

## Independent Auditors' Report

**To the Members of**  
**PHFL Home Loans and Services Limited**

### Report on the audit of the Standalone Financial Statements

We have audited the standalone financial statements of PHFL Home Loans and Services Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of changes in equity and the 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 (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

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

### Responsibilities of Management and Those Charged with Governance for the Standalone 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 standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 standalone financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

### **Auditors' Responsibilities for the Audit of the Standalone 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 standalone financial statements.

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

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



exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in

- (i) planning the scope of our audit work and in evaluating the results of our work; and
- (ii) to evaluate the effect of any identified misstatements in the financial statements.

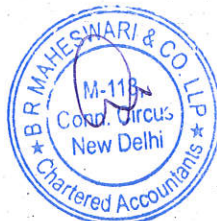
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 the Annexure 'I' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, based on our audit 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 purpose of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.




- (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of written representations received from the directors as on March 31, 2019 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure 'II'.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, no managerial remuneration has been paid or provided by the Company during the year.

- (h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position;
  - ii. The Company did not have any long term contracts including any derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For B R Maheswari & Co LLP**  
Chartered Accountants  
Firm's Registration No. 001035N/N500050

  
**Akshay Maheshwari**  
Partner  
Membership No.504704



Place: New Delhi  
Date: May 02, 2019

**Annexure 'I' to the Independent Auditors' Report**

(Referred to in Paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date)

- 1) In respect of its fixed assets:
  - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - (b) As informed, fixed assets have been physically verified by the management in a phased periodical manner which in our opinion is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
  - (c) The Company does not have any immovable property of freehold or leasehold land and building and hence reporting under clause (i) (c) of the Order is not applicable.
- 2) The provisions of paragraph (ii) of the order are not applicable to the Company, as the Company is engaged in the services sector.
- 3) As informed, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act for the financial year 2018-19, and accordingly clauses (a), (b) and (c) of para (iii) of the order are not applicable.
- 4) As informed, the Company has complied with the provisions of section 185 and 186 of the Act, in respect of loans, investments, guarantees and security.
- 5) In our opinion and according to the information and explanations given to us, The Company has not accepted any deposits from the public during the year.
- 6) As informed to us, the maintenance of cost records has not been prescribed by the Central Government under section 148(1) of the Act, in respect of the activities carried on by the Company.
- 7)
  - (a) According to the information and explanations given to us, the Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Goods and Services Tax, Sales Tax, value Added Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2019 for a period of more than six months from the date they become payable.
  - (b) According to the information and explanations given to us, there is no dues of Income Tax, Goods and Services Tax, Value Added Tax, Sales Tax, Excise Duty, Custom Duty, Service Tax and Cess which have not been deposited with the appropriate authorities on account of any dispute.



- 8) Based on the information and explanations given to us, we are of the opinion that the Company has not availed any loan from the financial institutions, banks or debenture holders. Also, the Company did not have any outstanding loans and borrowings from government during the year.
- 9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- 10) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.
- 11) To the best of our knowledge and belief and according to the information and explanations given to us, no managerial remuneration has been paid or provided by the Company during the year.
- 12) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details have been disclosed in the Financial Statements, as required by the applicable accounting standards.
- 14) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year, therefore reporting under clause 3(xiv) of the Order are not applicable.
- 15) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not entered into any non- cash transaction with directors or persons connected with him.
- 16) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For B R Maheswari & Co LLP**

Chartered Accountants

Firm's Registration No: 001035N/N500050

  
**Akshay Maheshwari**

Partner

Membership No: 504704



Place: New Delhi

Date: May 02, 2019

## **Annexure 'II' to the Independent Auditors' Report**

(Referred to in Paragraph 2(f) under the heading "Report on other legal and regulatory requirements" of our report of even date)

Report on the Internal Financial Controls under clause (i) 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 PHFL Home Loans and Services Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

### **Auditors' Responsibility**

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

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



### Meaning of Internal Financial Controls Over Financial Reporting

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

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 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 over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For B R Maheswari & Co LLP**

Chartered Accountants

Firm's Registration No: 001035N/N500050

**Akshay Maheshwari**

Partner

Membership No: 504704



Place: New Delhi

Date: May 02, 2019



**PHFL HOME LOANS AND SERVICES LIMITED**  
Balance Sheet as at March 31, 2019

Particulars	Note No.	As at March 31, 2019 (₹ in Lacs)	As at March 31, 2018 (₹ in Lacs)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2	10.48	-
Other intangible assets	3	67.96	15.06
Intangible assets under development		0.71	-
Deferred tax assets (net)	4	-	0.63
Income tax assets (net)	5	1,684.11	-
Other non-current assets	6	0.67	-
<b>Total non-current assets</b>		<b>1,763.93</b>	<b>15.69</b>
<b>Current assets</b>			
<b>Financial assets</b>			
Investments	7	10,345.44	5.55
Trade receivables	8	5,459.47	437.42
Cash and cash equivalents	9	799.28	5.48
Other current assets	10	631.42	41.67
<b>Total current assets</b>		<b>17,235.61</b>	<b>490.12</b>
<b>Total Assets</b>		<b>18,999.54</b>	<b>505.81</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	11	25.00	25.00
Other equity		13,837.62	178.68
<b>Total equity</b>		<b>13,862.62</b>	<b>203.68</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Provisions	12	27.19	2.43
Deferred tax liabilities (net)	4	2.79	-
<b>Total non-current liabilities</b>		<b>29.98</b>	<b>2.43</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Trade payables	13	3,746.02	32.59
Other liabilities	14	1,334.00	245.66
Provisions	15	26.92	2.29
Income tax liabilities (net)	5	-	19.16
<b>Total current liabilities</b>		<b>5,106.94</b>	<b>299.70</b>
<b>Total liabilities</b>		<b>5,136.92</b>	<b>302.13</b>
<b>Total Equity and Liabilities</b>		<b>18,999.54</b>	<b>505.81</b>

Overview and significant accounting policies 1  
The notes are an integral part of the financial statements

In terms of our report of even date  
For B.R. Maheswari and Co. LLP  
Chartered Accountants  
FR No : 001035N/N500050

Akshay Maheswari  
Partner  
Membership No: 504704



For and on behalf of the Board of Directors

Shaji Varghese  
Chairman  
DIN: 07781821

Ajay Gupta  
Director  
DIN: 07780438



Place : New Delhi  
Date : May 02, 2019

**PHFL HOME LOANS AND SERVICES LIMITED**  
Statement of Profit and Loss for the year ended March 31, 2019

Particulars	Note No.	For the year ended March 31, 2019 (₹ in Lacs)	For the period Aug 22, 2017 to March 31, 2018 (₹ in Lacs)
<b>INCOME</b>			
Revenue from operations	16	40,108.41	494.41
Other income	17	314.06	0.55
<b>Total income</b>		<b>40,422.47</b>	<b>494.96</b>
<b>EXPENSES</b>			
Employee benefits expenses	18	13,897.13	197.53
Other expenses	19	7,208.13	48.69
Depreciation and amortisation	20	8.65	2.09
<b>Total expenses</b>		<b>21,113.91</b>	<b>248.31</b>
<b>Profit before Tax</b>		<b>19,308.56</b>	<b>246.65</b>
Income tax expenses			
a. Current tax	21	5,608.45	68.60
b. Deferred tax	21	14.09	(0.63)
c. Tax related to earlier years	21	1.10	-
<b>Total tax expense</b>		<b>5,623.64</b>	<b>67.97</b>
<b>Profit for the year / period</b>		<b>13,684.92</b>	<b>178.68</b>
<b>Other comprehensive income</b>			
a. Items that will be reclassified to statement of profit and loss		-	-
b. Items that will not be reclassified to statement of profit and loss			
Re-measurement gain/ (loss) on defined benefit plan	28	(36.65)	-
Income tax effect	4	10.67	-
		(25.98)	-
<b>Other comprehensive income for the year / period (net of tax) (a+b)</b>		<b>(25.98)</b>	<b>-</b>
<b>Total comprehensive income for the year / period</b>		<b>13,658.94</b>	<b>178.68</b>
<b>Earnings per equity share of [face value of ₹ 10/- each fully paid up]</b>			
Basic (₹)	22	5,473.97	117.51
Diluted (₹)	22	5,473.97	117.51

Overview and significant accounting policies  
The notes are an integral part of the financial statements

1

In terms of our report of even date  
For B.R. Maheswari and Co. LLP  
Chartered Accountants  
FR No : 001035N/N500050

Akshay Maheshwari  
Partner  
Membership No: 504704



Place : New Delhi  
Date : May 02, 2019

For and on behalf of the Board of Directors

Shaji Varghese  
Chairman  
DIN: 07781821

Ajay Gupta  
Director  
DIN: 07780438



**PHFL HOME LOANS AND SERVICES LIMITED**  
Cash Flow Statement for the year ended March 31, 2019

Particulars	For the year ended March 31, 2019 (₹ in Lacs)	For the period Aug 22, 2017 to March 31, 2018 (₹ in Lacs)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Profit before tax for the year / period	19,308.56	246.65
<b>Adjustments to reconcile profit before tax to net cash provided by operating activities:</b>		
Depreciation and amortisation	8.65	2.09
Adjustment for re-measurement on defined benefit plan	(36.65)	-
Profit on sale/fair value of mutual funds	(314.06)	(0.55)
<b>Changes in working capital</b>		
<b>Adjustments for (increase)/decrease in operating assets:</b>		
Trade receivables	(5,022.05)	(437.42)
Other assets (current and non-current)	(590.42)	(41.67)
<b>Adjustments for increase/(decrease) in operating liabilities:</b>		
Trade Payables	3,713.43	32.59
Provisions (current and non-current)	49.39	4.72
Other current liabilities	1,088.34	245.66
<b>Cash generated from operations</b>	<b>18,205.19</b>	<b>52.07</b>
Direct taxes paid (net of refunds)	(7,312.82)	(49.44)
<b>Net Cash from operating activities</b>	<b>10,892.37</b>	<b>2.63</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant and Equipments and Intangible Assets (including Intangible assets under development)	(72.74)	(17.15)
Purchase of Investments	(38,425.00)	(24.50)
Sale of Investment	28,399.17	19.50
<b>Net Cash from/ (used) in investment activities</b>	<b>(10,098.57)</b>	<b>(22.15)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of share capital	-	25.00
<b>Net Cash (used) / from financing activities</b>	<b>-</b>	<b>25.00</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>793.80</b>	<b>5.48</b>
<b>Opening balance of Cash and cash equivalents</b>	<b>5.48</b>	<b>-</b>
<b>Closing balance of Cash and cash equivalents</b>	<b>799.28</b>	<b>5.48</b>

Note : Figures in bracket denotes application of cash.

- (a) Direct Taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.  
(b) The above Cash Flow statement is prepared as per "Indirect method" specified in Ind AS 7 "Statement of Cash Flows".

In terms of our report of even date  
For B.R. Maheshwari and Co. LLP  
Chartered Accountants

For and on behalf of the Board of Directors

Akshay Maheshwari  
Partner  
Membership No: 504704



Shaji Varghese  
Chairman  
DIN: 07781821

Ajay Gupta  
Director  
DIN: 07780438



Place : New Delhi  
Date : May 02, 2019

**PHFL HOME LOANS AND SERVICES LIMITED**  
**Statement of Changes in Equity for the year ended March 31, 2019**

**A. Equity share capital**

	Numbers	Amount (₹ in Lacs)
<b>As at August 22, 2017</b>	-	-
Change in equity share capital during the period	2,50,000	25.00
<b>As at March 31, 2018</b>	2,50,000	25.00
Change in equity share capital during the year	-	-
<b>As at March 31, 2019</b>	<b>2,50,000</b>	<b>25.00</b>

**B. Other Equity**

(₹ in Lacs)

Particulars	Reserves and Surplus		Total other equity
	Retained earnings	Other comprehensive income	
<b>Balance as at August 22, 2017</b>	-	-	-
Profit for the period	178.68	-	178.68
<b>Balance as at March 31, 2018</b>	<b>178.68</b>	<b>-</b>	<b>178.68</b>
Balance as at April 01, 2018	178.68	-	178.68
Profit for the year	13,684.92	-	13,684.92
Remeasurement on defined benefit plans (net of tax)	(25.98)	-	(25.98)
<b>Balance as at March 31, 2019</b>	<b>13,837.62</b>	<b>-</b>	<b>13,837.62</b>

The notes are an integral part of the financial statements

In terms of our report of even date  
**For B.R. Maheshwari and Co. LLP**  
Chartered Accountants

**For and on behalf of the Board of Directors**

  
**Akshay Maheshwari**  
Partner  
Membership No: 504704



  
**Shaji Varghese**  
Chairman  
DIN: 07781821

  
**Ajay Gupta**  
Director  
DIN: 07780438



Place: New Delhi  
Date : May 02, 2019

**PHFL HOME LOANS AND SERVICES LIMITED**  
**Notes to the financial statements for the year ended March 31, 2019**

**1. OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES**

PHFL Home Loans and Services Limited (CIN:U67200DL2017PLC322468) ("PHFL" or "the Company") was incorporated on August 22, 2017, as a wholly owned subsidiary of PNB Housing Finance Limited.

1.1 The Company is primarily engaged in the business of rendering of professional /consultancy services including sourcing, marketing, promoting, publicizing, advertising, soliciting, distributing any kind of financial instruments or classes of insurance product or syndicated credit products or investment products or wealth products. The Company's registered office is at 207 & 209, 2nd floor, Antriksh Bhawan, 22, K.G.Marg, New Delhi -110001.

The financial statements are approved and adopted by the Board of Directors of the company in its meeting held on May 02, 2019

**1.2 BASIS OF PREPARATION / STATEMENT OF COMPLIANCE**

The financial statements have been prepared on a historical cost basis, except for fair value of financial assets held for trading, all of which have been measured at fair value.

The financial statements comply in all material aspects with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015. The financial statements are prepared in accordance with provision contained in section 129 of the Companies Act 2013, read with Schedule III.

For all periods up to and including the period ended 31 March 2018, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP). These financial statements for the year ended 31 March 2019 are the first the Company has prepared in accordance with Ind AS.

Principles and methods considered for the first time adoption of Ind AS are explained in the note no. 32.

**1.3 FUNCTIONAL AND PRESENTATION CURRENCY**

These financial statements are presented in Indian Rupees (₹) which is also the Company's functional currency and all amount are rounded to the nearest lacs and two decimals thereof, except as stated otherwise.

**1.4 USE OF ESTIMATES AND JUDGEMENTS**

The preparation of financial statements in accordance with Ind AS requires management to make judgement, estimates and assumptions that affect the application of accounting policies and the reported account of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognized in the period in which the estimates are known or materialized.

**1.5 OPERATING CYCLE**

Based on the nature of its activities, the Company has determined its operating cycle as 12 months for classification of its assets and liabilities as current and non-current.

**1.6 CASH FLOW STATEMENT**

Cash flows are reported using the indirect method, whereby profit/(loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

**1.7 CASH AND CASH EQUIVALENTS**

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



## 1.8 DIVIDEND

The Company recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

## 1.9 REVENUE RECOGNITION

1.9.1 Commission Income, Brokerage Income, Management fee, Income from Service Charge etc., are recognised on accrual basis in accordance with agreements.

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

1.9.3 Interest income on all trading assets measured at FVTPL is recognised using the contractual interest rate under interest income and the fair value impact is recognised in net gain / loss on fair value changes.

1.9.4 Interest on tax refunds or other claims where quantum of accruals cannot be ascertained with reasonable certainty, are recognised as income only when revenue is virtually certain which generally coincides with receipts.

## 1.10 PROPERTY, PLANT AND EQUIPMENT

PPE are stated at cost (including incidental expenses directly attributable to bringing the asset to its working condition for its intended use) less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Subsequent expenditure related to PPE is capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of item can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

An item of PPE and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

## 1.11 INTANGIBLE ASSETS

Intangible assets acquired separately are measured on initial recognition at cost and are capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of item can be measured reliably. Subsequent to initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

## 1.12 DEPRECIATION / AMORTISATION

### Property, Plant and Equipment

Depreciation on tangible fixed assets is provided on straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013,

All fixed assets individually costing ₹ 5,000/- or less are fully depreciated in the year of purchase.

Depreciation on additions to fixed assets is provided on a pro-rata basis from the date the asset is put to use. Depreciation on sale / derecognition of fixed assets is provided for up to the date of sale / derecognition, as the case may be.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate.

### Intangible Assets

Intangible Assets are amortised over a period of five years except website development costs which are amortised over a period of three years on a straight-line basis from the date when the assets are available for use.

The amortisation period and the amortisation method for these Intangibles with a finite useful life are reviewed at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or methodology, as appropriate, which are then treated as changes in accounting estimates.



## 1.13 EMPLOYEE BENEFITS

### 1.13.1 Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees (performance incentive) are recognised during the year when the employees render the service.

### 1.13.2 Defined Contribution Plan

Retirement benefit in the form of provident fund and Employee State Insurance Scheme is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund and Employee State Insurance scheme. The Company recognises contribution payable to the provident fund and Employee State Insurance scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to reduction in future payment or a cash refund.

### 1.13.3 Defined Benefit Plan

The Company has defined benefit plans as Compensated absences and Gratuity for all eligible employees, the liability for which is determined based on actuarial valuation at each year-end using projected unit credit method.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs.

The Company recognises the following changes in the net defined benefit obligation as an employee benefits expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

## 1.14 TRANSACTION INVOLVING FOREIGN EXCHANGE

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction. Monetary assets and liabilities in foreign currency are converted at the rate of exchange prevailing on the date of financial statements.

## 1.15 OPERATING LEASES (AS A LESSEE)

Leases where the lessor effectively retains substantially all the risk and the benefits of ownership over the leased term are classified as operating leases. Lease payments for assets taken on operating lease are recognised as an expense in the Statement of Profit and Loss as per terms of lease agreement.

## 1.16 EARNINGS PER SHARE

The basic earnings per share is computed by dividing the net profit or loss attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting year. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving earnings per share, and the weighted average number of equity shares, which could have been issued on the conversion of all dilutive potential shares. In computing, dilutive earnings per share, only potential equity shares that are dilutive and that reduce profit per share are included.



## 1.17 TAXES ON INCOME

Tax expense comprises current and deferred tax.

### a) Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with Income tax Act, 1961, Income Computation and Disclosure Standards and other applicable tax laws. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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

### b) Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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

## 1.18 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

i) Provisions are recognised when the Company has a legal and constructive obligation as a result of a past event, for which it is probable that cash outflow will be required and a reliable estimate can be made of the amount of the obligation. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

ii) The Company does not recognise a contingent liability but discloses its existence in the financial statements. Contingent liability is disclosed in case of –

- A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation.
- A present obligation arising from past events, when no reliable estimate is possible.
- A possible obligation arising from past events, unless the probability of outflow of resources is remote.

Contingent liabilities are reviewed at each balance sheet date.

iii) Contingent Assets are neither recognised nor disclosed in the financial statements.

## 1.19 IMPAIRMENT OF NON- FINANCIAL ASSETS

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than the carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.





## 1.20 FINANCIAL INSTRUMENTS

A financial instrument is any contract that give rise to a financial assets of one entity and financial liability or equity instrument of another entity.

### 1.20.1 Financial Assets

#### Initial recognition and measurement

The Company recognizes financial assets when it becomes a party to the contractual provisions of the instrument. All financial assets are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are added to the fair value on initial recognition. Financial assets, which are not carried at amortised cost or fair value through other comprehensive income are subsequently fair valued through profit or loss.

#### Derecognition

The company derecognizes a financial asset only when the contractual rights to the cash flows from the assets expires or it transfers the financial assets and substantially all the risks and rewards of ownership of the assets to another entity.

#### Impairment of Financial Assets

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

The Company measures Expected Credit Loss (ECL) for financial instruments based on historical trend, industry practices and the business environment in which the Company operates.

If credit risks has not increase significantly 12 months ECL is used to provide the impairment loss. If credit risks has increased significantly lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risks since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

ECL is the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the entity expects to receive.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expenses in the statement of profit and loss.

### 1.20.2 Financial Liabilities

#### Initial recognition and measurement

Financial liabilities are classified and measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for trading or it is designated as on initial recognition to be measured at FVTPL. All financial liabilities, other than classified at FVTPL, are classified at amortised cost in which case they are initially measured at fair value, net of transaction costs and subsequently at amortised cost using effective interest rate.

#### Decrecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

## 1.21 SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). CODM is responsible for allocating the resources, assess the financial performance and position of the Company and makes strategic decision. The Company's operations predominantly consist of rendering of professional /consultancy services. Hence there are no reportable segments under Ind AS – 108.



**PHFL Home Loans and Services Limited**  
Notes to the financial statements for the year ended March 31, 2019

Asset Category	Gross carrying value				Depreciation			Net carrying value (₹ in Lacs)
	As at Apr 01, 2018	Additions during the year	Disposal / Adjustment during the year	As at March 31, 2019	As at Apr 01, 2018	Depreciation during the year	Disposal / Adjustment during the year	
Furniture & Fixtures	-	2.22	-	2.22	-	0.13	-	2.09
Office Equipments	-	7.28	-	7.28	-	0.70	-	6.58
Computer	-	2.02	-	2.02	-	0.21	-	1.81
<b>Total</b>	-	<b>11.52</b>	-	<b>11.52</b>	-	<b>1.04</b>	-	<b>10.48</b>



**PHFL Home Loans and Services Limited**  
Notes to the financial statements for the year ended March 31, 2019

Note 3 : Intangible assets

Asset Category	Gross carrying value				Amortisation				Net carrying value	
	As at Apr 01, 2018	Additions during the year	Disposal / Adjustment during the year	As at March 31, 2019	As at Apr 01, 2018	Depreciation during the year	Disposal / Adjustment during the year	As at March 31, 2019	As at March 31, 2019	As at March 31, 2019
Software	17.15	60.51	-	77.66	2.09	7.61	-	9.70	67.96	67.96
<b>Total</b>	<b>17.15</b>	<b>60.51</b>	<b>-</b>	<b>77.66</b>	<b>2.09</b>	<b>7.61</b>	<b>-</b>	<b>9.70</b>	<b>67.96</b>	<b>67.96</b>

Asset Category	Gross carrying value				Amortisation				Net carrying value	
	As at Aug 22, 2017	Additions during the period	Disposal / Adjustment during the period	As at March 31, 2018	As at Aug 22, 2017	Depreciation during the period	Disposal / Adjustment during the period	As at March 31, 2018	As at March 31, 2018	As at March 31, 2018
Software	-	17.15	-	17.15	-	2.09	-	2.09	15.06	15.06
<b>Total</b>	<b>-</b>	<b>17.15</b>	<b>-</b>	<b>17.15</b>	<b>-</b>	<b>2.09</b>	<b>-</b>	<b>2.09</b>	<b>15.06</b>	<b>15.06</b>



**PHFL Home Loans and Services Limited**  
Notes to the financial statements for the year ended March 31, 2019

**Note 4 : Deferred tax (net)**

Particulars	As at March 31, 2019 (₹ in Lacs)	Charged/ (credit) during the year (₹ in Lacs)	Other comprehensive income (₹ in Lacs)	As at March 31, 2018 (₹ in Lacs)	Charged/ (credit) during the period Aug 22, 2017 to March 31, 2018 (₹ in Lacs)
<b>Deferred tax assets on account of:</b>					
a) On differences between value of the employee benefits as per financials and tax base	15.76	14.46	-	1.30	1.30
b) Re-measurement gain/ (loss) on defined benefit plan	10.67	-	10.67	-	-
<b>Total deferred tax assets (i)</b>	<b>26.43</b>	<b>14.46</b>	<b>10.67</b>	<b>1.30</b>	<b>1.30</b>
<b>Deferred tax liabilities on account of:</b>					
a) On differences between value of the fixed assets as per financials and tax base	1.69	1.08	-	0.61	0.61
b) On differences between fair value of investment as per financials and tax base	27.53	27.47	-	0.06	0.06
<b>Total deferred tax liabilities (ii)</b>	<b>29.22</b>	<b>28.55</b>	<b>-</b>	<b>0.67</b>	<b>0.67</b>
<b>Total deferred tax assets / (liabilities) (i - ii)</b>	<b>(2.79)</b>	<b>(14.09)</b>	<b>10.67</b>	<b>0.63</b>	<b>0.63</b>

**Note 5 : Income tax (net)**

Particulars	As at March 31, 2019 (₹ in Lacs)	As at March 31, 2018 (₹ in Lacs)
Net income tax asset / (liability) at the beginning	(19.16)	49.44
Income tax paid	7,312.82	(68.60)
Current income tax expense	(5,608.45)	-
Tax related to earlier years	(1.10)	-
<b>Net income tax asset / (liability) at the end</b>	<b>1,684.11</b>	<b>(19.16)</b>

**Note 6 : Other non current ssets**

Particulars	As at March 31, 2019 (₹ in Lacs)	As at March 31, 2018 (₹ in Lacs)
Security deposits	0.67	-
<b>Total</b>	<b>0.67</b>	<b>-</b>



**PHFL Home Loans and Services Limited**  
**Notes to the financial statements for the year ended March 31, 2019**

**Note 7 : Investments**

Particulars	Current investments			
	As at March 31, 2019 (₹ in Lacs)		As at March 31, 2018 (₹ in Lacs)	
	Quantity	Amount	Quantity	Amount
<b>Investment at fair value through profit and loss</b>				
<b>Investment in India</b>				
<u>Investment in units of Mutual Funds</u>				
<b>Quoted</b>				
Aditya Birla Sun Life Liquid Fund - Growth-Direct	29,26,359	8,791.84	-	-
Reliance Ultra Short Duration Fund - Direct Growth	34,056	1,553.60	198	5.55
Less: Loss for impairment allowance	-	-	-	-
<b>Total</b>		<b>10,345.44</b>		<b>5.55</b>

Aggregate amount of Quoted Investments and market value thereof

10,345.44

5.55

Aggregate amount of Unquoted Investments

-

-



**PHFL Home Loans and Services Limited**  
**Notes to the financial statements for the year ended March 31, 2019**

**Note 8 : Trade receivables**

Particulars	As at March 31, 2019 (₹ in Lacs)	As at March 31, 2018 (₹ in Lacs)
Unsecured, Considered Good Trade receivables	5,459.47	437.42
Less Allowance for bad and doubtful debts	-	-
<b>Total</b>	<b>5,459.47</b>	<b>437.42</b>

**Note 8.1 :** No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person.

**Note 9 : Cash and cash equivalents**

Particulars	As at March 31, 2019 (₹ in Lacs)	As at March 31, 2018 (₹ in Lacs)
Balances with banks (in current accounts)	799.28	5.48
<b>Total</b>	<b>799.28</b>	<b>5.48</b>

**Note 10 : Other current assets**

Particulars	As at March 31, 2019 (₹ in Lacs)	As at March 31, 2018 (₹ in Lacs)
Unsecured, considered good, current Advance recoverable in cash or in kind or for value to be received	525.22	-
Advance to suppliers	5.76	-
Prepaid expenses	100.44	41.67
<b>Total</b>	<b>631.42</b>	<b>41.67</b>



**PHFL Home Loans and Services Limited**  
Notes to the financial statements for the year ended March 31, 2019

**Note 11 : Equity share capital**

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of shares	Amount (₹ in Lacs)	No. of shares	Amount (₹ in Lacs)
<b>Authorised</b> 10,00,000 equity shares of Rs 10/- each	10,00,000	100.00	10,00,000	100.00
<b>Issued, subscribed and paid-up:</b> 2,50,000 equity shares of Rs. 10/- Each (Fully paid)	2,50,000	25.00	2,50,000	25.00
<b>Total</b>		25.00		25.00

The Company has one class of equity shares having a par value of ₹ 10/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuring Annual General Meeting, except in case of interim dividend. In the event of the liquidation of the Company, the equity shareholders are eligible to receive the remaining assets of the Company after the distribution of all preferential amounts, in proportion to their shareholding.

The Company has not allotted any share pursuant to contracts without payment being received in cash, bonus shares nor has it bought any shares during the period of five years immediately preceding the reporting date.

The Company has not:

- issued any securities convertible into equity / preference shares,
- issued any shares where calls are unpaid,
- forfeited any shares.

**Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the company**

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of shares	Percentage (%) of holding	No. of shares	Percentage (%) of holding
PNB Housing Finance Limited (Holding company)	2,50,000	100.00	2,50,000	100.00
<b>Total</b>	<b>2,50,000</b>	<b>100.00</b>	<b>2,50,000</b>	<b>100.00</b>



**PHFL Home Loans and Services Limited**  
**Notes to the financial statements for the year ended March 31, 2019**

**Note 12 : Non-current provisions**

Particulars	As at March 31, 2019 (₹ in Lacs)	As at March 31, 2018 (₹ in Lacs)
Provision for employee benefits: - Gratuity	27.19	2.43
<b>Total</b>	<b>27.19</b>	<b>2.43</b>

**Note 13 : Trade payables**

Particulars	As at March 31, 2019 (₹ in Lacs)	As at March 31, 2018 (₹ in Lacs)
Due to micro, small and medium enterprises	-	-
Due to others Creditors for expenses	3,746.02	32.59
<b>Total</b>	<b>3,746.02</b>	<b>32.59</b>

**Note 13.1 :** The amount due to Micro and Small Enterprises as defined in the "Micro, Small & Medium Enterprises development Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the company.

**Note 14 : Other current liabilities**

Particulars	As at March 31, 2019 (₹ in Lacs)	As at March 31, 2018 (₹ in Lacs)
Statutory dues payable	338.99	106.76
Salary payable	995.01	138.90
<b>Total</b>	<b>1,334.00</b>	<b>245.66</b>

**Note 15 : Current provisions**

Particulars	As at March 31, 2019 (₹ in Lacs)	As at March 31, 2018 (₹ in Lacs)
Provision for employee benefits Gratuity	0.04	-
Leave encashment	26.88	2.29
<b>Total</b>	<b>26.92</b>	<b>2.29</b>





**PHFL Home Loans and Services Limited**  
**Notes to the financial statements for the year ended March 31, 2019**

**Note 16 : Revenue from operations**

Particulars	For the year ended March 31, 2019 (₹ in Lacs)	For the period Aug 22, 2017 to March 31, 2018 (₹ in Lacs)
Fee and commission income	40,108.41	494.41
<b>Total</b>	<b>40,108.41</b>	<b>494.41</b>

**Note 17 : Other income**

Particulars	For the year ended March 31, 2019 (₹ in Lacs)	For the period Aug 22, 2017 to March 31, 2018 (₹ in Lacs)
<b>Gain / (loss) on fair value through profit or loss</b>		
Investment	314.06	0.55
<b>Total</b>	<b>314.06</b>	<b>0.55</b>
Realised	219.53	0.35
Unrealised	94.53	0.20
<b>Total</b>	<b>314.06</b>	<b>0.55</b>

**Note 18 : Employee benefits expenses**

Particulars	For the year ended March 31, 2019 (₹ in Lacs)	For the period Aug 22, 2017 to March 31, 2018 (₹ in Lacs)
Salaries and allowances	12,841.22	178.03
Contribution to provident Fund and other funds	922.45	16.43
Staff welfare	133.46	3.07
<b>Total</b>	<b>13,897.13</b>	<b>197.53</b>



**PHFL Home Loans and Services Limited**  
**Notes to the financial statements for the year ended March 31, 2019**

**Note 19 : Other expenses**

Particulars	For the year ended March 31, 2019 (₹ in Lacs)	For the period Aug 22, 2017 to March 31, 2018 (₹ in Lacs)
Rent, rates and taxes	21.64	2.00
Fee and commission expense	6,887.92	-
Legal and professional charges	98.68	17.63
General office expenses	118.41	27.52
Communication expenses	26.71	-
Printing and stationery	17.51	0.03
Staff training and recruitment expenses	14.97	-
Travelling and conveyance	11.67	-
Auditor's fees and expenses (Refer Note 19.1)	8.00	1.50
Electricity and water charges	2.55	-
Bank charges	0.06	0.01
Miscellaneous expenses	0.01	-
<b>Total</b>	<b>7,208.13</b>	<b>48.69</b>

**Note : 19.1 Auditors' fees and expenses**

Particulars	For the year ended March 31, 2019 (₹ in Lacs)	For the period Aug 22, 2017 to March 31, 2018 (₹ in Lacs)
Statutory audit fee	2.25	1.20
Taxation matters	2.00	0.30
Other services	3.75	-
<b>Total</b>	<b>8.00</b>	<b>1.50</b>

**Note 20 : Depreciation and amortisation**

Particulars	For the year ended March 31, 2019 (₹ in Lacs)	For the period Aug 22, 2017 to March 31, 2018 (₹ in Lacs)
Depreciation of property, plant and equipment (Refer Note 2)	1.04	-
Amortisation of intangible assets (Refer Note 3)	7.61	2.09
<b>Total</b>	<b>8.65</b>	<b>2.09</b>



**PHFL Home Loans and Services Limited**  
**Notes to the financial statements for the year ended March 31, 2019**

**Note 21 : Income taxes**

The components of income tax expense are:

Particulars	For the year ended March 31, 2019	For the period Aug 22, 2017 to March 31, 2018
Current tax	5,608.45	68.60
Adjustments in respect of current income tax of prior years	1.10	-
Deferred tax relating to origination and reversal of temporary differences	14.09	(0.63)
<b>Total</b>	<b>5,623.64</b>	<b>67.97</b>

Current tax	5,609.55	68.60
Deferred tax	14.09	(0.63)

Reconciliation of tax expense and the accounting profit multiplied by statutory income tax rate for the year ended March 31, 2019 and period ended March 31, 2018 is as follows:

Particulars	For the year ended March 31, 2019	For the period Aug 22, 2017 to March 31, 2018
Profit before income taxes	19,308.56	246.65
Enacted tax rate in India (%)	29.12%	27.55%
Computed expected tax expenses	5,622.65	67.96
Increase/(decrease) in taxes on account of		
Tax effect due to non-taxable income for Indian tax purposes	(27.53)	(0.06)
Effect of non-deductible expenses	16.90	1.88
Effect of depreciation allowance	(3.57)	(1.18)
Adjustment on account of tax related to earlier years	1.10	-
<b>Income tax expenses</b>	<b>5,609.55</b>	<b>68.60</b>

**Note 22 : Earning per share**

Particulars	Units	For the year ended March 31, 2019	For the period Aug 22, 2017 to March 31, 2018
Weighted average number of equity shares outstanding	Number	2,50,000	1,52,055
Profit after tax available for shareholders	(₹ in Lacs)	13,684.92	178.68
Basic & diluted earning per share*	(In ₹)	5,473.97	117.51
Nominal value per share	(In ₹)	10.00	10.00

(\* EPS for the financial year 2017-18 has been restated in accordance with Ind AS 8.)

**Note 22.1 :** The basic earnings per share have been computed by dividing the net profit after tax attributable to equity share holders of the Company by the weighted average number of equity shares outstanding during the year. The diluted earnings per share have been computed by dividing the net profit after tax attributable to equity share holders of the Company by the weighted average number of equity shares considered for deriving basic earning per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceed receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Diluted potential equity shares are deemed converted as of the beginning of the period unless issued at a later date. Diluted potential equity shares are determined independently for each period presented.



**PHFL Home Loans and Services Limited**  
**Notes to the financial statements for the year ended March 31, 2019**

**Note 28: Disclosure in respect of Employee Benefits:**

In accordance with Indian Accounting Standards on "Employee Benefits" (Ind AS 19), the following disclosure have been made:

**Note 28.1:** The company has made contribution to Provident Fund, Employees State Insurance and other funds of ₹ 922.45 lacs (Previous year ₹ 16.43 lacs) which has been recognised in the Statement of Profit and Loss which are included under "Contribution to Provident Fund and Other Funds" in Note 18.

**Note 28.2 : Defined Benefit Plans**

**GRATUITY LIABILITY**

**Change in present value of obligation**

Particulars	For the year ended March 31, 2019 (₹ in Lacs)	For the period Aug 22, 2017 to March 31, 2018 (₹ in Lacs)
Present value of obligation as at the beginning of the year	2.43	-
Interest cost	3.15	-
Current service cost	84.33	2.43
Past Service Cost including curtailment Gains/Losses	-	-
Benefits paid	(0.04)	-
Actuarial (gain) / loss on obligation	37.09	-
Present value of obligation as at the end of year	126.96	2.43

**Change in fair value of plan assets**

Particulars	For the year ended March 31, 2019 (₹ in Lacs)	For the period Aug 22, 2017 to March 31, 2018 (₹ in Lacs)
Fair Value of plan assets as at the beginning of the year	-	-
Actual return on plan assets	1.53	-
Contributions	98.20	-
Benefits paid	-	-
Fair Value of plan assets as at the end of year	99.73	-
Funded status	(27.23)	-

**Expense recognised in the statement of Profit and Loss**

Particulars	For the year ended March 31, 2019 (₹ in Lacs)	For the period Aug 22, 2017 to March 31, 2018 (₹ in Lacs)
Current service cost	84.33	2.43
Interest cost	3.15	-
Actual return on plan assets	(1.53)	-
Net actuarial (gain) / loss recognised in the year	37.09	-
Expenses recognised in the statement of profit & losses	123.04	2.43
Remeasurement (gain) or losses in Other Comprehensive Income (OCI)	36.65	-

Expected contribution for the next financial year is ₹ 204 lacs.



**Assumptions**

Particulars	For the year ended March 31, 2019 (₹ in Lacs)	For the period Aug 22, 2017 to March 31, 2018 (₹ in Lacs)
a) Discounting Rate	7.65%	7.80%
b) Future salary Increase	7.75%	7.75%
c) Retirement Age (Years)	60	60
d) Mortality Table	IALM (2006-08)	IALM (2006-08)

**Maturity profile of defined benefits obligation**

Particulars	For the year ended March 31, 2019 (₹ in Lacs)	For the period Aug 22, 2017 to March 31, 2018 (₹ in Lacs)
With in the next 12 months	0.18	-
above 1 year and upto 5 years	13.06	-
above 5 year	113.72	2.43

**Sensitivity analysis of the defined benefit obligation\***

Particulars	For the year ended March 31, 2019			
	Discount Rate		Future salary increase	
Sensitivity Level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit obligation	(11.69)	13.20	13.12	(11.73)

Particulars	For the period Aug 22, 2017 to March 31, 2018 (₹ in Lacs)			
	Discount Rate		Future salary increase	
Sensitivity Level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit obligation	(0.23)	0.26	0.26	(0.23)

\*Sensitivities due to mortality and withdrawals are not material and hence impact of change due to these are not calculated.



**PHFL Home Loans and Services Limited**  
Notes to the financial statements for the year ended March 31, 2019

**Note 29 : Fair value measurement**

This note describes the fair value measurement of both financial and non-financial instrument :

(a) **Valuation principles**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

(b) **Valuation governance**

The Company's fair value methodology and the governance over its models includes a number of controls and other procedures to ensure appropriate safeguards are in place to ensure its quality and adequacy.

(c) **Assets and liabilities by fair value hierarchy**

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

	(₹ in Lacs)			
As at March 31, 2019	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value on a recurring basis</b>				
<b>Assets measured at Fair Value through Profit or Loss</b>				
Investments				
Mutual Funds	10,345.44	-	-	10,345.44
<b>Total assets measured at fair value on a recurring basis (a)</b>	<b>10,345.44</b>	<b>-</b>	<b>-</b>	<b>10,345.44</b>
<b>Assets measured at fair value on a non recurring basis</b>				
<b>Total assets measured at fair value on a non recurring basis (b)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total assets measured at Fair Value (a)+(b)</b>	<b>10,345.44</b>	<b>-</b>	<b>-</b>	<b>10,345.44</b>
<b>Liabilities measured at fair value through profit or loss (FVTPL)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities measured at fair value through profit or loss (FVTPL)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>As at March 31, 2018</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Assets measured at fair value on a recurring basis</b>				
<b>Assets measured at Fair Value through Profit or Loss</b>				
Investments				
Mutual Funds	5.55	-	-	5.55
<b>Total assets measured at fair value on a recurring basis (a)</b>	<b>5.55</b>	<b>-</b>	<b>-</b>	<b>5.55</b>
<b>Assets measured at fair value on a non recurring basis</b>				
<b>Total assets measured at fair value on a non recurring basis (b)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total assets measured at Fair Value (a)+(b)</b>	<b>5.55</b>	<b>-</b>	<b>-</b>	<b>5.55</b>
<b>Liabilities measured at fair value through profit or loss (FVTPL)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities measured at fair value through profit or loss (FVTPL)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

(d) **Valuation Techniques**

**1 Mutual Funds**

Units held in Mutual Funds are valued based on their Published Net Asset Value (NAV) and such instruments are classified under Level 1.

(e) **Fair Value of Financial Instruments not measured at Fair Value**

	Carrying Value	Fair Value			
As at March 31, 2019		Level 1	Level 2	Level 3	Total
<b>Financial assets:</b>					
Trade receivables	5,459.47	-	5,459.47	-	5,459.47
Cash and cash equivalents	799.28	799.28	-	-	799.28
<b>Total financial assets</b>	<b>6,258.75</b>	<b>799.28</b>	<b>5,459.47</b>	<b>-</b>	<b>6,258.75</b>
<b>Financial liabilities</b>					
Trade payables	3,746.02	-	3,746.02	-	3,746.02
<b>Total financial liabilities</b>	<b>3,746.02</b>	<b>-</b>	<b>3,746.02</b>	<b>-</b>	<b>3,746.02</b>
<b>As at March 31, 2018</b>	<b>Carrying Value</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial assets:</b>					
Trade receivables	437.42	-	437.42	-	437.42
Cash and cash equivalents	5.48	5.48	-	-	5.48
<b>Total financial assets</b>	<b>442.90</b>	<b>5.48</b>	<b>437.42</b>	<b>-</b>	<b>442.90</b>
<b>Financial liabilities</b>					
Trade payables	32.59	-	32.59	-	32.59
<b>Total financial liabilities</b>	<b>32.59</b>	<b>-</b>	<b>32.59</b>	<b>-</b>	<b>32.59</b>

(f) There have been no transfers among Level 1, Level 2 and Level 3, during the year ended 31st March 2019.



**PHFL Home Loans and Services Limited**  
**Notes to the financial statements for the year ended March 31, 2019**

**Note 30 : Risk Management**

The Company's business activities exposed to a variety of risks viz., market risk, credit risk and liquidity risk. The company's focus is to foresee the unpredictability of these risks and to address the issue to minimize the potential adverse effects of its financial performance.

The Company's risk management is an integral part of how to plan and execute its business strategies.

**Note 30.1 : Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the interest rates, credit, liquidity and other market changes.

**Note 30.1.1 : Total market risk exposure**

Particulars	As at March 31, 2019 (₹ in Lacs)	As at March 31, 2018 (₹ in Lacs)	Primary risk sensitivity
	Carrying amount		
<b>ASSETS</b>			
<b>Financial assets</b>			
Investments	10,345.44	5.55	Interest rate
Trade receivables	5,459.47	437.42	-
Cash and cash equivalents	799.28	5.48	-
<b>Total</b>	<b>16,604.19</b>	<b>448.45</b>	
<b>LIABILITIES</b>			
<b>Financial liabilities</b>			
Trade payables	3,746.02	32.59	-
<b>Total</b>	<b>3,746.02</b>	<b>32.59</b>	

**Note 30.1.2 : Interest rate risk**

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Company's policy is to monitor positions on a regular basis and hedging strategies are used to ensure positions are maintained within the established limits.

The following tables assess the sensitivity of the assets over the profit and loss with change in interest rates

Areas	Financial year	(₹ in Lacs)	
		Increase / (decrease) in basis points	Sensitivity of profit & (loss)
Investments	2017-18	25 bps / (25) bps	0.17 / (0.17)
	2018-19	25 bps / (25) bps	77.00 / (77.00)



**Note 30.2 : Credit risk**

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises primarily from financial assets such as trade receivables, investments and other financial assets.

At each reporting date, the Company assesses the loss allowance (if any) for certain class of financial assets based on historical trend, industry practices and the business environment in which the Company operates.

**Trade receivables**

The maximum exposure to the credit risk at the reporting date is primarily from trade receivables which is summarised in table below. Trade receivables are typically unsecured and are derived from revenue earned from customers located in India. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company uses expected credit loss model to assess the impairment loss or gain. The Company uses the historical experience for customers to compute the expected credit loss allowance for trade receivables and unbilled revenues.

**(i) Provision for expected credit losses**

The Company measures Expected Credit Loss (ECL) for financial instruments based on historical trend, industry practices and the business environment in which the Company operates

For financial assets, a credit loss is the difference between:

- (a) the contractual cash flows that are due to an entity under the contract; and
- (b) the cash flows that the entity expects to receive

The Company recognizes in profit or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date in accordance with Ind AS 109.

In determination of the allowances for credit losses on trade receivables, the Company has used a practical expedience by computing the expected credit losses based on ageing matrix, which has taken into account historical credit loss experience and adjusted for forward looking information.

**(ii) The movement of Trade Receivables are as follows:**

Particulars	As at March 31, 2019 (₹ in Lacs)	As at March 31, 2018 (₹ in Lacs)
Trade Receivables (Gross)	5,459.47	437.42
Less: Expected Credit Loss	-	-
<b>Trade Receivables (Net)</b>	<b>5,459.47</b>	<b>437.42</b>

**Investments and other financial assets**

Credit risk arising from investments and balances with banks is limited because the counter parties are banks and approved funds managed by professional fund managers with high credit worthiness. The Company considers factors such as track record, size of the institution, market reputation and service standards to select the banks with which balances and deposits are maintained. Investments of surplus funds are made only with approved counterparties. The maximum exposure to credit risk for these components as at March 31, 2019 is ₹ 11,144.70 lacs (March 31, 2018 is ₹ 437.42).

**Note 30.3 : Liquidity risk**

Liquidity risk is defined as the risk that the Company will encounter in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances. To cater this risk the Company monitors the maturity of both its financial investments and financial assets (i.e. trade receivables) and projected cash flows from operations.

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company has no outstanding borrowings. The Company believes that the working capital is sufficient to meet its current requirements.





# PHFL Home Loans and Services Limited

## Notes to the financial statements for the year ended March 31, 2019

### **Note 31: Standard issues but not yet effective**

In March 2019, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2019, notifying Ind AS 116, 'Leases'. Ind AS 116 replaces Ind AS 17 'Leases'. Ind AS 116 is effective for annual periods beginning on or after 1st April, 2019.

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

The Company is under process of assessing the impact of application of Ind AS 116.

### **Note 32: First-time adoption of Ind AS**

These financial statements, for the year ended March 31, 2019, are the first financial statements which the Company has prepared in accordance with Ind AS. For periods up to and including the period ended March 31, 2018, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2019, together with the comparative period data as at and for the period ended March 31, 2018, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's date of transition to Ind AS is the date of the incorporation of the Company (i.e. August 22, 2017). This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, as at and for the period ended March 31, 2018.

### **Exemptions applied**

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions/exceptions:



**a) Mandatory exemptions**

**(i) Use of Estimates**

The estimate at March 31, 2018 are consistent with those made for the same dates in accordance with Indian GAAP apart from the following adjustments, where application of Indian GAAP did not require estimation:

- Fair valuation of financials instruments carried at FVTPL and FVOCI
- Impairment of financial assets

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions on the date of transition to Ind AS, and as of March 31, 2018.

**(ii) Classification and measurement of financial assets**

The Company has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

**(b) Optional exemptions**

**(i) Deemed cost-Previous GAAP carrying amount: (PPE and Intangible Assets)**

Since there is no change in the functional currency, the Company has elected to continue with the carrying value for all of its PPE and Intangible assets as recognised in its Indian GAAP financial as deemed cost at the transition date.



**PHFL Home Loans and Services Limited**  
Notes to the financial statements for the year ended March 31, 2019

**32.1. Reconciliation of Balance Sheet as previously reported under Previous GAAP to Ind AS**

Particulars	Footnote	As at 31st March, 2018 (₹ in Lacs)		
		As per Indian GAAP	Reclassification and other Ind AS adjustment	As per Ind AS
<b>ASSETS</b>				
<b>Non-Current assets</b>				
Other intangible assets		15.06	-	15.06
Deferred tax assets (Net)	32.3 (ii)	0.70	(0.07)	0.63
<b>Total non-current assets</b>		<b>15.76</b>	<b>(0.07)</b>	<b>15.69</b>
<b>Current assets</b>				
Financial assets				
Investments	32.3 (i)	5.34	0.21	5.55
Trade receivables		437.42	-	437.42
Cash and cash equivalents		5.48	-	5.48
Other current assets		41.67	-	41.67
<b>Total Current Assets</b>		<b>489.91</b>	<b>0.21</b>	<b>490.12</b>
<b>Total Assets</b>		<b>505.67</b>	<b>0.14</b>	<b>505.81</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital		25.00	-	25.00
Other equity		178.52	0.16	178.68
<b>Total equity</b>		<b>203.52</b>	<b>0.16</b>	<b>203.68</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Provisions		2.43	-	2.43
<b>Total non-current liabilities</b>		<b>2.43</b>	<b>-</b>	<b>2.43</b>
<b>Current liabilities</b>				
Financial liabilities				
Trade payables		32.59	-	32.59
Other liabilities		245.69	(0.03)	245.66
Provisions		2.29	-	2.29
Income tax liabilities (net)		19.15	0.01	19.16
<b>Total current liabilities</b>		<b>299.72</b>	<b>(0.02)</b>	<b>299.70</b>
<b>Total liabilities</b>		<b>302.15</b>	<b>(0.02)</b>	<b>302.13</b>
<b>Total Equity and Liabilities</b>		<b>505.67</b>	<b>0.14</b>	<b>505.81</b>



### 32.2. Reconciliation of Statement of Profit and Loss as previously reported under IGAAP to Ind AS

Particulars	Footnote	For the period Aug 22, 2017 to March 31, 2018 (₹ In Lacs)		
		As per Indian GAAP	Reclassification and other Ind AS adjustment	As per Ind AS
Revenue from operations		494.41	-	494.41
Other income		0.35	0.20	0.55
<b>Total income</b>		<b>494.76</b>	<b>0.20</b>	<b>494.96</b>
<b>EXPENSES</b>				
Employee benefits expenses		197.57	(0.04)	197.53
Other expenses		48.69	-	48.69
Depreciation and amortisation		2.09	-	2.09
<b>Total expenses</b>		<b>248.35</b>	<b>(0.04)</b>	<b>248.31</b>
<b>Profit before Tax</b>		<b>246.41</b>	<b>0.24</b>	<b>246.65</b>
Income tax expenses				
Current tax		68.59	0.01	68.60
Deferred tax		(0.70)	0.07	(0.63)
<b>Total tax expense</b>		<b>67.89</b>	<b>0.08</b>	<b>67.97</b>
<b>Profit for the period</b>		<b>178.52</b>	<b>0.16</b>	<b>178.68</b>
<b>Other comprehensive income</b>				
a. Items that will be reclassified to statement of profit and loss		-	-	-
b. Items that will not be reclassified to statement of profit and loss		-	-	-
<b>Other comprehensive income for the period (net of tax) (a+b)</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>		<b>178.52</b>	<b>0.16</b>	<b>178.68</b>

### 32.3 Footnote to reconciliation of equity as at March 31, 2018 and profit or loss for the period ended March 31, 2018

#### (i) Investments

Under Indian GAAP, the company accounted for short term investments in mutual funds as investment measured at cost or market value whichever is less. Under Ind AS, the company has classified such investments as FVTPL investments and are measured at fair value. Difference between the instruments fair value and Indian GAAP carrying amount has been adjusted in retained earnings / statement of profit and loss by ₹ 0.20 lacs.

#### (ii) Deferred tax

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction in retained earnings / statement of profit and loss by ₹ 0.07 lacs.

**Note 33:** As the Company got incorporated on August 22, 2017, therefore the comparative financial statement represents the income and expenses from the said date to March 31, 2018

