srinivasan (Registration No.004207S), Chartered Accountants, Chennai, as the Statutory Auditors of the Company in terms of Section 139(1) of the Companies Act, 2013 for a period of four years, till the conclusion of 23rd Annual General Meeting.

SECRETARIAL AUDITORS

In terms of Section 204 of the Companies Act, 2013 and the Rules thereunder, the Company has appointed Mr. M. Damodaran, Company Secretary in Practice, for conducting Secretarial Audit of the Company for the Financial Year 2018-19. The Secretarial Audit Report for the Year in Form MR-3 as prescribed under the Companies Act, 2013 is annexed to this Board's Report (Annexure IV).

There is no qualification, adverse observation or remark in the Secretarial Audit Report requiring explanation by the Board of Directors.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

Since the Company is not engaged in any manufacturing activity and its operations are not energy intensive, the disclosure relating to conservation of energy and technology absorption as stipulated under Section 134(3)(m) read with Rule 8 of the Companies (Accounts) Rules, 2014 is not applicable to the Company. However, adequate measures are always taken to ensure optimum utilization and maximum possible saving of energy. The Company on its lending side, associates itself in all programmes and schemes of the Government and NHB, in promoting energy efficient homes.

The Company actively pursues a culture of technology adoption, prudently leveraging on the advancements in technology to serve customers better, manage process more efficiently and economically and strengthen control systems. The Company has maintained a technology friendly working environment for its employees. In keeping with the current trends in the areas of digital marketing, the Company has effectively used these avenues in positioning itself in the market to gain better customer engagement.

FOREIGN EXCHANGE OUTGO

During the year, there were no foreign exchange earnings, and foreign exchange outgo was to the extent of ₹1768.41 lakhs towards dividend

for the year 2017-18 remitted to BNP Paribas Personal Finance, one of the principal shareholders of the Company and a subscription fee of ₹0.63 lakh to Asia-Pacific Network Information Centre.

DEPOSITS

The Sections and Rules under Chapter V under the Companies Act, 2013, relating to acceptance of deposits, do not apply to Housing Finance Companies registered with the National Housing Bank, established under the National Housing Bank Act, 1987 and, therefore, are not applicable to the Company. The Company has, however, complied with the provisions of the National Housing Bank Directions in relation to acceptance of public deposits.

LOANS AND INVESTMENTS

During the year, the Company duly complied with the provisions of Section 186(1) of the Companies Act, 2013. The Company did not make any investment through more than two layers of investment companies.

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose are provided in the Financial Statements. The Company, being a Housing Finance Company, is exempt from the provisions of Section 186(11) of the Companies Act, 2013.

BOARD EVALUATION

The Companies Act, 2013 states that a formal annual evaluation of the performance of the Board, its Committees and of individual directors needs to be carried out. Further, Schedule IV of the Companies Act, 2013, lays down that the performance evaluation of Independent Directors shall be done by the entire Board of Directors, excluding the Director being evaluated.

The evaluation of all the Directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board as recommended by the Nomination & Remuneration Committee and

a statement indicating the criteria for formal annual evaluation as required under Section 134(3) (p) of the Companies Act, 2013, is annexed as part of this Board's Report (Annexure V).

SEPARATE MEETING OF INDEPENDENT DIRECTORS

As required under Clause VII of Schedule IV of the Companies Act, 2013 on the Code for Independent Directors, a separate Meeting of all the Independent Directors on the Company's Board, viz. Mr. N. Ganga Ram, Mr. P. N. Venkatachalam, Mrs. Radha Unni and Mr. P. C. Mathew was held on 08th March 2019, without the attendance of the Non-Independent Directors and the Members of the Management.

At this Meeting, the Independent Directors –

- reviewed the performance of the Non-Independent Directors and the Board as a whole;
- reviewed the performance of the Chairman of the Company, taking into account the views of the Managing Director and the (Non-Independent) Non-Executive Directors; and
- assessed the quality, quantity and timeliness of the flow of information between the Company's Management and the Board that was necessary for the Board to effectively and reasonably perform its duties.

Besides, the Independent Directors discussed other matters of interest concerning the Company.

LISTING WITH STOCK EXCHANGES

The Company is up-to-date in the payment of annual listing fees to National Stock Exchange (NSE) on which its debentures are listed.

PARTICULARS OF EMPLOYEES

The details/disclosures of ratio of remuneration of each Director to the median of the employees remuneration in accordance with

the provisions of Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are annexed as part of this Board's Report (Annexure VI).

A statement containing the details of top ten employees who were in receipt of remuneration of not less than ₹1.20 crore for the year 2018-19, in accordance with the provisions of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this Report (Annexure VII).

In terms of proviso to Section 136(1) of the Companies Act, 2013, a copy of the Board's Report is being sent to all the Members excluding Annexure VII. The Annexure is available for inspection by the Members at the Registered Office of the Company during business hours on working days up to the date of the ensuing Annual General Meeting. Any Member interested in obtaining a copy of the said Annexure may write to the Company Secretary at the Registered Office of the Company.

STATUTORY AND REGULATORY COMPLIANCE

The Company has complied with the applicable statutory provisions, including those of the Companies Act, 2013, the Income-tax Act, 1961 and other laws related to Goods and Services Tax (GST). Further, the Company has complied with the NHB's Housing Finance Companies Directions, 2010, SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, Accounting Standards issued by the Ministry of Corporate Affairs (MCA), Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI), Anti-Money Laundering guidelines, applicable labour laws and forex laws.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis Report describing the Company's objectives, expectations or predictions may be forward-looking within the meaning of applicable securities

laws and regulations. Actual results may differ materially from those expressed in the statements, since various economic, legal, policy and regulatory factors may affect or influence the performance of the Company.

ACKNOWLEDGEMENT

The Directors extend their sincere thanks to all the customers of the Company, its shareholders, executives of Sundaram Finance and the BNP Paribas Group, vendors, depositors, investors, mutual funds and bankers for their support and co-operation during the year. The Directors also thank the National Housing Bank, the Securities and Exchange Board of India, the Financial Intelligence Unit, the Ministry

of Corporate Affairs, the Reserve Bank of India, the Depositories and the Stock Exchanges, for their valuable guidance and look forward to their continued support.

The Directors record their appreciation of the dedication and contribution made by the employees of the Company at all levels and look forward to their continued co-operation and support in the years ahead.

For and on behalf of the Board of Directors

sd/-

Chennai
21st May 2019

S. Viji
Chairman

Annual Report on CSR Activities for the Financial Year 2018-19

1.	A 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	The Company has formulated its Corporate Social Responsibility (CSR) Policy for implementing the CSR framework, broadly defining the areas in which the Company proposes to spend for CSR promotion / development. The Company has contributed and will contribute further towards the areas mentioned in Schedule VII of the Companies Act, 2013. The CSR Policy of the Company is available on its website www.sundarambnpphome.in
2.	Composition of the CSR Committee	The CSR Committee consists of the following Members: <ul style="list-style-type: none"> • Mr. Srinivas Acharya, Chairman • Mr. P.N. Venkatachalam, Independent Director • Mr. N. Ganga Ram, Independent Director
3.	Average net profit of the Company for last three Financial Years	₹245.96 crore
4.	Total amount to be spent for the Financial Year	₹4.92 crore
5.	Details of CSR spent during the Financial Year	a. Total amount to be spent for the Financial Year: ₹4.92 crore b. Amount unspent, if any: NIL c. Manner in which the amount spent during the Financial Year : Details attached
6.	In case the Company has failed to spend the two per cent of the average net profits of the last three Financial Years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report	Not applicable. The Company has fully spent during the Financial Year 2018-19, the required amount of ₹4.92 crore under the CSR framework.
7.	A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company	The CSR Committee affirms that the Company's CSR implementation and monitoring is in compliance with the CSR objectives and the Company's Policy.

Place : Chennai
Date : 21st May 2019

sd/-
Managing Director

sd/-
Chairman-CSR Committee

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

(₹ in lakhs)

1	2	3	4	5	6	7	8
Sl. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programmes (1) Local area or other (2) Specify the State and district where projects or programmes were undertaken	Amount outlay (budget) project or programme- wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or program (2) Overhead	Cumulative expenditure up to the reporting period	Amount spent: Direct / through implementing agency
1	Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set up by the Central Government for the promotion of sanitation and making available safe drinking water.						
	16 Institutions	Health	Tamil Nadu, Chennai	35,43.09	1,82.95	1,82.95	Direct
	1 Institutions	Health	Tamil Nadu, Coimbatore	1.00	1.00	183.95	Direct
	1 Institution	Health	Tamil Nadu, Coimbatore	5.00	5.00	188.95	Implementing Agency*
	1 Institution	Health	Tamil Nadu, Nagapattinam	30.00	30.00	218.95	Direct
	1 Institution	Health	Tamil Nadu, Namakkal	5.00	5.00	223.95	Implementing Agency*
	1 Institution	Health	Tamil Nadu, Tenkasi	5.76	2.00	225.95	Direct
	1 Institution	Health	Tamil Nadu, Thiruvannamalai	7.14	1.00	226.95	Direct
	1 Institution	Health	Tamil Nadu, Vellore	3.00	3.00	229.95	Direct
	3 Institutions	Health	Karnataka, Bengaluru	9.00	9.00	238.95	Direct
	1 Institution	Health	Gujarat, Valsad	5.00	5.00	243.95	Direct
	1 Institution	Health	Kerala, Thiruvananthapuram	25.00	25.00	268.95	Direct
2.	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.						
	10 Institutions	Educational	Tamil Nadu, Chennai	2,27.00	66.00	3,34.95	Direct
	1 Institution	Educational	Tamil Nadu, Cuddalore	1.00	1.00	3,35.95	Direct
	1 Institution	Educational	Tamil Nadu, Tiruchirapalli	1.50	1.50	3,37.45	Direct
	4 Institutions	Educational	Karnataka, Bengaluru	26.68	18.50	3,55.95	Direct
	1 Institution	Educational	Karnataka, Udupi	5.00	5.00	3,60.95	Direct
	1 Institution	Educational	Andhra Pradesh, Kurnool	5.00	5.00	3,65.95	Direct
	2 Institutions	Educational	Gujarat, Ahmedabad	5.50	5.50	3,71.45	Direct
	1 Institution	Educational	New Delhi	1,80.00	5.00	3,76.45	Direct
	1 Institution	Educational	West Bengal, Howrah	5.00	5.00	3,81.45	Direct
3.	Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.						
	3 Institutions	Setting up old age home	Tamil Nadu, Chennai	54.50	7.00	3,88.45	Direct
	2 Institutions	Setting up old age home	Karnataka, Bengaluru	63.00	5.00	3,93.45	Direct
	1 Institution	Promotion of Gender Equality	Gujarat, Ahmedabad	5.00	5.00	3,98.45	Direct

1	2	3	4	5	6	7	8
Sl. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programmes (1) Local area or other (2) Specify the State and district where projects or programmes were undertaken	Amount outlay (budget) project or programme- wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or program (2) Overhead	Cumulative expenditure up to the reporting period	Amount spent: Direct / through implementing agency
4.	Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional art and handicrafts						
	6 Institutions	National Heritage, Art and Culture	Tamil Nadu, Chennai	63.00	44.00	4,42.45	Direct
	1 Institution	National Heritage, Art and Culture	Tamil Nadu, Nagapattinam	0.50	0.50	4,42.95	Direct
	1 Institution	National Heritage, Art and Culture	Tamil Nadu, Thiruvarur	1.00	1.00	4,43.95	Direct
	2 Institutions	National Heritage, Art and Culture	Tamil Nadu, Thiruvannamalai	4.00	4.00	4,47.95	Direct
	2 Institutions	National Heritage, Art and Culture	Tamil Nadu, Tiruchirappalli	7.00	7.00	4,54.95	Direct
	1 Institution	National Heritage, Art and Culture	Kerala, Palakkad	3,52.00	1.00	4,55.95	Direct
	1 Institution	National Heritage, Art and Culture	Telangana, Secunderabad	3.00	3.00	4,58.95	Direct
	1 Institution	National Heritage, Art and Culture	Andhra Pradesh, Tuni	2.00	2.00	4,60.95	Direct
	1 Institution	National Heritage, Art and Culture	Karnataka, Udipi	1.00	1.00	4,61.95	Direct
	1 Institution	National Heritage, Art and Culture	Karnataka, Chikkamagaluru	2.00	2.00	4,63.95	Direct
	1 Institution	National Heritage, Art and Culture	Kolkatta, West Bengal	5.00	5.00	4,68.95	Direct
5.	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.						
	1 Institution	Environmental sustainability	Tamilnadu, Tirunelveli	75.00	5.00	4,73.95	Direct
	1 Institution	Environmental sustainability	Karnataka, Dakshina Kannada	5.00	5.00	4,78.95	Direct
	1 Institution	Environmental sustainability	Karnataka, Udipi	5.00	5.00	4,83.95	Direct
	1 Institution	Environmental sustainability	Andhra Pradesh, East Godavari	2.00	2.00	4,85.95	Direct
	1 Institution	Environmental sustainability	Maharashtra, Mumbai	50.00	1.00	4,86.95	Direct
6.	Measures for the benefit of armed forces veterans, war widows and their dependents						
	1 Institution	Benefit of War Widows	New Delhi	5.00	5.00	4,91.95	Direct
	Total			4,91.95	4,91.95		

* Details of the Implementing Agency: United Way of Chennai (UWC), located at 84, G N Chetty Rd, Parthasarathi Puram, T Nagar, Chennai - 600017 is a registered society under the Societies Registration Act of Tamil Nadu 1975. During the year, the Company has engaged UWC for constructing toilet blocks for needy girl children.

Annexure-II(i)
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 contracts or arrangements or transactions not at arm's length basis:

All transactions entered into by the Company during the year with related parties were on an arm's length basis.

2. Details of material contracts or arrangement or transactions at arm's length basis:

The transactions entered into by the Company during the year with related parties on an arm's length basis were not material in nature.

sd/-

Chennai
21st May 2019

S VIJI
Chairman

Annexure-II(ii)
POLICY ON RELATED PARTY TRANSACTIONS
PREAMBLE:

This Policy is formulated in terms of the Directions issued by the National Housing Bank vide Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated 9th February 2017 known as the "Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016," taking into account the provisions of the Companies Act, 2013 as may be amended from time to time.

OBJECTIVE:

The Policy is intended to ensure due and timely identification, approval, disclosure and reporting of transactions between the Company and any of its related parties in compliance with the applicable laws and regulations as may be amended from time to time.

The provisions of the Policy are designed to govern the approval process and disclosure requirements to ensure transparency in the conduct of Related Party Transactions in the best interest of the Company and its shareholders and to comply with the statutory provisions in this regard.

DEFINITIONS:

- a. "Audit Committee or Committee" means the Committee of the Board constituted from time to time under the provisions of Section 177 of the Companies Act, 2013.
- b. "Arm's length" means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest as defined under the Companies Act, 2013.
- c. "Board" means the Board of Directors as defined under the Companies Act, 2013.
- d. "Key Managerial Personnel" means Key Managerial Personnel as defined under the Companies Act, 2013.
- e. "Material Related Party Transaction" means a Related Party Transaction which individually or taken together with previous transactions during the financial year, exceeds ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company or such limits

as may be prescribed either in the Companies Act, 2013 and / or Regulation/Rules/Guidelines or other Directions.

- f. “Related Party” means related party as defined under the Companies Act, 2013 read with the SEBI (Listing Obligations and Disclosure Requirements) 2015 as may be amended from time to time.
- g. “Related Party Transaction” means any transaction between the Company and any Related Party for transfer of resources, services or obligations, regardless of whether a price is charged and includes –
 - a. Sale, purchase or supply of any goods or materials;
 - b. Selling or otherwise disposing of, or buying property of any kind;
 - c. Leasing of property of any kind;
 - d. Availing or rendering of any services;
 - e. Appointment of any agent for the purchase or sale of goods, materials, services or property;
 - f. Such related party’s appointment to any office or place of profit in the Company, its subsidiary Company or associate Company;
 - g. Underwriting the subscription of any securities or derivatives thereof, of the Company;
 - h. Financing (including loans and equity contributions in cash or kind);
 - i. Providing or obtaining guarantees and collaterals; and
 - j. Deputation of employees.
- h. “Relative” means a relative as defined under the Companies Act, 2013 and includes anyone who is related in any of the following manner:
 - a. Members of a Hindu Undivided Family
 - b. Husband or Wife;
 - c. Father (including Step-Father);
 - d. Mother (including Step-Mother);
 - e. Son (including Step-Son);
 - f. Son’s Wife;

- g. Daughter;
 - h. Daughter’s Husband;
 - i. Brother (including Step-Brother); or
 - j. Sister (including Step-Sister).
- i. “Transaction” with a related party shall be construed to include a single transaction or a group of transactions.

POLICY:

All the proposed Related Party Transactions shall be referred to the Audit Committee irrespective of (i) whether or not the Transactions are in the ordinary course of business; (ii) whether or not they are at arm’s length basis supported by agreement or formal letter; or (iii) whether or not they are material if the transaction / transactions to be entered into individually or taken together with the previous transactions during a financial year, exceed/s 10% of the annual consolidated turnover of the Company as per its last audited financial statements. The Committee shall accord its approval to such of the Transactions which it considers as in the ordinary course of business and at arm’s length basis.

Of the other proposed Related Party Transactions which are not in the ordinary course of business and which are not at arm’s length basis shall be referred to the Board. The Board, on due consideration at its meeting of the relevant factors such as the nature of the transaction, material terms, the manner of determining the pricing and the business rationale for entering into such transactions accord its approval to the Transactions which it deems fit.

The proposed Related Party Transactions which are material in nature shall be placed before the Shareholders for their consideration and approval by special resolution.

The Company shall submit to its Board a quarterly statement of all the Related Party Transactions which are approved by the Audit Committee, the Board and the Shareholders.

AMENDMENTS:

This Policy may be amended by the Board at any time and is subject to (i) the amendments to the Companies Act, 2013 (the Act 2013) and (ii) further guidelines from the SEBI/other applicable regulatory authorities.

Form No. MGT-9
Extract of Annual Return as on the financial year ended on 31st March 2019

[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

(i)	CIN	U65922TN1999PLC042759
(ii)	Registration Date	2nd July 1999
(iii)	Name of the Company	Sundaram BNP Paribas Home Finance Limited
(iv)	Category / Sub-Category of the Company	Housing Finance Company
(v)	Address of the Registered office & contact details	21, Patullos Road, Chennai - 600 002 Ph: 044-28521181, Fax: 044-28586641
(vi)	Whether Listed Company	Yes / No
(vii)	Name, Address and Contact details of Registrar and Transfer Agent	Cameo Corporate Services 'Subramaniam Building' No.1, Club House Road, Chennai - 600 002 Phone: 044 2846 0390

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated.

Sl. No.	Name and Description of main products / services	NIC Code of the Product / Service	% to total turnover of the company
1.	Housing Finance	65922	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1	Sundaram Finance Limited 21, Patullos Road, Chennai - 600 002	L65191TN1954PLC002429	Holding Company	50.1%	2(87)(ii)

IV. SHARE HOLDING PATTERN (Equity Share Capital Break-up 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	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt.	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	50728473	50728473	50.1%	50728468	5	50728473	50.1%	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(1)	-	50728473	50728473	50.1%	50728468	5	50728473	50.1%	-
2) Foreign									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	50525965	-	50525965	49.9%	50525965	-	50525965	49.9%	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(2)	50525965	-	50525965	49.9%	50525965	-	50525965	49.9%	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	50525965	50728473	101254438	100%	101254433	5	101254438	100%	-
B. Public Shareholding									
1) Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1)	-	-	-	-	-	-	-	-	-

	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	
2)	Non-Institutions									
a)	Bodies Corporate									
	i) Indian	–	–	–	–	–	–	–	–	–
	ii) Overseas	–	–	–	–	–	–	–	–	–
b)	Individuals									
	i) Individual shareholders holding nominal share capital upto ₹1 lakh	–	–	–	–	–	–	–	–	–
	ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	–	–	–	–	–	–	–	–	–
c)	Others (specify)	–	–	–	–	–	–	–	–	–
	Sub-Total (B)(2)	–	–	–	–	–	–	–	–	–
	Total Public Shareholding (B) = (B)(1)+(B)(2)	–	–	–	–	–	–	–	–	–
C.	Shares held by Custodian for GDRs and ADRs	–	–	–	–	–	–	–	–	–
	GRAND TOTAL (A)+(B)+(C)	50525965	50728473	101254438	100%	101254433	5	101254438	100%	–

(ii) Shareholding of Promoters

Sl. 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	Sundaram Finance Limited (SFL)	50728473	50.1%	–	50728473	50.1%	–	–
2	BNP Paribas Personal Finance S.A.	50525965	49.9%	–	50525965	49.9%	–	–
	Total	101254438	100%		101254438	100%	–	–

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

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year				
2	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	NO CHANGE			
3	At the end of the year				

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Not Applicable

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		Mr. S. Viji, Chairman			
	For each of the Directors and KMP	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	1	Negligible	1	Negligible
2	Date wise Increase/ Decrease in Share-holding during the year specifying the reasons for increase/ decrease (e.g. allotment /transfer /bonus/ sweat equity etc.)	(1)	0.001% (Transfer of Share as on 1st October 2018)	(1)	0.001% (Transfer of Share as on 1st October 2018)
3	At the end of the year	–	NA	–	NA

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		Mr. T.T. Srinivasaraghavan, Director			
	For each of the Directors and KMP	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	1	Negligible	1	Negligible
2	Date wise Increase / Decrease in Share-holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	–	–	–	–
3	At the end of the year	1	Negligible	1	Negligible

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		Mr. Srinivas Acharya (MD) jointly with Mr. G. Sundararajan (KMP)			
	For each of the Directors and KMP	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	1	Negligible	1	Negligible
2	Date wise Increase / Decrease in Share-holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	(1)	0.001% (Transfer of Share as on 1st October 2018)	(1)	0.001% (Transfer of Share as on 1st October 2018)
3	At the end of the year	–	NA	–	NA

V. INDEBTEDNESS

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

(₹ in lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	5264,72.95	754,20.20	1066,88.30	7085,81.45
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	203,17.90	7,29.87	57,34.15	267,81.92
Total (i + ii + iii)	5467,90.85	761,50.07	1124,22.45	7353,63.37
Change in Indebtedness during the financial year (including interest accrued)				
• Addition	1973,24.72	2054,57.98	272,41.81	4300,24.51
• Reduction	1934,93.55	1515,03.53	166,51.56	3616,48.64
Net Change	38,31.17	539,54.45	105,90.25	683,75.87
Indebtedness at the end of the financial year				
i) Principal Amount	5372,60.84	1289,14.74	1173,76.06	7835,51.64
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	133,61.17	11,89.78	56,36.64	201,87.60
Total (i + ii + iii)	5506,22.01	1301,04.52	1230,12.70	8037,39.24

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in lakhs)

Sl. No.	Particulars of Remuneration	Name of MD / WTD / Manager		Total Amount
		Mr. Srinivas Acharya Managing Director		
1	Gross Salary			
a)	Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	1,20.89		1,20.89
b)	Value of perquisites under Section 17(2) Income-tax Act, 1961	11.74		11.74
c)	Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	–		–
2.	Stock Option	37.61		37.61
3.	Sweat Equity	–		–
4.	Commission - as % of profit	75.00 0.29%		75.00 0.29%
5.	Contributions to Provident, Superannuation Fund and Gratuity Fund	9.88		9.88
Total (A)		2,55.12		2,55.12
Ceiling as per the Act (5% of Net Profit)				12,74.87

B. Remuneration to other Directors

(₹ in lakhs)

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. N. Ganga Ram	Mrs. Radha Unni	Mr. P.C. Mathew	Mr. P.N. Venkatachalam	
1	Independent Directors					
	• Fee for attending board/ committee meetings	3.40	2.85	2.10	1.85	10.20
	• Commission	7.50	7.50	7.50	5.00	27.50
	Total (1)	10.90	10.35	9.60	6.85	37.70
2	Other Non-Executive Directors	–	–	–	–	–
	• Fee for attending board / committee meetings	–	–	–	–	–
	• Commission	–	–	–	–	–
	Total (2)	–	–	–	–	–
	Total (B) = (1 + 2)	10.90	10.35	9.60	6.85	37.70
	Total Managerial Remuneration (A + B)					2,82.94
	Overall Ceiling as per the Act (11% of Net Profit)					28,04.71

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

(₹ in lakhs)

Sl. No.	Particulars of Remuneration	Mr. G. Sundararajan Chief Financial Officer	Mr. V. Swaminathan Company Secretary	Total Amount
1	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	84.30	37.87	1,22.17
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.95	5.78	6.73
2	Stock Option	4.70	–	4.70
3	Sweat Equity	–	–	–
4	Commission			
	- as % of profit	–	–	–
	- others, specify	–	–	–
5	Contributions to Provident, Superannuation and Gratuity Funds	7.25	2.42	9.67
	Total (C)	97.20	46.07	1,43.27

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

During the year 2018-19, the Company or any of its Directors or Key Managerial Personnel were not liable for any penalty, punishment or any compounding offences under the Companies Act, 2013.

 Chennai
 21st May 2019

 sd/-
S VIJI
 Chairman

Form No. MR-3

Secretarial Audit Report For The Financial Year Ended 31.03.2019

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

To,

The Members,
Sundaram BNP Paribas Home Finance Limited,
(CIN: U65922TN1999PLC042759),
21, Patullos Road, Chennai – 600002.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Sundaram BNP Paribas Home Finance Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the M/s. Sundaram BNP Paribas Home Finance Limited'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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31.03.2019 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. Sundaram BNP Paribas Home Finance Limited for the financial year ended on 31.03.2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iii) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment;
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (b) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (v) The following act and directions applicable specifically to the Company:-
 - (a) The National Housing Bank Act, 1987 and
 - (b) The Housing Finance Companies (NHB) Directions, 2010

I have also examined compliance with the applicable clauses/Regulations of the following:

- (i) The Listing Agreement entered into by the Company with National Stock Exchange of India Limited under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for listing of its debt securities;
- (ii) The Secretarial Standards issued by the Institute of Company Secretaries of India.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above and there are no other specific observations requiring any qualification on non-compliances.

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

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed note on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

I 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.

I further report that during the audit period the Company has:

- (i) passed Special Resolution under section 42 and all other applicable provisions of the Companies Act, 2013 vide Annual General Meeting dated 18th July, 2018 to issue Redeemable Non-convertible Debentures on private placement basis up to an aggregate amount not exceeding ₹ 1,500 crores (Rupees One Thousand Five Hundred Crore Only).
- (ii) issued listed Secured Redeemable Non-Convertible Debentures on Private Placement Basis.
- (iii) redeemed the debentures on its respective due dates.

Place : Chennai

Date : 21.05.2019

Signature : *sd/-*
Name of Company Secretary in practice : M. Damodaran
FCS No : 5837
C P No. : 5081

Disclaimer Certificate

To,

The Members,
Sundaram BNP Paribas Home Finance Limited,
(CIN: U65922TN1999PLC042759),
21, Patullos Road,
Chennai – 600002.

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, we followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Chennai

Signature : *sd/-*

Date: 21.05.2019

Name of Company Secretary in practice : M.DAMODARAN

FCS No. : 5837

C. P. No. : 5081

Criteria for Evaluation

A. Criteria for evaluation of the Board and Non-independent Directors at a separate meeting of Independent Directors

1. Composition of the Board and availability of multi-disciplinary skills
Whether the Board comprises Directors with the requisite mix of qualifications and experience as would enable the Company to achieve its corporate objectives, and formulate and implement appropriate business policies, plans and strategies.
2. Commitment to good Corporate Governance Practices
 - a) Whether the Company practises high ethical and moral standards
 - b) Whether the Company is fair and transparent in dealings with its stakeholders, and in particular whether it deals with its associates at arm's length.
3. Adherence to Regulatory Compliance
Whether the Company complies with the various applicable statutes and regulations, as well as requirements of municipal and other authorities concerned.
4. Track record of financial performance
Whether the Company's operational and financial performance has been satisfactory and has enhanced shareholder value.
Whether the Company has duly observed statutory requirements and applicable accounting standards in its financial disclosures.
5. Grievance Redressal mechanism
Whether a proper system is in place to attend to and resolve complaints/grievances from stakeholders, including depositors, customers, employees and others, quickly and fairly.
6. Existence of integrated Risk Management System
Whether the Company has an integrated risk-management system to carefully assess and effectively manage its business risks.
7. Use of Modern technology
Whether the Company has an Integrated IT strategy and whether technology hardware and software are periodically upgraded as necessary.
8. Commitment to Corporate Social Responsibility (CSR).
Whether the Company is committed to social causes and whether it identifies, finances and monitors its CSR commitments.

B. Criteria for evaluation of Chairman at separate meeting of Independent Directors

1. Integrity
2. Leadership qualities
3. Ability to provide a long-range vision for the Company and suggest innovative ideas
4. Importance attached to corporate governance practices
5. Willingness to allow other members of the Board to express their views and ability to resolve any disagreement among them
6. Understanding of the macroeconomic and relevant industry trends
7. Projection of the Company's external image and public and media relations

C. Criteria for evaluation of Independent Directors

1. Integrity
2. Relevant qualifications and experience
3. Understanding of the Company's business
4. Attendance at Board and Committee meetings/annual general meetings
5. Value addition to Board discussions

D. Criteria for evaluation of the Audit Committee

1. Relevant qualifications and experience of members
2. Review of financial performance and disclosure
3. Review of external, internal, statutory, tax, and system audits and inspections, and discussion with the auditors and inspectors of their audit plans and findings, and monitoring of follow-up actions on the audit and inspections
4. Review of statutory and regulatory compliance, and discussion of findings and observations of regulatory inspections and monitoring follow-up action thereon
5. Monitoring of systems and processes for the prevention and detection of frauds, and of steps taken to deal with frauds that have surfaced

Chennai
21st May 2019

sd/-
S VIJI
Chairman

Disclosure pursuant to Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

(i) & (ii) The ratio of the remuneration of each Director to the median and mean remuneration of the employees of the Company for the financial year & the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

Names of the Directors / Key Managerial Personnel	Ratio to Median Remuneration	Ratio to Mean Remuneration	Increase / Decrease in Remuneration
Mr. S Viji, Chairman	-	-	Not Applicable
Mr. T.T. Srinivasaraghavan	-	-	Not Applicable
Mr. Anthony Colwyn-Thomas	-	-	Not Applicable
Mr. Patrick Miron de L'Espinay*	-	-	Not Applicable
Mr. Alexandre Adam**	-	-	Not Applicable
Mr. N. Ganga Ram	1.58	1.10	Not Applicable
Mrs. Radha Unni	1.58	1.10	Not Applicable
Mr. P.C. Mathew	1.58	1.10	Not Applicable
Mr. P.N. Venkatachalam	1.05	0.73	Not Applicable
Mr. Srinivas Acharya, Managing Director	41.61	28.96	5.33%
Mr. G. Sundararajan, Chief Financial Officer	18.54	12.90	12.94%
Mr. V. Swaminathan, Company Secretary	8.94	6.22	16.01%

* Appointed as an Additional Director with effect from January 30, 2019.

** Resigned from the Board with effect from July 27, 2018.

- (iii) The percentage increase in the median remuneration of employees in the financial year - 13.20%
- (iv) The number of permanent employees on the rolls of the Company – 756
- (v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:
 The average increase in salaries of employees other than managerial personnel in 2018-19 was 16.77%. Percentage increase in the managerial remuneration for the year was 8.59%.
- (vi) The key parameters for any variable component of remuneration availed by the directors:
 Commission is within the ceiling of 1% of the net profits of the Company, as approved by the shareholders.
- (vii) Affirmation that the remuneration is as per the remuneration policy of the company.
 The Company affirms that remuneration is as per the remuneration policy of the Company.

Chennai
21st May 2019

sd/-
S VIJI
Chairman

Report on Corporate Governance

Sponsored by the Sundaram Finance Group, the Company has imbibed the Group's corporate philosophy laying strong emphasis on ethical business practices with transparency and accountability, dedicated customer service, and efficient and prudent financial policies. While striving to enhance shareholder value, the Company has adopted the sound corporate-governance and financial-disclosure policies and practices that its holding company, Sundaram Finance Ltd. (SFL), has been consistently following for over six decades. These values have been reinforced by the entry in 2007, as joint shareholders, of the leading European banking group, BNP Paribas, with its strong stress on responsiveness, creativity, commitment, and ambition.

The Company has been following the principles of Corporate Governance even before it was made mandatory. The National Housing Bank, vide Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated 9th February 2017, has mandated all Housing Finance Companies to follow the guidelines on Corporate Governance as per the Housing Finance Companies – Corporate Governance (NHB) Directions, 2016. The Company has accordingly framed the internal guidelines on Corporate Governance and the guidelines have been hosted on the Company's website www.sundarambnpphome.in

The Company's Corporate Governance is a reflection of its value system, encompassing its culture, policies and relationships with its stakeholders.

The Directors present below a detailed review of the Company's policies and practices on Corporate Governance.

1. BOARD OF DIRECTORS

The composition of the Board of Directors of the Company is governed by the relevant provisions of the Companies Act, 2013 and the Rules made thereunder. The Company's Board has an optimum combination of executive and non-executive Directors with expertise and experience

in the field of banking, finance, operations management, engineering, auditing and accounting. The Company is immensely benefitted by the range of experience and skills that the Directors bring to the Board.

As on 31st March 2019, the Company's Board consisted of 9 Directors as under:

Non-Executive Promoter Directors:

1. Mr. S. Viji, Chairman
2. Mr. T.T. Srinivasaraghavan
3. Mr. Anthony Colwyn-Thomas
4. Mr. Patrick Miron de L'Espinay

Non-Executive Independent Directors:

5. Mr. N. Ganga Ram
6. Mr. P.N. Venkatachalam
7. Mrs. Radha Unni
8. Mr. P. C. Mathew

Managing Director:

9. Mr. Srinivas Acharya

The Independent Directors have affirmed compliance with the provisions of Section 149 and adherence to the Code for Independent Directors as set out in Schedule IV to the Companies Act, 2013.

All the Directors of the Company have declared compliance of the 'Fit and Proper' Criteria for Directors of Housing Finance Companies' in compliance with the Directions laid down by the National Housing Bank *vide* Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated 9th February 2017.

During the year, Mr. Alexandre Adam, a nominee of BNP Paribas Personal Finance (BNPPF) resigned from the Board and in his place, Mr. Patrick Miron de L'Espinay was appointed as an Additional Director.

No Director is related to any other Director of the Company.

1.1 DIRECTORS' TERM

The Company's Articles of Association require that at least two-thirds of the Directors retire by rotation. However, as per the provisions of the Companies Act, 2013, the Independent Directors are not liable to retire by rotation.

One-third of the Directors (other than Independent Directors) is liable to retire every year and, if eligible, may offer themselves for re-appointment.

1.2 MEMBERSHIP OF OTHER BOARDS

No Director is a Director in more than twenty Companies or is a Member of more than ten committees or chairs more than five committees, within the meaning of the Securities and Exchange Board of India (SEBI) Regulations, across all public limited companies of which he is a Director.

Details of directorships held by the Directors in other Indian Public Limited Companies as on 31st March 2019 are given below:

Sl. No.	Director	DIN	Directorships*		Chairmanship/ Membership of Committees of other Companies*	
			Chairman	Director	Chairman	Member
1.	Mr. S. Viji	00139043	2	2	1	1
2.	Mr. T.T. Srinivasaraghavan	00018247	-	8	1	2
3.	Mr. Anthony Colwyn-Thomas	05102669	-	-	-	-
4.	Mr. Patrick Miron de L'Espinay #	08339942	-	-	-	-
5.	Mr. N. Ganga Ram	00001246	-	2	-	1
6.	Mr. P.N. Venkatachalam	00499442	-	7	-	6
7.	Mrs. Radha Unni	03242769	-	5	1	2
8.	Mr. P. C. Mathew	02527048	-	-	-	-
9.	Mr. Srinivas Acharya	00017412	-	1	1	-

* Foreign companies, private companies and companies under Section 8 of the Companies Act, 2013 are excluded for the above purpose. Audit Committee and Stakeholders Relationship Committee have been considered.

Appointed as an Additional Director with effect from 30th January 2019.

1.3 BOARD PROCEDURE AND RESPONSIBILITIES

The Board plays a key role in ensuring that the Company adopts good corporate governance practices.

The Board has a formal schedule of matters reserved for its consideration and decision. Amongst other things, the Board considers and approves:

- operational and financial policies;
- annual business strategy, plans and budgets;
- loan proposals exceeding the delegated authority of the Executive Committee of the Board;
- strategy and plans for mobilization of resources and larger borrowing arrangements; and
- quarterly/half-yearly/annual results.

The Board takes decisions after careful consideration of the issues involved with inputs from the Management, wherever needed, and ensures that appropriate action is taken by the Company to implement Board decisions and directions.

The Board also reviews periodically the Company's compliance with various statutory and regulatory requirements.

In accordance with the code of corporate governance and to facilitate closer attention to particular facets of the Company's operations, systems and practices, the Board has constituted Committees with appropriate delegated authority.

The day-to-day operations of the Company are looked after by the Managing Director under the overall superintendence, guidance and control of the Board. The Managing Director is assisted by senior officers with well-defined responsibilities.

2 BOARD MEETINGS

Board meetings are held in Chennai. The Board meets at least once a quarter, *inter-alia*, to review the operations and financial results. The

Company also holds additional Board Meetings to address any specific requirement, as and when required. The Directors are informed of the main items on the agenda for every Board meeting along with the Notice of the meeting. Detailed agenda notes are sent to them in advance of the meetings. All the urgent matters approved by way of circular resolutions are placed and noted at the subsequent Board meeting. The intervening gap between any two meetings is within the period prescribed by the Companies Act, 2013.

During the year ended 31st March 2019, the Board met five times as noted below:

2018 – 2019	
21st April 2018	30th January 2019
10th August 2018	8th March 2019
12th November 2018	

Details of the Meetings attended by the Directors are as under:

Sl. No.	Director	No. of Meetings	
		Held	Attended
1.	Mr. S. Viji	5	5
2.	Mr. T.T. Srinivasaraghavan	5	5
3.	Mr. Anthony Colwyn-Thomas	5	4
4.	Mr. Alexandre Adam*	1	-
5.	Mr. Patrick Miron de L'Espinay #	2	2
6.	Mr. N. Ganga Ram	5	5
7.	Mr. P.N. Venkatachalam	5	5
8.	Mrs. Radha Unni	5	4
9.	Mr. P.C. Mathew	5	5
10.	Mr. Srinivas Acharya	5	5

* Resigned with effect from 27th July 2018

Appointed as an Additional Director with effect from 30th January 2019

3 BOARD COMMITTEES

The Board has constituted the following eight Committees:

3.1 EXECUTIVE COMMITTEE

As on 31st March 2019, the Executive Committee consisted of three Members, viz.

1. Mr. T.T. Srinivasaraghavan, Chairman
2. Mr. Anthony Colwyn-Thomas
3. Mr. Srinivas Acharya

Any two Members form the quorum for meetings. The Company Secretary serves as the Secretary to the Committee.

The Committee approves loans, borrowings and investments beyond the limits of the Managing Director and within limits specified by the Board. Besides, the Committee reviews the conduct of business and operations, considers new products and parameters and suggests business re-orientation as and when necessary.

The Committee met fourteen times during the year.

3.2 AUDIT COMMITTEE

In accordance with the provisions of Section 177 of the Companies Act, 2013, the Audit Committee consists of five Directors as Members, with Independent Directors forming a majority. All the Members of the Audit Committee have the requisite knowledge and experience in finance and accounting. Any two Members form the quorum for the meetings of the Committee. The primary objective of the Audit Committee is to monitor and provide an effective supervision of the Management's financial reporting process, to ensure accurate and timely disclosures with the highest levels of transparency, integrity and quality of financial reporting.

The Company Secretary serves as the Secretary to the Committee.

As of 31st March 2019, the Committee consisted of five Members. viz.

1. Mr. N. Ganga Ram, Chairman
2. Mrs. Radha Unni
3. Mr. P.C. Mathew
4. Mr. T.T. Srinivasaraghavan
5. Mr. Anthony Colwyn-Thomas

The Statutory Auditors and the Internal Auditors of the Company as well as the Managing Director and the senior executives of the Company are invited to the meetings of the Committee.

The Audit Committee acts in accordance with the Terms of Reference specified by the Board in writing and the Committee's functions include:

- a. examination of the Financial Statements and the Auditors' Report thereon;
- b. review and evaluation of the effectiveness and adequacy of the internal financial controls and risk management systems of the Company and its statutory and regulatory compliance;
- c. the recommendation for appointment, remuneration and terms of appointment of Auditors of the Company;
- d. review and monitoring of the Auditors' independence and performance, and effectiveness of audit process;
- e. reviewing the scope and plans of statutory, internal, and systems audits, and discussing the main audit findings and comments with the Management and the Auditors to focus on any significant area of concern and to ensure expeditious rectification of shortcomings, if any noticed;
- f. reviewing the non-performing and delinquent loans;
- g. reviewing frauds committed against the Company;
- h. approval or any subsequent modification of transactions of the Company with related parties;

- i. scrutiny of inter-corporate loans and investments;
- j. valuation of undertakings or assets of the Company, wherever it is necessary; and
- k. monitoring the end use of funds, if any, raised through public offers and related matters.

The Audit Committee met five times during the year under review.

Details of the meetings attended by the Members are as under:

Sl. No.	Member	No. of Meetings	
		Held	Attended
1.	Mr. N. Ganga Ram	5	5
2.	Mrs. Radha Unni	5	5
3.	Mr. P.C. Mathew	5	3
4.	Mr. T.T. Srinivasaraghavan	5	5
5.	Mr. Anthony Colwyn-Thomas	5	3

3.3 ASSET LIABILITY MANAGEMENT COMMITTEE (ALCO)

During the year, the Board reconstituted the Asset Liability Management Committee (ALCO).

As of 31st March 2019, ALCO consisted of five Members, viz.

1. Mr. Srinivas Acharya, Chairman
2. Mr. G. Sundararajan
3. Mr. S. Rajagopalan
4. Mr. Moahan Venkatesan
5. Mr. V. Swaminathan, Member - Secretary

Functioning under the supervision of the Board of Directors, ALCO lays down policies and quantitative limits relating to assets and liabilities, based on an assessment of the various risks involved in managing them.

The ALCO met five times during the year. Details of the meetings attended by the Members are as under:

Sl. No.	Member	No. of Meetings	
		Held	Attended
1.	Mr. M. Ramaswamy#	2	2
2.	Mr. Srinivas Acharya	5	5
3.	Mr. Alexandre Adam*	2	-
4.	Mr. G. Sundararajan	5	5
5.	Mr. S. Rajagopalan	5	5
6.	Mr. Moahan Venkatesan	5	5
7.	Mr. V. Swaminathan	5	5

Ceased to be a member of the Committee with effect from 10th August 2018

* Resigned with effect from 27th July 2018

3.4 RISK MANAGEMENT COMMITTEE (RMC)

In accordance with the Directions issued by the National Housing Bank Directions known as the “Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016”, the Risk Management Committee was constituted in March 2017.

The Company Secretary serves as the Secretary to the Committee.

As of 31st March 2019, the Risk Management Committee consisted of three Members viz.

1. Mr. P.N. Venkatachalam, Chairman
2. Mr. Anthony Colwyn-Thomas
3. Mr. Srinivas Acharya

The Functions of the Committee Include:

- a. formulation of strategies and policies for identification, measurement and reporting on market risks, credit risks and operational risks;
- b. reviewing and recommending changes to the Risk Management Policy and/or associated frameworks, processes and practices of the Company;

- c. ensuring that the Company takes appropriate measures to achieve prudent balance between risk and reward in both on-going and new business activities;
- d. apprising the Board of significant risk exposures of the Company;
- e. access to any internal information necessary to fulfil its role;
- f. authority to obtain advice and assistance from internal or external legal, accounting or other advisors; and
- g. performing such other activities related to the terms of reference as requested by the Board of Directors or to address issues related to any significant subject within its terms of reference.

The Risk Management Committee met two times during the year. Details of the meetings attended by the Members are as under:

Sl. No.	Member	No. of Meetings	
		Held	Attended
1.	Mr. P.N. Venkatachalam	2	2
2.	Mr. Anthony Colwyn-Thomas	2	2
3.	Mr. Srinivas Acharya	2	2

3.5 CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR)

In keeping with the Company’s social responsibilities and in accordance with the provisions of Section 135 of the Companies Act, 2013, Corporate Social Responsibility (CSR) Committee was constituted consisting of three Directors of whom two are Independent Directors.

The Company Secretary serves as the Secretary to the Committee.

As of 31st March 2019, the CSR Committee consisted of three Members, viz.

1. Mr. Srinivas Acharya, Chairman
2. Mr. P.N. Venkatachalam
3. Mr. N. Ganga Ram

The functions of the Committee include:

- (i) formulation and recommendation to the Board of Corporate Social Responsibility Policy which will indicate the activities to be undertaken by the Company as specified in Schedule VII to the Companies Act, 2013;
- (ii) recommendation of the amount of expenditure to be incurred on the activities referred to in (i) and
- (iii) monitoring the Corporate Social Responsibility Policy of the Company from time to time.

The Corporate Social Responsibility Committee met two times during the year. Details of the meetings attended by the Members are as under:

Sl. No.	Member	No. of Meetings	
		Held	Attended
1.	Mr. Srinivas Acharya	2	2
2.	Mr. P.N. Venkatachalam	2	2
3.	Mr. N. Ganga Ram	2	2

3.6 NOMINATION & REMUNERATION COMMITTEE (NRC)

In accordance with the provisions of Section 178 of the Companies Act, 2013, Nomination & Remuneration Committee (NRC) has been constituted with four Non-Executive Directors, of whom two are Independent Directors.

The Company Secretary serves as the Secretary to the Committee.

As of 31st March 2019, the Nomination & Remuneration Committee consisted of four Members, viz.

- 1. Mr. T.T. Srinivasaraghavan, Chairman
- 2. Mr. Anthony Colwyn-Thomas
- 3. Mr. N. Ganga Ram
- 4. Mrs. Radha Unni

The functions of the Committee include:

- a. identifying persons who are qualified to become Directors and who may be appointed in senior management;
- b. formulation of the criteria for determining qualifications, positive attributes and independence of Directors and recommend to the Board, a policy relating to the remuneration of Directors, key managerial personnel and other employees;
- c. formulation of criteria for evaluation of Independent Directors and the Board;
- d. devising a policy on Board diversity;
- e. undertaking the process of due diligence to determine the suitability of Directors, based upon qualification, track record, integrity and other fit and proper criteria;
- f. recommending the Director's appointment and continuation as a Director;
- g. ensuring that persons proposed to be appointed as Directors meet the relevant criteria prescribed under applicable laws;
- h. reviewing the said criteria from time to time;
- i. fixing/re-fixing the remuneration of the Executive Directors (Whole-time Directors) of the Company; and
- j. approving the remuneration/any change therein of the managerial personnel of the Company when there are no profits/inadequate profits/negative effective capital as per Schedule V to the Companies Act, 2013.

The Nomination & Remuneration Committee met five times during the year. Details of the Meetings attended by the Members are as under:

Sl. No.	Member	No. of Meetings	
		Held	Attended
1.	Mr. T.T. Srinivasaraghavan	5	5
2.	Mr. Anthony Colwyn-Thomas	5	4
3.	Mr. N. Ganga Ram	5	5
4.	Mrs. Radha Unni	5	4

3.7 STAKEHOLDERS RELATIONSHIP COMMITTEE (SRC)

In accordance with the provisions of Section 178(5) of the Companies Act, 2013, Stakeholders Relationship Committee (SRC) has been constituted with three Members, viz. Mr. Anthony Colwyn-Thomas, Mr. N. Ganga Ram and Mr. Srinivas Acharya. Mr. Anthony Colwyn-Thomas, Non-Executive Director is the Chairman of the Committee.

The Company Secretary acts as the Secretary to the Committee.

The functions of the Committee include:

- a. approval and monitoring of transfers, transmission, split and consolidation of shares of the Company;
- b. monitoring the compliances with various statutory and regulatory requirements ;and
- c. redressal of grievances of investors and security holders of the Company.

The SRC Committee met once during the year on 8th March 2019.

The Chairman of the Nomination & Remuneration Committee and of the Stakeholders Relationship Committee or any other Member authorised in this behalf by the respective Chairman attend the General Meetings of the Company.

3.8 IT STRATEGY COMMITTEE

In accordance with the Guidelines issued by the National Housing Bank Directions known as the “Guidelines on Information Technology Framework”, the IT Strategy Committee was constituted in August 2018.

As of 31st March 2019, the IT Strategy Committee consisted of four Members viz.

1. Mr. P.N. Venkatachalam, Chairman
2. Mrs. Radha Unni
3. Mr. Patrick Miron de L'Espinay
4. Mr. Srinivas Acharya

The functions of the Committee include:

- Approving IT Strategy and Policy documents and ensuring that the Management has put an effective strategic planning process in place;
- Ascertaining that the Management has implemented processes and practices to ensure that the IT delivers value to the business;
- Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable;
- Monitoring the method that the Management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources and
- Ensuring proper balance of IT investments for sustaining the Company's growth and becoming aware about exposure towards IT risks and controls.

The IT Strategy Committee met once during the year on 29th January 2019.

4 SEPARATE MEETING OF INDEPENDENT DIRECTORS

As required under Clause VII of Schedule IV of the Companies Act, 2013 on the Code for Independent Directors, a separate Meeting of all the Independent Directors on the Company's Board, viz. Mr. N. Ganga Ram, Mr. P. N. Venkatachalam, Mrs. Radha Unni and Mr. P. C. Mathew was held on 8th March 2019, without the attendance of the Non-Independent Directors and the Members of the Management.

At this Meeting, the Independent Directors-

- reviewed the performance of the Non-Independent Directors and the Board as a whole;
- reviewed the performance of the Chairman of the Company, taking into account the views of the Managing Director and the (Non-Independent) Non-Executive Directors; and
- assessed the quality, quantity and timeliness of the flow of information between the Company's Management and the Board that was necessary for the Board to effectively and reasonably perform its duties. Besides, they discussed other matters of interest concerning the Company.

5 REMUNERATION OF DIRECTORS

5.1 INDEPENDENT DIRECTORS

Independent Directors are paid sitting fees for attending Board and Committee meetings. Details of the fees paid to them for the year 2018-19 are as under:

Sl. No.	Director	Sitting Fees Paid (in ₹)
1.	Mr. N. Ganga Ram	3,40,000
2.	Mr. P.N. Venkatachalam	1,85,000
3.	Mrs. Radha Unni	2,85,000
4.	Mr. P C Mathew	2,10,000

In addition, commission of ₹7.50 lakhs each was paid to Mr. N. Ganga Ram, Mrs. Radha Unni and Mr. P.C. Mathew and ₹5.00 lakhs to Mr. P.N. Venkatachalam.

5.2 KEY MANAGERIAL PERSONNEL

Details of remuneration paid to the Key Managerial Personnel of the Company for the year 2018-19 are as under:

(₹ in lakhs)

Particulars	Mr. Srinivas Acharya Managing Director	Mr. G. Sundararajan Chief Financial Officer	Mr. V. Swaminathan Company Secretary
Salary & Allowances	1,20.89	84.30	37.87
Commission	75.00	NA	NA
Contribution to Provident, Superannuation, and Gratuity Funds	9.88	7.25	2.42
Perquisites	11.74	0.95	5.78
Employee Stock Option	**	*	

During the year, Sundaram Finance Limited, the holding Company, incurred ₹28.71 lakhs (31st March 2018 – ₹30.99 lakhs) towards the cost of Stock Options issued under Sundaram Finance Employee Stock Option Scheme, 2008 to the Managing Director and two Senior Executives of the Company.

** 1500 Stock Options were granted at ₹10/- per share (at par) on 25th May 2018. The said Options would vest on 31st May 2019 and would be exercisable between 1st June 2019 and 31st August 2019.

* 250 Stock Options were granted at ₹10/- per share (at par) on 25th May 2018. The said Options would vest on 31st May 2019 and would be exercisable between 1st June 2019 and 31st August 2019.

6 DIRECTORS' DEPOSITS WITH THE COMPANY

As on 31st March 2019, Directors and their relatives held deposits aggregating ₹309.36 lakhs with the Company. The interest paid on the deposits of Directors and their relatives during the year amounted to ₹22.86 lakhs.

7 RELATED PARTY TRANSACTIONS

During the year, the Company did not enter into any materially significant transaction with related parties, i.e., its Promoters, Directors and their relatives, conflicting with the Company's interests. All related party transactions were being transacted on an arm's length basis.

8 DISTRIBUTION OF SHAREHOLDING AS ON 31st MARCH 2019

The distribution of shareholding in the Company as on 31st March 2019 was as under:

No. of Equity Shares held by each Shareholder	No. of Shareholders	Total No. of Shares	% of Capital
1	5*	5	Negligible
1,00,001 and above	2	10,12,54,433	100%
Total	7	10,12,54,438	100%

* Nominees of Sundaram Finance Limited, Holding Company.

Of the total equity shares, 10.12 crore shares have been dematerialised, and the balance 5 shares are held in physical form.

9 SHARE PRICE PERFORMANCE

Share Price Performance is not applicable since the Company's equity shares are not listed.

10 SHARE TRANSFER AND INVESTOR GRIEVANCES COMMITTEE

As the shares of the Company are not listed, no Share Transfer and Investors Grievances Committee is required to be constituted.

Share transfer, transmission, split, consolidation and grievances of investors and security holders are taken care of by the Stakeholders Relationship Committee set up by the Board. There were no investor complaints pending resolution at the beginning of the year and no fresh investor complaints were received during the year. Also, during the Financial Year, Company did not receive any complaint from its debenture holders.

11 LISTED DEBENTURES

The Company has so far privately placed a total of 297 series of secured/unsecured Non-Convertible Debentures (NCDs) of the total face value of ₹ 7608.50 crore. The NCDs have been listed on the National Stock Exchange of India Ltd. (NSE) for trading in compulsory dematerialised form. The Company is up-to-date in the payment of annual listing fees to NSE.

During the year, the Company issued fresh NCDs aggregating ₹720 crore and redeemed NCDs aggregating ₹1088.30 crore. NCDs (including debenture application money and subordinated debentures) of ₹2389.90 crore (face value) were outstanding as on 31st March 2019.

12 COMMERCIAL PAPER

During the year, the Company privately placed commercial paper aggregating ₹ 1975 crore (face value) with mutual funds and banks/companies.

13 REGISTRAR AND TRANSFER AGENT

Cameo Corporate Services Ltd. has been appointed as the Registrar and Transfer Agent of the Company, and can be contacted by investors at the following address:

Cameo Corporate Services Ltd.

'Subramaniam Building'

#1, Club House Road,

Chennai 600 002

Phone : 044 – 40020700

Fax : 044 – 2846 0129

Email : cameo@cameoindia.com

Contact Person : Mr. R.D. Ramasamy, Whole-Time Director

14 ANNUAL GENERAL MEETING

The following table shows when and where the last three Annual General Meetings were held:

Financial Year	Date of Meeting	Time	Venue	Special Resolutions passed
2017-18	18th July 2018	2.30 p.m.	No. 21, Patullos Road, Chennai 600 002	For issuance of Non-Convertible Debentures on private placement basis
2016-17	17th July 2017	1.15 p.m.	No. 21, Patullos Road, Chennai 600 002	1. For borrowing monies by private placement of non-convertible debentures u/s 180(1)(c) of the Companies Act, 2013 2. For issuance of Non-Convertible Debentures on private placement basis
2015-16	21st July 2016	3.05 p.m.	No.21, Patullos Road, Chennai 600 002	For borrowing monies by private placement of non-convertible debentures u/s 180(1)(c) of the Companies Act, 2013

No resolutions were passed through postal ballot during the year ended 31st March 2019. None of the resolutions being placed at the ensuing Annual General Meeting is covered by the Postal Ballot Rules. No Extraordinary General Meeting of the Members was held during the year.

15 WHISTLE BLOWER POLICY

The Company adopted a Whistle Blower Policy and established the necessary vigil mechanism with effect from April 1, 2014, for Directors and Employees to report genuine concerns about unethical behaviour, pursuant to the provisions of Section 177(9) and (10) of the Companies Act, 2013 read with Rule 7 of Companies (Meetings of Board and its Powers) Rules, 2014. The vigil mechanism provides for adequate safeguards against victimisation of persons who use such mechanism and makes provision for direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases. It is hereby affirmed that no personnel of the Company has been denied access to the Audit Committee. There were no complaints from the employees during the year 2018-19.

The Whistle Blower Policy has been hosted on the Company's website www.sundarambnpphome.in

16 SEBI COMPLAINTS REDRESS SYSTEM (SCORES) AND NHB GRIEVANCE REGISTRATION & INFORMATION DATABASE SYSTEM (GRIDS)

The Company is registered with SEBI Complaints Redress System (SCORES) and NHB Grievance Registration & Information Database System (GRIDS). Under both SCORES and GRIDS, the investor/customer complaints are processed in a centralised web based complaints redressal system. The salient features of this system are Centralised database of all complaints, online upload of Action Taken Reports (ATRs) and online viewing by investors/customers of actions taken on the complaints and their current status.

17 DISCLOSURE

The Company has complied with the applicable requirements of the Securities and Exchange Board of India (SEBI) and the National Stock Exchange of India Ltd. (NSE) on matters relating to capital markets. There has been no instance of non-compliance by the Company or penalty or strictures imposed / passed on the Company by SEBI or NSE or any statutory authority, on any matter related to capital markets, during the last three years.

18 MEANS OF COMMUNICATION

The primary source of information to the shareholders, customers, analysts and other stakeholders of the Company and to the public at large is through the website of the Company www.sundarambnpphome.in. In accordance with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Listing Agreement with NSE, half-yearly unaudited financial results/annual audited financial results of the Company in respect of financial year 2018-19 have been forwarded to NSE in the prescribed format. Further, the results have been published in newspapers, "Financial Express" (English) and "Malai Sudar" (Tamil) and are hosted on the Company's website www.sundarambnpphome.in

The annual report has been sent in electronic form also to the Members.

19 CORPORATE IDENTITY NUMBER

The Corporate Identity Number (CIN), allotted to the Company by the Ministry of Corporate Affairs, Government of India is U65922TN1999PLC042759. With the MCA21 initiative of the Ministry of Corporate Affairs going live, the Company's master data and details of the compliance filings of the Company with the Ministry may be viewed by the Members and other stakeholders at www.mca.gov.in using the CIN.

20 REGISTRATION WITH THE NATIONAL HOUSING BANK

The Registration Number allotted to the Company by the National Housing Bank (NHB) is 01.0010.01 in pursuance to Section 29A of the National Housing Bank Act, 1987. The Company has been granted Certificate of Registration to carry on the business of a housing finance institution along with permission to accept deposits from the public.

21 ADDRESS FOR CORRESPONDENCE AND ANY ASSISTANCE OR CLARIFICATION

Mr. V. Swaminathan, Company Secretary, is the Compliance Officer. He can be contacted at the following address for assistance or clarification:

Mr. V. Swaminathan
Compliance Officer
Sundaram BNP Paribas Home Finance Ltd.
Fifth Floor, Sundaram Towers,
46, Whites Road,
Chennai-600 014
Phone: 044-2858 2234
E-mail: swaminathan@sundarambnpphome.in

22 MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report forms part of the Board's Report.

23 GENERAL SHAREHOLDER INFORMATION

Twentieth Annual General Meeting

Date	Time	Venue
17th July 2019	2.00 p.m.	No.21, Patullos Road, Chennai 600002

The Company's Board is scheduled to consider the audited annual results / unaudited half-yearly results as under:

- Financial Year –1st April 2018 to 31st March 2019 :
21st May 2019
- Unaudited results for the half-year ending 30th September 2019 :
End of October 2019
- Date of payment of dividend for the year ending 31st March 2018 :
18th July 2018

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SUNDARAM BNP PARIBAS HOME FINANCE LIMITED, FOR THE YEAR ENDED 31st MARCH, 2019

REPORT ON FINANCIAL STATEMENTS

OPINION

We have audited the accompanying financial statements of Sundaram BNP Paribas Home Finance Limited (“the Company”), which comprise the Balance Sheet as at 31st March 2019, the Statement of Profit and Loss, (including other comprehensive income) the 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 the Companies (Indian Accounting Standards) Rules, 2015 as amended (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2019, and its profit and total comprehensive income, 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 (“SA”) 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 made there under and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

KEY AUDIT MATTERS

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

Key Audit Matter	How our audit addressed the key audit matter
<p>Impairment Loss Allowance:</p> <p>Management’s judgements in the calculation of impairment allowances have significant impact on the financial statements. The estimates regarding impairment allowances are complex and require a significant degree of judgement, which increased with implementation of expected credit loss (“ECL”) approach starting from 1st April 2017 as required by Ind AS 109 relating to “Financial instruments.”</p> <p>The Management is required to determine ECLs that may occur depending on the staging of the individual asset.</p> <p>This staging is determined by an assessment of whether there has been a significant increase in credit risk of the borrower since loan origination. It is also necessary to consider the impact of different future macroeconomic conditions in the determination of ECLs.</p> <p>The accuracy of the assumptions used in the models, including the macroeconomic scenarios, impacts the level of impairment provisions. The management monitors the precision of the ECL models, to ensure that the models appropriately estimate losses comparing to actual results (“back-testing procedures”) and that the level of the impairment allowances is adequate. ECL provision calculations require the use of large volumes of data. The completeness and reliability of data can significantly impact accuracy of the modelled impairment provisions. The accuracy of data flows and the implementation of related controls is critical for the integrity of the estimated impairment provisions. Given the significance of judgements and the high complexity related particularly to the calculation of ECL we considered this area as a key audit matter.</p>	<p>We have started our audit procedures with updating our understanding of the internal control environment related to recognition and measurement of impairment allowances and tested the effectiveness of the selected key controls implemented by the Company, in particular:</p> <ul style="list-style-type: none"> • procedures in the area of recording, processing and amending of key customer data applied in the calculation of expected credit losses; • data flows between the Company’s core IT systems and ECL calculation tool; • procedures in the area of timely and complete identification of significant increase in credit risk (stage 2) and default (stage 3). <p>We also assessed the approach of the Company regarding application of significant increase in credit risk criteria, definition of default, probability of default, loss given date and incorporation of forward-looking information in the calculation of ECL.</p> <p>Due to first time adoption of Ind AS in the audited period, we have focused on the analysis of the results of the back-testing procedures, by assessing the Company’s assumptions and the expert adjustments applied in the model taking into account the empirical data and the existing credit and monitoring processes.</p> <p>For individually insignificant loans and advances which are assessed for impairment on a portfolio basis we performed particularly the following procedures:</p> <ul style="list-style-type: none"> • we tested the reliability of key data inputs and related management controls; • we verified the key judgements and assumptions, including the macro-economic scenarios and the associated probability weights; • we analyzed impairment coverage of credit portfolio and its changes. <p>We applied our professional judgement in the selection of significant loans and advances assessed for impairment on an individual basis – we selected the sample taking into account different risk criteria:</p> <ul style="list-style-type: none"> • for selected loans and advances we checked the stage classification as at the Balance sheet date, • for selected impaired loans and advances (stage 3) we tested the assumptions used in the impairment allowances calculation, particularly expected scenarios and probabilities assigned to them and the timing and amount of expected cash flows, including cash flows from repayments, valuation of collaterals, application of haircuts and realization of collaterals. <p>As a result of the above audit procedures no material differences were noted.</p> <p>We confirm the adequacy of disclosures made in the Financial Statements.</p>

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for other information. The other information comprises the information included in the financial highlights, board's report and report on corporate governance 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 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 including other comprehensive income, 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 read with the Companies (Indian Accounting Standards) Rules, 2015. 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and

obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and

significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

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 A" to this Report, a statement on the matters specified in paragraphs 3 and 4 of the said Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss, 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 the Companies (Indian Accounting Standards) Rules, 2015.
- (e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.
- (g) As regards Managerial Remuneration paid to Directors, refer to note no. xi of “Annexure A” to this Report.
- (h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the

Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – refer note no. 34.16 to the financial statements.
- ii. The Company did not enter into any derivative contracts during the year.
- iii. During the year, there has been no delay in transferring the amounts required to be transferred to the Investor Education and Protection Fund.

For Sundaram & Srinivasan

Chartered Accountants

Firm Registration No. 004207S

sd/-

S. Usha

Partner

Membership No. 211785

Place : Chennai

Date : 21-05-2019

**ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF
SUNDARAM BNP PARIBAS HOME FINANCE LIMITED, CHENNAI
FOR THE YEAR ENDED 31ST MARCH 2019**

Annexure A referred to in our report under “Report on Other Legal and Regulatory Requirements Para 1” of even date on the accounts for the year ended 31st March 2019

i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;

(b) Fixed assets have been physically verified by the Management during the year, in accordance with the regular programme of verification, which in our opinion is reasonable having regard to the size of the Company and nature of the fixed assets. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) The title deeds of immovable properties owned by the Company are held in its name.

ii. The Company does not have any inventory and hence reporting under this clause 3(ii) is not applicable.

iii. The Company has not granted any loan, secured or unsecured, to a company, firm and Limited Liabilities Partnerships covered in the register maintained under Section 189 of the Companies Act, 2013.

The Company has granted a secured loan to a party covered in the register maintained under Section 189 of the Companies Act, 2013, during the year.

(a) The terms and conditions of the grant of the loan are not prejudicial to the Company's interest;

(b) The schedule of repayment of principal and interest has been stipulated and the repayment of principal and interest has not fallen due as on 31.03.2019.

iv. In respect of a loan, the provisions of section 185 have been complied with.

The Company has not made any investment or furnished any security or guarantee which will attract the provisions of section 186 of the Companies Act, 2013.

v. As per the notification by the Ministry of Corporate Affairs (GSR 256(E) dated March 31, 2014) the provisions of sections 73 to 76 or any other provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, as amended, with regard to the deposits accepted are not applicable to the Company and hence the reporting under clause 3(v) of the Order is not applicable. The Company has complied with the directions issued by the National Housing Bank with regard to deposits accepted from the public.

vi. The Central Government has not prescribed the maintenance of cost records for the Company u/s. 148(1) of the Companies Act, 2013.

vii. (a) In our opinion and according to the information and explanation given to us, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Duty of Customs, Cess and other material statutory dues have been regularly deposited during the year with appropriate authorities.

(b) There are no statutory dues which were not deposited on account of any disputes which were pending before the concerned authorities.

- viii. The Company has not defaulted in the repayment of dues to financial institution, banks, Government or debenture holders.
- ix. (a) The Company has not raised any money by the way of initial public offer or further public offer (including debt instruments) during the year. Hence reporting on utilization of such money does not arise; and
 (b) The term loans were applied for the purposes for which the loans were obtained.
- x. To the best of knowledge and belief and according to the information and explanations given to us, during the year, no material fraud by the Company or material fraud on the Company by its employees or officers were noticed during the course of our audit.
- xi. The Company has paid / provided for managerial remuneration within limits of section 197 read with schedule V to the Companies Act, 2013.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations furnished to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013.
- The details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.
- xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures under section 42 of the Companies Act, 2013.
- xv. In our opinion and 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 any non-cash transactions with directors or persons connected with them.
- xvi. The Company does not require registration under section 45-IA of the Reserve Bank of India Act, 1934. The Company has obtained a Certificate of Registration under section 29A of the National Housing Bank Act, 1987.

For Sundaram & Srinivasan
 Chartered Accountants
 Firm Registration No. 004207S
sd/-

S. Usha
 Partner

Place : Chennai
 Date : 21-05-2019

Membership No. 211785

**ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS ON THE FINANCIAL STATEMENTS OF
SUNDARAM BNP PARIBAS HOME FINANCE LIMITED, CHENNAI
FOR THE YEAR ENDED MARCH 31, 2019**

Report on the Internal Financial Controls with reference to Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Sundaram BNP Paribas Home Finance Limited, Chennai (“the Company”) as at 31st March, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls with reference to Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to financial

statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting with reference to financial statements included obtaining an understanding of internal financial controls over financial reporting 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 system with reference to financial statements over financial reporting with reference to financial statements.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control with reference to financial statements over financial reporting 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 over financial reporting includes those policies and procedures that;

- (i) pertain to the maintenance of records, that in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and
- (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting with reference to Financial Statements.

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2019, based on the internal control over financial reporting 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.

For **Sundaram & Srinivasan**

Chartered Accountants

Firm Registration No. 004207S

sd/-

S. Usha

Partner

Place : Chennai

Date : 21-05-2019

Membership No. 211785

Balance Sheet as at 31st March, 2019

(₹ in lakhs)

Particulars	Note No.	31st March 2019	31st March 2018	1st April 2017
ASSETS				
Financial Assets				
Cash and cash equivalents	7	24,77.35	34,72.98	38,01.88
Bank Balance other than specified in Note 7	8	73,82.67	239,61.85	117,07.65
Receivables				
- Trade Receivables	9	1,62.26	1,45.42	1,52.74
Loans	10	8771,38.18	7992,56.58	7201,57.11
Investments	11	361,68.75	186,78.59	391,52.57
Other Financial assets	12	3,36.19	3,57.41	3,56.83
Non-financial Assets				
Current tax assets (Net)	13	52,06.27	46,25.64	37,07.20
Property, Plant and Equipment	14	28,70.75	15,37.66	15,12.92
Other Intangible assets	15	7,86.93	6,67.30	6,78.22
Other Non-Financial assets	16	10,67.15	19,97.79	20,57.08
Total Assets		9335,96.50	8547,01.22	7832,84.20
LIABILITIES AND EQUITY				
LIABILITIES				
Financial Liabilities				
Payables				
I) 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	17	6,24.83	7,83.89	5,22.33
II) Other Payables				
(i) Total outstanding dues of micro enterprises and small enterprises				
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises				
Debt Securities	18	2894,26.27	2820,21.37	2840,81.46
Borrowings (Other than Debt Securities)	19	3722,17.77	3188,11.17	2528,16.76
Deposits	20	1218,23.25	1111,38.69	1138,76.05
Subordinated Liabilities	21	190,82.50	221,08.38	220,93.06
Other financial liabilities	22	28,94.46	31,15.11	33,98.88
Non-Financial Liabilities				
Current tax liabilities (Net)				
Provisions	23	78.14	1,32.25	1,57.92
Deferred tax liabilities (Net)	24	18,31.77	13,20.35	12,78.28
Other non-financial liabilities	25	4,08.44	3,78.97	3,64.95
EQUITY				
Equity Share capital	26	101,25.44	101,25.44	101,25.44
Other Equity	27	1150,83.63	1047,65.60	945,69.07
Total Liabilities and Equity		9335,96.50	8547,01.22	7832,84.20

The Notes from 1 to 36 are an integral part of these standalone financial statements.

As per our report of even date attached
For **Sundaram & Srinivasan**
Chartered Accountants
FRN 004207S
S. Usha
Partner
Membership No. 211785
Chennai
21st May 2019

S. Viji
Chairman

G. Sundararajan
Chief Financial Officer

V. Swaminathan
Company Secretary

Srinivas Acharya
Managing Director

N. Ganga Ram
Director

Anthony Colwyn-Thomas
Director

Statement of Profit and Loss for the year ended 31st March, 2019

(₹ in lakhs)

Particulars	Note No.	April 2018 - March 2019	April 2017 - March 2018
Revenue from operations			
Interest Income	28	970,32.25	897,04.34
Fees and commission Income		3,56.22	3,41.59
Net gain on fair value changes	29	15,63.85	13,48.76
Other Operating Income		16,62.33	20,25.19
Total Revenue from operations		1006,14.65	934,19.88
Other Income			
Profit on sale of Property Plant & Equipment (Net)		4.91	26.92
Miscellaneous Income		7.85	11.12
		12.76	38.04
Total Income		1006,27.41	934,57.92
Expenses			
Finance Costs	30	622,25.67	557,91.35
Impairment on financial instruments	31	47,29.03	63,24.61
Employee Benefits Expenses	32	56,70.81	51,42.00
Depreciation, amortization and impairment	13&14	5,81.18	4,99.71
Other expenses	33	50,03.56	45,17.50
Total Expenses		782,10.25	722,75.17
Profit before exceptional items and tax		224,17.16	211,82.76
Exceptional items		—	—
Profit before tax		224,17.16	211,82.76
Tax Expense:			
Current Tax		73,57.90	66,98.58
Deferred Tax		5,11.42	42.07
Profit after tax		145,47.84	144,42.11
Other Comprehensive Income			
(A) (i) Items that will not be reclassified to profit or loss		11.73	(26.03)
Remeasurement of the defined benefit plans			
(ii) Income tax relating to items that will not be reclassified to profit or loss		4.10	9.01
Subtotal (A)		7.63	(17.02)
(B) (i) Items that will be reclassified to profit or loss		—	—
(ii) Income tax relating to items that will be reclassified to profit or loss		—	—
Subtotal (B)		—	—
Other Comprehensive Income (A + B)		7.63	(17.02)
Total Comprehensive Income for the period comprising Profit and other comprehensive income for the period		145,55.47	144,25.09
Earnings per equity share			
Basic & Diluted (₹)		14.37	14.26

The Notes from 1 to 36 are an integral part of these standalone financial statements.

 As per our report of even date attached
 For **Sundaram & Srinivasan**
 Chartered Accountants
 FRN 004207S
S. Usha
 Partner
 Membership No. 211785
 Chennai
 21st May 2019

S. Viji
 Chairman

G. Sundararajan
 Chief Financial Officer

V. Swaminathan
 Company Secretary

Srinivas Acharya
 Managing Director

N. Ganga Ram
 Director

Anthony Colwyn-Thomas
 Director

Cash Flow Statement

(₹ in lakhs)

Particulars	April - March 2019	April - March 2018
CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit	145,47.84	144,42.11
Tax Expense	78,69.32	67,40.65
Finance Costs	622,25.67	557,91.35
Depreciation	5,81.18	4,99.71
Impairment on Financial Instruments	47,29.03	63,24.61
Share based payments	34.93	36.80
Profit on sale of Property Plant & Equipment (Net)	(4.91)	(26.92)
(Profit)/ Loss on sale of Investments	(15,63.85)	(13,48.76)
Interest / Dividend Income	(11,48.55)	(12,83.94)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	872,70.66	811,75.61
(Increase)Decrease in Trade Receivables	(16.84)	7.32
(Increase) Decrease in Loans	(826,11.79)	(854,25.70)
(Increase) Decrease in Bank Deposits	165,44.22	(122,35.28)
(Increase) Decrease in Other Financial Assets	21.22	(0.57)
(Increase) Decrease in Current Tax Assets		
Increase (Decrease) in Other Non Financial Assets	9,30.64	59.29
Increase (Decrease) in Trade Payables	(1,59.06)	2,61.56
Increase (Decrease) in Other Financial Liabilities	(2,20.65)	(2,83.78)
Increase (Decrease) in Other Non Financial Liabilities	29.46	14.03
Increase (Decrease) in Provisions	(42.38)	(51.70)
Cash Generated From Operations	217,45.48	(164,79.22)
Financial Costs	(688,19.99)	(563,59.16)
Direct Taxes Paid	(79,42.63)	(76,08.01)
NET CASH FROM OPERATING ACTIVITIES (A)	(550,17.14)	(804,46.39)

(₹ in lakhs)

Particulars	April - March 2019	April - March 2018
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets - Tangible & Intangible	(20,51.25)	(5,30.35)
Sale of Fixed Assets - Tangible	22.27	43.74
Purchase/Sale of Investments	(158,94.00)	218,43.40
Interest Received	11,52.36	12,46.00
NET CASH FROM INVESTING ACTIVITIES (B)	(167,70.62)	226,02.79
CASH FLOW FROM FINANCING ACTIVITIES		
Share Capital - Equity	—	—
Securities Premium received	—	—
Increase (Decrease) in Debt Securities	113,96.36	(13,65.59)
Increase (Decrease) in Borrowings other than debt securities	528,86.08	660,10.98
Increase (Decrease) in Public Deposits	107,82.06	(28,65.33)
Dividend paid (including Corporate Dividend Tax)	(42,72.37)	(42,65.37)
NET CASH FROM FINANCING ACTIVITIES (C)	707,92.13	575,14.69
Effect of Foreign Exchange rates on Cash and Cash Equivalents, net (D)	—	—
NET INCREASE IN CASH AND CASH EQUIVALENTS (A)+(B)+(C)+(D)	(9,95.63)	(3,28.90)
Cash and cash equivalents at the Beginning of the Year	34,72.98	38,01.88
Cash and cash equivalents at the End of the Year	24,77.35	34,72.98
COMPONENTS OF CASH AND CASH EQUIVALENTS		
AT THE END OF THE YEAR		
Current Account with Banks	18.84	2,88.34
Cheques Drafts on Hand	23,15.89	30,70.03
Cash, Stamps and Stamp Papers on Hand	1,42.62	1,14.61
Cash & Cash equivalents	24,77.35	34,72.98

Note: Previous year's figures have been regrouped / reclassified wherever necessary to conform to the current year's presentation.

As per our report of even date attached
 For **Sundaram & Srinivasan**
 Chartered Accountants
 FRN 004207S
S. Usha
 Partner
 Membership No. 211785
 Chennai
 21st May 2019

S. Viji
 Chairman

G. Sundararajan
 Chief Financial Officer

V. Swaminathan
 Company Secretary

Srinivas Acharya
 Managing Director

N. Ganga Ram
 Director

Anthony Colwyn-Thomas
 Director

NOTES TO THE ACCOUNTS

1. Corporate Information

Sundaram BNP Paribas Home Finance Ltd (“the company”) is a public limited company incorporated in India with its registered office located at No.21 Patullos Road Chennai 600002.

The company is a housing finance company registered with National Housing Bank. The Company is primarily involved in long term financing for acquisition / construction of residential properties in India.

The Non-Convertible Debentures issued by the Company are listed on the whole-sale debt market segment of National Stock Exchange of India Limited.

2. Basis of preparation and presentation

2.1 Statement of Compliance

The financial statements have been prepared on a going concern basis to comply with the Indian Accounting Standards (‘Ind AS’), notified under section 133 of the Companies Act,2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules,2015 and Companies (Indian Accounting Standard) amendment Rules,2016 issued by the Ministry of Corporate Affairs (MCA).

In addition, the guidance notes and announcements issued by the Institute of Chartered Accountants of India are also applied, except where the compliance with other statutory provisions requires different treatment.

The date of transition to Ind AS is 1st April 2017.

The financial statements for the year ended 31st March 2019 have been prepared for the first time under Ind AS. For all periods up to and including the year ended 31st March 2018, the company prepared its financial statements in accordance with the accounting standards then notified under section 133 of the Companies Act 2013 read with paragraph 7 of the Companies (Accounts) rules, 2014.

The financial statements of the previous years ended 31st March 2018 and 31st March 2017 which were prepared in accordance with the requirements of Indian Generally Accepted Accounting Principles, which includes Standards

notified under the Companies (Accounting Standards) Rules, 2006 (“Previous GAAP”) have been now restated as per Ind AS to provide comparability.

All the amounts mentioned in the Financial Statements are reported in Indian Rupees (₹) and all values are rounded off to the nearest lakhs except where otherwise indicated.

2.2 Accounting Convention

The Financial Statements have been prepared under the historical cost convention except for certain financial instruments that are measured at fair values at the end of each reporting period.

2.3 Measurement of fair values

The Company’s accounting policies and disclosures require the measurement of financial and non-financial assets and liabilities at fair values. The Company has established policies and procedures with respect to measurement of fair values.

Fair value measurements are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as mentioned below:

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: Inputs other than quoted prices included in Level 1, which are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the asset and liability that are not based on observable market data.

3. Significant Accounting Policies

3.1 Revenue recognition

Interest income from financial assets is recognized on an accrual basis using Effective Interest Rate (EIR) method. Interest revenue would be recognized at the original effective interest rate applied on the gross carrying amount.

Fee received and commission paid, that are integral to the transaction relating to any financial asset or liability are included in the computation of EIR.

NOTES TO THE ACCOUNTS (Contd.)

3.2 Financial instruments

A financial instrument is any contract that gives rise to a financial asset for one entity and a financial liability or equity instrument for another entity. Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities measured at fair value through profit or loss are recognised immediately in Statement of Profit and Loss.

3.2 a. Financial assets

Classification

The Company classifies its financial assets as subsequently measured at either amortized cost or at fair value depending on the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

At Amortised Cost

A financial asset is measured at amortised cost only if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold them in order to collect contractual cash flows; and
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the amount outstanding. Such Financial assets are subsequently measured at amortised cost using the EIR method.

The effective interest rate method is a method of calculating the amortised cost of a financial instrument

and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. The interest income is recognized as revenue in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss and the amortised cost is reduced by impairment losses.

Financial instrument at Fair Value through Profit and Loss (FVTPL)

Any financial instrument, which does not meet the criteria for categorization as at amortized cost or as Fair Value through Other Comprehensive Income (FVOCI), is classified as at FVTPL. In addition, the Company may elect to classify a debt instrument, which otherwise meets amortized cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

3.2.b. Impairment of Financial Assets

The Company applies the Expected Credit Loss (ECL) model for recognizing impairment losses on financial assets.

12 months ECL represents the possibility of expected default events on the financial assets within 12 months after the respective reporting date.

Where the credit risk on the financial assets has not increased significantly since initial recognition, the loss is measured at an amount equal to 12 months ECL.

Where the credit risk on the financial assets has increased significantly since initial recognition, the loss is measured at an amount equal to the lifetime expected credit loss.

NOTES TO THE ACCOUNTS (Contd.)

3.2.c. Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest rate method except for financial liabilities at FVTPL. A financial liability is classified as FVTPL if it is held-for-trading or it is a derivative or it is designated as FVTPL on initial recognition. Interest expense, foreign exchange gains (losses) and any gains and losses on derecognition are recognized in the profit or loss.

3.2.d. Derecognition of financial assets and financial liabilities

Financial asset

A financial asset or a part thereof is primarily derecognized when:

The right to receive contractual cash flows from the asset has expired, or the Company has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

If the company enters into transactions whereby it transfers assets recognized on its balance sheet, but retains all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

On derecognition of a financial asset, the difference between the carrying amount of the asset and the consideration received including any cumulative gain or loss accounted in OCI, is recognised in Statement of Profit and Loss.

Financial liabilities

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

3.2.e. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet when the Company

has a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

3.3 Employee Benefits:

Short Term Employee Benefits

Short term employee benefits for services rendered by employees are recognized during the period when the services are rendered.

Post-Employment Benefits

A. Defined contribution plans

I. Superannuation

The Company contributes to the Superannuation fund administered by Trustees and managed by the Life Insurance Corporation of India (LIC). The contributions are charged to the Statement of Profit and Loss.

II. Employees' Provident Fund, Pension Scheme and Employees' State Insurance Scheme

The Company contributes to a Government-administered Provident Fund, Pension Fund and Employees State Insurance on behalf of its employees.

B. Defined benefit plans

Gratuity

The Company makes an annual contribution to a Gratuity Fund administered by trustees and managed by LIC. The company accounts its liability based on actuarial valuation as at the balance sheet date using the Projected Unit Credit method.

The change in defined benefit plan liability is split into changes arising out of service, interest cost and re-measurements and the change in defined benefit plan asset is split between interest income and re-measurements. Changes due to service cost and net interest cost / income is recognized in the statement of profit and loss. Re-measurements of net defined benefit liability / (asset) which comprise of the below are recognized in other comprehensive income:

NOTES TO THE ACCOUNTS (Contd.)

Actuarial gains and losses;

The return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset).

C. Other Long-Term Employee Benefits

Leave Encashment:

The Company contributes to a staff leave encashment scheme managed by SBI Life Insurance Company Limited. The company accounts its liability based on an actuarial valuation, as at the balance sheet date, using the Projected Unit Credit method. The expenses and the actuarial gain or loss on account of the above benefit plans are recognized in the Statement of Profit and Loss on the basis of actuarial valuation.

3.4 Share Based Payments:

Employee Stock Options

Sundaram Finance Limited, the holding company, has an employee stock option scheme in accordance with SEBI guidelines 1999 for extending the scheme to eligible employees of the subsidiary companies. The Company recognises the compensation expense relating to share based payments in accordance with IND AS 102 - Share based payments.

3.5 Taxation

Tax expense comprises of current and deferred tax. It is recognised in statement of profit and loss except to the extent that it relates to items recognised directly in equity or in OCI.

Current tax

Current tax is measured at the amount expected to be paid in respect of taxable income for the year in accordance with the Income-tax Act, 1961. Current tax comprises the tax payable on the taxable income or loss for the year and any adjustment to the tax payable in respect of previous years. It is measured using tax rates enacted at the reporting date.

Current tax assets and liabilities are offset only if, the Company has a legally enforceable right to set off the recognised amounts; and intends either to settle on a

net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable income.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and based on management's judgement, are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Unrecognized deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax assets and liabilities are offset only if the Company:

- a) has a legally enforceable right to set off current tax assets against current tax liabilities; and
- b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

Current and Deferred tax for the year

Current and deferred tax are recognised in Statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively

NOTES TO THE ACCOUNTS (Contd.)

3.6 Property, plant and equipment

The property, plant and equipment are the assets held for the use in the supply of services.

Property, plant and equipment are stated in the balance sheet at cost (net of duty/ tax credit availed) less accumulated depreciation and accumulated impairment losses. Cost of acquisition is inclusive of freight, non-refundable duties & taxes and other directly attributable cost incurred for bringing the asset to its working condition for the intended use.

Freehold land is not depreciated.

Depreciation is recognised to write off, the cost of assets less their residual values over their useful lives, using the written down value method. The estimated useful life, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Estimated useful life of the assets, based on technical assessment, which are different in certain cases from those prescribed in Schedule II to the Act, are as follows:

Computers and Data Processing Units

- Servers and Networks	10 Years
- End User Devices	7 Years
Office Equipment	8 Years
Furniture and Fixtures	10 Years
Electrical installations	15 years
Vehicles	5 Years

The property plant and equipment with definite life are reviewed for impairment whenever the events or changes indicate that their carrying value may not be recoverable. Depreciation charge for impaired assets is adjusted in future periods in such a manner that the revised carrying amount of the asset is allocated over its remaining useful life.

Further, there is no significant change in the useful life of the above assets as compared to previous year.

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.

3.7 Intangible assets

Intangible assets are identified non-monetary assets without physical existence.

Intangible assets with finite useful lives that are acquired separately are capitalized and are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over the estimated useful life of the asset.

Intangible assets are recognized in books only when it is probable that future economic benefits associated with the asset will flow to the company and the cost can be measured reliably.

The cost of the intangible asset shall include the purchase price, including non-refundable duties and taxes, all the directly attributable costs to bring the intangible to the present location, working condition and intended use.

Intangible assets represent Computer software, the cost of which is amortized over their expected useful life 2 to 5 years on a straight-line basis.

The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Impairment loss, if any, is provided to the extent, the carrying amount of assets exceeds their recoverable amount. Recoverable amount is the higher of net selling price of the assets and the present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life.

3.8 Impairment of Assets:

The carrying amounts of assets are reviewed as at each Balance Sheet date to ascertain impairment based on internal/external factors. An impairment loss is recognised when the carrying amount of an asset exceeds

NOTES TO THE ACCOUNTS (Contd.)

its recoverable amount. The recoverable amount is the higher of the net selling price of the asset and its value in use.

3.9 Dividend

The final Dividend on shares is recorded as a liability on the date of approval by the Shareholders and interim dividends if any are recorded as a liability on the date of declaration by the Company's Board of Directors.

3.10 Cash Flow Statement

Cash flows are reported using the indirect method, whereby net profit after tax is adjusted for the effects of transactions of non-cash nature, tax and any deferrals or accruals of past or future cash receipts or payments. The cash flows are prepared for the operating, investing and financing activities of the Company.

3.11 Provisions and Contingent Liabilities

Provisions are recognized only when the company has a present obligation (legal or constructive) as a result of any past events, and it is probable that it is required to settle the obligation, and a reliable estimate can be made of the amount of obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the obligation at the reporting date, considering the risk and uncertainties surrounding the obligation.

Contingent liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more future uncertain events not wholly within the control of the Company (or)

There is a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

3.12 Earnings Per Share

The basic earnings per share have been computed by dividing the net income attributable to equity shareholders by weighted average number of shares outstanding during the year.

The diluted earnings per share have been computed using weighted average number of shares adjusted for effects of all potentially diluted equity shares.

4. Critical Accounting Judgements and Key source of estimation uncertainty

On assessment of the estimates made under the Previous GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under Previous GAAP are made by the Company for the relevant reporting dates reflecting conditions existing as at that date.

The preparation of financial statements in accordance with Ind AS requires use of estimates and assumptions for some items, which might have an effect on their recognition and measurement in the balance sheet and statement of profit and loss. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. The actual results may differ from these estimates. The Company's management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Any revision to the accounting estimates is recognised prospectively in the current and future periods.

5. Approach on exemptions and exceptions under Ind AS 101 "First-time Adoption of Indian Accounting Standards"

The company has availed the following mandatory exceptions that are provided to the first time adopters.

NOTES TO THE ACCOUNTS (Contd.)

a) **Mandatory Exceptions adopted by the company**

i) Derecognition of financial assets and financial liabilities

The Company has opted to apply de recognition requirements as per Ind AS 109 prospectively for transactions on or after 1 April 2017.

b) **Optional Exemptions adopted by the company**

The company has availed the following optional exemptions available to Ind AS upon first time adoption

i) Deemed cost for property, plant and equipment, intangible assets.

The Company has opted to adopt the carrying amount determined in accordance with the previous GAAP for property plant and equipment, intangible assets as deemed cost on transition.

6. Standards Issued but not effective

The amendments to the standard that are issued but not yet effective up to the date of issuance of the standard are disclosed below. The company intends to adopt these standards, if applicable as and when it becomes effective.

The Ministry of Corporate Affairs has issued the Companies (Indian Accounting Standard) amendments rules 2019 amending the following standards:

a. Ind AS 116 “Leases”

Ind AS 116 was issued on 30th March 2019, which shall come into force from 1st April 2019. The standard sets out the principle for the recognition, measurement and disclosure of leases. Principles of IND AS 116 for lessor are substantially same. However, there is significant change in the way a lessee shall account for leases in its books.

It provides that an entity, being a lessee, shall treat almost all leases, except leases for short-term and leases of low value assets, as finance leases. The entity shall recognise a right-of-use asset and a lease liability whenever it takes any asset on lease.

The right-of-use asset shall be measured at cost that comprises of initial value of lease liability, lease payments made on or before the commencement of lease, initial direct costs incurred by the entity and an initial estimated cost of dismantling & removing the leased asset and restoring the site on which the asset is located. The lease liability shall be measured at the present value of the lease payments due. The interest rate implicit in the lease or lessee’s incremental borrowing may be used to arrive at the present value. Subsequently, at each balance sheet date, the right-of-use asset shall be depreciated and lease liability shall be increased by interest amount & decreased by amount paid. The right-of-use asset may also be measured at revalued amount under revaluation model.

The Company is currently evaluating the impact of the amendment of the new Lease standard.

b. Ind AS 12 “Income taxes”

The first amendment requires an entity to create a corresponding liability for Dividend Distribution Tax (DDT) when it recognises a liability to pay a dividend. The liability for DDT shall be recorded in statement of profit & loss, other comprehensive income or equity, as the case may be.

The second amendment relates to tax consequence of an item whose tax treatment is uncertain. Tax treatment of an item is considered as uncertain when there is uncertainty whether the relevant taxation authority will accept the tax treatment of that item or not.

If there is uncertainty over tax treatment of an item an entity should predict the resolution of the uncertainty. If it is probable that the taxation authority will accept the tax treatment, there will be no impact on the amount of taxable profits/losses, tax bases, unused tax losses/credits and tax rates. In vice-versa case, the entity shall show the effect of the uncertainty for each uncertain tax treatment on account of related items by using either the most likely outcome or the expected outcome of the uncertainty. The Company is currently evaluating the effect of this amendment.

NOTES TO THE ACCOUNTS (Contd.)

c. Ind AS 109 “Financial Instruments”

The amendments notified to Ind AS 109 pertain to classification of a financial instruments with prepayment feature with negative compensation. Negative compensation arises where the terms of the contract of the financial instrument permit the holder to make repayment or permit the lender or issuer to put the instrument to the borrower for repayment before the maturity at an amount less than the unpaid amounts of principal and interest. Earlier, there was no guidance on classification of such instruments.

According to the amendments, these types of instruments can be classified as measured at amortised cost, or measured at fair value through profit or loss, or measured at fair value through other comprehensive income by the lender or issuer if the respective conditions specified

under Ind AS 109 are satisfied. The Company is currently evaluating the effect of this amendment.

d. Ind AS19 “Employee Benefits”

The amendments to Ind AS 19, Employee Benefits relate to effects of plan amendment, curtailment and settlement. When an entity determines the past service cost at the time of plan amendment or curtailment, it shall remeasure the amount of net defined benefit liability/asset using the current value of plan assets and current actuarial assumptions which should reflect the benefits offered under the plan and plan assets before and after the plan amendment, curtailment and settlement.

The Company does not have any impact on account of this amendment.

Note 7: Cash and cash equivalents:

₹ in lakhs

Particulars	31st March 2019	31st March 2018	1st April 2017
(i) Cash on hand	1,42.62	1,14.61	2,02.39
(ii) Balances with Banks	18.84	2,88.34	2,06.85
(iii) Cheques, drafts on hand	23,15.89	30,70.03	33,92.64
Total	24,77.35	34,72.98	38,01.88

Note 8: Bank Balances other than specified in Note 7 above

₹ in lakhs

Particulars	31st March 2019	31st March 2018	1st April 2017
Bank Deposits *	73,06.98	238,91.32	116,63.52
Earmarked balances with Bank (Interest Warrant)	75.69	70.53	44.13
Total	73,82.67	239,61.85	117,07.65

* Bank Deposit accounts include ₹31,93.00 lakhs (March 31, 2018 - ₹36,92.00 lakhs) (April 01, 2017 - ₹44,90.50 lakhs) provided as collateral for assets securitised / assigned.

Note 9: Trade Receivables

₹ in lakhs

Particulars	31st March 2019	31st March 2018	1st April 2017
Receivable considered Good- Unsecured	1,62.26	1,45.42	1,52.74
Total	1,62.26	1,45.42	1,52.74

NOTES TO THE ACCOUNTS (Contd.)

Note 10: Loans

₹ in lakhs

Particulars	31st March 2019	31st March 2018	1st April 2017
Loans (In India)			
Secured Term Loans - At Amortised Cost			
Housing Loans			
Individuals	6068,44.13	5473,62.22	4974,01.23
Others	99,73.36	70,03.46	67,88.46
Non-Housing Loans			
Individuals	2509,63.35	2389,38.57	2126,12.45
Others	365,12.98	302,45.45	222,60.85
Loans Against Deposits	84.90	1,13.95	1,49.88
Total - Gross	9043,78.72	8236,63.65	7392,12.87
Less: Impairment loss allowance - Stage I & II	2,14.00	1,87.04	2,59.65
Less: Impairment loss allowance - Stage III	270,26.54	242,20.03	187,96.11
Total - Net	8771,38.18	7992,56.58	7201,57.11

Refer Note 18(a) &(b) & Note 19

- Housing / Non-Housing Loans granted by the company are secured by mortgage of properties/hypothecation of loan receivables.
- ₹1,10.00 lakhs (March 31, 2018 ₹1,20.00 lakhs) (April 01, 2017 ₹1,50.00 lakhs) due from the Managing Director of the company.
- ₹87.64 lakhs (March 31, 2018 ₹95.41 lakhs) (April 01, 2017 ₹1,03.02 lakhs) due from the Officers of the Company.
- In accordance with NHB Directions 2010, the company has identified Non-Performing Loans amounting to ₹261,82.29 lakhs as on March 31, 2019. (March 31, 2018 ₹265,22.49 lakhs) (April 01, 2017 ₹214,67.75 lakhs)
- Insurance on Housing Loans to the extent of ₹57,89.49 lakhs (March 31, 2018 ₹52,72.08 lakhs) April 01, 2017 ₹46,81.45 lakhs is regrouped under Non-Housing Loans.

NOTES TO THE ACCOUNTS (Contd.)

Note 11: Investments

₹ in lakhs

Particulars	31st March 2019	31st March 2018	1st April 2017
At Fair value through Profit or Loss			
Mutual funds	251,13.35	88,11.62	308,23.11
At Amortised Cost			
Government securities	105,36.38	89,94.98	68,93.88
Others - Investments in Senior Pass Through Certificates	5,21.15	8,75.28	14,40.50
Total – Gross (A)	361,70.88	186,81.88	391,57.49
(i) Investments outside India	–	–	–
(ii) Investments in India	361,70.88	186,81.88	391,57.49
Total (B)	361,70.88	186,81.88	391,57.49
Less: Allowance for Impairment loss	2.13	3.29	4.92
Total – Net	361,68.75	186,78.59	391,52.57

In accordance with the NHB Directions, the Company has created a floating charge on the statutory liquid assets comprising investments in Government securities of the face value of ₹102,53.60 lakhs (Cost ₹105,36.38 lakhs) (March 31, 2018 face value ₹87,53.60 Cost ₹89,94.98 lakhs) (April 01, 2017 face value ₹67,53.60 lakhs Cost ₹68,93.88 lakhs) and bank deposits of ₹41,00.00 lakhs (mentioned in Note -8 Bank Balances) (March 31,2018 - ₹53,88.00 lakhs, April 01, 2017 - ₹71,43.00 lakhs) in favour of Trustees representing the public depositors of the Company.

Note 12: Other Financial Assets

₹ in lakhs

Particulars	31st March 2019	31st March 2018	1st April 2017
Rental Deposits	3,68.48	3,78.99	3,54.48
Other Advances	15.55	20.88	38.99
Subtotal	3,84.03	3,99.87	3,93.47
Less: Impairment loss allowance	47.84	42.46	36.64
Total	3,36.19	3,57.41	3,56.83

NOTES TO THE ACCOUNTS (Contd.)

Note 13: Current tax assets (Net)

₹ in lakhs

Particulars	31st March 2019	31st March 2018	1st April 2017
Advance Income - tax and TDS (Net)	52,06.27	46,25.64	37,07.20
Total	52,06.27	46,25.64	37,07.20

₹ in lakhs

Particulars	31st March 2019	31st March 2018	1st April 2017
Provision for Income-tax	600,64.80	527,02.80	460,05.38
Income-tax paid	652,71.07	573,28.44	497,12.58

Note 14: Property, Plant and Equipment

₹ in lakhs

Description	Gross Block at Cost				Depreciation				Carrying Value
	As at 01.04.2018	Additions	Deductions	As at 31.03.2019	Up to 31.03.2019	For the Year	Deductions	Up to 31.03.2019	As at 31.03.2019
Tangible Assets									
Land	7,50.75	8,71.02	–	16,21.77	–	–	–	–	16,21.77
Buildings	1,30.49	–	–	1,30.49	6.35	6.05	–	12.40	1,18.09
Buildings-Temporary Structure	–	2,01.97	–	2,01.97	–	22.44	–	22.44	1,79.53
Electrical Installations and Equipment's	92.78	39.59	5.23	1,27.14	11.22	14.53	0.30	25.45	1,01.69
Furniture and Fixtures	1,22.16	59.27	0.88	1,80.55	27.67	32.97	0.27	60.37	1,20.18
Vehicles	2,90.32	1,39.20	12.73	4,16.79	76.89	76.28	10.36	1,42.81	2,73.98
Office Equipment	1,42.68	30.23	0.42	1,72.49	36.73	29.23	0.12	65.84	1,06.65
Computers and Data Processing Units - Networks & Servers	72.56	1,43.80	13.76	2,02.60	23.32	39.83	5.81	57.34	1,45.26
Computers and Data Processing Units - End user devices	1,76.18	1,62.41	1.79	3,36.80	58.07	75.72	0.60	1,33.19	2,03.61
Grand Total	17,77.92	16,47.49	34.81	33,90.60	2,40.25	2,97.05	17.46	5,19.84	28,70.76

Refer Note 18 (a) & (b)

NOTES TO THE ACCOUNTS (Contd.)
Note 14: Property, Plant and Equipment (Contd.)

₹ in lakhs

Description	Gross Block at Cost				Depreciation				Carrying Value
	As at 01.04.2017	Additions	Deductions	As at 31.03.2018	Up to 31.03.2017	For The Year	Deductions	Up to 31.03.2018	As at 31.03.2018
Tangible Assets									
Land	7,50.75	–	–	7,50.75	–	–	–	–	7,50.75
Buildings	1,30.49	–	–	1,30.49	–	6.35	–	6.35	1,24.14
Electrical Installations and Equipment's	69.84	23.23	0.29	92.78	–	11.23	0.01	11.22	81.56
Furniture and Fixtures	91.66	31.01	0.51	1,22.16	–	27.68	0.01	27.67	94.49
Vehicles	1,65.48	1,58.15	33.31	2,90.32	–	94.85	17.96	76.89	2,13.43
Office Equipment	1,30.91	12.08	0.31	1,42.68	–	36.74	0.01	36.73	1,05.95
Computers and Data Processing Units - Networks & Servers	56.82	15.74	–	72.56	–	23.32	–	23.32	49.24
Computers and Data Processing Units - End user devices	1,16.97	59.65	0.44	1,76.18	–	58.14	0.07	58.07	118.11
Grand Total	15,12.92	2,99.86	34.86	17,77.92	–	2,58.31	18.06	2,40.25	15,37.67

Refer Note 18 (a) & (b)

Note 15: Other Intangible Assets

₹ in lakhs

Description	Gross Block at Cost				Depreciation				Carrying Value
	As at 01.04.2018	Additions	Deductions	As at 31.03.2019	Up to 31.03.2019	For The Year	Deductions	Up to 31.03.2019	As at 31.03.2019
Intangible Assets									
Computer Software	9,08.70	4,03.76	–	13,12.46	2,41.40	2,84.13	–	5,25.53	7,86.93
Grand Total	9,08.70	4,03.76	–	13,12.46	2,41.40	2,84.13	–	5,25.53	7,86.93

₹ in lakhs

Description	Gross Block at Cost				Depreciation				Carrying Value
	As at 01.04.2017	Additions	Deductions	As at 31.03.2018	Up to 31.03.2018	For The Year	Deductions	Up to 31.03.2018	As at 31.03.2018
Intangible Assets									
Computer Software	6,78.21	2,30.49	–	9,08.70	–	2,41.40	–	2,41.40	6,67.30
Grand Total	6,78.21	2,30.49	–	9,08.70	–	2,41.40	–	2,41.40	6,67.30

NOTES TO THE ACCOUNTS (Contd.)

Note 16: Other Non Financial Assets

₹ in lakhs

Particulars	31st March 2019	31st March 2018	1st April 2017
Capital Advances	7.65	10,97.66	11,04.21
Other Advances (includes Security deposits & prepaid expenses)	4,13.84	2,66.32	1,93.79
Prepaid expenses - Staff loans	6,45.66	6,33.81	7,59.08
Total	10,67.15	19,97.79	20,57.08

Note 17: Trade Payables

₹ in lakhs

Particulars	31st March 2019	31st March 2018	1st April 2017
Creditors for Expenses	4,53.37	5,57.79	3,43.83
Creditors for Other Finance	1,71.46	2,26.10	1,78.50
Total	6,24.83	7,83.89	5,22.33

Note 18: Debt Securities

₹ in lakhs

Particulars	31st March 2019	31st March 2018	1st April 2017
At Amortised Cost			
In India			
Secured			
Non Convertible Debentures			
- From Related Party	63,28.95	42,01.98	52,08.68
- Others	1720,80.88	2244,10.90	2192,62.60
Unsecured			
Non Convertible Debentures			
- Others	104,68.18	-	-
Commercial Paper	1005,48.26	534,08.49	596,10.18
Total	2894,26.27	2820,21.37	2840,81.46

NOTES TO THE ACCOUNTS (Contd.)

- (a) The Secured Non-Convertible Debentures are secured by a first mortgage over a specific immovable property belonging to the Company and hypothecation of loan receivables to the extent of ₹ Nil as at March 31, 2019. (March 31, 2018 ₹23,20.00 lakhs) (April 01, 2017 ₹210,50 lakhs)
- (b) The Secured Non-Convertible Debentures are secured by a first mortgage over a specific immovable property belonging to the Company and negative lien on the loan assets of the Company to the extent of face value ₹1704,90 lakhs as at March 31, 2019. (March 31, 2018 ₹2120,00.00 lakhs) (April 01, 2017 ₹1895,00 lakhs)
- (c) The formalities connected with creation of security and registration of charge in respect of ₹100,00 lakhs is in progress.
- (d) Face Value of commercial paper outstanding as on March 31, 2019 was ₹1045,00 lakhs (March 31, 2018 ₹553,00 lakhs) (April 01, 2017 ₹605,00 lakhs). Maximum amount of face value of commercial paper outstanding at any time during the year was ₹1233,00 lakhs (March 31, 2018 ₹950,00 lakhs) (April 01, 2017 ₹799,00 lakhs).

Note 19: Borrowings (Other than Debt Securities)

₹ in lakhs

Particulars	31st March 2019	31st March 2018	1st April 2017
In India			
Secured Loans			
(a) Term loans			
(i) from banks	1300,08.29	677,00.72	160,38.39
(ii) from National Housing Bank	2357,71.46	2251,38.94	2334,71.16
(b) Working capital demand loans and Cash Credit with Banks	64,32.44	253,38.31	32,35.99
Unsecured Loans			
(a) Credit facilities with Banks	5.58	6,33.20	71.22
Total	3722,17.77	3188,11.17	2528,16.76

- (a) The Term Loans from Scheduled Banks are secured by a negative lien on the loan assets of the Company.
- (b) The Refinance from NHB is secured by a negative lien on assets of the Company other than (i) a specific immovable property and (ii) Statutory Liquid Assets having floating charge in favour of Public Deposit Trustees against the public deposits and are repayable in quarterly instalments from April 2019 to July 2031.
- (c) The Secured Overdraft facilities/ Cash Credit with Scheduled Banks are secured by a negative lien on the loan assets of the Company.

NOTES TO THE ACCOUNTS (Contd.)

Note 20: Deposits

₹ in lakhs

Particulars	31st March 2019	31st March 2018	1st April 2017
At Amortised Cost			
Fixed Deposits			
(i) Public	1190,07.11	1082,05.45	1097,30.69
(ii) From Companies	25,22.54	27,52.68	38,14.02
(iii) From Directors	2,93.60	1,80.56	3,31.34
Total	1218,23.25	1111,38.69	1138,76.05

Note 21: Subordinated Liabilities

₹ in lakhs

Particulars	31st March 2019	31st March 2018	1st April 2017
At Amortised Cost			
Subordinated Non-Convertible Debentures			
- From a related party	5,39.19	15,49.25	15,49.00
- Others	185,43.31	205,59.13	205,44.06
Total	190,82.50	221,08.38	220,93.06

The Unsecured Non-Convertible Debentures are subordinated to the existing and future unsecured borrowings of the Company and qualify as Tier II Capital under the Housing Finance Companies (NHB) Directions, 2010, (“NHB Directions 2010”) issued by NHB. They are redeemable at par between April 2019 and February 2025.

Maturity of Secured Non Convertible Debenture

₹ in lakhs

Implicit Interest Rate (%) / Maturities	<1 year	1 - 3 yrs	Total
>7% to 8%	442,88.98 (357,77.39)	251,29.27 (691,52.64)	694,18.25 (1049,30.03)
8% to 9%	265,18.38 (479,48.06)	250,44.06 (269,48.78)	515,62.44 (748,96.84)
9% to 10%	282,65.74 (201,07.05)	291,63.40 (179,88.45)	574,29.14 (380,95.50)
10% to 11%	— (106,90.50)	— —	— (106,90.50)
Total	990,73.10 (1145,23.00)	793,36.73 (1140,89.87)	1784,09.83 (2286,12.87)

NOTES TO THE ACCOUNTS (Contd.)

Maturity of Secured Term Loans from NHB

₹ in lakhs

Implicit Interest Rate (%)	< 1 year	1-3 yrs	3-5 yrs	> 5 yrs	Grand Total
<=7%	46,23.35 (32,76.45)	94,79.36 (58,64.40)	93,70.06 (58,64.24)	118,94.77 (111,03.35)	353,67.54 (261,08.44)
7% to 8%	7,59.28 (55,90.38)	556.63 (87,26.01)	3,06.80 (80,58.77)	77.43 (185,22.09)	17,00.14 (408,97.25)
8% to 10%	311,16.48 (287,55.44)	503,60.33 (326,70.98)	435,12.39 (303,04.76)	737,14.58 (664,02.07)	1987,03.78 (1581,33.25)
Total	364,99.11 (376,22.27)	603,96.32 (472,61.39)	531,89.25 (442,27.77)	856,86.78 (960,27.51)	2357,71.46 (2251,38.94)

Maturity of Unsecured Non convertible Debentures

₹ in lakhs

Implicit Interest Rate (%) / Maturities	< 5 yrs	> 5 yrs	Total
8% to 9%	–	104,68.18	104,68.18
Total	–	104,68.18	104,68.18

Maturity of UnSecured Subordinated Non convertible Debenture

₹ in lakhs

Implicit Interest Rate (%) / Maturities	<1 year	> 1 to 3 yrs	3-5 yrs	> 5 yrs	Total
>7 to 8%	–	–	39,98.74 (39,91.84)	65,44.11 (65,36.75)	105,42.85 (105,28.59)
8% to 9%	58,50.53 (30,42.69)	– (58,49.87)	26,89.12 (26,87.23)	– (–)	85,39.65 (115,79.79)
Total	58,50.53 (30,42.69)	– (58,49.87)	66,87.86 (66,79.07)	65,44.11 (65,36.75)	190,82.50 (221,08.38)

Maturity of Term Loans from Banks

₹ in lakhs

Implicit interest rate / Residual maturity	< 1 year	> 1 to 3 yrs	Total
>7 to 8%	121,27.39 (19,10.26)	180,00.00 (300,00.00)	301,27.39 (319,10.26)
8% to 9%	477,97.56 (91,36.74)	520,83.34 (266,53.72)	998,80.90 (357,90.46)
Total	599,24.95 (110,47.00)	700,83.34 (566,53.72)	1300,08.29 (677,00.72)

Previous year figures are given in brackets

NOTES TO THE ACCOUNTS (Contd.)

Note 22: Other Financial Liabilities

₹ in lakhs

Particulars	31st March 2019	31st March 2018	1st April 2017
Unpaid Matured Deposits and Interest accrued thereon*	11,89.45	12,83.76	10,46.50
Amounts due on assets securitised / assigned	9,13.58	12,11.56	17,20.12
Employees related liabilities	7,81.42	5,97.91	6,01.28
Unclaimed Interest On Deposits*	10.01	21.88	30.98
Total	28,94.46	31,15.11	33,98.88

* There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund.

Note 23: Provisions

₹ in lakhs

Particulars	31st March 2019	31st March 2018	1st April 2017
Provision for Employee Benefits			
- Leave Encashment	32.08	32.24	73.40
- Other benefits	42.36	97.29	83.17
Provision for ECL- undisbursed portion of loans	3.70	2.72	1.35
Total	78.14	132.25	157.92

Note 24: Deferred tax Liabilities (Net)

₹ in lakhs

Particulars	31st March 2019	31st March 2018	1st April 2017
Deferred Tax Liability			
Property, plant and Equipment	36.38	44.66	76.18
Adjustment on account of Effective Interest Rate for Financial Assets & Liabilities recognised at amortised cost & Net interest on credit impaired loans	21,67.42	23,91.26	14,35.93
Fair value change on investment in Mutual Funds	39.57	4.02	8.00
Others - Employee Benefits	16.53	16.53	-
U/s 36(1)(vii) & U/s 36(1)(viii) of Income-tax Act, 1961	73,71.28	73,71.28	64,12.36
	96,31.18	98,27.75	79,32.47
Deferred Tax Asset			
Provision for Expected Credit Loss	77,99.41	85,07.40	66,40.84
Others - Employee Benefits	-	-	13.35
	77,99.41	85,07.40	66,54.19
Total	18,31.77	13,20.35	12,78.28

Note 25: Other Non Financial Liabilities

₹ in lakhs

Particulars	31st March 2019	31st March 2018	1st April 2017
Statutory Dues (TDS, Service Tax / GST, ESI & PF)	3,01.82	2,60.85	2,67.55
Advance received from sale of properties	1,06.62	1,18.12	97.40
Total	4,08.44	3,78.97	3,64.95

NOTES TO THE ACCOUNTS (Contd.)

Note 26: Equity Share Capital

₹ in lakhs

Particulars	31st March 2019	31st March 2018	1st April 2017
Authorised Capital :			
Equity Shares, ₹10/- Par Value			
150000000 (150000000) Equity Shares	150,00.00	150,00.00	150,00.00
Issued :			
Equity Shares, ₹10/- Par Value			
106254438 (106254438) Equity Shares	106,25.44	106,25.44	106,25.44
Subscribed and Fully Paid-up:			
Equity Shares, ₹10/- Par Value			
101254438 (101254438) Equity Shares	101,25.44	101,25.44	101,25.44
	101,25.44	101,25.44	101,25.44

a) Details of number of shares held by shareholders holding more than 5% shares are as follows:

Name of the Shareholder	Status	No. of Shares	% held as at March 31, 2019	No. of Shares	% held as at March 31, 2018	No. of Shares	% held as at April 1, 2017
Sundaram Finance Limited*	Holding Company	5,07,28,473	50.10	5,07,28,473	50.10	5,07,28,473	50.10
BNP Paribas Personal Finance S.A.		5,05,25,965	49.90	5,05,25,965	49.90	5,05,25,965	49.90

* Includes 5 equity shares held by nominees of Sundaram Finance Limited.

b) Reconciliation of number of shares outstanding at the beginning and at the end of the financial year:

Particulars	April 2018- March 2019		April 2017- March 2018	
	No of Shares	(₹ In lakhs)	No of Shares	(₹ In lakhs)
Opening number of shares outstanding	10,12,54,438	101,25.44	10,12,54,438	101,25.44
Add : Shares issued	—	—	—	—
Less: Shares bought back	—	—	—	—
Closing number of shares outstanding	10,12,54,438	101,25.44	10,12,54,438	101,25.44

Note 27: Other Equity

₹ in lakhs

Particulars	31st March 2019	31st March 2018	1st April 2017
Reserves & Surplus			
Statutory Reserves	15,02.90	15,02.90	15,02.90
General Reserve	610,00.00	540,00.00	470,00.00
Securities Premium	204,74.56	204,74.56	204,74.56
Special Reserve U/s 36(1) (viii) of Income Tax Act,1961	252,74.00	218,57.00	189,57.00
Retained Earnings	67,40.89	68,82.42	66,05.68
ESOP Reserve	1,00.67	65.74	28.93
Other Comprehensive Income	(9.39)	(17.02)	—
Total	1150,83.63	1047,65.60	945,69.07

A. Equity Share Capital

Balance at the beginning of the reporting period	Changes in equity share capital during the year	Balance at the end of the reporting period
10,125.44	-	10,125.44

NOTES TO THE ACCOUNTS (Contd.)

B. Other Equity

₹ in lakhs

Particulars	Reserves and Surplus					ESOP Reserve	Other Comprehensive Income	Total
	Statutory Reserves	General Reserve	Securities Premium	Special Reserve U/s 36(1) (viii) of Income Tax Act, 1961	Retained Earnings			
Balance as at 1st April 2017	15,02.90	470,00.00	204,74.56	189,57.00	66,05.68	28.93	—	945,69.07
Profit for the year	—	—	—	—	144,42.11	—	—	144,42.11
Other Comprehensive Income for the year	—	—	—	—	—	—	(17.02)	(17.02)
Appropriations made during the year	—	70,00.00	—	29,00.00	(99,00.00)	—	—	—
Dividends including Dividend distribution Tax	—	—	—	—	(42,65.37)	—	—	(42,65.37)
Options granted during the year	—	—	—	—	—	36.81	—	36.81
Balance as at 31st March 2018	15,02.90	540,00.00	204,74.56	218,57.00	68,82.42	65.74	(17.02)	1047,65.60
Profit for the year	—	—	—	—	145,47.84	—	—	145,47.84
Other Comprehensive Income for the year	—	—	—	—	—	—	7.63	7.63
Appropriations made during the year	—	70,00.00	—	34,17.00	-104,17.00	—	—	—
Dividends including Dividend distribution Tax	—	—	—	—	(42,72.37)	—	—	(42,72.37)
Options granted during the year	—	—	—	—	—	34.93	—	34.93
Transfer to retained earnings	—	—	—	—	—	—	—	—
Any other change (to be specified)	—	—	—	—	—	—	—	—
Balance as at 31st March 2019	15,02.90	610,00.00	204,74.56	252,74.00	67,40.89	1,00.67	(9.39)	1150,83.63

a) The Special Reserve has been created over the years in terms of Section 36 (1) (viii) of the Income-tax Act, 1961 and Section 29C of the National Housing Bank Act, 1987.

b) As per Section 29C of the National Housing Bank Act, 1987, the Company is required to transfer at least 20% of its net profits every year to a reserve before any dividend is declared. For this purpose, a transfer to any Special Reserve created by the Company under Section 36 (1) (viii) of the Income-tax Act, 1961 is considered to be an eligible transfer. The Company has transferred ₹ Nil (April 1, 2017 ₹3,73.00 lakhs) to the Statutory Reserve (u/s 29C of NHB Act) and ₹34,17.00 lakhs (March 31, 2018 ₹29,00.00 lakhs) (April 01, 2017 ₹27,00.00 lakhs) to the Special Reserve in terms of Section 36 (1) (viii) of the Income-tax Act, 1961.

NOTES TO THE ACCOUNTS (Contd.)

Note 28: Interest Income

₹ in lakhs

Particulars	April 2018 - March 2019	April 2017 - March 2018
Interest on Loans	953,52.96	876,84.38
Interest income from investments	12,05.60	13,90.62
Interest on deposits with Banks	2,97.84	3,11.28
Other Interest Income	1,75.85	3,18.06
Total	970,32.25	897,04.34

Interest income from investments includes ₹70.52 lakhs (April 2017 - March 2018 ₹1,21.57 lakhs) from investment in Mortgage-Backed Securities.

Note 29: Net Gain on Fair Value Changes

₹ in lakhs

Particulars	April 2018 - March 2019	April 2017 - March 2018
Net gain/ (loss) on financial instruments at fair value through profit or loss		
(i) On financial instruments designated at fair value through profit or loss	15,63.85	13,48.76
Total	15,63.85	13,48.76
Fair Value changes:		
- Realised	14,50.50	13,37.14
- Unrealised	1,13.35	11.62

Note 30: Finance Costs

₹ in lakhs

Particulars	April 2018 - March 2019	April 2017 - March 2018
Interest on deposits	94,34.34	99,37.80
Interest on borrowings	274,83.87	200,38.70
Interest on debt securities- NCD	160,85.15	188,47.63
Interest on debt securities - Commercial Paper	68,75.71	45,47.04
Interest on subordinated liabilities	21,22.94	21,65.96
Other Borrowing Cost	2,23.66	2,54.22
Total	622,25.67	557,91.35

Note 31: Impairment on financial instruments

₹ in lakhs

Particulars	April 2018 - March 2019	April 2017 - March 2018
Loans	47,30.19	63,26.24
Investments	(1.16)	(1.63)
Total	47,29.03	63,24.61

NOTES TO THE ACCOUNTS (Contd.)

Note 32: Employee Benefits Expenses

₹ in lakhs

Particulars	April 2018 - March 2019	April 2017 - March 2018
Salaries and wages	49,60.50	43,91.81
Contribution to provident and other funds	3,67.54	2,92.96
Share Based Payments to employees	34.93	36.80
Staff welfare expenses	2,08.87	2,17.08
Others - Concessional loans to Staffs	98.97	2,03.35
Total	56,70.81	51,42.00

Note 33: Other expenses

₹ in lakhs

Particulars	April 2018 - March 2019	April 2017 - March 2018
Rent, taxes and electricity costs	8,11.09	6,90.12
Communication Costs	1,88.65	1,97.96
Printing and stationery	87.13	83.63
Travelling and Conveyance	4,78.81	3,98.04
Advertisement and publicity	2,64.56	3,04.97
Outsourcing Cost	7,42.01	6,11.30
Director's fees, allowances and expenses	41.09	43.68
Insurance	24.97	25.31
Repairs and maintenance	3,61.19	2,41.53
Software Charges	5,59.53	5,09.80
Database and Networking Expenses	5,10.98	4,69.48
CSR contributions	4,91.95	4,61.40
Auditor's fees and expenses	1,65.55	1,50.39
Legal and Professional charges	1,17.16	1,84.28
Other expenditure (Including Donation)	1,58.89	1,45.61
Total	50,03.56	45,17.50

Auditor's fees and expenses includes	April - March 2019	April - March 2018
Statutory Audit Fees	22.00	22.00
Tax Audit Fees	6.00	6.00
Certification Fees (includes ₹ 2.75 lakhs to previous auditors in FY 18)	5.00	7.75

NOTES TO THE ACCOUNTS (Contd.)

34 General

- 34.1 The main business of the Company is to provide long-term finance for acquisition /construction of residential properties in India. Accordingly, there is no separate reportable segment as per Indian Accounting Standard 108: Segment Reporting.
- 34.2 Securitisation:
 Details of securitised assets outstanding as on March 31, 2019 are as follows
- | | |
|--|----------------|
| Pass Through Certificates subscribed by the Company: | ₹5,21.15 lakhs |
| Bank Deposits provided as collateral: | ₹7,79.00 lakhs |
- 34.3 Expenditure in Foreign Currency (on payment basis)
 On account of others - Membership fees - ₹0.63 lakh (March 31, 2018 - ₹0.59 lakh, April 01, 2017 - ₹0.52 lakh)
- 34.4 The Company did not contract any foreign currency loan during the year.
- 34.5 Non-Performing Loans and Provisions:
 In accordance with NHB Directions 2010, the company has identified Non- Performing Loans amounting to ₹ 261,82.29 lakhs as on March 2019. (March 31, 2018 ₹ 265,22.49 lakhs) (March 31, 2017 ₹ 214,67.75 lakhs)
- 34.6 The Company has spent an amount of ₹4,91.95 lakhs (2017-18 ₹4,61.40 lakhs, 2016-17 ₹ 3,92.95 lakhs) towards Corporate Social Responsibility (CSR) under Sec 135 of the Companies Act, 2013, in the various areas covered under the regulatory provisions like healthcare, education, environment and protection of art and culture.
- 34.7 During the year, Sundaram Finance Ltd, the holding company has incurred ₹ 28.71 lakhs (March 31, 2018 ₹ 30.99 lakhs) (April 01, 2017 ₹28.91 lakhs) towards the cost of Employee stock option scheme issued under Sundaram Finance Employee Stock Option Scheme 2008 to the Managing Director and two senior executives of the company.
- 34.8 Dividend of 35 % (₹3.50 per share) for the Financial Year 2018-19 on the total paid-up capital ₹101.25 crore has been recommended by the Board. In terms of the Companies (Accounting Standard) Rules, 2006, as amended, the proposed dividend including dividend distribution tax of ₹ 42.72 Crore is not recorded as a liability as on 31st March 2019 and it will be recognized when the Dividend is approved by the Members in the ensuing Annual General Meeting.
- 34.9 Based on the current status of the loan accounts, the Company has made adequate provisions for losses, where required.
- 34.10 No amount was due to small-scale industries in terms of the Micro, Small and Medium Enterprises Development Act, 2006.
- 34.11 In accordance with IND AS Accounting Standard 24: Related Party Disclosures, the details of Related Party Transactions are given below:

Details of Related Parties:

Joint Venture Promoters

Sundaram Finance Ltd.
 (50.10% of the paid-up share capital)

BNP Paribas Personal Finance S.A.
 (49.90% of the paid-up share capital)

NOTES TO THE ACCOUNTS (Contd.)

Other Related parties

(Entities in which the Company's JV partner has control or significant influence)

LGF Services Ltd.
Sundaram Asset Management Company Ltd.
Sundaram Asset Management Singapore Pte Ltd.
Sundaram BNP Paribas Fund Services Ltd.
Sundaram Trustee Company Ltd.
Royal Sundaram General Insurance Co Ltd.
Sundaram Alternate Assets Ltd.
Sundaram Finance Holding Ltd.

Key Management Personnel:

Mr. Srinivas Acharya - Managing Director

Relatives of Key Management Personnel with whom the Company has transactions:

Mrs. Revathi Srinivas Wife of Mr. Srinivas Acharya
Mr. Rahul Srinivas Acharya Son of Mr. Srinivas Acharya

Details of Related Party Transactions as on 31st March 2019

₹ in lakhs

Particulars	Joint Venture Promoters	Other Related Parties	Key Management Personnel	Relative of Key Management Personnel	April 2018 - March 2019	April 2017 - March 2018
Income						
Interest on Housing Loan	–	–	2.50	–	2.50	3.10
Rent						
Sundaram Finance Ltd.	0.22	–	–	–	0.22	1.29
Brokerage						
Sundaram Finance Ltd.	3.44	–	–	–	3.44	0.79
Expenses						
Rent						
Sundaram Finance Ltd.	2,35.09	–	–	–	2,35.09	2,06.72
Brokerage, Commission, Deposit, Payroll Processing Services and Tele calling Services						
Sundaram Finance Ltd.	6,11.61	–	–	–	6,11.61	6,70.42
Sundaram BPO India Ltd.	–	–	–	–	–	38.63
Sundaram Finance Holdings Limited	–	46.20	–	–	46.20	0.30
Intranet/ Web Maintenance, Scanning Image Charges						
Sundaram Finance Ltd.	3.44	–	–	–	3.44	6.45

NOTES TO THE ACCOUNTS (Contd.)

Particulars	Joint Venture Promoters	Other Related Parties	Key Management Personnel	Relative of Key Management Personnel	April 2018 - March 2019	April 2017 - March 2018
Internal Audit, Branch Inspection fees and Docket Verification fees						
Sundaram Finance Ltd.	88.43	—	—	—	88.43	76.49
Connectivity and Other Charges						
Sundaram Finance Ltd.	5,27.72	—	—	—	5,27.72	4,83.55
Interest On NCDs						
Royal Sundaram General Insurance Co Limited	—	7,62.11	—	—	7,62.11	6,14.03
Interest On Public Deposits	—	—	4.18	5.64	9.82	5.16
Insurance Premium						
Royal Sundaram General Insurance Co Limited	—	27.49	—	—	27.49	19.96
Remuneration	—	—	2,09.33	—	2,09.33	1,98.83
Dividend Paid						
Sundaram Finance Ltd.	17,75.50	—	—	—	17,75.50	17,75.50
BNP Paribas Personal Finance S.A	17,68.41	—	—	—	17,68.41	17,68.41
Assets						
Purchase of Asset - Software						
Sundaram Finance Ltd.	2,21.29	—	—	—	2,21.29	1,55.41
Advances towards Software						
Sundaram Finance Ltd.	—	—	—	—	—	4.75
Other Deposits						
Sundaram Finance Ltd.	1,43.44	—	—	—	1,43.44	1,43.44
Royal Sundaram General Insurance Co Limited	—	10.74	—	—	10.74	10.63
Income Receivable						
Sundaram Finance Ltd.	0.25	—	—	—	0.25	0.26
Housing Loan - at the end of the year	—	—	1,10.00	—	1,10.00	1,40.00
Insurance Premium Prepaid						
Royal Sundaram General Insurance Co Limited	—	16.86	—	—	16.86	11.22
Liabilities						
Fixed Deposits	—	—	56.09	86.93	1,43.03	1,08,16
Issue of Non-Convertible Debentures						
Royal Sundaram General Insurance Co Limited	—	68,68.14	—	—	68,68.14	57,57.50
Commission Payable	—	—	75.00	—	75.00	75.00
Other Liabilities						
Sundaram Finance Ltd.	0.07	—	—	—	0.07	73.97

* No amount has been written off/ written back during the year.

NOTES TO THE ACCOUNTS (Contd.)

34.12 Earnings per share (Basic and Diluted)

Particulars	2018-19	2017-18
Profit for the year after taxation (₹ in lakhs)	145,47.84	144,42.11
Weighted Average number of Equity Shares	10,12,54,438	10,12,54,438
Basic & Diluted Earnings per share	14.37	14.26

34.13 Details of Dividend remitted in foreign Currency

Particulars	2018-19	2017-18
Number of Non Resident Shareholders	One	One
Number of Shares	5,05,25,965	5,05,25,965
Amount of Dividend Remitted (₹ in lakhs)	17,68.41	17,68.41
Financial year to which the dividend relates	2017-18	2016-17

34.14 Contingent Liabilities in respect of

- Sanctioned and Undisbursed loans as at March 31, 2019: ₹ 347,10.37 lakhs. (March 31, 2018 ₹407,95.33 lakhs, April 01, 2017 ₹262,90.05 lakhs).
- Partly undisbursed amounts of loans sanctioned as at March 31, 2019: ₹217,26.44 lakhs. (March 31, 2018 ₹169,76.85 lakhs April 01, 2017 ₹ 138,77.49 lakhs).
- Disputed Income-tax liability contested in appeal before appellate authorities -₹Nil (March 31,2018 ₹7,16.41 lakhs) and the cash flows would be determined only upon the receipt of decisions. The Company is of the opinion that the demands are not sustainable and expects to succeed in its appeal.

34.15 Pursuant to NHB Circular on Guidelines on Reporting and Monitoring of Frauds in Housing Finance Companies dated 05-02-2019, the company has reported one fraudulent transaction to NHB. The Amount related to fraud is ₹67.67 lakhs.

34.16 The pending litigations as on March 31, 2019 have been estimated by the Company. The current position of the litigations has been evaluated and the effect thereof has been disclosed in the financial statements, where appropriate.

34.17 Estimated amount of contracts remaining to be executed on capital account ₹2.06 lakhs (March 31, 2018 ₹22.82 lakhs, April 01, 2017 ₹29.00 lakhs).

34.18 Previous period's figures have been regrouped/ reclassified / restated where ever necessary, to conform to the current period's presentation.

NOTES TO THE ACCOUNTS (Contd.)

Note 35: Financial Instruments

35.1 Financial Instruments - Capital Management

The Company's capital management strategy is to ensure that it has sufficient capital for business operations, strategic investment, regulatory requirements and to provide reasonable return to the shareholders. Equity share capital and other equity are considered for Capital management. The company monitors capital Adequacy ratio as stipulated by NHB for Housing Finance Companies. The Company endeavour to source diversified borrowing, depending on asset liability duration and interest rate sensitivities.

The Company monitors capital using Adjusted net debt to equity ratio. For this purpose, adjusted net debt is defined as total debt less cash and Cash Equivalents.

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Debt securities	2894,26.27	2820,21.37	2840,81.46
Borrowings (other than debt securities)	3722,17.77	3188,11.17	2528,16.76
Deposits	1230,12.70	1124,22.45	1149,22.55
Sub Debt	190,82.50	221,08.38	220,93.06
Gross Debt	8037,39.24	7353,63.37	6739,13.83
Less - Cash and Cash Equivalents	24,77.35	34,72.98	38,01.88
Adjusted Net debt	8012,61.89	7318,90.38	6701,11.95
Total equity	1252,09.07	1148,91.05	1046,94.51
Adjusted Net debt to equity ratio	6.40	6.37	6.40

35.2: Financial instruments – Fair value measurements

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

₹ in lakhs

Financial Asset at Fair value through P&L	Fair Value Hierarchy	March 31, 2019	March 31, 2018	March 31, 2017
Financial Assets				
Investments				
Mutual Funds	Level 1	251,13.35	88,11.62	308,23.11

NOTES TO THE ACCOUNTS (Contd.)

The following table shows the carrying amounts and fair values of financial assets and financial liabilities measured at amortised cost, including their levels in the fair value hierarchy.

	Carrying amount			Fair Value Hierarchy	Fair value		
	March 31, 2019	March 31, 2018	April 1, 2017		March 31, 2019	March 31, 2018	April 1, 2017
Financial assets							
Investments							
Government securities	105,36.38	89,94.98	68,93.88	Level 1	109,67.25	92,79.02	74,43.00
Pass through certificates	5,21.15	8,75.28	14,40.50	Level 3	5,21.15	8,75.28	14,40.50
Cash and cash equivalents	24,77.35	34,72.98	38,01.88	Level 3	24,77.35	34,72.98	38,01.88
Bank Balances	73,82.67	239,61.85	117,07.65	Level 3	73,82.67	239,61.85	117,07.65
Receivables	1,62.26	1,45.42	1,52.74	Level 3	1,62.26	1,45.42	1,52.74
Loans	9043,78.72	8236,63.65	7392,12.87	Level 3	9035,93.67	8233,29.07	7396,29.24
Other Financial assets	3,36.19	3,57.41	3,56.83	Level 3	3,36.19	3,57.41	3,56.83
Sub-total	9257,94.72	8614,71.56	7635,66.36		9254,40.55	8614,21.03	7645,31.84
Financial Liabilities							
Payables	6,24.83	7,83.89	5,22.33	Level 3	6,24.83	7,83.89	5,22.33
Non-convertible debentures	2079,60.51	2507,21.26	2465,64.34	Level 3	2143,78.93	1818,22.65	2511,39.26
NHB Refinance	2357,71.46	2251,38.94	2334,71.16	Level 3	2383,96.70	2281,45.91	2367,31.63
Long term loan from banks	1300,08.29	677,00.72	160,38.39	Level 3	1305,99.93	679,93.84	160,38.39
Fixed Deposit	1230,12.70	1124,22.45	1149,22.55	Level 3	1284,28.35	1135,63.89	1171,55.75
Working capital demand loans and cash credits	64,38.03	259,71.51	33,07.21	Level 3	64,38.03	259,71.51	33,07.21
Commercial paper	1005,48.26	534,08.49	596,10.18	Level 3	1008,22.36	534,27.82	596,47.64
Other Financial Liabilities	17,05.01	18,31.35	23,52.38	Level 3	17,05.01	18,31.35	23,52.38
Sub-total	8060,69.09	7379,78.61	6767,88.54		8213,94.13	6735,40.87	6868,94.59
Net	1197,25.62	1234,92.96	867,77.82		1040,46.41	1878,80.17	776,37.25

NOTES TO THE ACCOUNTS (Contd.)

35.3: Financial Risk Management framework

Risk is an inherent and integral part of the financial services business and the company has been judiciously managing this through an efficient risk mitigation system, with a view to achieve the Company's stated objectives of Growth with Quality and Profitability. The risks primarily include credit risk, liquidity risk and market risk.

The policies and procedures laid down by the company for the purpose of risk identification, measurement and management, compare well with contemporary best practices followed by industry peers. The Risk Management Committee and Asset Liability Management Committee, functioning under the supervision of the Board, have enunciated detailed policies for assessment of various types of risks, and fixed tolerance limits as appropriate.

1. Credit Risk

Credit risk is the risk of financial loss to the Company if a customer fails to meet his contractual obligations and arises principally from the company's loan receivables.

The company has in place a comprehensive credit policy which clearly defines the credit filters and the terms of acceptance of proposals for financing different categories of borrowers and asset classes. The credit appraisal process, inter alia, includes filters for classification of customers, compliance with Know Your Customer (KYC) norms, Field investigation, Credit bureau verification, Credit Concentration norms, asset risk, segment and geography risks. The risk metrics also address Loan to Value, loan tenure, based on the useful life of the asset, end-use of the asset and credit enhancements, as appropriate. The Company's exposure is primarily to retail customers, thereby making for a well diversified risk portfolio. The time tested monitoring and recovery mechanism ensures timely recovery of instalments and where required, necessary action for resolution of delinquent accounts is initiated, including legal proceedings. Finally, physical presence and in-depth knowledge of the markets in which the Company operates enables early identification of emerging risks thereby facilitating prompt remedial action.

Impairment - Expected credit loss (ECL):

The application of Ind AS 109 has necessitated fundamental changes to the accounting for expected default risk (risk provisioning). Specifically, the incurred loss model has been replaced by the Expected Credit Loss model (ECL). Consequent to this change, the Expected Credit losses on financial instruments are classified under three stages.

Stage 1: Every financial asset is classified as stage 1, upon initial recognition. In addition, stage 1 contains all transactions with limited default risk.

Stage 2: Financial assets whose default risk has risen significantly since initial recognition and which are not classified as cases with limited default risk.

Stage 3: Financial assets that display objective evidence of impairment at the reporting date.

The accounting standard, Ind AS 109 does not specifically prescribe any methodology for computing ECL. However, entities are required to adopt sound and market acceptable methodologies which are in line with the size, complexity and risk-profile of the financial entity for computing the ECL. The Company uses three main components to measure ECL. These are, Exposure at Default (EAD), Probability of Default (PD) and Loss Given Default (LGD). Exposure at Default (EAD) is defined as the sum of Principal outstanding and interest accrued at the reporting date. PD is defined as the probability of borrowers defaulting on their obligations. LGD represents the economic loss, adjusted for cure rate, as a percentage of exposure at the time of default.

Accordingly, loan assets are categorised under three different stages, as under:

Stage 1: Where instalments are Current and 1-30 days overdue

Stage 2: Where instalments are 31 days – 90 days overdue and

Stage 3: Where instalments are overdue beyond 90 days

NOTES TO THE ACCOUNTS (Contd.)

The company is required to provide 12-month expected credit loss (12-month ECL) for stage 1 assets and the life time expected credit loss (LECL) for stage 2 & stage 3 assets.

12-month ECL is the expected credit loss that results from default events that are possible within 12 months after the reporting date. LECL represents the expected credit loss from default events over the expected life of a financial asset.

As prescribed under para 5.5 in Ind AS 109, 12-months PD is required to be computed for financial instruments which are in stage 1, and life time PD for those in stage 2 & 3. 12 months PD is the likelihood of the borrower defaulting in the 12 months following the reporting date while life time PD is the likelihood of the borrower defaulting during the residual tenor.

The PD model has been developed for all the major asset classes using a statistical and iterative approach. The design and construction of the model involves identification of various credit parameters and variables that have a strong and direct correlation to propensity of default. The PD model reflects the probability of default, taking into consideration the inherent credit quality of the borrower and the residual tenor of each contract. It relies not only on historical information and the current economic environment, but also considers forward-looking information such as the forecasts on the macroeconomic outlook, including emerging risks. The PD for stage 3 contracts is considered at 100%. Where a customer has one contract in stage 3 and one or more contracts in stage 1 / stage 2, the PD for all the contracts is considered at 100%.

LGD

LGD represents the economic loss, adjusted for cure rate, as a percentage of exposure at the time of default. Economic loss is the estimated shortfall in realisation of dues, in the event of default. Contracts that have turned delinquent do not necessarily involve ultimate losses, since many of them are resolved through corrective legal actions. The cure rate is the probability of a 'non performing' (i.e. defaulted) contract reverting to a 'performing' (i.e. non-default) status in a year.

Following tables provide an overview of the gross carrying amount and credit loss allowance broken down into stages.

a) Loans

₹ in lakhs

	Carrying amount							
	31.03.2019				31.03.2018			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Balance at the beginning of the year	7457,89.89	435,37.81	343,35.95	8236,63.65	6549,62.53	570,65.50	271,84.81	7392,12.84
New Business - net of recoveries	846,16.53	(37,09.98)	13,30.13	822,36.68	861,48.45	(35,03.55)	20,09.35	846,54.25
Transfers due to change in creditworthiness	(99,76.24)	86,70.27	13,05.97	–	41,33.29	(101,13.09)	59,79.80	–
Financial assets that have been derecognised	3,36.45	19.08	22.06	3,77.59	5,45.62	88.95	1.67	6,36.24
Write off during the year	–	–	(18,99.20)	(18,99.20)	–	–	(8,39.68)	(8,39.68)
Balance at the end of the year	8207,66.63	485,17.18	350,94.91	9043,78.72	7457,89.89	435,37.81	343,35.95	8236,63.65

NOTES TO THE ACCOUNTS (Contd.)

₹ in lakhs

	Expected Credit Loss							
	31.03.2019				31.03.2018			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Balance at the beginning of the year	23.00	1,64.04	242,20.03	244,07.07	27.11	2,32.54	187,96.11	190,55.76
New Business - net of recoveries	4.71	(17.68)	53,20.14	53,07.17	(2.70)	(16.67)	57,27.86	57,08.49
Transfers due to change in creditworthiness	(0.43)	61.31	16,75.50	17,36.38	(0.18)	(20.65)	16,71.62	16,50.79
Financial assets that have been derecognised	(1.00)	(17.90)	(15,51.11)	(15,70.01)	(1.23)	(29.65)	(7,58.28)	(7,89.16)
Write off during the year	–	(2.05)	(26,38.02)	(26,40.07)	–	(1.53)	(12,17.28)	(12,18.81)
Balance at the end of the year	26.28	1,87.72	270,26.54	272,40.54	23.00	1,64.04	242,20.03	244,07.07

Concentration of credit risk %

(i) Concentration by Geographical risk

₹ in lakhs

	31.03.2019				31.03.2018				31.03.2017			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
South	95.10%	95.73%	91.91%	95.01%	95.32%	96.51%	90.90%	95.20%	95.81%	96.18%	91.08%	95.66%
West	2.54%	1.57%	2.55%	2.49%	2.50%	1.57%	2.78%	2.47%	2.23%	1.95%	1.40%	2.18%
East	1.86%	2.46%	5.36%	2.02%	1.79%	1.80%	6.04%	1.97%	1.71%	1.88%	7.23%	1.93%
North	0.50%	0.24%	0.17%	0.48%	0.38%	0.11%	0.28%	0.37%	0.25%	0.00%	0.29%	0.23%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

(ii) Concentration by Asset class

₹ in lakhs

	31.03.2019				31.03.2018				31.03.2017			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Housing	71.04%	49.54%	44.32%	68.85%	70.15%	52.69%	39.59%	67.95%	71.64%	50.30%	40.37%	68.84%
Non Housing	28.96%	50.46%	55.68%	31.15%	29.85%	47.31%	60.41%	32.05%	28.36%	49.70%	59.63%	31.16%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

NOTES TO THE ACCOUNTS (Contd.)

b) Other financial assets

The Company computes ECL on other financial assets based on provision matrix which is constructed using historical credit loss experience as adjusted to reflect current conditions.

₹ in lakhs

	31.03.2019				31.03.2018				31.03.2017			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Other financial assets												
Gross carrying amount	3,74.23	–	9.80	3,84.03	3,93.67	–	6.20	3,99.87	3,90.91	–	2.56	3,93.47
Expected Credit Loss	38.04	–	9.80	47.84	36.26	–	6.20	42.46	34.07	–	2.56	36.64
Net Carrying amount	3,36.19	–	-	3,36.19	3,57.41	–	-	3,57.41	3,56.83	–	–	3,56.83

c) Loan Commitments and Financial Guarantees

₹ in lakhs

	31.03.2019				31.03.2018				31.03.2017			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	561,90.74	2,46.07	–	564,36.81	576,18.93	1,53.25	–	577,72.18	399,42.66	2,24.88	–	401,67.54
Expected Credit Loss	2.43	1.27	–	3.70	1.83	0.88	–	2.71	0.29	1.06	–	1.35
Net Carrying amount	561,88.31	2,44.80	–	564,33.11	576,17.10	1,52.37	–	577,69.47	399,42.37	2,23.82	–	401,66.19

Credit risk management practices

- (i) **Policy on write off:** Loans are written off when the value of underlying security/other collateral is not sufficient to cover the loan exposure or where the underlying security / customer is not traceable. In such cases, the company takes legal recourse for recovery of shortfall of dues, if any.
- (ii) **Narrative description of collateral:** The underlying assets that are financed, are typically immovable properties mortgaged / hypothecation of loan receivables, in favour of the Company, are the primary collateral.

NOTES TO THE ACCOUNTS (Contd.)

d) Debt Securities

A breakup of investment in debt securities into different stages is given as under:

	31.03.2019				31.03.2018				31.03.2017			
	Gross Carrying amount				Gross Carrying amount				Gross Carrying amount			
	FVTPL	At Amortised Cost			FVTPL	At Amortised Cost			FVTPL	At Amortised Cost		
Stages ->	1	2	3	Total	1	2	3	Total	1	2	3	Total
Government securities	-	-	-	105,36.38	89,94.98	-	-	89,94.98	-	-	-	68,93.88
Mutual Fund	251,13.35	-	-	251,13.35	-	-	-	88,11.62	308,23.11	-	-	308,23.11
Pass through certificates	-	5,21.15	-	5,21.15	875.28	-	-	8,75.28	-	-	-	14,40.50
Total	251,13.35	110,57.53	-	361,70.88	98,70.26	-	-	186,81.88	308,23.11	-	-	391,57.49
Less: Expected Credit Loss	-	2.13	-	2.13	3.29	-	-	3.29	-	-	-	4.92
Net Carrying amount	251,13.35	110,55.40	-	361,68.75	98,66.97	-	-	186,78.59	308,23.11	-	-	391,52.57

₹ in lakhs

₹ in lakhs

Expected Credit Loss

Stages	31.03.2019			31.03.2018				
	1	2	3	Total	1	2	3	Total
Balance at the beginning of the year	3.29	-	-	3.29	4.92	-	-	4.92
New investments - net of recoveries	1.16	-	-	1.16	1.63	-	-	1.63
Transfers due to change in creditworthiness	-	-	-	-	-	-	-	-
Financial assets that have been derecognised	-	-	-	-	-	-	-	-
Write off during the year	-	-	-	-	-	-	-	-
Balance at the end of the year	2.13	0	0	2.13	3.29	0	0	3.29

NOTES TO THE ACCOUNTS (Contd.)

35.4 Financial instruments – Fair values and risk management (continued)

ii. Liquidity risk

Liquidity risk relates to the Company's potential inability to meet all payment obligations when they fall due or only being able to meet them at excessive costs. The objective of the liquidity risk management framework is to ensure that the Company fulfils its payment obligations at all times and can manage liquidity and funding risks. The Asset Liability Committee regularly monitors the liquidity position and the duration of assets/liabilities and ensures that liquidity is strictly managed as per the policy.

Following are the contractual maturities of financial liabilities/ financial assets at the reporting date. The amounts are gross and undiscounted and include estimated interest payments / receipts and exclude the impact of netting agreements.

₹ in lakhs

31st March 2019	Contractual cash flows											Total
	Upto 30/31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years to 7 years	Over 7 years to 10 years	Over 10 years	Total	
Non-derivative financial liabilities												
Payables	4,44.65	12.70	12.70	38.11	9.42	53.61	53.64	–	–	–	–	6,24.83
Debt Securities	52,24.98	260,86.15	295,74.36	779,45.87	728,10.15	881,93.18	–	–	–	100,00.00	–	3098,34.67
Borrowings (Other than Debt Securities)	181,90.98	25,21.47	8,71.33	165,86.23	870,93.15	1635,56.73	725,93.77	554,42.94	400,48.32	81,43.23	–	4650,48.17
Deposits	46,76.68	39,65.81	36,12.04	108,55.65	293,95.37	753,18.75	37,90.71	–	–	–	–	1316,15.00
Subordinated Liabilities	–	–	8,14.86	59,14.01	9,99.59	43,13.50	101,58.32	88,87.94	26,79.00	44,65.00	–	382,32.21
Other Financial Liabilities	28,94.46	–	–	–	–	–	–	–	–	–	–	28,94.46

₹ in lakhs

31st March 2019	Contractual cash flows											Total
	Upto 30/31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years to 7 years	Over 7 years to 10 years	Over 10 years	Total	
Non-derivative financial assets												
Cash and cash equivalents	24,77.35	–	–	–	–	–	–	–	–	–	–	24,77.35
Bank Balances	73,82.67	–	–	–	–	–	–	–	–	–	–	73,82.67
Loans	147,53.07	156,30.19	143,60.17	589,84.07	806,58.45	3108,68.28	2730,27.21	2328,38.55	2654,05.57	2790,69.53	–	15455,95.10
Loan against deposits	3.03	45.78	2.44	11.06	9.39	18.32	–	–	–	–	–	90.03
Investments	250,25.50	1,54.08	43.14	3,09.29	5,87.57	18,75.75	36,54.46	41,96.69	–	–	–	358,46.48
Trade Receivables	1,62.26	–	–	–	–	–	–	–	–	–	–	1,62.26
Other Financial Assets	1,77.34	2.80	0.92	41.21	33.92	1,36.51	18.31	9.22	–	–	–	4,20.23

NOTES TO THE ACCOUNTS (Contd.)

₹ in lakhs

31st March 2018	Contractual cash flows										Total	
	Upto 30/31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years to 7 years	Over 7 years to 10 years	Over 10 years		
Non-derivative financial liabilities												
Payables	5,83.67	27.33	30.69	45.55	35.08	25.76	35.81	-	-	-	-	7,83.89
Debt Securities	112,89.59	262,45.50	237,02.91	458,62.94	766,69.45	1213,24.01	-	-	-	-	-	3050,94.40
Borrowings (Other than Debt Securities)	140,49.72	105,36.91	4,91.64	229,07.34	439,23.25	1358,03.89	635,98.59	524,04.39	476,14.42	187,11.63		4100,41.78
Deposits	39,38.38	56,13.14	42,98.95	108,98.68	239,10.80	688,56.44	10,63.62	-	-	-	-	1185,80.01
Subordinated Liabilities	-	-	76.09	207.12	41,35.99	86,05.52	90,27.50	77,10.77	-	-	-	297,62.99
Other Financial Liabilities	31,15.11	-	-	-	-	-	-	-	-	-	-	31,15.11

₹ in lakhs

31st March 2018	Contractual cash flows										Total	
	Upto 30/31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years to 7 years	Over 7 years to 10 years	Over 10 years		
Non-derivative financial assets												
Cash and cash equivalents	34,72.98	-	-	-	-	-	-	-	-	-	-	34,72.98
Bank Balances	239,61.85	-	-	-	-	-	-	-	-	-	-	239,61.85
Loans	135,53.91	141,80.11	133,48.91	532,84.73	743,62.59	2867,28.53	2571,78.53	2118,38.27	2332,08.36	2066,52.88		13643,36.82
Loan against deposits	0.35	1.47	5.71	30.58	28.67	63.80	-	-	-	-	-	1,30.57
Investments	88,24.69	1,13.29	25.22	3,10.99	5,83.19	17,82.52	27,09.74	42,95.60	36,88.01	22,68.60		246,01.86
Trade Receivables	1,45.42	-	-	-	-	-	-	-	-	-	-	1,45.42
Other Financial Assets	2,08.55	1.65	11.95	21.87	36.09	1,05.93	32.38	19.51	-	-	-	4,37.92

NOTES TO THE ACCOUNTS (Contd.)

₹ in lakhs

31st March 2017	Contractual cash flows										Total	
	Upto 30/31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years to 7 years	Over 7 years to 10 years	Over 10 years		
Non-derivative financial liabilities												
Payables	3,84.00	20.80	19.49	17.56	33.58	46.90						5,22.33
Debt Securities	150,71.88	240,67.56	327,38.91	278,59.92	234,20.61	1789,42.71	118,15.82					3139,17.41
Borrowings (Other than Debt Securities)	110,17.61	1,19.05	13,78.31	145,45.43	281,88.29	844,18.52	653,59.05	552,42.43	577,88.04	456,46.23		3637,02.96
Deposits	41,94.12	32,74.36	32,83.74	121,38.70	266,28.71	718,76.00	15,47.79					1229,43.42
Subordinated Liabilities	-	-	76.09	2,07.12	11,40.57	124,89.86	25,28.48	83,71.80	71,02.72			319,16.64
Other Financial Liabilities	33,98.88	-	-	-	-	-	-	-	-	-	-	33,98.88

₹ in lakhs

31st March 2017	Contractual cash flows										Total	
	Upto 30/31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years to 7 years	Over 7 years to 10 years	Over 10 years		
Non-derivative financial assets												
Cash and cash equivalents	38,01.88	-	-	-	-	-	-	-	-	-	-	38,01.88
Bank Balances	117,07.65	-	-	-	-	-	-	-	-	-	-	117,07.65
Loans	126,62.37	135,88.75	132,38.71	473,91.15	688,93.07	2641,72.00	2431,07.93	1995,10.95	2064,53.70	1865,18.05		12555,36.67
Loan against deposits	2.28	6.56	4.86	25.04	51.92	90.34	-	-	-	-		1,81.01
Investments	308,28.63	1,17.18	29.01	2,62.19	4,96.09	18,74.55	25,24.18	30,99.05	32,60.34	17,17.24		442,08.46
Trade Receivables	1,52.74	-	-	-	-	-	-	-	-	-		1,52.74
Other Financial Assets	2,08.39	2.59	13.21	30.93	41.19	80.32	34.10	16.52				4,27.25

NOTES TO THE ACCOUNTS (Contd.)

35.5 Market Risk

Market risk is the risk of loss arising from potential adverse changes in the value of the firm's assets and liabilities from fluctuation in market variables like liquidity, interest rate and foreign exchange (Currency risk).

a. Interest rate risk

The Company's exposure to changes in interest rates relates to the Company's outstanding floating rate assets & liabilities. The Company's liability in local currency on fixed rate basis is not subject to interest rate risk.

The interest rate profile of the Company's interest bearing financial instruments is as follows:

(₹ in lakhs)

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Financial assets			
Fixed-rate instruments			
Loans	405,09.88	314,31.24	179,18.93
Investments	361,70.88	186,81.88	391,57.49
Bank Balances	98,60.03	274,34.83	155,09.53
	865,40.78	775,47.95	725,85.95
Variable rate instruments			
Loans	8638,68.83	7922,32.40	7212,93.91
Total	9504,09.61	8697,80.36	7938,79.86
Financial liabilities			
Fixed-rate instruments			
Debt securities	3085,08.77	3041,29.75	3061,74.52
Borrowings (Other than debt securities)	373,85.51	318,10.01	154,36.43
Deposits	1230,12.70	1124,22.45	1149,22.55
	4689,06.98	4483,62.21	4365,33.50
Variable rate instruments			
Financial liabilities with floating interest rate	3348,32.27	2870,01.16	2373,80.31
	8037,39.25	7353,63.37	6739,13.80

Fair value sensitivity analysis for fixed rate instruments

The Company's fixed rate instruments are carried at amortised cost and are not measured for interest rate risk, as neither the carrying amount nor the future cash flows will fluctuate because of changes in market interest rates.

NOTES TO THE ACCOUNTS (Contd.)

Cash flow sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, remain constant.

(₹ in lakhs)

	Profit or loss		Profit or loss	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
	31st March 2019		31st March 2018	
Variable rate instruments	60,69.28	(60,71.19)	61,60.04	(61,60.60)
Cross currency Interest Rate swap	–	–	–	–
Cash flow sensitivity (net)	60,69.28	(60,71.19)	61,60.04	(61,60.60)

Interest rate sensitivity

The major lending of the company is in the form of Housing/ Loan against property at floating rates. The Loans are financed by various fixed / floating rate borrowings. While the door to door maturity of the assets financed are generally long term, the tenor of the borrowing is primarily medium term. Hence, the interest rate risk and liquidity risk (mismatches in the duration of assets and liabilities) are inherent and inevitable.

To measure the above risk the Company adopts the duration gap analysis which is measured for assets and liabilities maturing in next 12 months as well as for the overall assets and liabilities. Also, for Interest rate risk management, the Duration Gap model is used on assets and liabilities maturing in the next 12 months, to assess the change in Net Interest Income (NII) for a 1% increase in interest rate.

b. Currency Risk

The Company has not availed any foreign currency loans and hence is not exposed to Currency risk.

35.6: Employee benefits

Post-employment benefits: Defined Contribution Plans

(₹ in lakhs)

Amount recognised as expense in Employee benefit expense	2018-19	2017-18
Superannuation	7.93	7.52
Pension fund	1,12.34	1,01.15
Employee State Insurance scheme	10.72	13.03
Total	1,30.99	1,21.70

NOTES TO THE ACCOUNTS (Contd.)

Defined benefit plans

Defined benefit plan exposes the Company to a number of risks, the most significant of which are detailed below:

Investment risk: This may arise from volatility in Asset value due to market fluctuations and impairment of assets due to credit losses. The defined benefit plans may hold equity type assets, which may carry volatility and associated risk.

Interest risk: A decrease in bond yields will increase plan liabilities, although this is expected to be partially offset by an increase in the value of the plan's investment in debt instruments.

Salary cost Inflation risk: The present value of some of the defined benefit plan obligations are calculated with reference to the future salaries of plan participants. Increase in salary due to adverse Inflationary pressures might lead to higher liabilities.

Longevity risk: The present value of defined benefit plan obligation is calculated by reference to the best estimate of the mortality of plan participants. Increase or decrease in such rate will affect the plan liability.

A. Gratuity (Funded)

Expected contribution to the plan for the next year is ₹1,50 lakhs.

B. Leave encashment & Compensated absences (Funded):

Expected contribution to the plan for the next year is ₹80 lakhs.

Details of defined benefit plans (Gratuity) as per actuarial valuation are as below:

Particulars	(₹ in lakhs)		
	31.03.2019	31.03.2018	01.04.2017
Amounts recognised in profit or loss			
Current service cost	1,11.76	51.73	33.52
Past Service cost	–	29.11	–
Net interest expense/(income)	(9.40)	(7.76)	(3.78)
Total amount included in employee benefits expense	1,02.36	73.08	29.74
Amounts recognised in other comprehensive income			
Re measurement (gains)/losses:			
Actuarial (gains)/losses arising from changes in			
- Financial assumptions	70.32	(35.27)	80.81
- Experience adjustments	(56.59)	32.89	(81.73)
Return on plan assets, excluding amount included in net interest expense/ (income)	(25.46)	28.41	(3.05)

NOTES TO THE ACCOUNTS (Contd.)

(₹ in lakhs)

Particulars	31.03.2019	31.03.2018	01.04.2017
Total amount recognised in other comprehensive income	(11.73)	26.03	(3.97)
Changes in the defined benefit obligation			
Opening defined benefit obligation	3,86.65	3,10.80	2,80.99
Add/(less) on account of business combination/transfers	–	29.11	–
Current service cost	1,11.76	51.73	33.52
Interest expense	30.17	21.64	21.51
Re measurement (gains)/losses arising from changes in			
- Demographic assumptions	–	–	–
- Financial assumptions	70.32	(35.27)	80.81
- Experience adjustments	(56.59)	32.89	(81.73)
Benefits paid	(18.14)	(24.25)	(24.30)
Closing defined benefit obligation	5,24.17	3,86.65	3,10.80
Opening fair value of plan assets	466.64	3,45.63	3,14.93
Return on plan assets excluding interest income	39.58	29.41	25.29
Contribution by employer	75.34	1,44.26	26.66
Benefits paid	(18.14)	(24.25)	(24.30)
Actuarial gain / (loss) on plan assets	25.46	(28.41)	3.05
Closing fair value of plan assets	5,88.88	4,66.64	345.63
Net asset / (liability) recognised in balance sheet			
Defined benefit obligation	5,24.17	3,86.65	3,10.80
Fair value of plan assets	5,88.88	4,66.64	3,45.63
Surplus/(Deficit)	64.71	79.99	34.83

I. Actuarial assumptions

(in %)

Particulars	31.03.2019	31.03.2018	01.04.2017
Discount rate	7.74	7.99	7.25
Expected Return on plan assets	7.74	7.99	7.25
Attrition rate (Age based)			
From Age 18 - 20 years	3.00	3.00	3.00
From Age 21 - 40 years	2.00	2.00	2.00
From Age 41 - 58 years	2.00	2.00	2.00
Salary escalation	8.00	7.00	7.00

NOTES TO THE ACCOUNTS (Contd.)

II. Quantitative sensitivity analysis for impact of significant assumptions on defined benefit obligation are as below

(₹ in lakhs)

Particulars	31.03.2019	31.03.2018	01.04.2017
Impact of			
0.5% decrease in discount rate	5,57.71	4,09.96	3,32.14
0.5% increase in discount rate	4,93.53	3,65.31	2,91.36
0.5% decrease in salary growth rate	4,94.53	3,65.82	2,92.45
0.5% increase in salary growth rate	5,55.98	4,09.23	3,30.69
0.5% decrease in Attrition rate	5,24.35	3,86.45	3,10.80
0.5% increase in Attrition rate	5,24.00	3,86.85	3,10.80
Weighted average duration of the Defined benefit obligation (in years)	18.29	17.94	18.84

III. Maturity profile of defined benefit obligation

(₹ in lakhs)

Particulars	31.03.2019	31.03.2018	01.04.2017
Year 1	57.11	54.23	24.78
Year 2	8.18	9.57	14.36
Year 3	15.14	7.21	6.07
Year 4	33.86	11.97	5.92
Year 5	11.01	31.07	9.62
Next 5 years	1,71.57	1,07.09	77.84

In the absence of detailed information regarding plan assets which is funded with Insurance Companies, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets & the description of the Asset-Liability matching strategies used by the plan has not been disclosed.

35.7 INCOME TAX

A. The Major components of Income Tax expense for the year are as under:

i) Tax Expense recognised in statement of Profit or Loss

(₹ in lakhs)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Current tax		
Current period	73,57.90	66,98.58
Deferred tax		
Current period	5,11.42	42.07
Tax expense recognised in the Statement of Profit and Loss	78,69.32	67,40.65

NOTES TO THE ACCOUNTS (Contd.)

ii) Income tax recognised in other comprehensive income

(₹ in lakhs)

Particulars	31 March 2019	31 March 2018
Re-measurements of defined benefit liability (asset)	4.10	(9.01)
Tax Expense recognised in other comprehensive income	4.10	(9.01)

B. Reconciliation of effective tax rate

(₹ in lakhs)

Particulars	31 March 2019	31 March 2018
Profit before tax	224,17.16	211,82.76
Statutory Tax Rate	34.944%	34.608%
Tax expense based on statutory tax rate	78,33.45	73,30.93
Effect of:		
Non-deductible expenses	1,05.07	2,12.90
Deductions Under Income Tax Act 1961	(69.20)	(8,03.18)
Tax expense recognised in Statement of Profit & Loss	78,69.32	67,40.65

(₹ in lakhs)

Deferred Tax Liabilities (Net)	March 2019	March 2018	April 2017
Deferred Tax Liabilities	96,31.18	98,27.75	79,32.47
Less: Deferred Tax Asset	77,99.41	85,07.40	66,54.19
Net deferred tax (assets) liabilities	18,31.77	13,20.35	12,78.28

Movement In temporary differences	Balance as at 1 April 2017	Recognised in profit or loss during the year	Recognised in OCI during the year	Balance as at 31 March 2018
Property, plant and Equipment	(76.18)	31.52	–	(44.66)
Provision for Expected Credit Loss	66,40.84	18,66.56	–	85,07.40
Adjustment on account of Effect Interest Rate for Financial Assets & Liabilities recognised at amortised cost & Net interest on credit impaired loans	(14,35.93)	(9,55.33)	–	(23,91.26)
Fair value change on investment in Mutual Funds	(8.00)	3.98	–	(4.02)
Others - Employee Benefits	13.35	(29.88)	–	(16.53)
Special Reserve U/s 36(1) (viii) of Income-tax Act, 1961	(64,12.36)	(9,58.92)	–	(73,71.28)
	(12,78.28)	(42.08)	–	(13,20.35)

NOTES TO THE ACCOUNTS (Contd.)

Movement In temporary differences	Balance as at 1 April 2018	Recognised in profit or loss during the year	Recognised in OCI during the year	Balance as at 31 March 2019
Property, plant and Equipment	(44.66)	8.28	—	(36.38)
Provision for Expected Credit Loss	85,07.40	(7,07.99)	—	77,99.41
Adjustment on account of Effect Interest Rate for Financial Assests & Liabilities recognised at amortised cost & Net interest on credit impaired loans	(23,91.26)	2,23.84	—	(21,67.42)
Fair value change on investment in Mutual Funds	(4.02)	(35.55)	—	(39.57)
Others - Employee Benefits	(16.53)	—	—	(16.53)
Special Reserve U/s 36(1) (viii) of Income-tax Act,1961	(73,71.28)	—	—	(73,71.28)
	(13,20.35)	(5,11.42)	—	(18,31.77)

35.8 FIRST TIME IND AS ADOPTION RECONCILIATIONS
Reconciliation of Profit and Equity between Ind AS and Previous GAAP

(₹ in lakhs)

S. No	Particulars	Equity	
		As at 31st March 2018	As at 1st April 2017
	Equity as per previous GAAP	1122,16.26	1028,44.00
	Adjustments increasing / (decreasing) Equity as reported in the previous GAAP:		
1	On application of Effective Interest Rate method		
	Financial assets	66,29.19	37,66.17
	Financial liabilities	5,08.09	5,19.17
2	Impact on account of Expected credit loss	(30,58.53)	(14,78.57)
3	Financial assets / Liabilities measured at Fair value through Profit & Loss	11.61	23.10
4	Tax impact on above adjustments	(14,15.58)	(9,79.36)
	Sub-total	26,74.78	18,50.51
	Equity as per previous IND AS	1148,91.04	1046,94.51

(₹ in lakhs)

Particulars	Net Profit Year ended March 2018
Net profit after tax as per previous GAAP	136,37.63
Adjustments increasing / (decreasing) Net profit after tax as reported in the previous GAAP:	
On application of Effective Interest Rate method	
Financial assets	28,63.02
Financial liabilities	(11.08)
Impact on account of Expected credit loss	(15,79.96)
Financial assets / Liabilities measured at Fair value through Profit & Loss	(11.49)
Share Based Payments	(36.81)
Remeasurement of the defined benefit plans	26.03
Tax impact on above adjustments	(4,45.23)
Sub-total	8,04.48
Net profit after tax as per IND AS	144,42.11
Other comprehensive income (net of tax)	(17.02)
Total Comprehensive Income (net of tax) as per IND AS	144,25.09

35.9 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved for issue by the board of directors on May 21, 2019.

Note 36 Disclosure as per Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016.

36.1 Capital to Risk (Weighted) Assets Ratio

(₹ in Crore)

	Particulars	31st March 2019	31st March 2018
i.	CRAR (%)	23.54%	24.28%
ii.	CRAR – Tier I Capital (%)	21.14%	21.17%
iii.	CRAR – Tier II Capital (%)	2.40%	3.11%
iv.	Amount of subordinated debt raised as Tier- II Capital	–	–
v.	Amount raised by issue of Perpetual Debt Instruments	–	–

36.2 Reserve Fund u/s 29C, of NHB Act 1987: Disclosed separately under Note 27

NOTES TO THE ACCOUNTS (CONTD.)

36.3 Investments

(₹ in Crore)

Particulars	31st March 2019	31st March 2018
Value of Investments		
(i) Gross value of Investments		
(a) In India	361.71	186.82
(b) Outside India	Nil	Nil
(ii) Provisions for Depreciation		
(a) In India	(0.02)	(0.03)
(b) Outside India		
(iii) Net value of Investments		
(a) In India	361.69	186.79
(b) Outside India		
Movement of provisions held towards - depreciation on investments		
(i) Opening balance	0.03	0.04
(ii) Add: Provisions made during the year	Nil	Nil
(iii) Less: Write-off / Write-back of excess provisions during the year	0.01	0.01
(iv) Closing Balance	0.02	0.03

36.4 Derivatives: NIL

Forward Rate Agreement (FRA) / Interest Rate Swap (IRS): NIL

Exchange Traded Interest Rate (IR) Derivative: NIL

Disclosures on Risk Exposure in Derivatives: NA

36.5 Securitisation

(₹ in Crore)

	Particulars	31-03-2019	31-03-2018
1.	No of SPVs sponsored by the HFC for Securitisation transactions*	1	1
2.	Total amount of securitised assets as per books of the SPVs Sponsored	62.03	77.20
3.	Total amount of exposures retained by the HFC towards the MRR as on the date of balance sheet		
	(I) Off-balance sheet exposures towards Credit Concentration		
	(II) On-balance sheet exposures towards Credit Concentration		
	a) Cash Collateral	7.79	12.79
	b) Others	1.87	2.32
4.	Amount of exposures to securitisation transactions other than MRR	Nil	Nil
	(I) Off-balance sheet exposures towards Credit Concentration	Nil	Nil
	(II) On-balance sheet exposures towards Credit Concentration	Nil	Nil

*Only the SPVs relating to outstanding securitisation transactions may be reported here

Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction: Nil

Details of Assignment transactions undertaken by HFCs: Nil

Details of non-performing financial assets purchased / sold: Nil

NOTES TO THE ACCOUNTS (Contd.)

36.6 Asset Liability Management (Maturity Pattern of certain items of Assets and Liabilities) (as per contractual cash flows)

(₹ in Crore)

Particulars	1 day to 30/31 days	Over 1 month to 2 months	Over 2 month to 3 months	Over 3 month 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
Liabilities											
Deposits	39.06	32.17	28.82	87.92	260.62	692.11	34.80	-	-	-	1,175.50
Borrowings from Banks*	128.88	16.67	-	93.25	737.06	1,304.80	531.89	443.25	338.59	75.03	3,669.42
Market Borrowings	49.70	256.98	282.14	615.44	795.45	766.00	65.00	65.00	-	100.00	2,995.70
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-
TOTAL	217.64	305.82	310.96	796.61	1,793.11	2,762.90	631.69	508.25	338.59	175.03	7,840.62
Assets											
Advances	66.29	75.62	63.46	170.32	347.69	1,488.88	1,462.58	1,384.15	1,784.34	2,034.97	8,878.30
Investments#	250.26	0.26	36.43	0.75	37.68	1.27	21.58	30.32	28.47	22.27	429.28
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-
TOTAL	316.55	75.88	99.89	171.07	385.37	1,490.15	1,484.16	1,414.47	1,812.81	2,057.24	9,307.58

* includes Borrowings from NHB

Breakup

	₹ in crore
Investments	
Government Securities	101.14
Mutual Funds	250.00
PTC investments	5.21
Total (A)	356.35
Cash & Bank balances	
SLR Bank Deposits	41.00
Bank deposits held as Collateral for assets securitized /assigned	31.93
Total (B)	72.93
Total (A)+(B)	429.28

NOTES TO THE ACCOUNTS (Contd.)

36.7 Exposure

Exposure to Real Estate Sector

Category		31.03.2019 (₹ in Crore)	31.03.2018 (₹ in Crore)
a)	Direct exposure #		
	(i) Residential Mortgages * –		
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented;		
	• Individual Housing Loans up to ₹15 lakhs	1321.04	1343.86
	• Others	6471.86	5799.72
	Total	7792.90	7143.58
	(ii) Commercial Real Estate –		
	Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include Non-Fund Based (NFB) limits;	1116.97	980.52
	(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures –		
	a. Residential	5.21	8.75
	b. Commercial Real Estate	–	–
b)	Indirect Exposure		
	Fund Based and Non-Fund Based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	39.19	32.79

Notes:

Consists of future Principal and Principal component of EMI outstanding.

* Includes exposures to Non-Housing loans secured by residential mortgages amounting to ₹1635.90 crore (Previous year – ₹1327.48 crore)

Exposure to Capital Market:	NIL
Details of financing of Parent Company products:	NIL
Details of Single Borrower Limit (SGL)/ Group Borrower Limit (GBL) exceeded by HFC :	NIL
Unsecured Advances:	Nil

NOTES TO THE ACCOUNTS (Contd.)

Additional Disclosures

36.8 Provisions and Contingencies

(₹ in Crore)

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Statement of Profit and Loss Account		2018-19	2017-18
1.	Provision for depreciation on Investment	(0.01)	(0.01)
2.	Provision made towards Income tax *	88.00	67.41
3.	Provision towards NPA *	(55.01)	35.19
4.	Provision for Standard Assets *	1.86	2.78
5.	Other Provision and Contingencies (with details)	–	–

* as per NHB directions on Prudential Norms & other circulars.

(₹ in Crore)

Break up of Loan & Advances and Provisions thereon	Housing		Non-Housing	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
Standard Assets				
a) Total Outstanding Amount	6090.57	5468.58	2629.25	2434.72
b) Provisions made	20.53	20.31	16.95	15.31
Sub-Standard Assets				
a) Total Outstanding Amount	40.84	40.26	29.41	46.13
b) Provisions made	6.13	8.05	4.41	9.23
Doubtful Assets – Category-I				
a) Total Outstanding Amount	28.02	16.19	20.78	34.29
b) Provisions made	8.07	11.19	5.21	24.45
Doubtful Assets – Category-II				
a) Total Outstanding Amount	30.69	38.67	42.44	48.96
b) Provisions made	12.51	38.39	17.83	46.78
Doubtful Assets – Category-III				
a) Total Outstanding Amount	23.32	13.89	46.06	26.56
b) Provisions made	23.32	13.89	46.06	26.56
Loss Assets				
a) Total Outstanding Amount	0.26	0.27	–	–
b) Provisions made	0.26	0.27	–	–
TOTAL				
a) Total Outstanding Amount	6213.70	5577.86	2767.94	2590.66
b) Provisions made	70.82	92.10	90.46	122.33

Note:

- The total outstanding amount means principal + accrued interest + other charges pertaining to loans without netting off.
- The Category of Doubtful Assets will be as under:

Period for which the assets have been considered as doubtful	Category
Up to one year	Category-I
One to three years	Category-II
More than three years	Category-III

NOTES TO THE ACCOUNTS (Contd.)

36.9 Draw Down from Reserves : NIL

Concentration of Public Deposits, Advances, Exposures and NPAs

36.10 Concentration of Public Deposits (for Public Deposit taking/holding HFCs)

(₹ in Crore)

Particulars	31.03.2019	31.03.2018
Total Deposits of twenty largest depositors	408.15	415.67
Percentage of Deposits of twenty largest depositors to Total Deposits of the HFC	34.72%	38.91%

36.11 Concentration of Loans & Advances

(₹ in Crore)

Particulars	31.03.19	31.03.18
Total Loans & Advances to twenty largest borrowers	267.05	250.79
Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the HFC	2.98%	3.07%

36.12 Concentration of all Exposure (including off-balance sheet exposure)

(₹ in Crore)

Particulars	31.03.19	31.03.18
Total Exposure to twenty largest borrowers /customers	267.55	251.53
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the HFC on borrowers / customers	2.93%	2.99%

36.13 Concentration of NPAs

(₹ in Crore)

Particulars	31.03.19	31.03.18
Total Exposure to top ten NPA accounts	37.12	39.87

36.14 Sector-wise NPA

Sl. No.	Sector	Percentage of NPAs to Total Advances in that sector
A.	Housing Loans:	
1.	Individuals	1.91%
2.	Builders/Project Loans	—
3.	Corporates	13.01%
4.	Others (specify)	—
B.	Non-Housing Loans:	
1.	Individuals	5.78%
2.	Builders/Project Loans	—
3.	Corporates	1.01%
4.	Others (specify)	—

NOTES TO THE ACCOUNTS (Contd.)

36.15 Movement of NPAs

(₹ in Crore)

Particulars	31.03.2019	31.03.2018
(I) Net NPAs to Net Advances (%)	1.58%	1.09%
(II) Movement of NPAs (Gross)		
a) Opening balance	265.22	214.68
b) Additions during the year	70.30	86.89
c) Reductions during the year	73.70	36.35
d) Closing balance	261.82	265.22
(III) Movement of Net NPAs		
a) Opening balance	86.41	71.06
b) Additions during the year	56.06	30.95
c) Reductions during the year	4.45	15.60
d) Closing balance	138.02	86.41
(IV) Movement of provisions for NPAs (excluding provisions on standard assets)		
a) Opening balance	178.81	143.62
b) Provisions made during the year	14.24	55.94
c) Write-off/write-back of excess provisions	69.25	20.75
d) Closing balance	123.80	178.81

36.16 Overseas Assets - Nil

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

36.18 Disclosure of Complaints

Customers Complaints

Particulars	2018-19	2017-18
a) No. of complaints pending at the beginning of the year	0	0
b) No. of complaints received during the year	44	55
c) No. of complaints redressed during the year	44	55
d) No. of complaints pending at the end of the year	0	0

36.19 Previous year figures have been regrouped/ reclassified/ restated where ever necessary, to conform to the current year's presentation.

As per our report of even date attached
For **Sundaram & Srinivasan**
Chartered Accountants
FRN 004207S
S. Usha
Partner
Membership No. 211785
Chennai
21st May 2019

S. Viji
Chairman

G. Sundararajan
Chief Financial Officer

V. Swaminathan
Company Secretary

Srinivas Acharya
Managing Director

N. Ganga Ram
Director

Anthony Colwyn-Thomas
Director



SUNDARAM BNP PARIBAS

— HOME FINANCE —

Registered Office : 21, Patullos Road, Chennai - 600 002. Phone : (044) 28521181

Corporate Office : Sundaram Towers, 46, Whites Road, Chennai - 600 014

Phone : (044) 28515267, 28515269

Email: customercare@sundarambnpphome.in; depositorcare@sundarambnpphome.in

Website: www.sundarambnpphome.in

Andhra Pradesh

Anantapur : 08554 243717, Bhimavaram : 08816 226119, Cuddappah : 08562 253366, Eluru : 08812 233432, Gajuwaka : 0891 2573077
Guntur : 0863 2331469, Kakinada : 0884 2351618, Kurnool : 08518 225146, Mangalagiri : 08645-235932, Nellore : 0861 2322269,
Ongole : 08592 283959, Rajahmundry : 0883 2468579, Srikakulam : 08942 229123, Tanuku : 08819 227667, Tirupathi : 0877 2237378,
Vijayawada : 0866 2471717 Visakhapatnam : 0891 2575522, Vizianagaram : 08922 237778

Telangana

Hyderabad - Secunderabad : 040 27806002, Hyderabad - Kukkatpally : 040 23162224, Hyderabad - LB Nagar : 040 24126456, Karimnagar : 0878 2237676,
Khammam : 08742 242160, Mancheril : 08736 255456, Nizamabad : 08462 220224, Warrangal : 0870 2441244

Karnataka

Bengaluru – Seshadripuram : 080 23567911, Bengaluru – Jayanagar : 080 26493737,
Bengaluru - Whitefield : 080 28450035, Bengaluru – Yelahanka : 080 2362 0310,
Belgaum : 0831 2471019, Bellary : 0839 2256437 Davanagere : 0819 2297075,
Gulbarga : 0847 2244419, Hubli : 0836 2371954 Mangalore : 0824 2451517, Mysuru : 0821 2425007,
Raichur : 08532 225009, Shimoga : 08182 275719, Vijayapura - 8352265639

Kerala

Aluva : 0484 2606577, Calicut : 0495 2722066, Chalakudy : 0487 2970952, Kannur : 0497 2761917,
Kayamkulam : 0479 2441157, Kochi : 0484 2350341, Kollam : 0474 2742490, Kottayam : 0481 2561549, Manjeri : 0483 2760037,
Muvattupuzha : 0485 2812906, Palakkad : 0491 2503610, Pathanamthitta : 0468 222 / 4289,
Payyannur : 0498 5209917, Perinthalmanna : 0493-3225611, Trichur : 0487 2221191, Thycud - 0471 2333313
Thirupunithura : 0484-2779170, Thiruvananthapuram : 0471 2534686

Puducherry : 0413 2330509

Tamil Nadu

Attur : 04282 253354, Chennai - Ambattur : 044 26521656,
Chennai - Chromepet : 044 22210244, Chennai - Parrys : 044 25241099, Chennai - Porur : 044 48581096, Chennai - T Nagar : 044 28342151
Chennai - Thiruvanimiyur : 044 24430030, Chengalpet : 044 27432929, Coimbatore – P.N. Palayam : 0422 2246655, Coimbatore - R S Puram : 0422 2545333,
Dharmapuri : 04342 230244, Dindigul : 0451 2422001, Erode : 0424 2262999, Gobichettipalayam : 04285 227737, Hosur : 04344 223318, Kancheepuram : 044 27233660,
Karaikudi : 04565 233202, Karur : 04324 231235, Kumbakonam : 0435 2433216, Madurai : 0452 4380202, Mettupalayam : 04254 221125, Namakkal : 04286 233454,
Neyveli : 04142 260577, Palani : 0454 5250252, Perambalur : 04328 275563, Pollachi : 04259 223552, Pudukottai : 04322 232455, Ranipet : 04172 271979,
Salem : 0427 2334554, Sivakasi : 04562 222262, Tanjore : 04362 233216, Theni : 04546 263004, Thiruvallur : 044 27664590, Thiruvannamalai : 04175 252020,
Thiruvarur : 04366 220293, Tiruchengode : 04288 257381, Tirunelveli : 0462 2574274, Tiruppur : 0421 2474450,
Trichy : 0431 2402150, Tuticorin : 0461 2328827, Vellore : 0416 2245884

Rest of India

Ahmedabad : 079 66168910, Aurangabad : 0240 235 0005, Bhopal : 0755 2550240, Bhubaneswar : 0674 2544677,
Durgapur : 0343 2542805, Indore : 0731 2532246, Jaipur : 0141 2359577, Kolhapur : 0231 2667381,
Kolkata : 033 22837877, Kolkata – Lake Town : 033-40606120
Nagpur : 0712 255 8017, Nasik : 0253 2501766,
Pune : 020 25511575, Thane : 022-25827823, Vadodara : 0265 2355070