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Independent Auditor's report on annual financial results of Fullerton India Home Finance Company Limited pursuant to the Regulation 52 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended 31 March 2020

To the Board of Directors of
Fullerton India Home Finance Company Limited

Report on the audit of the Annual Financial Results

Opinion

We have audited the accompanying annual financial results of Fullerton India Home Finance Company Limited (hereinafter referred to as the 'Company') for the year ended 31 March 2020, attached herewith (the 'financial results'), being submitted by the Company pursuant to the requirement of Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the 'Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid annual financial results:

- (i) are presented in accordance with the requirements of Regulation 52 of the Listing Regulations in this regard; and
- (ii) give a true and fair view in conformity with the recognition and measurement principles laid down in applicable Indian Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ('Ind AS'), and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information for the year ended 31 March 2020.

Basis for opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143 (10) of the Companies Act, 2013 (the 'Act'). Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the audit of the annual financial results section of our report. We are independent of the Company, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our opinion on the annual financial results.

Independent Auditor's report (*Continued*)

Fullerton India Home Finance Company Limited

Emphasis of matter

As described in Note 11 to the financial results, in respect of accounts overdue but standard at 29 February 2020 where moratorium benefit has been granted and accepted by the customers, the staging of those accounts at 31 March 2020 is based on the days past due status as on 29 February 2020 in accordance with the Reserve Bank of India COVID-19 Regulatory Package.

As described in Note 12 to the financial results, the extent to which the COVID-19 pandemic will impact the Company's financial performance is dependent on future developments, which are highly uncertain.

Our opinion is not modified in respect of the above matters.

Management's and Board of Director's responsibilities for the annual financial results

These annual financial results have been prepared on the basis of the annual financial statements.

The Company's Management and Board of Directors are responsible for the preparation and presentation of these annual financial results that give a true and fair view of the net profit/loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Ind AS and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Independent Auditor's report (*Continued*)

Fullerton India Home Finance Company Limited

Auditor's responsibilities for the audit of the annual financial results

Our objectives are to obtain reasonable assurance about whether the annual financial results 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 annual financial results.

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 annual financial results, 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 through a separate report on the complete set of financial statements on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the annual financial results made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors' 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 appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial results 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 annual financial results, including the disclosures, and whether the annual financial results 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.

Independent Auditor's report (*Continued*)

Fullerton India Home Finance Company Limited

Auditor's responsibilities for the audit of the annual financial results (*Continued*)

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.

Other Matters

The annual financial results include the results for the six month period ended 31 March 2020 and the corresponding six month period ended in the previous year as reported in the financial results are the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures of six month period of the relevant financial year which were subject to limited review by us.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/W-100022

Mumbai
08 June 2020

Milind Ranade

Partner

Membership No: 100564

UDIN: 20100564AAAAGP7690

Fullerton India Home Finance Company Limited
Registered office address: Megh Towers, 3rd floor, Old No. 307, New No.165,
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Toll Free no. 18001026003/ Email: grihashakti@fullertonindia.com
Website : www.grihashakti.com/CIN- U65922TN2010PLC076972

Statement of financial results for the half year and year ended 31 March 2020

	Half year ended 31 March 2020 (₹ lakhs) Unaudited	Half year ended 31 March 2019 (₹ lakhs) Unaudited	Year ended 31 March 2020 (₹ lakhs) Audited	Year ended 31 March 2019 (₹ lakhs) Audited
Revenue from operations				
Interest Income	25,007	17,737	50,323	30,762
Fee and commission income	344	210	839	359
Net gain on financial assets at FVTPL	764	930	1,460	1,072
Ancillary income	391	294	812	545
Total revenue from operations (a)	26,506	19,171	53,434	32,738
Other income (b)	590	110	711	242
Total Income (c)=(a) + (b)	27,096	19,281	54,145	32,980
Expenses				
Finance costs	16,384	11,155	30,657	18,388
Impairment on financial instruments	5,729	1,386	8,508	4,351
Employee benefits expense	3,918	3,062	7,811	5,662
Depreciation, amortisation and impairment	358	169	727	234
Other expenses	2,150	2,247	4,303	4,049
Total expenses (d)	28,539	18,019	52,006	32,684
Profit before tax (e)=(c)-(d)	(1,443)	1,262	2,139	296
Tax expense				
Current tax	564	(39)	2,186	458
Deferred tax expense / (credit)	(923)	498	(1,438)	(210)
Total tax expense (f)	(359)	459	748	248
Net profit after tax (g)= (e)-(f)	(1,084)	803	1,391	48
Other comprehensive income/(loss)				
Items that will not be reclassified to profit or loss, net of tax				
Re-measurement of defined benefit plan	(1)	(22)	(8)	(19)
Income tax relating to above	0	1	2	-
Other comprehensive (loss)/income (h)	(1)	(21)	(6)	(19)
Total comprehensive income for the period (i)= (g)+(h)	(1,085)	782	1,385	29
Earnings per equity share:				
Basic earnings per share* (in ₹)	(0.37)	0.36	0.48	0.02
Diluted earnings per share* (in ₹)	(0.37)	0.36	0.48	0.02
Face value per share (in ₹)	10.00	10.00	10.00	10.00

*The EPS for the half year ended 31 March 2020 and 31 March 2019 are not annualised.



Fullerton India Home Finance Company Limited

1. Balance sheet

	As at 31 March 2020 (₹ lakhs) Audited	As at 31 March 2019 (₹ lakhs) Audited
ASSETS		
Financial assets		
Cash and cash equivalents	11,890	9,461
Bank balances other than cash and cash equivalents	250	5,006
Investments	38,512	31,238
Trade receivables	25	62
Other financial assets	1,076	521
Loans and advances	389,843	296,731
	441,596	343,019
Non financial assets		
Current tax assets	374	329
Deferred tax asset (net)	2,937	1,497
Other non financial assets	819	823
Property, plant and equipment	820	1,010
Right to use of asset	2,020	-
Intangibles assets	172	84
Intangible assets under development	28	-
	7,170	3,743
Total Assets	448,766	346,762
LIABILITIES AND EQUITY		
Liabilities		
Financial liabilities		
Trade payables		
i) total outstanding dues to micro enterprises and small enterprises	0	-
ii) total outstanding dues to creditors other than micro enterprises and small enterprises	198	782
Debt securities	89,401	74,988
Borrowings	280,342	201,111
Lease rental liabilities	2,171	-
Other financial liabilities	4,535	19,252
	376,647	296,133
Non financial liabilities		
Current tax liabilities	148	7
Provisions	175	94
Other non financial liabilities	707	823
	1,030	924
Equity		
Equity share capital	30,803	24,536
Other equity	40,286	25,169
	71,089	49,705
Total liabilities and equity	448,766	346,762



Fullerton India Home Finance Company Limited

Notes:

2. Fullerton India Home Finance Limited ('the Company') is a public limited company domiciled in India and incorporated under the provisions of Companies Act, 1956. The Company is a Housing finance company ('HFC') registered vide Registration number 07.0122.15 dated July 14, 2015 with the National Housing Bank ('NHB').

3. These financial results have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards, notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended by the Companies (Indian Accounting Standards) Rules, 2016, other relevant provisions of the Act, guidelines issued by the NHB as applicable to HFCs and other accounting principles generally accepted in India.

Presentation of these financial results have been made on the basis of format prescribed by MCA vide their Notification G.S.R. 1022 (E) dated October 11, 2018 for Non Banking Financial Companies in Division III. Accordingly, the previous period numbers have been recasted / regrouped wherever required.

4. Effective April 01, 2019, the Company has adopted Ind AS 116 - Leases and applied it to lease contracts existing on April 01, 2019 using the modified retrospective method. Based on the same and as permitted under the specific transitional provisions in the standard, the Company is not required to restate the comparative figures. On transition, the adoption of the new standard resulted in recognition of Right-of-Use asset (ROU) of ₹ 2,186 lakhs (net of rent equalisation reserve) and a lease liability of ₹ 2,180 lakhs. The effect of this adoption is not material to the profit for the period and earnings per share.

5. The Company elected to exercise the option of a lower tax rate provided under Section 115BAA of the Income-tax Act, 1961, as introduced by the Taxation Laws (Amendment) Ordinance, 2019 dated September 20, 2019. Accordingly, the Company has recognized provision for income tax for the half year ended September 30, 2019 and re-measured its deferred tax assets as on March 31, 2019 basis the rate provided in the said section. The impact of remeasurement of deferred tax asset as on March 31, 2019 of ₹ 203 lakhs was recognised in the results for the half year ended September 30, 2019.

6. Financial results for the year ended March 31, 2020, which have been subject to audit by statutory auditors of the Company, were reviewed by the Audit Committee of Directors at its meeting held on June 08, 2020 and subsequently approved by the Board of Directors at its meeting held on June 08, 2020, in terms of Regulation 52 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

7. During the year, the Company has issued 6,26,76,277 equity shares of ₹ 10 each at a premium of ₹ 21.91 per share amounting to ₹ 20,000 lakhs to Fullerton India Credit Company Ltd, the holding company.

8. Other equity contains statutory reserves as per Section 29C(i) of NHB Act 1987, balance in securities premium, other comprehensive income, capital reserve and surplus in statement of profit and loss.

9. Pursuant to SEBI Circular no. SEBI/HO/DDHS/DDHS/CIR/P/2019/115 dated October 22, 2019, the Company has listed Commercial Papers on National Stock Exchange (NSE) on January 1, 2020. The outstanding Commercial Paper borrowings as at March 31, 2020 is ₹ Nil

10. The Company's operating segments are established in the manner consistent with the information regularly reviewed by the Chief Operating Decision Maker as defined in Ind AS 108 – Operating Segments. The Company operates in a single business segment i.e. financing, which has similar risks and returns. The Company operates in a single geographic segment i.e. domestic.

11. In accordance with Moratorium policy, framed as per guidelines issued by Reserve Bank of India (RBI) dated March 27, 2020 and April 17, 2020 relating to 'COVID-19 - Regulatory Package' and approved by the Board of Directors of the Company, the Company has granted moratorium to its eligible customers up to three months for the equated monthly instalments (EMIs) falling due between March 1, 2020 to May 31, 2020 except to the extent of EMI collected from the customer. In respect of accounts overdue but standard, day past due remains status quo as of February 29, 2020 for the eligible customer where moratorium granted by the Company. The Company continues to recognize interest income during the moratorium period. As per assessment done by the Company and in the absence of other customer related credit risk indicators, the granting of moratorium period does not result in automatically triggering of significant increase in credit risk criteria of Ind AS 109.

12. In early 2020, COVID-19 was declared global pandemic by World Health Organisation (WHO) as it widespread across the globe and caused disruption to businesses and economic activities. The Government of India announced a countrywide lockdown to curtail effect of COVID 19 which is continued at present. COVID 19 lockdown impacted future revenues and future cash flows on account of the inability of our customers to continue their businesses due to financial resource constraints or their services no-longer being availed by their customers.

The response of industry including government stimulus is uncertain for COVID-19 at current reporting period. In assessing the impact of COVID 19 on carrying value of assets and liabilities the Company has considered internal and external information (including credit reports and economic forecasts) up to the date of these financial results for calculation of sensitivity analysis on the assumptions used. Outcome of expected credit loss is primarily based on management's judgements and assumptions sourced from industry report and published impacted industry sector and classification of zones (Green, Orange and Red), governments stimulus etc. The impact of COVID 19 impairment loss allowance recognized in the year ended is INR 757 lakhs. The Company's impairment loss allowance estimates are inherently uncertain and, as a result, actual results may differ from these estimates.

With the uplift of lockdown, the Company has gradually recommenced its operations through its branch network. The Company carries adequate liquidity as on the date of financial results to meet its committed obligations for the foreseeable future. Further, there have been no significant changes in the internal control framework due to COVID 19. Since the situation is rapidly evolving, effect on the operations of the Company may be different from that estimated as at the date of approval of these financial results. The Company will continue to closely monitor any material changes to future economic condition from time to time.



13. Disclosures pertaining to Fund raising by issuance of Debt Securities by Large Corporate :

The Company, as per the SEBI circular SEBI/HO/DDHS/CIR/P/2018/144, and the definitions therein, is a Large Corporate and hence is required to disclose the following information about its borrowings.

i) Initial Disclosures as per Annexure – 'A' filed for the FY 2019-20 :

Particulars	Details
1) Name of the Company	Fullerton India Home Finance Company Limited
2) CIN	U65922TN2010PLC076972
3) Outstanding borrowings of the Company as on March 31, 2019	272,819
4) Highest Credit Rating During the previous FY along with name of the Credit Rating Agency	AA+ Stable Outlook (CARE Ratings Limited)
5) Name of Stock Exchange in which the fine shall be paid, in case of shortfall in the required borrowing under the framework	National Stock Exchange

ii) Initial Disclosures as per Annexure – 'A' for the FY 2020-21 :

Particulars	Details
1) Name of the Company	Fullerton India Home Finance Company Limited
2) CIN	U65922TN2010PLC076972
3) Outstanding borrowings of the Company as on March 31, 2020	364,130
4) Highest Credit Rating During the previous FY along with name of the Credit Rating Agency	AAA with stable outlook by CRISIL/CARE
5) Name of Stock Exchange in which the fine shall be paid, in case of shortfall in the required borrowing under the framework	National Stock Exchange

iii) Annual disclosure as per Annexure – B1 for the year ended March 31, 2020

Particulars	Details (in Lakhs)
1) Incremental borrowings done (a)	142,600
2) Mandatory borrowings to be done through issuance of debt securities (b) = 25% of (a)	35,650
3) Actual borrowings done through debt securities (c)	12,100
4) Shortfall in the mandatory borrowing through debt securities, if any (d) = (b) – (c)	23,550
5) Reason for short fall, if any, in mandatory borrowings through debt securities	Due to general risk averseness towards HFC/NBFC sectors by the investors in capital market

Notes :

- Figures pertain to long-term borrowing basis original maturity of more than one year (excludes External Commercial Borrowings, intercorporate borrowings between parent & subsidiaries and securitization portfolio outstanding)
- Figures are taken on the Basis of Cash flows / principal maturity value, excluding accrued interest, if any.

14. The figures for the half year ended March 31, 2020 and March 31, 2019 represent the derived figures between the audited figures in respect of the financial year ended 31 March 2020 and March 31, 2019 and the unaudited reported figures for the half year ended September 30, 2019 and September 30, 2018 respectively.

15. Financial results is as per Regulation 52 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. Information as required by Regulation 52(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is as per Annexure 1 attached.

16. Previous period / year figures have been regrouped / reclassified, wherever necessary, to conform to current period / year classification.

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



Rakesh Makkar
CEO & Whole Time Director

Date: June 08, 2020



Annexure-1

Additional disclosures required by Regulation 52 (4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

a Credit rating

	31 March 2020		31 March 2019
Particulars	CARE	CRISIL	CARE
Long Term			
Long Term Debt	CARE AAA with stable outlook	CRISIL AAA with stable outlook	AA+ Stable Outlook
Short Term			
Commercial Paper	CARE A1+	CRISIL A1+	CARE A1+

Long term debt rating upgraded to AAA from AA+ by CARE in the month of September 2019. Ratings are subject to annual surveillance.

b Debt Equity Coverage Ratio

Particulars	31 March 2020	31 March 2019
Debt Equity ratio*	5.2x	5.6x

* Debt equity ratio is calculated as:- Debt securities+ Borrowings divided by Equity

c Asset Cover available

All secured NCDs issued by the Company are fully secured by first pari-passu charge by mortgage of the Company's immovable property at Chennai and by hypothecation of book debts / loan receivables to the extent stated in the respective information memorandum.

d Previous due date for the payment of interest/ dividend for non-convertible redeemable preference shares/ repayment of principal of non-convertible preference shares /non convertible debt securities and whether the same has been paid or not;

Series No.	ISIN	Type (Principal / Interest)	Previous due date for payment of interest (1st April 2019-30th September 2019)	Amount (₹ lakhs)	Previous actual date for payment of interest
Series-4	INE213W07046	Interest	27-Oct-19	237	29-Oct-19
Series-5	INE213W07053	Interest	20-Nov-19	403	20-Nov-19
Series-6	INE213W07087	Interest	28-Nov-19	300	28-Nov-19
Series-10	INE213W07103	Interest	7-Jan-20	1,210	7-Jan-20
Series-11	INE213W07111	Interest	22-Mar-20	484	23-Mar-20

The Company doesn't have outstanding principal payable on Non Convertible Debentures.

e Next due date for the payment of interest/ dividend of non-convertible preference shares /principal along with the amount of interest/ dividend of non-convertible preference shares payable and the redemption amount/non convertible debt securities;

Series No.	Frequency for interest payment	Next due date for payment of interest/redemption (1st October 2019 to 31st March 2020)	Interest (₹ in lakhs)	Redemption (₹ in lakhs)	ISIN
Series-1	Bullet Payment	27-May-20	1,331	-	INE213W07012
Series-1	Bullet Payment	27-May-20	-	5,000	INE213W07012
Series-2	Yearly	11-Aug-20	322	-	INE213W07020
Series-3	Yearly	28-Aug-20	795	-	INE213W07038
Series-3	Yearly	28-Aug-20	-	10,000	INE213W07038
Series-6	Half-Yearly	28-May-20	296	-	INE213W07087
Series-9	Yearly	10-Aug-20	231	-	INE213W07095

f Debt service coverage ratio

31 March 2020	31 March 2019
0.67x	0.42x

g Interest service coverage ratio

31 March 2020	31 March 2019
1.37x	1.27x

h Outstanding redeemable preference shares (quantity and value);

The Company has not issued any preference shares. Also there are no outstanding preference shares from earlier years.

i Capital redemption reserve/debenture redemption reserve and debt / Interest -service coverage ratio;

Housing finance companies registered with National Housing Bank are not required to create Debenture Redemption Reserve (DRR) in case of privately placed debentures. Also, any requirements to create Capital Redemption Reserve (CRR) is not currently applicable to the Company.

j Net Worth

₹ in lakhs	31 March 2020	31 March 2019
Net Worth*	70,789	49,518

*Networth is calculated as:- Equity less prepayments

k Net Profit after tax

₹ in lakhs	31 March 2020	31 March 2019
Net Profit after tax	1,391	48

l Earning Per Share

₹	31 March 2020	31 March 2019
Earning Per Share	0.48	0.02

Regulation No. 61 (2)

The Company has not forfeited the unclaimed interest which is to be transferred to the 'Investor Education and Protection Fund' set up as per Section 125 of the Companies Act, 2013.

