



Independent Auditors' Report

To the members of PNB Housing Finance Limited

Report on the Financial Statements

We have audited the accompanying financial statements of PNB Housing Finance Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017 and its profit and its cash flows for the year ended on that date.

Emphasis of Matter

We refer to Note 3.2 to the financial statements, which describes the accounting treatment used by the Company in creating the Deferred Tax Liability on Special Reserve under section 36(1)(viii) of the Income Tax Act, 1961 as at April 1, 2014, which is in accordance with the National Housing Bank's Circular No. NHB (ND)/DRS/Pol. Circular No. 65/2014 dated August 22, 2014.

Our opinion is not qualified in respect of this matter.

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.
2. As required by section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 and the Cash Flow Statement 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 Accounting Standards 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 31st March, 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 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 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 has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 28(i) to the financial statements;
 - ii. The Company did not have any long term contracts including any derivative contracts for which there were any material foreseeable losses;
 - iii. The Company has generally been regular in depositing the amounts required to be transferred to the Investor Education and Protection Fund, though there have been a slight delays in a few cases.
 - iv. Company has provided requisite disclosures in its financial statements in Note 34 as to holdings as well as dealings in Specified Bank Notes during the period 8 November 2016 to 30 December 2016 and the same are in accordance with the books of accounts maintained by the company.
3. During the current financial year, the Company has issued fresh shares through an Initial Public Offer (IPO) due to which shareholding of Punjab National Bank has reduced from 51% to 39.08%. As a result, the Company no longer falls within the definition of a Government Company as defined in The Companies Act, 2013. Further, we have not received any directions from the Comptroller and Auditor General of India stipulated under section 143(5) of The Companies Act, 2013. Hence, no additional statement is being attached to this report.

For **B R Maheswari & Co LLP**
Chartered Accountants
Firm's Registration No. 001035N/500050

Sudhir Maheshwari
Partner
Membership No.081075

Place: New Delhi
Date: 12th May, 2017



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) Based upon the audit procedure performed and according to the records of the Company, the title deeds of all the immovable properties are held in the name of the Company
- 2) The provisions of paragraph (ii) of the order are not applicable to the Company, as the Company is engaged in the financial 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 2016-17, 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 complied with the directives issued by the Reserve Bank of India, provisions of section 73 to 76 and other relevant provisions of the Act, the Companies (Acceptance of Deposit) Rules, 2014 to the extent applicable, and The Housing Finance Companies (NHB) Directions, 2010, with regard to acceptance of deposits from the public. No order has been passed by the Company Law Board or the National Company Law Tribunal or Reserve Bank of India or by any other court or tribunal with regard to such deposits.
- 6) Since the Company is engaged in the financial services sector, provisions of sub-section (1) of section 148 of the Companies Act, 2013 are not applicable to 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, 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 31st March, 2017 for a period of more than six months from the date they become payable.
(b) According to the information and explanations given to us, the details of disputed amount of Income Tax, Value Added Tax, Sales Tax, Excise Duty, Custom Duty, Service Tax and Cess not deposited by the Company are as follows :

Name of the statute	Nature of the dues	Amount under dispute (₹ in crores)	Period to which the amount relates (Assessment Year)	Forum where dispute is pending
Income tax Act, 1961	Income tax	1.96	2013-14	CIT(A)
Income tax Act, 1961	Income tax	0.43	2012-13	CIT(A)
Income tax Act, 1961	Income tax	0.43	2011-12	ITAT
Income tax Act, 1961	Income tax	0.32	2010-11	ITAT
Income tax Act, 1961	Income tax	14.98	2009-10	ITAT
Income tax Act, 1961	Income tax	0.53	2008-09	ITAT
Income tax Act, 1961	Income tax	0.40	2007-08	ITAT
Income tax Act, 1961	Income tax	0.76	2006-07	ITAT
Income tax Act, 1961	Income tax	0.52	2005-06	ITAT
Total		20.33		

- 8) Based on the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of loans and borrowings to the financial institutions, banks or debenture holders. The Company did not have any outstanding loans and borrowings from government during the year.
- 9) In our opinion and according to the information and explanations given to us, the Company has utilized the money raised by way of initial public offer and term loans during the year for the purpose for which they were obtained.
- 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, although there have been few instances of loans becoming doubtful of recovery consequent upon fraudulent misrepresentation by borrowers, the amounts whereof are not material in the context and size of the Company and the nature of its business and which have been provided for.
- 11) In our opinion, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- 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/500050

Sudhir Maheshwari
Partner
Membership No.081075

Place: New Delhi
Date: 12th May, 2017



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 PNB Housing Finance Limited (“the Company”) as of March 31st, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control 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 31st March, 2017 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/500050

Sudhir Maheshwari
Partner
Membership No.081075

Place: New Delhi
Date: 12th May, 2017



Balance Sheet as at March 31st, 2017

(₹ in crores)

	Note	As at March 31st, 2017	As at March 31st, 2016
EQUITY AND LIABILITIES			
Shareholder's Funds			
Share Capital	2	165.64	126.92
Reserves and Surplus	3	5,411.67	2,018.98
		5,577.31	2,145.90
Non-Current Liabilities			
Long-Term Borrowings	4	24,083.96	16,646.22
Deferred Tax Liabilities (Net)	5	46.86	30.47
Other Long-Term Liabilities	6	103.90	100.79
Long-Term Provisions	7	242.45	160.93
		24,477.17	16,938.41
Current Liabilities			
Short-Term Borrowings	8	7,947.41	7,448.41
Trade Payables	9	93.56	75.24
Other Current Liabilities	10	4,836.06	2,991.87
Short-Term Provisions	7	28.04	71.12
		12,905.07	10,586.64
TOTAL		42,959.55	29,670.95
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	11	47.77	48.15
Intangible Assets	11	10.63	9.96
Capital Work-in-Progress		2.03	4.05
Non-Current Investments	12	961.35	782.10
Long-Term Loans And Advances	13	36,443.79	25,623.56
Other Non-Current Assets	14	278.43	188.01
		37,744.00	26,655.83
Current Assets			
Current Investments	15	2,318.21	840.17
Cash and Bank Balances	16	151.47	248.54
Short-Term Loans and Advances	17	39.94	18.01
Other Current Assets	18	2,705.93	1,908.40
		5,215.55	3,015.12
TOTAL		42,959.55	29,670.95

Significant Accounting Policies 1
The accompanying 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

Sudhir Maheshwari
Partner
M No : 081075
FR No : 001035N/N500050

Sanjaya Gupta
Managing Director
DIN: 02939128

Sunil Mehta
Chairman
DIN: 07430460

Dr. Gourav Vallabh
Director
DIN: 02972748

Place: New Delhi
Date: May 12, 2017

Sunil Kaul
Director
DIN: 05102910

Jayesh Jain
Chief Financial Officer
FCA: 110412

Sanjay Jain
Company Secretary
FCS: 002642

Statement of Profit and Loss for the year ended March 31st, 2017

(₹ in crores)

	Note	Current year	Previous year
INCOME			
Revenue from Operations	19	3,907.70	2,697.92
Other Income		0.15	0.75
TOTAL REVENUE		3,907.85	2,698.67
EXPENSES			
Finance Cost	20	2,643.65	1,860.29
Employee Benefit Expense	21	101.26	75.28
Office Operating Expenses	22	74.95	56.43
Other Expenses	23	162.44	105.33
Depreciation & Amortisation	11	18.63	15.04
Provisions and Contingencies	24.14	97.53	80.66
Bad Debts Written-off		5.38	2.55
TOTAL EXPENSES		3,103.84	2,195.58
PROFIT BEFORE TAX		804.01	503.09
Less: Provision for Taxation -Current Tax		264.00	165.98
-Earlier years		-	1.35
-Deferred Tax (Net)		16.28	9.29
PROFIT AFTER TAX		523.73	326.47
Earnings Per Share (Face Value of ₹ 10/- per Share)	26		
-Basic (in ₹)		36.72	27.48
-Diluted (in ₹)		36.15	27.48

Significant Accounting Policies
The accompanying 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

For and on behalf of the Board

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M No : 081075
FR No : 001035N/N500050

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Managing Director
DIN: 02939128

Sunil Mehta
Chairman
DIN: 07430460

Dr. Gourav Vallabh
Director
DIN: 02972748

Place: New Delhi
Date: May 12, 2017

Sunil Kaul
Director
DIN: 05102910

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Chief Financial Officer
FCA: 110412

Sanjay Jain
Company Secretary
FCS: 002642



Cash Flow Statement for the year ended March 31st, 2017 (Indirect Method)

(₹ in crores)

	Current Year	Previous Year
CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax	804.01	503.09
Adjustment for non-cash items, to be disclosed separately		
Add: Depreciation and Amortisation	18.63	15.04
Loss/(Profit) on sale of fixed assets	(0.01)	0.12
Provisions and Contingencies	97.53	80.66
Bad Debts Written-off	5.38	2.55
	121.53	98.37
Operating Profits before Changes in Working Capital	925.54	601.46
Adjustment for Changes in Working Capital and Provisions		
Increase/ (Decrease) in Trade Payables	18.32	17.50
Increase/ (Decrease) in Long-Term Provision	3.03	2.39
Increase/ (Decrease) in Short-Term Provision	0.43	0.08
Increase/ (Decrease) in Other Current Liabilities	251.14	499.96
Increase/ (Decrease) in Other Long-Term Liabilities	49.44	(97.73)
(Increase)/ Decrease in Long-Term Loans & advances	(10,825.61)	(11,243.94)
(Increase)/ Decrease in Short-Term Loans & advances	(14.01)	0.30
(Increase)/ Decrease in Other Non-Current Assets	(70.26)	(64.82)
(Increase)/ Decrease in Other Current Assets	(808.50)	659.80
Investments (Net)	(1,660.27)	(38.42)
(Increase)/ Decrease in Other Bank Balances	(3.79)	164.39
	(13,060.08)	(10,100.48)
Cash Generated from Operations	(12,134.54)	(9,499.02)
Taxes Paid (net of refunds)	(271.93)	(165.44)
A. NET CASH USED IN OPERATING ACTIVITIES	(12,406.47)	(9,664.46)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(16.94)	(19.71)
Sale of Fixed Assets	0.06	0.07
	(16.88)	(19.64)
B. NET CASH USED IN INVESTING ACTIVITIES	(16.88)	(19.64)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from borrowings		
Bonds	5,381.00	5,015.00
Banks	3,100.08	-
Deposits (net)	2,851.40	5,774.35
Commercial paper	14,295.00	15,825.00
Repayment of borrowings		
Commercial paper	(14,950.00)	(12,400.00)
Bonds	(190.00)	(100.00)

(₹ in crores)

	Current Year	Previous Year
Banks	(1,015.77)	(4,581.44)
Proceeds from issue of Share Capital	38.72	23.08
Share Premium Received	2,961.28	276.92
Share Premium Utilised	(100.61)	-
Dividend paid (including dividend distribution tax)	(48.61)	(29.01)
C. NET CASH FROM IN FINANCING ACTIVITIES	12,322.49	9,803.90
NET CHANGES IN CASH & CASH EQUIVALENTS (A+B+C)	(100.86)	119.79
Cash or Cash equivalents (Opening Balance)	166.71	46.92
Cash or Cash equivalents (Closing Balance)	65.85	166.71
NET INCREASE / (DECREASE) OF CASH & CASH EQUIVALENTS DURING THE YEAR	(100.86)	119.79

NOTE : Figures in bracket denotes application of cash

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

For and on behalf of the Board

Sudhir Maheshwari
Partner
M No : 081075
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Chief Financial Officer
FCA: 110412

Sanjay Jain
Company Secretary
FCS: 002642



NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31st, 2017

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 GENERAL METHOD AND SYSTEM OF ACCOUNTING

- 1.1.1 The financial statements are prepared under the historical cost convention on accrual basis of accounting and in accordance with accounting principles generally accepted in India. The financial statements comply in all material aspects with the Accounting Standards specified under section 133 of Companies Act, 2013 read with Rule 7 of the Company (Accounts Rules 2014) and the relevant provisions of the Companies Act, 2013, the National Housing Bank Act, 1987 and the Housing Finance Companies (NHB) Directions, 2010 as amended from time to time, unless stated otherwise hereinafter. Accounting Standards (AS) and Guidance Notes issued by The Institute of Chartered Accountants of India (“ICAI”) are followed insofar as they are not inconsistent with the NHB Directions, 2010.
- 1.1.2 Accounting policies not specifically referred to otherwise are consistent with the generally accepted accounting principles followed by the Company.
- 1.1.3 The preparation of financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.
- 1.1.4 The Company has adopted the accrual concept in the preparation of the financial statements. The Balance Sheet and the Statement of Profit and Loss of the Company are prepared in accordance with the provisions contained in Section 129 of the Companies Act, 2013, read with Schedule III.
- 1.1.5 Amounts in the financial statements are presented in “crores”, except for per share data and as otherwise stated. All exact amounts are stated with suffix “/-”.

1.2 INFLATION

Assets and liabilities are recorded at historical cost to the Company. These costs are not adjusted to reflect the changing value in the purchasing power of money.

1.3 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.

1.4 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.

1.5 CASH AND CASH EQUIVALENTS (FOR PURPOSES OF CASH FLOW STATEMENT)

Cash comprises cash-on-hand and demand deposits with banks. Cash equivalents are short-term 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.

1.6 REVENUE RECOGNITION

- 1.6.1 Interest income on Loans is recognised on accrual basis except in case of non-performing assets where interest is accounted on realisation. Interest on loans is computed either on an annual rest, on a monthly rest or on a daily rest basis depending upon loan product. EMIs commence once the entire loan is disbursed. Certain customers request for commencement of regular principal repayments even before the entire loan is disbursed, especially when the projects are of long gestation. Pending commencement of EMIs, Pre-EMI interest is charged every month. Interest on loans purchased through direct assignment is recognised on accrual basis.
- 1.6.2 Interest income on Investment is recognized on accrual basis. Dividend income is recognised when the right to receive is established. The gain / loss on account of long-term Investment at discount / premium in Debentures / Bonds and Government Securities, is amortised over the life of the security on a pro-rata basis.
- 1.6.3 The gain/losses on sale of investments are recognised in the Statement of Profit and Loss on the trade date. Gain or loss on Sale of investment is determined after consideration of cost on a weighted average basis.
- 1.6.4 Income from login fee, other charges and penal interest on defaults, pre-payment charges etc. is recognised on receipt basis. Processing Fee on loans is recognised over the average tenure of the loan. The average tenure of loan has been arrived at based on the experience of repayment behaviour of the borrowers.
- 1.6.5 Income from servicing of securitised/assigned portfolio and renting of space in our offices and website is recognised on accrual basis.
- 1.6.6 Other income and interest on tax refunds are accounted for on receipt basis.

1.7 TANGIBLE ASSETS

Tangible Assets are capitalised at cost including all expenses incidental to the acquisition/ installation.

1.8 INTANGIBLE ASSETS

Intangibles Assets are recognised where it is possible that the future economic benefit attributable to the asset will flow to the Company and its cost can be reliably measured. Intangibles are capitalised at cost including all expenses attributable for bringing the same in its working condition.

1.9 DEPRECIATION / AMORTISATION

Tangible Assets

Depreciation on Tangible Assets is provided on the Straight Line Method as per the useful life prescribed in Part C of Schedule II of the Companies Act, 2013 on pro-rata basis, except the following category of asset, in whose case the life of the assets has been assessed as under, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc. on which different useful lives for depreciation have been charged:

- a) Networking Equipment and Mobile phone instruments are depreciated over a period of five and three years respectively.
- b) Leasehold Improvements are depreciated over a period of five years.
- c) Assets costing up to ₹ 5,000/- is fully depreciated in the year of purchase.

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.



1.10 INVESTMENTS

Investments are capitalised at cost inclusive of brokerage and stamp charges. Investments are classified as Non-Current Investment (long-term investments) and current investments and are valued in accordance with guidelines of National Housing Bank and Accounting Standard on 'Accounting for Investments' (AS-13).

1.11 EMPLOYEE BENEFITS

1.11.1 Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under:

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

1.11.2 Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date.

1.11.3 Defined Contribution Plan

The Company's contribution to Provident Fund and Employee State Insurance Scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

1.11.4 Defined Benefit Plan

The Company has defined benefit plans as Leave Encashment/Compensated Absences and gratuity for all eligible employees, the liability for which is determined based on an actuarial valuation at the end of the year using the 'Projected Unit Credit Method'. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised in the Statement of Profit and Loss as income or expenses, as applicable.

1.11.5 Employees Stock Options Scheme

The Company has introduced the Employee Stock Option Scheme ('the Scheme') which provides for the grant of options to acquire equity shares of the Company to its employees. The options granted to employees vest in a graded manner and these may be exercised by the employees within a specified period. The Company follows the intrinsic value method to account for its stock-based employee compensation plans. Compensation cost, if any, is amortised over the vesting period.

1.12 BORROWING COSTS

- 1.12.1 Interest on borrowings are recognised as an expense in the period in which they are incurred.
- 1.12.2 Ancillary cost in connection with long-term borrowing are amortised to the Statement of Profit and Loss over the tenure of the borrowing.
- 1.12.3 Brokerage and incentive on deposits is amortised over the period of the deposit.
- 1.12.4 All other borrowing costs are charged to the Statement of Profit and Loss.

1.13 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.

In case of a forward exchange contracts, the exchange difference between the forward rate and the exchange rate at the date of transaction is recognised as income or expense over the life of the contract in line with Accounting Standard on 'Accounting for the Effects of Changes in Foreign Exchange Rates' (AS-11) issued by the Institute of Chartered Accountants of India.

1.14 DERIVATIVE TRANSACTIONS

The derivative contracts are initially recognised at fair value on the date of the transaction and all outstanding derivative transactions, on the date of balance sheet, are revalued at their fair market value, on that date. Profit/Losses, on revaluation, are recognised in the Statement of Profit and Loss. Where hedge accounting is used, fair value changes of the derivative contracts are recognised through the Statement of Profit and Loss in the same period as the offsetting losses and gains on the hedged item. Any profit/loss arising on cancellation/unwinding of derivative contracts are recognised as income or expenses for the period. Premium / discount on derivative contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts, if such contracts relate to monetary items as at the Balance Sheet date.

1.15 SHARE ISSUE EXPENSES

Share issue expenses, net of tax, are adjusted against the Securities Premium Account, as permissible under Section 52(2) of the Companies Act, 2013, to the extent of balance available and thereafter, the balance portion is charged to the Statement of Profit and Loss, as incurred.

1.16 OPERATING LEASES

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.

1.17 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.

1.18 TAXES ON INCOME

Taxes on Income are accounted for in accordance with Accounting Standard "Accounting for taxes on income" (AS 22), issued by The Institute of Chartered Accountants of India. Income tax comprises both current and deferred tax.

Current tax is measured based on estimated taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961 and rules made thereunder.

The tax effect of timing differences that result between taxable income and accounting income and are capable of reversal in one or more subsequent periods are recorded as a deferred tax asset or deferred tax liability. Such deferred tax is quantified using the tax rates and laws enacted of substantively enacted as on Balance Sheet date. The carrying amount of deferred tax asset/liability is reviewed at each Balance Sheet date and consequential adjustments are carried out.

Deferred tax assets arising on account of other timing differences are recognised only to the extent there is a reasonable certainty of its realisation.



1.19 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) Contingent liabilities are disclosed when the Company has a possible or present obligation where it is not probable that an outflow of resources will be required to settle it.
- iii) Contingent Assets are neither recognised nor disclosed in the financial statements.

1.20 PROVISION FOR STANDARD ASSETS, NON-PERFORMING ASSETS (NPAs) AND CONTINGENCIES

The Company's policy is to carry adequate amounts towards Provision for Standard Assets, Non-Performing Assets (NPAs) and other contingencies. All loans and other credit exposures where the instalments are overdue for more than ninety days are classified as NPAs in accordance with the prudential norms prescribed by the National Housing Bank (NHB). The provisioning policy of the Company covers the minimum provisioning required as per the NHB guidelines.

The Company also has a policy to create and carry a provision over and above the provisioning requirements as prescribed in NHB Directions for Standard Assets and NPAs, under the Provision for Contingencies Account. The provision under this head is made with regards to loan accounts and other credit exposure which are classified as standard assets on the balance sheet date, however these were classified as NPA in the last 12 months / payments in these loan accounts have not been regular / loan accounts where customers have reported slow progress of construction of the underlying dwelling unit.

1.21 STOCK OF ACQUIRED PROPERTIES

The assets acquired by the Company under SARFAESI Act, 2002 are classified as 'Stock of Acquired Properties' and are valued at outstanding dues or net realisable value, whichever is lower.

1.22 LOAN ORIGATION / ACQUISITION COST

All direct costs incurred for the loan origination are amortised over the average tenure of the loan. The average tenure of loan has been arrived, based on the experience of repayment behaviour of the borrowers.

1.23 UNCLAIMED DEPOSITS

Deposits, which have become due but have not been presented for payment or renewal, are transferred to unclaimed deposits. Interest for the period from last maturity date till the date of renewal of unclaimed deposits is accounted for during the year of its renewal.

1.24 IMPAIRMENT OF 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.

1.25 SECURITISATION OF LOANS

Securitized and assigned assets are de-recognised in the books of the Company based on the principle of transfer of ownership over the assets.

Transfer of pool of loan assets under the current RBI guidelines involve transfer of proportionate shares in the pool of loan assets. Such transfers result in de-recognition only of that proportion of the loan assets which meets the de-recognition criteria. The portion retained by the Company continue to be accounted for as loan assets as described above.

On de-recognition, the difference between the book value of the securitised loan assets and consideration received is recognised as gain arising on securitisation in the Statement of Profit and Loss over the balance maturity period of the pool transferred. Losses, if any, arising from such transactions, are recognised immediately in the Statement of Profit and Loss.

2. SHARE CAPITAL

(₹ in crores)

	As at March 31st, 2017	As at March 31st, 2016
Authorised Share Capital		
50,00,00,000 Equity Shares of ₹ 10/- each (Previous year 15,00,00,000 Equity Shares)	500.00	150.00
Equity Share Capital		
Issued, Subscribed and Paid-up Capital		
16,56,42,309 Equity Shares of ₹ 10/- each fully Paid up (Previous year 12,69,23,000 Equity Shares of ₹ 10/- each)	165.64	126.92
	165.64	126.92

2.1 RECONCILIATION OF NUMBER OF SHARES

	As at March 31st, 2017		As at March 31st, 2016	
	No. of Shares	(₹ in crores)	No. of Shares	(₹ in crores)
Equity Shares				
At the beginning of the year	12,69,23,000	126.92	12,69,23,000	103.85
Issued during the year	3,87,19,309	38.72	-	23.07
Outstanding at the end of the year	16,56,42,309	165.64	12,69,23,000	126.92

2.2 During the year, the Company has raised capital of ₹ 3,000 crores through Initial Public Offer (IPO) by issuing 3,87,19,309 Equity Shares of ₹ 10/- each.

2.3 DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% SHARES IN THE COMPANY

Name of Shareholder	As at March 31st, 2017		As at March 31st, 2016	
	No. of Shares	% of Holding	No. of Shares	% of Holding
i) Punjab National Bank	6,47,30,700	39.08%	6,47,30,700	51.00%
ii) Destimoney Enterprises Limited*	-	-	6,21,92,300	49.00%
iii) Quality Investments Holdings*	6,21,92,300	37.55%	-	-
iv) General Atlantic Singapore FII Pte Limited	1,14,24,537	6.90%	-	-

* During the financial year ended March 31st, 2017, Destimoney Enterprises Limited transferred 6,21,92,300 equity shares to its holding company Quality Investments Holdings pursuant to in-specie distribution of its assets as per winding-up scheme.



2.4 TERMS/RIGHTS ATTACHED TO EQUITY SHARES

The Company has only one class of Equity Shares having a par value of ₹ 10/- per Share. Each Shareholder is entitled to one vote per Equity Share held.

2.5 RIGHTS ISSUE OF EQUITY SHARES

During the financial year ended March 31st, 2016, the Company has called third and final call of ₹ 3/- alongwith proportionate premium of ₹ 36/- per share on 7,69,23,000 Equity Shares and was fully received.

2.6 ISSUE OF BONUS SHARES

During the financial year ended March 31st, 2013, the Company had issued 64,70,589 Equity Shares of ₹ 10/- each as fully paid up Bonus Shares after capitalisation of General Reserves of ₹ 6.47 crores to shareholders in proportion of their shareholding.

Apart from the issue of bonus shares as mentioned above, the Company has not allotted any share pursuant to contracts without payment being received in cash nor has it bought back any shares during the preceding period of 5 financial years.

2.7 SHARES RESERVED FOR ISSUE UNDER ESOP

i) The Nomination and Remuneration Committee of Directors (NRC) at its meeting held on March 18th, 2016 had recommended the grant of 41,88,459 stock options, under ESOP-16, to the eligible employees and Managing Director. At the Extra Ordinary General Meeting (EGM) held on 22nd April, 2016, the shareholders had approved the issue of 41,88,459 stock options representing 41,88,459 equity shares of ₹ 10/- each to the eligible employees and Managing Director of the Company.

Out of 41,88,459 stock options, 38,07,690 stock options have been granted on April 22, 2016 representing 38,07,690 equity shares of ₹ 10/- each under PNB Housing Finance Limited of "Employee Stock Options (ESOPs) Policy 2015-16 (ESOP-2016)", to the eligible employees and Managing Director. In terms of ESOP-2016, the options would vest over a period of 4 years from the date of grant. The options can be exercised over a period of three years from the date of respective vesting. Accordingly, no options have vested during the current year.

ii) Method used for accounting for Share based payment plan: Intrinsic Value Method has been used to account for the employee share based payment plans. The intrinsic value of each stock option granted under the ESOP-2016 is ₹ Nil, since the market price of underlying share at the grant date was same as the exercise price and consequently, the accounting value of the option (compensation cost) is ₹ Nil.

iii) Movement in stock options ESOP-2016 plan is as follows:

Particulars	ESOP-2016
Options outstanding at the beginning of the year	-
Options not vested at the beginning of the year	-
Options granted during the year	3,807,690
Options vested during the year	-
Options exercised during the year	-
Options lapsed during the year	25,000
Options vested but not exercised at end of the year	-
Options not vested at end of the year	3,782,690
Options exercisable at the end of the year	3,782,690
Weighted Average Exercise Price per option (₹)	338

- iv) Black-Scholes Model have been used to derive the estimated value of stock option granted, if the fair value method to account for the employee share based payment plans were to be used. The estimated value of each stock options and the parameters used for deriving the estimated value of Stock Option granted under Black-Scholes Model is as follows:

Particulars	ESOP-2016
Estimated Value of Stock Option (₹)	111.71
Share Price at Grant Date (₹)	338
Exercise Price (₹)	338
Expected Volatility (%)	0.4065
Dividend Yield Rate (%)	1.24
Expected Life of Options (year)	3
Risk Free Rate of Interest (%)	7.23

- v) Had the compensation cost for the stock options granted under ESOP - 2016 been determined on fair value approach, Company's Profit After Tax and earnings per share would have been as per the pro-forma amounts indicated below :

(₹ in crores)

Particulars	31-Mar-17
Adjusted Profit After Tax as reported	523.73
Less :Amortisation of Compensation Cost (pro-forma)	17.95
Profit considered for computing EPS (pro-forma)	505.78
Earnings Per Share - Basic (₹)	
-as reported	36.72
-pro-forma	35.45
Earnings Per Share - Diluted (₹)	
-as reported	36.15
-pro-forma	34.90



3. RESERVES AND SURPLUS

(₹ in crores)

	As at March 31st, 2017	As at March 31st, 2016
Special Reserve		
Created under Section 36(1) (viii) of the Income Tax Act,1961		
Opening Balance	239.76	181.36
Add: Transferred from the Statement of Profit and Loss	95.00	58.40
	334.76	239.76
Statutory Reserve		
As per Section 29 C of National Housing Bank Act, 1987		
Opening Balance	30.24	23.34
Add: Transferred from the Statement of Profit and Loss	10.60	6.90
	40.84	30.24
General Reserve		
Opening Balance	427.87	392.13
Add: Transferred from the Statement of Profit and Loss	52.39	48.97
Less: Utilised for creating Deferred Tax Liability on Special Reserve	26.00	13.23
	454.26	427.87
Securities Premium Account		
Opening Balance	1,045.86	768.94
Add: Premium on issue of equity shares	2,961.28	276.92
Less: Share Issue Expenses [Net of Tax of ₹ 25.88 crores (Previous Year ₹ Nil)]	74.72	-
	3,932.42	1,045.86
Cash Flow Hedge Reserve		
Opening Balance	-	-
Add:- Created during the year	8.40	-
Less:- Utilised during the year	-	-
Closing Balance	8.40	-
Surplus in the Statement of Profit and Loss		
Opening Balance	275.25	111.66
Profit for the year	523.73	326.47
Amount Available for Appropriation	798.98	438.13
Appropriations		
-Special Reserve	95.00	58.40
-Statutory Reserve (U/s. 29C of the NHB Act)	10.60	6.90
-General Reserve	52.39	48.97
-Proposed Dividend	-	40.39
-Dividend Distribution Tax	-	8.22
Net Surplus in the Statement of Profit and Loss	640.99	275.25
	5,411.67	2,018.98

3.1 As per Section 29C(i) of the National Housing Bank Act, 1987, the Company is required to transfer at least 20% of its net profit every year to a reserve before any dividend is declared. For this purpose any Special Reserve created by the Company under Section 36(1) (viii) of the Income Tax Act, 1961 is considered to be an eligible transfer. The Company has transferred an amount of ₹ 95.00 crores (Previous year ₹ 58.40 crores) to Special Reserve in terms of Section 36(1) (viii) of the Income Tax Act, 1961.

3.2 Vide circular NHB (ND)/DRS/Policy Circular 65 / 2014-15 dated August 22, 2014, the National Housing Bank ("NHB") has directed Housing Finance Companies (HFCs) to provide for a deferred tax liability in respect of amount transferred to "Special Reserve" created under section 36(1)(viii) of the Income Tax Act, 1961. As per the above circular, NHB has advised HFCs to create deferred tax liability in respect of accumulated balance of Special Reserve as on April 1, 2014 from the free reserves over a period of 3 years starting with financial year 2014-15, in a phased manner in the ratio of 25:25:50. Accordingly, the Company has adjusted the balance in General Reserves as at April 01, 2016 by ₹ 26.00 crores (Previous year ₹ 13.23 crores) with respect to third and final tranche of deferred tax liability on Special Reserve balance as at April 01, 2014.

The Company has charged its Statement of Profit and Loss for the year ended March 31st, 2017 by ₹ 31.01 crores (Previous year ₹ 20.40 crores) with the deferred tax liability on an additional amount appropriated towards Special Reserve out of current year's profit. This amount is reflected under the head "Tax Expenses".

3.3 The Company has transferred an amount of ₹ 10.60 crores (Previous year ₹ 6.90 crores) to Statutory Reserve u/s 29C of the National Housing Bank Act, 1987.

3.4 "Ministry of Corporate Affairs amended the Companies (Accounting Standards) Rules, 2006 on March 30th, 2016 and vide its General Circular No 4/2016 dated 27.04.2016 has clarified that Companies (Accounting Standards) Amendment Rules, 2016 would be applicable for preparation of accounts for accounting periods commencing on or after the date of notification, i.e. w.e.f. from FY16-17.

According to this amendment, the proposed dividend shall not be recognised as liability until approved by the Shareholders. In terms of this amendment, the dividend for financial year of ₹ 6/- per equity share of ₹ 10/- each, as proposed by the Board of Directors, has not been recognised as liability in annual accounts for FY17. If the dividend proposed is approved by the shareholders, the outflow for dividend will be ₹ 99.39 crores and dividend tax will be ₹ 20.23 crores. The same will be recognised as liability on approval of shareholders in the ensuing Annual General Meeting.

On account of this change, the accounting policy followed for recognising the proposed dividend for current financial year and previous financial year are different and hence financial statements for these two years are not comparable, to that extent. "

4. LONG-TERM BORROWINGS

(₹ in crores)

	Non-Current Maturities		Current Maturities	
	As at March 31st, 2017	As at March 31st, 2016	As at March 31st, 2017	As at March 31st, 2016
Secured Borrowings				
Term Loans				
National Housing Bank	2,481.06	1,826.40	267.34	252.45
Banks	150.00	586.84	436.85	572.62
External Commercial Borrowing	1,461.46	610.70	50.09	-
Redeemable Non-Convertible Debentures	11,972.00	8,580.00	1,200.00	190.00
	16,064.52	11,603.94	1,954.28	1,015.07
Unsecured Borrowings				
Redeemable Non-Convertible Subordinated Debentures	1,399.00	610.00	-	-
Deposits	6,620.44	4,432.28	1,511.49	903.98
	8,019.44	5,042.28	1,511.49	903.98
Current Maturity of Long-Term Borrowings disclosed under the head "Other Current Liabilities" (Note 10)	-	-	(3,465.77)	(1,919.05)
	24,083.96	16,646.22	-	-



4.1 REFINANCE FROM NATIONAL HOUSING BANK (NHB) AND TERM LOANS FROM BANKS:

Nature of Security

- Refinance from National Housing Bank (NHB) and Term Loans from Banks other than Punjab National Bank are secured by hypothecation of specific loans/ book debts against which Refinance/ Term Loan has been availed.
- Term Loan from Punjab National Bank are secured by hypothecation of book debts and negative lien on properties charged to the Company against loans disbursed.

Maturity Profile of Term Loans from National Housing Bank :

(₹ in crores)

Maturities	≤ 1 year	1 - 3 years	3 - 5 years	> 5 years	Total
Rate of interest					
6.00% - 8.00%	53.55	124.68	116.23	368.24	662.70
	(9.97)	(13.29)	(8.46)	-	(31.72)
8.01% - 10.00%	213.79	551.85	549.10	770.96	2,085.70
	(179.37)	(239.16)	(460.08)	(1,168.52)	(2,047.13)
Total	267.34	676.53	665.33	1,139.20	2,748.40
	(189.34)	(252.45)	(468.54)	(1,168.52)	(2,078.85)

(Previous year figures are in bracket)

Maturity Profile of Term Loans from Banks :

(₹ in crores)

Maturities	≤ 1 year	1 - 3 years	3 - 5 years	> 5 years	Total
Rate of interest					
8.50% - 9.00%	124.68	-	-	-	124.68
	-	-	-	-	-
9.25% - 11.00%	312.17	150.00	-	-	462.17
	(572.62)	(536.84)	(50.00)	-	(1,159.46)
Total	436.85	150.00	-	-	586.85
	(572.62)	(536.84)	(50.00)	-	(1,159.46)

(Previous year figures are in bracket)

4.2 EXTERNAL COMMERCIAL BORROWING

- The Company has availed External Commercial Borrowing of USD 100 million in FY15 and USD 150 million in FY17 for financing prospective buyers of low cost affordable housing units under “approval route” in terms of the RBI guidelines dated December 17, 2012. This facility is secured against eligible affordable housing loans. In terms of the RBI guidelines, these borrowings have been swapped into rupees for the entire tenure by way of principal only swaps and interest payable (fixed coupon) have been swapped into Rupees for the loan tenure by way of interest only swaps. The Company, in terms of the RBI guidelines, is required to keep these swap agreement for entire tenure of the borrowing.
- Consequent to the Guidance Note on Accounting for Derivative Contracts (the “GN”) issued by the Institute of Chartered Accountants of India, becoming effective from April 1, 2016, the Company has changed its accounting policy relating to derivative contracts. On and from that date, all derivative contracts are recognised in the balance sheet and measured at fair value. The fair value changes are recognised in the Statement of Profit and Loss unless hedge accounting is used. Where hedge accounting is used, fair value changes of the derivative contracts are recognised through the Statement of Profit and Loss in the same period as the offsetting losses and gains on

the hedged item. There is no material impact on the results of the Company for the year, as a result of change in this accounting policy.

- iii) As on March 31st, 2017, the Company has outstanding foreign currency borrowings of USD 233.13 million equivalent (Previous year USD 100 million). The Company has currency swap contracts on a outstanding notional amount of USD 233.13 million equivalent (Previous year USD 100 million) to hedge the foreign currency risk. Further, interest rate swaps (fixed coupon only) on a notional amount of USD 233.13 million equivalent (Previous year USD 100 million) are outstanding, which have been undertaken to hedge the foreign currency risk arising out of interest payment on the said External Commercial Borrowing.

Maturity Profile of External Commercial Borrowings:

(₹ in crores)

Maturities	≤ 1 year	1 - 3 years	3 - 5 years	> 5 years	Total
Rate of interest					
USD LIBOR +170 -200 bps	50.09	744.19	192.08	525.19	1,511.55
	-	-	(610.70)	-	(610.70)

(Previous year figures are in bracket)

4.3 SECURED REDEEMABLE NON-CONVERTIBLE DEBENTURES

Nature of Security

Redeemable Non-Convertible Debentures are secured by hypothecation of book debts to the extent of 1.10 to 1.25 times of outstanding amount. In addition, all the Redeemable Non-Convertible Debentures are also secured by mortgage of buildings of ₹ 0.77 Crore (Refer Note 11)

Term of Repayment

(₹ in crores)

Maturities	≤ 1 year	1 - 3 years	3 - 5 years	> 5 years	Total
Rate of interest					
7.01% - 8.00%	-	800.00	1,275.00	-	2,075.00
	-	-	-	-	-
8.01% - 9.00%	300.00	2,783.00	4,664.00	800.00	8,547.00
	(100.00)	(300.00)	(4,430.00)	(1,300.00)	(6,130.00)
9.01% - 10.00%	900.00	360.00	460.00	830.00	2,550.00
	(90.00)	(1,230.00)	(60.00)	(1,260.00)	(2,640.00)
Total	1,200.00	3,943.00	6,399.00	1,630.00	13,172.00
	(190.00)	(1,530.00)	(4,490.00)	(2,560.00)	(8,770.00)

(Previous year figures are in bracket)

4.4 UNSECURED REDEEMABLE NON-CONVERTIBLE DEBENTURES

Redeemable Non-Convertible Subordinated Debentures, for value aggregating to ₹ 1,399.00 crores (Previous year ₹ 610.00 crores) are subordinated debt to present and future senior indebtedness of the Company and qualify as Tier II Capital under National Housing Bank's (NHB) guidelines for assessing capital adequacy. Based on the balance term to maturity as at March 31st, 2017, 100% (Previous year 100%) of the book value of Subordinate debt is considered as Tier II capital.



(₹ in crores)

Maturities	≤ 1 year	1 - 3 years	3 - 5 years	> 5 years	Total
Rate of interest					
8.00% - 9.00%	-	-	-	1,199.00	1,199.00
	-	-	-	(410.00)	(410.00)
9.01% - 10.00%	-	-	-	200.00	200.00
	-	-	-	(200.00)	(200.00)
Total	-	-	-	1,399.00	1,399.00
	-	-	-	(610.00)	(610.00)

(Previous year figures are in bracket)

4.5 DEPOSITS

Deposit includes Public Deposits as defined in Paragraph 2(1)(y) of the Housing Finance Companies (NHB) Directions, 2010, are secured by floating charge on the Statutory Liquid Assets maintained in terms of sub-sections (1) & (2) of Section 29B of the National Housing Bank Act, 1987. As on March 31st, 2017, the public deposits outstanding amounts to ₹ 8,526.42 crores (Previous year ₹ 5,431.25 crores).

The Company is carrying Statutory Liquid Assets amounting to ₹ 961.55 crores (Previous year ₹ 895.79 crores) comprising of Investment of ₹ 961.55 crores (Previous year ₹ 813.96 crores) and Fixed Deposits of ₹ Nil (Previous year ₹ 81.83 crores).

5. DEFERRED TAX LIABILITIES (NET)

In accordance with Accounting Standard on 'Accounting for Taxes on Income' (AS 22), the Company is accounting for Deferred Tax. The break-up of deferred tax assets / liabilities are as follows:

(₹ in crores)

Particulars	As at March 31st, 2017	As at March 31st, 2016
Deferred Tax Liabilities		
Expenses Paid in Advance (Net of Income Received in Advance)	54.37	39.07
Depreciation on Fixed Assets	0.03	1.13
Special Reserve (Refer Note 3.2)	113.98	56.97
Total Deferred Tax Liabilities- (A)	168.38	97.17
Deferred Tax Assets		
Provision for Employees Benefits	3.55	2.35
Provision for Doubtful Debts and contingencies	95.17	62.45
Others	22.80	1.90
Total Deferred Tax Assets - (B)	121.52	66.70
Deferred Tax Liabilities (Net) (A-B)	46.86	30.47

6. OTHER LONG-TERM LIABILITIES

(₹ in crores)

	Non-Current Maturities		Current Maturities	
	As at March 31st, 2017	As at March 31st, 2016	As at March 31st, 2017	As at March 31st, 2016
Interest Accrued but not Due on Borrowings	14.86	36.74	144.87	108.46
Income Received in Advance	89.04	64.05	32.48	22.56
Amount disclosed under the head "Other Current Liabilities" (Refer Note 10)	-	-	(177.35)	(131.02)
	103.90	100.79	-	-

7. PROVISIONS

(₹ in crores)

	Non-Current Maturities		Current Maturities	
	As at March 31st, 2017	As at March 31st, 2016	As at March 31st, 2017	As at March 31st, 2016
Provision for Employees Benefits	9.00	5.97	1.26	0.83
Provision for Standard Assets (As per NHB norms)	193.97	130.46	-	-
Provision for NPAs (As per NHB norms)	-	-	26.78	21.68
Provision for Contingencies	39.48	24.50	-	-
Proposed Dividend (Refer Note 3.4)	-	-	-	40.39
Tax on Proposed Dividend (Refer Note 3.4)	-	-	-	8.22
	242.45	160.93	28.04	71.12

8. SHORT-TERM BORROWINGS

(₹ in crores)

	As at March 31st, 2017	As at March 31st, 2016
Secured Borrowings		
Bank Overdraft	1,881.98	783.71
Unsecured Borrowings		
Deposits	1,695.43	1,639.70
Commercial Paper	4,370.00	5,025.00
	6,065.43	6,664.70
	7,947.41	7,448.41

9. TRADE PAYABLES

(₹ in crores)

	As at March 31st, 2017	As at March 31st, 2016
Sundry Creditors for Expenses	93.56	75.24
	93.56	75.24



- 9.1 Trade Payables ₹ Nil (Previous Year ₹ Nil) payable to “Suppliers” registered under the Micro, Small and Medium Enterprises Development Act, 2006. No interest has been paid / payable by the Company during the year to the “Suppliers” covered under the Micro, Small and Medium Enterprise Development Act, 2006.

10. OTHER CURRENT LIABILITIES

(₹ in crores)

	As at March 31st, 2017	As at March 31st, 2016
Current Maturity of Long-Term Borrowings (Refer Note 4)	3,465.77	1,919.05
Current Portion of Other Long-Term Liabilities (Refer Note 6)	177.35	131.02
Interest Accrued but not Due on Borrowings	10.68	14.23
Book Overdraft	777.74	706.00
Statutory Dues Payable	22.32	21.97
Other Liabilities	382.20	199.60
	4,836.06	2,991.87

11. FIXED ASSETS

(₹ in crores)

Description	Gross Block			Accumulated Depreciation/ Amortisation			Net Block		
	As at March 31st, 2016	Additions	Deductions	As at March 31st, 2017	As at March 31st, 2016	For the year	Deductions/ Adjustments	As at March 31st, 2017	As at March 31st, 2016
Tangible:									
Buildings*	1.09	-	-	1.09	0.22	0.02	-	0.85	0.87
Furniture & Fixtures	12.56	2.81	-	15.37	2.33	1.31	-	11.73	10.23
Vehicles	0.06	0.11	0.06	0.11	0.05	0.01	0.05	0.10	0.02
Computers	16.93	2.67	-	19.60	7.44	4.62	-	7.54	9.49
Office Equipment & Others	15.86	4.19	0.15	19.90	5.92	3.64	0.11	10.45	9.94
Leasehold Improvements	27.01	5.76	-	32.77	9.40	6.27	-	17.10	17.60
Subtotal	73.51	15.54	0.21	88.84	25.36	15.87	0.16	47.77	48.15
Intangible:									
Software	12.04	3.42	-	15.46	2.08	2.75	-	10.63	9.96
Grand Total	85.55	18.96	0.21	104.30	27.44	18.62	0.16	58.40	58.11
Previous Year	52.20	33.76	0.41	85.55	12.62	15.04	0.23	27.44	58.11

* Includes Buildings of ₹ 0.77 crores (Previous year ₹ 0.77 crores) mortgaged for securing Secured Redeemable Non-Convertible Debentures (Refer Note 4.3).



12. NON-CURRENT INVESTMENTS

OTHER INVESTMENTS (NON TRADE) QUOTED - (FULLY PAID)	Number of Bonds/ Units	Face Value per Bonds/ Units	As at March 31st, 2017 (₹ in crores)	Number of Bonds/ Units	Face Value per Bonds/ Units	As at March 31st, 2016 (₹ in crores)
Investments in Government Securities						
Government of India Stock						
10.03% Government of India Stock 2019	7,000	100	0.08	7,000	100	0.08
10.25% Government of India Stock 2021	10,05,000	100	12.61	10,05,000	100	12.61
8.30% Government of India Stock 2023	30,000	100	0.31	30,000	100	0.31
8.97% Government of India Stock 2030	50,000	100	0.57	50,000	100	0.57
8.33% Government of India Stock 2036	26,000	100	0.28	26,000	100	0.28
8.32% Government of India Stock 2032	25,000	100	0.27	25,000	100	0.27
8.28% Government of India Stock 2032	19,000	100	0.20	19,000	100	0.20
8.26% Government of India Stock 2027	10,000	100	0.11	10,000	100	0.11
8.15% Government of India Stock 2022	14,000	100	0.15	14,000	100	0.15
8.13% Government of India Stock 2022	10,000	100	0.10	10,000	100	0.10
8.08% Government of India Stock 2022	15,000	100	0.16	15,000	100	0.16
7.94% Government of India Stock 2021	7,900	100	0.08	7,900	100	0.08
7.50% Government of India Stock 2034	18,000	100	0.18	18,000	100	0.18
5.69% Government of India Stock 2018	10,000	100	0.09	10,000	100	0.09
10.71% Government of India Stock 2016	-	-	-	8,000	100	0.09
8.07% Government of India Stock 2017	-	-	-	30,05,000	100	31.72
State Development Loans						
10.03% Rajasthan SDL 2028	33,91,000	100	34.98	33,91,000	100	34.98
9.79% Maharashtra SDL 2023	15,00,000	100	15.50	15,00,000	100	15.50
8.88% West Bengal SDL 2026	25,00,000	100	25.21	25,00,000	100	25.21
9.72% Kerala SDL 2023	40,00,000	100	41.53	40,00,000	100	41.53
9.70% Uttarakhand SDL 2024	50,00,000	100	54.32	50,00,000	100	54.32
9.60% Maharashtra SDL 2023	14,00,000	100	14.02	14,00,000	100	14.02
9.50% Himachal Pardesh SDL 2024	20,00,000	100	21.48	20,00,000	100	21.48
9.49% Tamil Nadu SDL 2023	30,00,000	100	30.87	30,00,000	100	30.87
9.48% Haryana SDL 2023	50,00,000	100	53.58	50,00,000	100	53.58
9.37% Gujarat SDL 2023	25,00,000	100	25.42	25,00,000	100	25.42
9.19% Kerala SDL 2024	10,00,000	100	10.06	10,00,000	100	10.06
9.00% Haryana SDL 2024	10,00,000	100	10.51	10,00,000	100	10.51
8.99% Madhya Pradesh SDL 2024	1,00,00,000	100	104.52	1,00,00,000	100	104.52
8.95% Madhya Pradesh SDL 2024	80,00,000	100	83.40	80,00,000	100	83.40
8.93% Haryana SDL 2022	22,200	100	0.24	22,200	100	0.24
8.92% Rajasthan SDL 2022	40,00,000	100	41.52	40,00,000	100	41.52
8.89% West Bengal SDL 2022	25,000	100	0.27	25,000	100	0.27
9.72% West Bengal SDL 2024	30,00,000	100	32.65	30,00,000	100	32.65
8.84% Punjab SDL 2024	30,00,000	100	31.18	30,00,000	100	31.18
8.83% Uttar Pradesh SDL 2026	1,60,00,000	100	166.20	1,35,00,000	100	139.08
8.73% Madhya Pradesh SDL 2022	12,000	100	0.13	12,000	100	0.13

OTHER INVESTMENTS (NON TRADE) QUOTED - (FULLY PAID)	Number of Bonds/Units	Face Value per Bonds/Units	As at March 31st, 2017 (₹ in crores)	Number of Bonds/Units	Face Value per Bonds/Units	As at March 31st, 2016 (₹ in crores)
8.66% Andhra Pradesh SDL 2021	10,000	100	0.11	10,000	100	0.11
8.53% Maharashtra SDL 2020	25,000	100	0.26	25,000	100	0.26
8.40% Madhya Pradesh SDL 2019	10,000	100	0.10	10,000	100	0.10
8.39% Uttar Pradesh SDL 2020	20,000	100	0.21	20,000	100	0.21
8.25% Rajasthan SDL 2020	30,000	100	0.31	30,000	100	0.31
8.30% Gujarat SDL 2017	10,000	100	0.10	10,000	100	0.10
8.55% Uttar Pradesh SDL 2017	10,000	100	0.10	10,000	100	0.10
9.12% Gujarat SDL 2022	33,55,000	100	35.26	-	-	-
8.90% Maharashtra SDL 2024	10,00,000	100	10.80	-	-	-
8.05% Rajasthan SDL 2025	40,00,000	100	41.27	-	-	-
8.72% Andhra Pradesh SDL 2026	20,00,000	100	21.56	-	-	-
8.51% Maharashtra SDL 2026	45,00,000	100	46.42	-	-	-
7.91% Maharashtra SDL 2016	-	-	-	5,000	100	0.05
			969.28			818.71
Less: Current Maturities of Non-Current Investments (Refer Note 15)			(0.20)			(31.86)
			969.08			786.85
Less: Provision for loss to arise on Redemption of Investments			(7.73)			(4.75)
Aggregate value of investments			961.35			782.10
Cost of Quoted investments			969.28			818.71
Market Value			1,027.40			843.67

13. LONG-TERM LOANS AND ADVANCES

(₹ in crores)

	Non-Current Maturities		Current Maturities	
	As at March 31st, 2017	As at March 31st, 2016	As at March 31st, 2017	As at March 31st, 2016
Loans - Secured				
Housing Loans	25,902.29	18,316.72	1,359.77	799.52
Non-Housing Loans	10,541.50	7,306.84	727.77	754.19
Current maturities of Long-Term Loans & Advances disclosed under the head Current "Other Current Assets" (Refer Note 18)			(2,087.54)	(1,553.71)
	36,443.79	25,623.56	-	-



13.1 Loans and Instalments due from Borrowers shown under Loans and Advances and Other Current Assets respectively are secured wholly or partly by any one or all of the below as applicable:

- i) Equitable / Simple / English Mortgage of immovable property;
- ii) Mortgage of Development Rights / FSI / any other benefit flowing from the immovable property;
- iii) Demand Promissory Note;
- iv) Post Dated Cheques towards the repayment of the debt;
- v) Personal / Corporate Guarantees;
- vi) Hypothecation of rent receivables, cash flow of the project, debt service reserve account, fixed deposit, current and escrow accounts;
- vii) Pledge of shares, Security on shares through Non Disposal Undertaking and Power of Attorney, NSCs, other securities
- viii) Undertaking to create a security.

14. OTHER LONG-TERM LIABILITIES

(₹ in crores)

	Non-Current Maturities		Current Maturities	
	As at March 31st, 2017	As at March 31st, 2016	As at March 31st, 2017	As at March 31st, 2016
Security Deposits	12.66	6.13	-	-
Prepaid Expenses	245.61	181.88	201.85	130.87
Forward Contract Receivable (Net)	11.76	-	-	-
Derivative Assets	8.40	-	-	-
	278.43	188.01	201.85	130.87

15. CURRENT INVESTMENTS

	Number of Bonds/Units	Face Value /per Bond	As at March 31st, 2017 (₹ in crores)	Number of Bond/Unit	Face Value /per Bond	As at March 31st, 2016 (₹ in crores)
QUOTED - OTHER THAN TRADE (FULLY PAID)						
Bonds and Debentures						
7.98% Infrastructure Development Finance Company Ltd 2023	250	10,00,000	25.00	350	10,00,000	37.13
9.50% The Jammu & Kashmir Bank Ltd 2022	1,250	10,00,000	125.19	-	-	-
9.14% Bank of Baroda (Perpetual)	500	10,00,000	50.13	-	-	-
9.10% Union Bank of India (Perpetual)	2,000	10,00,000	200.00	-	-	-
9.05% Deewan Housing Finance Corporation Ltd. 2023	2,00,000	1,000	20.19	-	-	-
9.00% Indiabulls Housing Finance Ltd. 2026	2,800	1,000	0.28	-	-	-
8.97% UP Power Corporation Ltd 2021	420	10,00,000	42.00	-	-	-
8.97% UP Power Corporation Ltd 2022	420	10,00,000	42.00	-	-	-
8.97% UP Power Corporation Ltd 2023	420	10,00,000	42.00	-	-	-
8.97% UP Power Corporation Ltd 2024	420	10,00,000	42.00	-	-	-
8.97% UP Power Corporation Ltd 2025	420	10,00,000	42.00	-	-	-

	Number of Bonds/Units	Face Value /per Bond	As at March 31st, 2017 (₹ in crores)	Number of Bond/Unit	Face Value /per Bond	As at March 31st, 2016 (₹ in crores)
8.97% UP Power Corporation Ltd 2026	420	10,00,000	42.00	-	-	-
8.97% UP Power Corporation Ltd 2027	420	10,00,000	42.00	-	-	-
8.25% Reliance Capital Ltd 2020	240	10,00,000	24.00	-	-	-
8.50% Reliance Capital Ltd 2022	310	10,00,000	31.00	-	-	-
7.18% Power Finance Corporation 2027	600	10,00,000	59.28	-	-	-
8.85% Reliance Capital Ltd. 2026	278	10,00,000	27.85	-	-	-
8.70% Indiabulls Housing Finance Ltd. 2019	3,700	1,000	0.37	-	-	-
8.32% Reliance Jio Infocomm Ltd 2021	500	10,00,000	50.88	-	-	-
8.05% Indian Renewable Energy Development Agency Ltd 2027	150	10,00,000	15.00	-	-	-
8.12% Indian Renewable Energy Development Agency Ltd 2027	250	10,00,000	25.00	-	-	-
7.90% Tata Sons Ltd 2020	250	10,00,000	25.03	-	-	-
7.25% Nuclear Power Corporation of India Ltd 2029	150	10,00,000	15.00	-	-	-
7.25% Nuclear Power Corporation of India Ltd 2030	100	10,00,000	10.00	-	-	-
7.25% Nuclear Power Corporation of India Ltd 2031	100	10,00,000	10.00	-	-	-
7.37% National Thermal Power Corporation Ltd. 2031	895	10,00,000	89.08	-	-	-
7.25% Nuclear Power Corporation of India Ltd 2027	150	10,00,000	15.00	-	-	-
7.25% Nuclear Power Corporation of India Ltd 2028	100	10,00,000	10.00	-	-	-
7.18% National Bank of Agriculture and Rural Development 2020	750	10,00,000	75.00	-	-	-
9.95% Food Corporation of India Ltd. 2022	-	-	-	1	10,00,000	0.11
8.80% Food corporation of India Ltd. 2028	-	-	-	138	10,00,000	15.16
8.69% Damodar Valley Corporation Limited 2028	-	-	-	652	10,00,000	71.08
8.50% National Highway Authority of India 2029	-	-	-	1,00,000	1,000	11.15
8.46% Power Finance Corporation 2028	-	-	-	100	10,00,000	11.08
8.40% Indian Railways Finance Corporation 2029	-	-	-	1,00,000	1,000	11.05
8.14% Nuclear Power Corporation Of India 2027	-	-	-	5	10,00,000	0.51
8.14% Nuclear Power Corporation Of India 2028	-	-	-	73	10,00,000	7.48
7.15% National Thermal Power Corporation Ltd. 2025	-	-	-	12	10,00,000	1.22
7.93% Power Grid Corporation of India Ltd. 2017	-	-	-	50	10,00,000	4.98
7.93% Power Grid Corporation of India Ltd. 2018	-	-	-	50	10,00,000	5.00
7.93% Power Grid Corporation of India Ltd. 2019	-	-	-	50	10,00,000	4.99



	Number of Bonds/Units	Face Value /per Bond	As at March 31st, 2017 (₹ in crores)	Number of Bond/Unit	Face Value /per Bond	As at March 31st, 2016 (₹ in crores)
7.93% Power Grid Corporation of India Ltd. 2020	-	-	-	50	10,00,000	4.98
7.93% Power Grid Corporation of India Ltd. 2021	-	-	-	50	10,00,000	4.97
7.93% Power Grid Corporation of India Ltd. 2022	-	-	-	50	10,00,000	4.97
7.93% Power Grid Corporation of India Ltd. 2023	-	-	-	50	10,00,000	4.92
7.93% Power Grid Corporation of India Ltd. 2024	-	-	-	50	10,00,000	5.00
7.93% Power Grid Corporation of India Ltd. 2025	-	-	-	40	10,00,000	4.00
7.93% Power Grid Corporation of India Ltd. 2026	-	-	-	45	10,00,000	4.50
7.93% Power Grid Corporation of India Ltd. 2028	-	-	-	41	10,00,000	4.10
7.40% Indian Infrastructure Finance Company Ltd. 2033	-	-	-	5,57,000	1,000	58.32
7.35% Indian Railway Finance Corporation 2031	-	-	-	2,40,000	1,000	24.55
6.89% National Housing Bank 2023	-	-	-	26	10,00,000	2.57
6.87% National Housing Bank 2023	-	-	-	47	10,00,000	4.67
8.58% Housing and Urban Development Corporation Ltd. 2029	-	-	-	95,000	1,000	10.60
UNQUOTED - OTHER THAN TRADE (FULLY PAID)						
Commercial Paper						
JM Financial Products Ltd	5,000	5,00,000	230.73	-	-	-
Mutual Fund - Debt						
LIC Mutual Fund	1,35,674	2,948.24	40.00	-	-	-
Mahindra Mutual Fund	4,75,224	1,052.14	50.00	-	-	-
Invesco Mutual Fund	2,23,446	2,237.68	50.00	-	-	-
Birla Sunlife Mutual Fund	15,31,185	261.24	40.00	-	-	-
Reliance Mutual Fund	2,90,31,083	51.67	150.00	-	-	-
Baroda Pioneer Mutual Fund	2,13,966	1,869.46	40.00	-	-	-
UTI Mutual Fund	1,87,827	2,662.02	50.00	-	-	-
ICICI Prudential Mutual Fund	17,78,101	224.96	40.00	-	-	-
BOI AXA Mutual Fund	2,13,519	1,873.37	40.00	-	-	-
Kotak Mutual fund	1,49,890	2,668.63	40.00	-	-	-
L & T Mutual Fund	2,24,313	2,229.03	50.00	-	-	-
SBI Mutual Fund	1,56,764	2,551.61	40.00	-	-	-
AXIS Mutual Fund	2,21,886	1,802.73	40.00	-	-	-
Tata Money Mutual Fund	2,01,487	2,481.54	50.00	-	-	-
PNB Principal Mutual fund	3,15,812	1,583.22	50.00	-	-	-
HDFC Mutual Fund	1,17,824	3,394.88	40.00	-	-	-
DSP Mutual Fund	1,72,030	2,325.18	40.00	-	-	-
DHFL Pramerica Mutual Fund	18,93,117	211.29	40.00	-	-	-

	Number of Bonds/Units	Face Value /per Bond	As at March 31st, 2017 (₹ in crores)	Number of Bond/Unit	Face Value /per Bond	As at March 31st, 2016 (₹ in crores)
Certificate of Deposit						
Certificate of Deposit of Indian Bank	-	-	-	30,000	1,00,000	295.09
Certificate of Deposit of Corporation Bank	-	-	-	2,500	1,00,000	23.39
Certificate of Deposit of Bank of Maharashtra	-	-	-	5,000	1,00,000	49.15
Certificate of Deposit of Canara Bank	-	-	-	10,000	1,00,000	98.25
Certificate of Deposit of Andhra Bank	-	-	-	2,500	1,00,000	23.33
			2,318.01			808.31
Add: Current Maturities of Non-Current Investments (Refer Note 12)			0.20			31.86
Total			2,318.21			840.17
Aggregate value of quoted investments			1,197.28			319.11
Market Value of quoted investments			1,208.11			321.39
Aggregate value of unquoted investments			1,120.73			489.20

16. CASH AND BANK BALANCES

(₹ in crores)

	As at March 31st, 2017	As at March 31st, 2016
16.1 Cash and Cash Equivalents		
Balances with Banks in Current Accounts	51.96	165.87
Cheques-on-Hand	13.26	-
Cash-on-Hand	0.63	0.84
	65.85	166.71
16.2 Other Bank Balances		
Fixed Deposits with original maturity of more than three months upto twelve months	85.62	-
Fixed Deposits with original maturity of more than twelve months	-	81.83
	151.47	248.54

17. SHORT-TERM LOANS AND ADVANCES

(Unsecured, considered good unless otherwise stated)

(₹ in crores)

	As at March 31st, 2017	As at March 31st, 2016
Loan Against Deposits (Secured)	13.88	4.03
Advances Recoverable in Cash or Kind	26.06	13.98
	39.94	18.01



18. OTHER CURRENT ASSETS

(Unsecured, considered good unless otherwise stated)

(₹ in crores)

	As at March 31st, 2017	As at March 31st, 2016
Current Maturities of Long-Term Loans & Advances (Secured)(Refer Note 13)	2,087.54	1,553.71
Installments Due from Borrowers (Secured)	60.14	44.56
Stock of Acquired Properties (Held for sale or disposal) (Secured)	154.99	83.81
Interest Accrued on Investments	31.08	23.93
Interest Accrued but not Due on Loans	164.81	70.90
Prepaid Expenses	201.85	130.87
Other Receivables	5.52	0.62
	2,705.93	1,908.40

18.1 The installments due from borrowers is net of interest de-recognised of ₹ 17.71 crores (Previous year ₹ 14.48 crores) in respect of non-performing loans. (Refer note 19.1)

18.2 Stock of Acquired Properties is net of Provision for Diminution in Value of ₹ 14.77 crores (Previous year ₹ 3.81 crores)

19. REVENUE FROM OPERATIONS

(₹ in crores)

	Current Year	Previous Year
INTEREST INCOME		
i) Interest on Loans	3,489.73	2,460.03
ii) Interest on Investments	149.48	85.22
iii) Other Interest	0.84	0.89
	3,640.05	2,546.14
Fees and Other Charges	166.08	85.27
Other Operating Income	63.14	42.30
Surplus from deployment of funds in Cash Management Schemes of Mutual Funds	27.86	14.21
Profit on sale of Asset	0.01	-
Profit / (Loss) on Sale of Investment	10.56	10.00
	3,907.70	2,697.92

19.1 Interest on non-performing loans is recognised on realisation basis as per the NHB Directions. Accordingly, movement of interest de-recognised as at the Balance Sheet date is summarised as under:

(₹ in crores)

	Current Year	Previous Year
Cumulative interest B/F from last Balance Sheet	14.48	3.77
Add: Interest de-recognised for the year on:		
- Sub-Standard Assets (Net)	15.88	9.58
- Doubtful/Loss Assets	3.60	10.65
Less:Recovered/Write-off during the year	16.25	9.52
Total	17.71	14.48

20. INTEREST EXPENSES AND OTHER CHARGES

(₹ in crores)

	Current Year	Previous Year
Interest on:		
Term Loans	397.24	400.05
Non-Convertible Debentures	1,079.14	578.14
Commercial Paper	328.69	226.66
Deposits	705.31	582.75
	2,510.38	1,787.60
Other Charges:		
Brokerage on Deposits	31.60	22.39
Fees and other Charges	16.47	10.81
Hedging Cost	84.46	38.88
Bank Charges	0.74	0.61
	2,643.65	1,860.29

21. EMPLOYEE BENEFIT EXPENSE

(₹ in crores)

	Current Year	Previous Year
Salaries and Allowances	93.95	70.50
Contribution to Provident Fund and Other Funds	5.64	3.50
Staff Welfare Expenses	1.67	1.28
	101.26	75.28

22. OFFICE OPERATING EXPENSES

(₹ in crores)

	Current Year	Previous Year
Rent, Rates and Taxes	19.31	14.96
Repairs and Maintenance - Building	0.86	0.83
Office Maintenance	1.12	0.67
Electricity and Water Charges	4.90	4.15
General Office Expenses	36.80	23.92
Insurance Charges	0.14	0.25
Travelling and Conveyance	4.70	3.31
Printing and Stationery	2.51	2.56
Postage and Telephone	4.61	5.78
	74.95	56.43



23. OTHER EXPENSES

(₹ in crores)

	Current Year	Previous Year
Cost of Loan Acquisition	90.30	49.71
Advertisement and Publicity	21.89	23.06
Professional Charges	22.54	14.64
Legal Expenses	20.56	11.41
Director's Sitting Fee	0.54	0.45
Auditors Remuneration (Refer Note 32)	0.39	0.29
Loss on sale of Fixed Assets	-	0.12
CSR expenses (Refer Note 30)	3.68	3.98
Miscellaneous Expenses	2.54	1.67
	162.44	105.33

24. DISCLOSURE REQUIRED BY NATIONAL HOUSING BANK

The following additional disclosures have been given in terms of the circular no. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 09, 2017 issued by the National Housing Bank.

24.1 Capital to Risk Assets Ratio (CRAR)

(₹ in crores)

Particulars	Current Year	Previous Year
i) CRAR (%)	21.62	12.70
ii) CRAR - Tier I Capital (%)	16.48	9.04
iii) CRAR - Tier II Capital (%)	5.14	3.66
(iv) Amount of Subordinated debt raised as Tier-II Capital	1,399.00	610.00
(v) Amount raised by issue of perpetual Debt Instruments	-	-

24.2 Reserve Fund u/s 29C of NHB Act, 1987

(₹ in crores)

Particulars	Current Year	Previous Year
Balance at the beginning of the year		
(a) Statutory Reserve u/s 29C of NHB Act, 1987	30.24	23.34
(b) Amount of Special Reserve u/s 36 (1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve u/s 29C of NHB Act, 1987	239.76	181.36
(c) Total	270.00	204.70
Addition / Appropriation / Withdrawal during the year		
Add:		
(a) Amount transferred u/s 29C of the NHB Act, 1987	10.60	6.90
(b) Amount of Special Reserve u/s 36 (1)(viii) of Income Tax Act, 1961 taken into account for the purpose of Statutory Reserve u/s 29C of NHB Act, 1987	95.00	58.40
Less:		
(a) Amount appropriated from Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
(b) Amount withdrawn from Special Reserve u/s 36 (1)(viii) of Income Tax Act, 1961 which has been taken into account for the purpose of provision u/s 29C of NHB Act, 1987	-	-
Balance at the end of the year		
(a) Statutory Reserve u/s 29C of NHB Act, 1987	40.84	30.24
(b) Amount of Special Reserve u/s 36 (1)(viii) of Income Tax Act, 1961 taken into for the purposes of Statutory Reserve u/s 29C of the NHB Act, 1987	334.76	239.76
(c) Total	375.60	270.00

24.3 Investments

(₹ in crores)

Particulars	Current Year	Previous Year
Value of Investments		
(i) Gross value of Investments		
(a) In India	3,287.29	1,627.02
(b) Outside India	-	-
(ii) Provisions for Depreciation		
(a) In India	7.73	4.75
(b) Outside India	-	-
(iii) Net value of Investments		
(a) In India	3,279.56	1,622.27
(b) Outside India	-	-
Movement of provisions held towards depreciation on investments		
(i) Opening balance	4.75	2.67
(ii) Add: Provisions made during the year	4.65	2.08
(iii) Less: Write-off / Written-bank of excess provisions	1.67	-
(iv) Closing balance	7.73	4.75



24.4 Derivatives

i) Forward Rate Agreement (FRA) / Interest Rate Swap (IRS)

(₹ in crores)

Particulars	As at March 31st, 2017
(i) The notional principal of swap agreements	1,604.13
(ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	11.31
(iii) Collateral required by the HFC upon entering into swaps	Nil
(iv) Concentration of credit risk arising from the swaps@	Nil
(v) The fair value of the swap book	(57.70)

- i) The Company has entered into Swap agreement with four banks having almost equal exposure with each of them. Hence, there is no concentration of credit risk which could be exposure to particular industries or swaps with highly geared companies.
- ii) Exchange Traded Interest Rate (IR) Derivative-There is no exchange traded interest rate derivative.
- iii) Disclosure on Risk Exposure in Derivatives

A. Qualitative Disclosure

Particulars	Details
a) the structure and organization for management of risk in derivatives trading,	Company has a Risk Management Committee (RMC) constituted by the Board and has a Market Risk Management policy under its supervision. As a policy, the Company doesn't trade into derivative products. The Company has entered into derivative product for its ECB borrowing for financing prospective buyers of low cost affordable housing units under "approval route" in terms of RBI guidelines.
b) the scope and nature of risk measurement, risk reporting and risk monitoring systems,	The RMC has put in place or enhanced the control measures to contain these risks. The Company has a robust mechanism to ensure an ongoing review of systems, policies, processes and procedures to contain and mitigate risk that arise from time to time.
c) policies for hedging and / or mitigating risk and strategies and processes for monitoring the continuing effectiveness of hedges / mitigants, and	The Company has not entered into any derivative transaction except as required under RBI guidelines for its ECB borrowing for financing prospective buyers of low cost affordable housing units. The derivate transaction entered into for hedging the ECB borrowing is an held-till-maturity transaction. As such, as of now, the Company is not required to have policy on hedging or mitigation of risk on derivative transactions.
d) accounting policy for recording hedge and non-hedge transactions; recognition of income, premiums and discounts; valuation of outstanding contracts; provisioning, collateral and credit risk mitigation.	The derivative contracts are initially recognised at fair value on the date of the transaction and all outstanding derivative transactions, on the date of balance sheet, are revalued at their fair market value, on that date. Profit/Losses, on revaluation, are recognised in the Statement of Profit and Loss. Where hedge accounting is used, fair value changes of the derivative contracts are recognised through the Statement of Profit and Loss in the same period as the offsetting losses and gains on the hedged item. Any profit/loss arising on cancellation/unwinding of derivative contracts are recognised as income or expenses for the period. Premium / discount on derivative contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts, if such contracts relate to monetary items as at the Balance Sheet date.

B. Quantitative Disclosure

(₹ in crores)

Particulars	Currency Derivatives	Interest Rate Derivatives
(i) Derivatives (Notional Principal Amount)	1,604.13	-
(ii) Marked to Market Positions	(57.70)	-
(a) Assets (+)	15.39	-
(b) Liability (-)	(73.09)	-
(iii) Credit Exposure	-	-
(iv) Unhedged Exposures	57.02	-

24.5 Securitisation

- i) There are no SPVs sponsored by PNB Housing Finance Limited.
- ii) During the year, the Company did not sell any Financial Assets to Securitisation / Reconstruction Company for Asset Reconstruction (Previous year ₹ Nil)

- iii) Details of assignment transactions undertaken by the HFC:

(₹ in crores)

Particulars	Current Year	Previous Year
(i) No. of accounts	9,739	-
(ii) Aggregate value (net of provisions) of accounts assigned	3,377.00	-
(iii) Aggregate consideration	3,377.00	-
(iv) Additional consideration realised in respect of accounts transferred in earlier years	-	-
(v) Aggregate gain / loss over net book value	-	-

- iv) Details of non-performing financial assets purchased / sold: The Company has not purchased / sold any non-performing financial assets (Previous year ₹ Nil)



24.6 Asset Liability Management

The residual maturity profile of Assets and Liabilities is carried out based on the estimates and assumptions regarding prepayments and renewals as prescribed by the National Housing Bank (NHB). Maturity pattern of certain items of assets and liabilities are as follows:

As on March 31st, 2017

(₹ in crores)

Particulars	Liabilities				Assets		
	Deposits	Bank Borrowings	Market Borrowings	Foreign Currency	Net Advances	Investments	Foreign Currency
Upto 30/31 days (one month)	179.53	940.69	600.00	-	1,159.52	1,379.29	-
Over 1 month to 2 months	166.27	960.69	500.00	-	1,088.40	708.07	-
Over 2 months to 3 months	242.38	-	500.37	12.16	1,052.02	85.64	-
Over 3 months to 6 months	695.87	261.88	2,200.37	12.16	2,950.96	-	-
Over 6 months to 1 year	1,956.87	422.90	1,769.26	25.77	5,085.43	230.83	-
Over 1 year to 3 years	4,404.73	826.54	3,943.00	744.19	12,866.15	0.78	-
Over 3 years to 5 years	1,923.76	665.33	6,399.00	192.08	6,263.00	11.66	-
Over 5 years to 7 years	98.14	577.79	2,329.00	525.19	3,241.60	363.54	-
Over 7 years to 10 years	319.54	435.41	700.00	-	2,321.94	549.01	-
Over 10 years	-	126.00	-	-	2,535.65	36.36	-
Total	9,987.09	5,217.23	18,941.00	1,511.55	38,564.67	3365.18	-

As on March 31st, 2016

(₹ in crores)

Particulars	Liabilities				Assets		
	Deposits	Bank Borrowings	Market Borrowings	Foreign Currency	Net Advances	Investments	Foreign Currency
Upto 30/31 days (one month)	127.35	783.72	-	-	539.50	571.01	-
Over 1 month to 2 months	73.06	20.00	3,700.00	-	530.18	0.05	-
Over 2 months to 3 months	44.19	-	1,325.00	-	521.05	319.21	-
Over 3 months to 6 months	423.78	268.61	100.00	-	1,510.25	-	-
Over 6 months to 1 year	286.14	536.45	90.00	-	2,798.55	30.28	-
Over 1 year to 3 years	2,584.37	964.74	1,530.00	-	8,821.65	0.40	-
Over 3 years to 5 years	576.66	508.70	4,490.00	610.70	4,510.01	0.84	-
Over 5 years to 7 years	2741.55	441.00	1860.00	-	2,860.52	53.92	-
Over 7 years to 10 years	91.92	338.79	1310.00	-	2,474.14	691.98	-
Over 10 years	172.14	160.00	-	-	2,635.00	36.41	-
Total	7,121.16	4,022.01	14,405.00	610.70	27,200.85	1,704.10	-

24.7 Exposure:

i) Exposure to Real Estate Sector

(₹ in crores)

Sr. No.	Particulars	As at March 31st, 2017	As at March 31st, 2016
I)	Direct Exposure		
	A. Residential Mortgages (including loan against residential property): Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented (Out of which Individual Housing Loans up to ₹ 15 lakhs - ₹ 2,313.59 crores, Previous year ₹ 2,142.00 crores)	27,354.46	22,554.97
	B. Commercial Real Estate: Lending secured by mortgages on commercial real estates. Exposure would also include non-fund based (NFB) limits	11,415.71	4,645.86
	C. Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
	i) Residential	-	-
	ii) Commercial Real Estate	-	-
II)	Indirect Exposure		
	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-

Note: In computing the above information, certain estimates, assumptions and adjustments have been made by the Management which have been relied upon by the auditors.

- ii) Exposure to Capital Market: As on March 31st, 2017, the Company does not have any exposure to Capital Market (Previous year ₹ Nil).
- iii) Details of financing of parent company products: As on March 31st, 2017, the Company has not financed any product of the parent company (Previous year ₹ Nil).
- iv) Details of Single Borrower Limit / Group Borrower Limit: As on March 31st, 2017, the Company has not exceeded the prudential exposure limit for single borrower or group borrower (Previous year ₹ Nil).
- v) Unsecured Advances: As on March 31st, 2017, the Company has not given any unsecured advances (Previous year ₹ Nil).

24.8 Registration obtained from financial sector regulators

From NHB : vide registration number 01.0018.01

Ministry of Corporate Affairs : L65922DL1988PLC033856

24.9 Disclosure of Penalties imposed by National Housing Bank and other regulators:

During the financial year ended March 31st, 2017:

- i) Company has not been imposed any penalty by National Housing Bank and other regulators.
- ii) NHB has carried out inspection for FY2014-15 and has not reported any adverse comment having material impact on the financials.



24.10 Related Party Transactions

As per the Accounting Standard on 'Related Party Disclosures' (AS 18), notified by the Companies (Accounting Standards) Rules, 2006, the related parties of the Company are as follows:

Name of the Related Party	Nature of Relationship
i) Punjab National Bank *	Enterprise having Significant Influence#
ii) Destimoney Enterprises Limited**	Enterprise having Significant Influence
iii) Quality Investments Holdings**	Enterprise having Significant Influence
iv) PNB Gilts Limited*	Fellow Subsidiary#
v) PNB Investment Services Limited*	Fellow Subsidiary#
vi) Punjab National Bank (International) Ltd., UK *	Fellow Subsidiary#
vii) Druk PNB Bank Ltd, Bhutan *	Fellow Subsidiary#
viii) PNB Insurance Broking Private Limited *	Fellow Subsidiary#
ix) Mr. Sanjaya Gupta (Managing Director)	Key Managerial Personnel
x) Mr. Sanjay Jain (Company Secretary)	Key Managerial Personnel
xi) Mr. Jayesh Jain (Chief Financial Officer)	Key Managerial Personnel

* State Controlled Enterprises

** During the year, Destimoney Enterprises Limited transferred 6,21,92,300 equity shares to its holding Company i.e. Quality Investments Holdings pursuant to in-specie distribution of its assets as per winding up scheme.

Pursuant to Initial Public Offer (IPO) of the Company, the status of Punjab National Bank has changed from Holding Company to Enterprise having Significant Influence as shareholding of PNB has reduced from 51% to 39.08%. Consequently, subsidiaries of Punjab National Bank cease to be fellow subsidiaries of the Company from the date of allotment of shares under IPO i.e. November 03, 2016.

Transactions with Related Parties

The nature & volume of transactions of the Company during the year, with the above related parties were as follows. These transactions were carried out in ordinary course of business and were at arm's length price:

(₹ in crores)

Particulars	Enterprises having significant influence		Fellow Subsidiaries		Key Managerial Personnel	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Punjab National Bank						
- Term Loan Instalment / OD Payment	5,994.02	1,033.33	-	-	-	-
- Interest Paid on Term Loan and Overdraft	56.28	93.15	-	-	-	-
- Rent & Maintenance Charges	0.43	0.36	-	-	-	-
- Bank Charges	0.69	0.54	-	-	-	-
- Director Sitting Fee	0.09	0.13	-	-	-	-
- Servicing Fees received on assignment of Loan Portfolio	4.28	5.32	-	-	-	-
- Interest received on Fixed Deposits	1.13	4.50	-	-	-	-
- Dividend Paid	20.58	13.39	-	-	-	-
- Call money received on partly paid-up Equity Shares	-	153.00	-	-	-	-
Destimoney Enterprises Limited						
- Dividend Paid	19.81	10.71	-	-	-	-
- Commission paid	-	1.30	-	-	-	-
- Call money received on partly paid-up Equity Shares	-	147.00	-	-	-	-
Professional Services						
- PNB Investment Services Ltd	-	-	0.22	-	-	-
Remuneration paid to KMPs:						
- Mr. Sanjaya Gupta (Managing Director)	-	-	-	-	1.89	1.37
- Mr. Jayesh Jain (Chief Financial Officer)	-	-	-	-	0.85	0.59
- Mr. Sanjay Jain (Company Secretary)	-	-	-	-	0.56	0.47

The policy on dealing with Related Party Transactions is available on our website www.pnbhousing.com

- 24.11** During the year, no transaction was accounted which was related to prior period (Previous year ₹ Nil).
- 24.12** During the year, no item of revenue recognition has been postponed except as disclosed in accounting policy for revenue recognition (Refer Note 1.6).



24.13 Rating assigned by Credit Rating Agencies and migration of rating during the year

Nature of Instrument	Ratings
Deposits	CRISIL FAAA(Outlook Negative) CARE AAA
Long term bonds (Secured and Tier-II bonds)	CRISIL AA+(Outlook Negative) CARE AAA (Outlook stable) IND AAA with stable outlook ICRA AA+/ Stable
Commercial Paper	CARE A1+ CRISIL A1+
Bank Term Loan	CRISIL AA+(Outlook Negative) CARE AAA

The details of change in Ratings, during the year is given hereunder:

Rating Agency	Instrument	Previous Rating	Revised Rating
CRISIL	NCD / Term Loan	CRISIL AA+ (Outlook Stable)	CRISIL AA+ (Outlook Negative)
CRISIL	Fixed Deposits	FAAA (Outlook Stable)	FAAA (Outlook Negative)

24.14 Provisions and Contingencies:

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account is given as follows

(₹ in crores)

Particulars	Current Year	Previous Year
Provisions for depreciation on Investment	2.98	2.08
Provision made towards Income tax	280.28	176.62
Provision towards NPA	5.09	(1.09)
Provision for Standard Assets		
i) Teaser Loans	-	-
ii) CRE	17.68	12.91
iii) CRE - RH	14.91	6.57
iv) Other Loans	30.92	32.98
Total (i + ii + iii + iv)	63.51	52.46
Other Provision and Contingencies (Refer Note 1.20)	14.98	24.50
Provision for Stock of Acquired Properties	10.97	2.71

24.15 Break-up of Loan & Advances and Provisions thereon:

The Company has complied with the norms prescribed under Housing Finance Companies (NHB) Directions, 2010 for recognising Non-Performing Assets (NPA) in preparation of Accounts. As per the norms, NPAs are recognised on the basis of more than 90 days overdue. NPAs are to be treated as Bad & Doubtful, if they remain outstanding for more than 15 months. The Company has made adequate provisions on Non-Performing Assets and Standard Assets in respect of Housing and Non-Housing Loans as prescribed under Housing Finance Companies (NHB) Directions, 2010.

(₹ in crores)

Particulars	Housing		Non-Housing	
	As at March 31st, 2017	As at March 31st, 2016	As at March 31st, 2017	As at March 31st, 2016
Standard Assets				
a) Total Outstanding Amount	27,348.61	19,083.50	11,335.78	8,057.52
b) Provision made	124.65	85.28	69.32	45.18
Sub-Standard Assets				
a) Total Outstanding Amount	36.42	34.90	13.31	8.40
b) Provision made	7.60	7.72	2.02	1.30
Doubtful Assets - Category-I				
a) Total Outstanding Amount	19.02	1.49	4.91	1.31
b) Provision made	5.22	0.84	1.23	0.41
Doubtful Assets - Category-II				
a) Total Outstanding Amount	2.79	4.74	0.84	1.06
b) Provision made	1.82	2.79	0.40	0.71
Doubtful Assets - Category-III				
a) Total Outstanding Amount	3.71	3.18	4.18	4.04
b) Provision made	3.71	3.18	4.18	4.04
Loss Assets				
a) Total Outstanding Amount	0.60	0.69	-	-
b) Provision made	0.60	0.69	-	-
TOTAL				
a) Total Outstanding Amount	27,411.15	19,128.50	11,359.02	8072.33
b) Provision made	143.59	100.50	77.15	51.64

24.16 Concentration of Public Deposits

(₹ in crores)

Particulars	Current Year	Previous Year
Total Deposits of twenty largest depositors	3,074.42	1,487.36
Percentage of Deposits of twenty largest depositors to Total Deposits	35.27%	27.38%

24.17 Concentration of Loans & Advances

(₹ in crores)

Particulars	Current Year	Previous Year
Total Loans & Advances to twenty largest borrowers	3,975.49	2,856.16
Percentage of Loans & Advances to twenty largest borrowers to Total Advances	10.25%	10.52%



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

(₹ in crores)

Particulars	Current Year	Previous Year
Total Exposure to twenty largest borrowers /customers	4,715.13	3,389.15
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the HFC on borrowers / customers	10.74%	10.99%

24.19 Concentration of NPAs

(₹ in crores)

Particulars	Current Year	Previous Year
Total Exposure to top ten NPA accounts	27.76	20.16

24.20 Sector-wise NPAs

(₹ in crores)

Particulars	Percentage of NPAs to Total Advances in that sector	
	Current Year	Previous Year
A. Housing Loans:	0.23	0.24
1. Individuals	0.27	0.27
2. Builders/Project Loans	-	-
3. Corporates	-	-
4. Others (specify)	-	-
B. Non-Housing Loans:	0.20	0.18
1. Individuals	0.27	0.25
2. Builders/Project Loans	-	-
3. Corporates	-	-
4. Others (specify)	-	-

24.21 Movement of NPAs

(₹ in crores)

Particulars	Current Year	Previous Year
(I) Net NPAs to Net Advances (%)	0.15%	0.14%
(II) Movement of NPAs (Gross)		
a) Opening balance	59.81	34.14
b) Additions during the year	261.24	152.27
c) Reductions during the year	235.27	126.60
d) Closing balance	85.78	59.81
(III) Movement of Net NPAs		
a) Opening balance	38.13	18.37
b) Additions during the year	251.23	139.91
c) Reductions during the year	230.36	120.15
d) Closing balance	59.00	38.13
(IV) Movement of provisions for NPAs (excluding provisions on standard assets)		
a) Opening balance	21.68	15.77
b) Provisions made during the year	52.01	33.63
c) Write-off/write-back of excess provisions	46.91	27.72
d) Closing balance	26.78	21.68

24.22 Overseas Assets: As on March 31st, 2017, the Company does not have any Assets outside the country (Previous year ₹ Nil).

24.23 As on March 31st, 2017, the Company does not have any Off-Balance Sheet SPVs sponsored (Previous year Nil).

24.24 Disclosure of Complaints

Particulars	Current Year	Previous Year
a) No. of complaints pending at the beginning of the year	29	38
b) No. of complaints received during the year	4,138	2,846
c) No. of complaints redressed during the year	4,114	2,855
d) No. of complaints pending at the end of the year	53	29



25. Operating Lease

In accordance with the Accounting Standard on 'Leases' (AS 19), notified by the Companies (Accounting Standards) Rules, 2006, the following disclosures in respect of Operating Leases are made. The Company has acquired properties under Cancellable and non-cancellable operating leases for periods ranging from 12 months to 60 months. The total minimum lease payments for the current year, in respect thereof, included under Rent, aggregates to ₹ 18.70 crores (Previous year ₹ 14.62 crores). The future minimum lease payments in respect of properties taken under non-cancellable operating lease are as follows:

(₹ in crores)

Particulars	Current Year	Previous Year
Not later than one year	9.55	10.87
Later than one year but not later than 5 years	9.80	8.84
More than five years	Nil	Nil

26. In accordance with the Accounting Standard on 'Earnings Per Share' (AS 20), the Earnings Per Share is as follows:

i) The Earnings Per Share (EPS) is calculated as follows:

Particulars	Unit	Current Year	Previous Year
a) Amount used as the numerator for Basic EPS Profit After Tax	(₹ in crores)	523.73	326.47
b) Weighted average number of equity shares for Basic EPS	Number	14,26,32,517	11,87,96,450
c) Weighted average number of equity shares for Diluted EPS	Number	14,48,75,547	11,87,96,450
d) Nominal value per share	(in ₹)	10/-	10/-
e) Earnings Per Share:			
- Basic (a/b)	(in ₹)	36.72	27.48
- Diluted (a/c)	(in ₹)	36.15	27.48

ii) The Basic Earnings Per Share have been computed by dividing the Profit After Tax by the weighted average number of equity shares for the respective periods. The weighted average number of shares have been derived as follows:

(a) For the year 2016-17 :

Particulars	No. of Shares	Days
i) 12,69,23,000 Equity Shares of ₹ 10/- each (Fully Paid-up) at the beginning of the year	12,69,23,000	365
ii) Shares issued during the year pursuant to IPO	3,87,19,309	148
iii) Bonus element on issue of Equity Shares to employees pursuant to IPO	9,633	365
iv) Weighted Average number of shares for computation of Basic Earnings Per Share	14,26,32,517	

(b) For the year 2015-16 :

Particulars	No. of Shares	Days
i) 5,00,00,000 Equity Shares of ₹ 10/- each (Fully Paid-up) and 7,69,23,000 of ₹ 10/- each (Partly Paid-up ₹ 7/- per each) at the beginning of the year	10,38,46,100	366
ii) Third and final call of ₹ 3/- on 39,230,700 equity shares having nominal value of ₹ 10/- per share	1,17,69,210	235
iii) Third and final call of ₹ 3/- on 37,692,300 equity shares having nominal value of ₹ 10/- per share	1,13,07,690	239
iv) Bonus element on issue of Equity Shares to employees pursuant to IPO	9,633	366
v) Weighted Average number of shares for computation of Basic Earnings Per Share	11,87,96,450	

iii) The Diluted Earnings Per Share have been computed by dividing the Profit After Tax by the weighted average number of equity shares after giving effect of outstanding Stock Options for the respective periods. The weighted average number of shares have been derived as follows:

For the year 2016-17:

Particulars	No. of Shares	
	Current Year	Previous Year
i) Weighted Average number of shares for computation of Basic Earnings Per Share	14,26,32,517	11,87,96,450
ii) Dilute effect of outstanding stock Options	22,43,030	-
iii) Weighted Average number of shares for computation of Diluted Earnings Per Share	14,48,75,547	11,87,96,450

27. Segment Reporting:

Company's main business is to provide loans against/for purchase, construction, repairs & renovations of Houses/ Flats/Commercial Properties etc. All other activities of the Company revolve around the main business. As such, there are no separate reportable segment, as per the Accounting Standard on Segment Reporting (AS-17), notified by the Companies (Accounting Standard) Rules, 2016.

28. Contingent Liabilities and Commitments

- Contingent liability in respect of Income-tax and Interest-tax demands of ₹ 20.33 crores (Previous year ₹ 18.37 crores) is disputed by the Company and are under appeals. These includes contingent liability of ₹ 17.69 crores (Previous year ₹ 16.91 crores) with respect to Income-tax and Interest-tax which have been decided by the CIT(A) in Company's favour. However, Income-tax Department has filed appeal with ITAT. The Company expects the demands to be set aside by the appellate authority and hence no additional provision is considered necessary.
- Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is ₹ 14.11 crores (Previous year ₹ 17.20 crores).
- Claims against the Company not acknowledged as debt is ₹ Nil (Previous year ₹ Nil)



29. Disclosure in respect of Employee Benefits:

In accordance with Accounting Standards on “Employee Benefits” (AS 15), the following disclosure have been made:

- 29.1** The company has made contribution to Provident Fund of ₹ 3.71 crores (Previous year ₹ 2.84 crores) which has been recognised in the Statement of Profit and Loss which are included under “Contribution to Provident Fund and Other Funds” in Note 21.
- 29.2** The Company has recognised expenses of ₹ 1.14 Crore (Previous Year ₹ 0.87 Crore) in the Statement of Profit and Loss for Contribution to State Plan namely Employee’ Pension Scheme.

29.3 Defined Benefit Plans

GRATUITY LIABILITY

Change in present value of obligation

(₹ in crores)

Particulars	Current Year	Previous Year
Present value of obligation as at the beginning of the year	2.95	2.18
Interest cost	0.23	0.17
Current service cost	1.15	0.56
Benefits paid	(0.10)	(0.04)
Actuarial (gain) / loss on obligation	1.34	0.08
Present value of obligation as at the end of year	5.57	2.95

Change in fair value of plan assets

(₹ in crores)

Particulars	Current Year	Previous Year
Fair Value of plan assets as at the beginning of the year	3.47	2.64
Actual return on plan assets	0.28	0.23
Contributions	0.99	0.64
Benefits paid	(0.10)	(0.04)
Fair Value of plan assets as at the end of year	4.64	3.47
Funded status	(0.93)	0.52

Expense recognized in the statement of Profit and Loss

(₹ in crores)

Particulars	Current Year	Previous Year
Current service cost	1.15	0.56
Interest cost	0.23	0.17
Expected return on plan assets	(0.27)	(0.23)
Net actuarial (gain) / loss recognized in the year	1.33	0.08
Expenses recognized in the statement of profit & losses	2.44	0.58

Assumptions

Particulars	Current Year	Previous Year
Discounting Rate	7.35%	8.00%
Future salary Increase	7.75%	7.75%
Expected Rate of Return on Plan Assets	7.75%	7.75%
Retirement Age (Years)	60	60
Mortality Table	IALM (2006-08)	IALM (2006-08)

Amount recognised in Balance Sheet

(₹ in crores)

Particulars	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
Present value of obligation as at the end of the year	5.57	2.95	2.18	1.57	1.33
Fair value of plan assets as at the end of the year	4.64	3.47	2.64	2.02	1.76
Funded / (Unfunded) status	(0.93)	0.52	0.46	0.45	0.43
Net asset / (liability) recognized in balance sheet	(0.93)	-	-	-	-

30. Corporate Social Responsibility Activities

Other Expenses includes ₹ 3.68 crores for the year ended March 31st, 2017 (Previous year ₹ 3.98 crores) contribution towards Corporate Social Responsibility (CSR) in accordance with Companies Act, 2013.

Disclosure on Corporate Social Responsibility (CSR) under section 135 of the Companies Act, 2013 is as under:

- Gross amount required to be spent by the Company during the year is ₹ 6.50 crores.
- Amount spent during the year on: ₹ 5.72 crores (includes ₹ 3.56 crores for earlier years).

(₹ in crores)

Particulars	Current Year			Previous Year		
	In cash	Yet to be paid in cash	Total	In cash	Yet to be paid in cash	Total
i) Construction/acquisition of any asset	-	-	-	-	-	-
ii) On purposes other than (i) above:						
a) Contribution to various Trust/ NGOs/Societies/Agencies and utilisation thereon	1.77	1.65	3.42	0.33	3.52	3.85
b) Expenditure on Administrative Overheads for CSR	0.26	-	0.26	0.13	-	0.13

- Details of related party transactions in relation to CSR expenditure, as per Accounting Standard (AS-18) - Nil
- An amount of ₹ 1.65 crores had been provided for by the company suo-motu as on March 31st, 2017 (Previous year ₹ 3.52 crores) which relates to the projects sanctioned during FY 2016-17 and the disbursement would be done subject to the receipt of a satisfactory field visit report.

- There are no indications which reflect that any of the assets of the Company had got impaired from its potential use and therefore no impairment loss was required to be accounted in the current year as per Accounting Standard on "Impairment of Assets" (AS 28) notified by the Companies (Accounting Standards) Rules, 2006.



32. Auditors Remuneration:

(₹ in crores)

Particulars	Current Year	Previous Year
Statutory Audit Fee	0.15	0.12
Tax Audit Fee	0.05	0.05
Limited Review Fee	0.04	-
Other Certification Fee*	0.13	0.12
Total	0.37	0.29

* Exclude fee paid to statutory auditor amounting to ₹ 0.40 Crore (Previous year ₹ Nil) for IPO related services.

33. Expenditure in Foreign Currency:

(₹ in crores)

Particulars	Current Year	Previous Year
Interest Paid	38.10	21.94
Other Expenses	5.51	-

34. Disclosure in respect of details of specified bank notes (SBN) held and transacted during demonetisation period from November 08, 2016 to December 30, 2016 is as follows:

(₹ in crores)

Particulars	SBN	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	0.75	0.02	0.77
(+) Permitted receipts	-	2.28	2.28
(-) Permitted payments	-	0.08	0.08
(-) Amount deposited in Banks	0.75	2.05	2.80
Closing cash in hand as on 30.12.2016	-	0.17	0.17

35. Previous year figures have been rearranged / regrouped wherever necessary to correspond with Current year's classification disclosure.