

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, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the 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 there under.

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, 2015, and its profit and its cash flows for the year ended on that date.



Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2015, 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 purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.
 - c) The Company does not have any branch which is separately audited and hence this clause is not applicable.
 - d) 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 and with the returns received from the branches not visited by us.
 - e) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - f) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 29 to the financial statements.
 - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
3. As required by the Directions and sub-directions under section 143 (5) of the Companies Act, 2013, we give in the Annexure II and III statement on the matters specified.

For B. R. Maheswari & Co.

Chartered Accountants

FRN: 001035N

Akshay Maheshwari

Partner

Membership No. 504704

Place: New Delhi

Date: 5th May 2015

ANNEXURE I TO INDEPENDENT AUDITOR'S REPORT

Re: PNB Housing Finance Limited

Referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements" of our report of even date.

We report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As informed, fixed assets were physically verified by the management during the year and no material discrepancies were noticed on such verification.
- (ii) The provisions of paragraph (ii) (a) to (c) of the order are not applicable to the Company, as the Company is engaged in the financial services sector.
- (iii) As informed, the Company has not granted any loans, secured or unsecured, to Companies, firms or other parties covered in the register maintained under section 189 of the Act for the financial year 2014-15, and accordingly clauses (a) and (b) of para (iii) of the order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to acquisition of properties, fixed assets, and with regard to sale of properties and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system.
- (v) 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.
- (vi) 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.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income Tax, Wealth Tax, Service Tax, 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 outstanding statutory dues were in arrears as at 31st March, 2015 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, following amounts have not been deposited as on 31st March, 2015 on account of any dispute:

Statute	Financial Year	Amount (in ₹)	Forum where dispute is pending
Income Tax	2010-11	32,02,112	Commissioner of Income Tax (Appeals)
Income Tax	2011-12	4,15,16,470	Commissioner of Income Tax (Appeals)
Total		4,47,18,582	



- (c) According to the information given to us the amount required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time.
- (viii) The Company neither has accumulated losses nor has incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (ix) According to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institutions, banks or debenture holders.
- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xi) To the best of our knowledge and belief and according to the information and explanations given to us, in our opinion, the term loans obtained during the year were, prima facie, applied by the Company for the purpose for which they were obtained, other than temporary deployment pending application.
- (xii) 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.

For B. R. Maheswari & Co.

Chartered Accountants

FRN: 001035N

Akshay Maheshwari

Partner

Membership No. 504704

Place: New Delhi

Date: 5th May 2015

ANNEXURE II TO INDEPENDENT AUDITOR'S REPORT

Re: Directions for PNB HOUSING FINANCE LIMITED

Referred to in paragraph 3 under "Report on Other Legal and Regulatory Requirements" of our report of even date.

1. If the Company has been selected for disinvestment, a complete status report in terms of valuation of Assets (including intangible assets and land) and Liabilities (including Committed & General Reserves) may be examined including the mode and present stage of disinvestment process."

To the best of our knowledge, during the period under review, the Company has not been selected for disinvestment.

2. Please report whether there are any cases of waiver/write off of debts/loans/interest etc., if yes, the reasons thereof and the amount involved.

The Company has written off an amount of ₹102.29 lacs as bad debts during the year due to non recoverability.

3. Whether proper records are maintained for inventories lying with third parties & assets received as gift from Govt. or other authorities.

The Company being a Housing Finance Company does not hold any inventory.

4. A report on age-wise analysis of pending legal / arbitration cases including the reasons of pendency and existence/effectiveness of a monitoring mechanism for expenditure on all legal cases (foreign and local) may be given.

Age-wise breakup of pending cases are given as under:

Particulars (Ageing of live cases)	₹ in lacs
Up to one year	144.06
One to Three years	66.88
Three to Five years	119.01
More Than Five years	103.24
Total Amount Involved	433.19

These cases have been filed against borrowers for recovery of loans given, where there has been default in repayment of the same.

A structure for legal fees has been framed by the Company for all legal cases, based on the amounts involved in the particular case. Fees are paid as per this structure.



ANNEXURE III TO INDEPENDENT AUDITOR'S REPORT

Re: Sub-Directions for PNB HOUSING FINANCE LIMITED

Referred to in paragraph 3 under "Report on Other Legal and Regulatory Requirements" of our report of even date.

1. Investments

Whether the titles of ownership in respect of CGS/SGS/Bonds/Debentures etc. are available in physical/demat form and these, in aggregate, agree with the respective amounts shown in the Company's books of accounts? If not, details may be stated.

The title of CGS/SGS/Bonds/Debentures etc held is in the name of the Company. The amounts in aggregate agree with the books of accounts of the Company.

2. Land

Whether the Company has clear title/lease deeds for freehold and leasehold land respectively? If not, please state the area of freehold and leasehold for which the title/lease deeds are not available.

The Company does not own any land.

3. Confirmation of balances

Whether amount of (a) bank balances (b) trade receivables (c) trade payables (d) loans and advances for which third party confirmation was not made available has been reported?

Where such balance has been confirmed by respective parties, whether it varies widely from the amounts reflected under respective heads in the financial statements, and if so, difference to be disclosed

- (a) Confirmations of all Bank Balances have been received and reconciled with the books of account.
- (b) There are no trade receivables with the Company.
- (c) Trade Payables are also fully reconciled since bill wise payments are being made as per terms & conditions decided.
- (d) Loans and Advances have been given to more than 55,000 borrowers and are backed by a written agreement in each case. Since payments are being regularly received as per EMI fixed in the agreements, hence it was not considered practical and prudent to call for a written confirmation once again. In disputed cases where EMI are not being received, Company has activated recovery proceedings.

4. Reconciliation of deposits

Whether the deposits/advances made by the Company to the Income tax, Service tax and other authorities have been verified and reconciled with the respective authorities?

The advances/deposits with service tax and income tax authorities' have been verified through service tax returns and Form 26AS respectively. There is no deposit/advance to any other authority.

5. Employee Benefits

Independent verification may be made of information/inputs furnished to Actuary, viz number of employees, average salary, retirement age and assumptions made by the actuary regarding the discount rate, future cost increase, mortality rate, etc for arriving at the provision for liability of retirement benefits, viz gratuity, leave encashment, post retirement medical benefits etc. (if accounting treatment of retirement benefits is done on the basis of actuarial valuation)

The accounting treatment of retirement benefits like Gratuity and Leave encashment is done on the basis of Actuarial valuation. The Gratuity fund of the Company is being managed by LIC of India. The provision for gratuity is made on the basis of actuarial valuation provided by LIC. Leave encashment liability is estimated by a valuation conducted by an independent actuary.

We have independently verified the information provided to the Actuary.

For B. R. Maheswari & Co.

Chartered Accountants

FRN: 001035N

Akshay Maheshwari

Partner

Membership No. 504704

Place: New Delhi

Date: 5th May 2015



Balance Sheet as at March 31st, 2015

₹ In Lacs

	Notes	As at March 31st, 2015	As at March 31st, 2014
EQUITY AND LIABILITIES			
Shareholder's Funds			
Share Capital	2	10,384.61	6,569.22
Reserves and Surplus	3	147,742.52	86,895.13
		158,127.13	93,464.35
Non-Current Liabilities			
Long-Term Borrowings	4	1,110,513.89	794,718.06
Deferred Tax Liabilities (Net)	5	795.32	-
Other Long-Term Liabilities	6	25,876.46	13,427.40
Long-Term Provisions	7	8,157.57	4,866.92
		1,145,343.24	813,012.38
Current Liabilities			
Short-Term Borrowings	8	344,726.54	45,207.86
Short-Term Provisions	7	7,188.01	3,559.24
Trade Payables	9	3,843.93	2,161.35
Other Current Liabilities	10	244,097.35	195,611.84
		599,855.83	246,540.29
TOTAL		1,903,326.20	1,153,017.02
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	11	3,957.48	2,276.61
Capital Work-in-Progress		1,810.32	302.09
Non-Current Investments	12	21,912.49	11,873.73
Deferred Tax Assets (Net)	5	-	1,468.01
Loans and Advances	13	1,438,217.24	864,064.79
Other Non-Current Assets	14	12,319.11	6,818.43
		1,478,216.64	886,803.66
Current Assets			
Current Investments	15	136,685.03	52,673.60
Cash and Cash Equivalents	16	29,314.20	13,842.25
Short-Term Loans and Advances	17	5,006.44	901.35
Other Current Assets	18	254,103.89	198,796.16
		425,109.56	266,213.36
TOTAL		1,903,326.20	1,153,017.02

Significant Accounting Policies 1
The accompanying notes are an integral part of the financial statements.

In terms of our report of even date

For and on Behalf of Board

B.R. Maheswari & Co.
Chartered Accountants

Akshay Maheshwari
Partner
Membership No.: 504704
FR No: 001035N

Sanjaya Gupta
Managing Director

Gauri Shankar
Chairman

Sunil Kaul
Director

New Delhi
May 5, 2015

Krishan Gopal
Chief Manager (F & A)

Jayesh Jain
Chief Financial Officer

Sanjay Jain
Company Secretary

Statement of Profit & Loss for the year ended March 31st, 2015

₹ In Lacs

	Notes	Current Year	Previous Year
INCOME			
Revenue from Operations	19	177,672.61	111,601.59
TOTAL REVENUE		177,672.61	111,601.59
EXPENSES			
Finance Cost	20	126,484.30	80,115.16
Employee Benefit Expense	21	6,706.26	4,040.08
Office Operating Expenses	22	4,480.71	2,546.81
Other Expenses	23	6,090.44	3,792.95
Depreciation & Amortisation	11	522.75	489.25
Provision for Doubtful Debts & Contingencies		3,708.37	2,244.41
Bad Debts Written Off/Business Loss		102.29	798.69
TOTAL EXPENSES		148,095.12	94,027.35
PROFIT BEFORE TAX FOR THE YEAR		29,577.49	17,574.24
Less: Provision for Taxation-Current Tax		8,980.00	5,000.00
- Earlier years (Net)		-	65.00
- Deferred Tax (Net)		986.52	(235.01)
PROFIT AFTER TAX FOR THE YEAR		19,610.97	12,744.25
Earnings Per Share:	28		
- Basic (in ₹)		24.41	25.42
- Diluted (in ₹)		24.41	25.42

Significant Accounting Policies
The accompanying notes are an integral part of the financial statements. 1

In terms of our report of even date

For and on Behalf of Board

B.R. Maheswari & Co.
Chartered Accountants

Akshay Maheshwari
Partner
Membership No.: 504704
FR No: 001035N

Sanjaya Gupta
Managing Director

Gauri Shankar
Chairman

Sunil Kaul
Director

New Delhi
May 5, 2015

Krishan Gopal
Chief Manager (F & A)

Jayesh Jain
Chief Financial Officer

Sanjay Jain
Company Secretary



Cash Flow Statement for the year ended March 31st, 2015 (Indirect Method)

₹ In Lacs

		Current Year	Previous Year
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax		29,577.49	17,574.24
Adjustment for non-cash item/items, to be disclosed separately			
Add: Depreciation	522.75		489.25
Loss/(Profit) on sale of fixed assets	22.08		14.45
Provision for Doubtful Debts & Contingencies	3,708.37		2,244.41
Bad debts written off/ Business Loss	102.29		798.69
		4,355.49	3,546.80
Operating Profits before Changes in Working Capital		33,932.98	21,121.04
Adjustment for Changes in working capital and provisions			
Increase/ (Decrease) in Trade Payables	1,682.58		1,009.26
Increase/ (Decrease) in Long-Term Provision	168.28		41.94
Increase/ (Decrease) in Short-Term Provision	1,941.39		281.95
Increase/ (Decrease) in Other Current Liabilities	22,819.83		2,386.00
Increase/ (Decrease) in Other Long-Term Liabilities	16,399.06		1,772.06
(Increase)/ Decrease in Long-Term Loans & advances	(574,254.74)		(326,047.34)
(Increase)/ Decrease in Short-Term Loans & advances	(4,147.84)		70.51
(Increase)/ Decrease in Other Non-Current Assets	(5,500.68)		(4,139.38)
(Increase)/ Decrease in Other Current Assets	(55,348.01)		(70,442.40)
Investments (Net)	(94,050.19)		13,142.00
(Increase)/ Decrease in Other Bank Balances	(13,254.50)		(9,795.12)
		(703,544.82)	(391,720.52)
Cash Generated from Operations		(669,611.84)	(370,599.48)
Taxes Paid (net of refunds)		(8,937.25)	(4,875.56)
CSR expenses		(269.58)	-
A. NET CASH FROM OPERATING ACTIVITIES		(678,818.67)	(375,475.04)
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets	(3,747.63)		(1,476.55)
Sale of Fixed Assets	13.69		10.10
		(3,733.94)	(1,466.45)
B. NET CASH USED IN INVESTING ACTIVITIES		(3,733.94)	(1,466.45)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from borrowings - Bonds	110,000.00		150,000.00
- Banks	307,069.50		264,240.00
- Unsecured Loans (net)	464,432.34		59,406.36
Repayment of borrowings - Bonds	(8,500.00)		(15,000.00)
- Banks	(235,971.65)		(117,278.22)
Proceeds from issue of Share Capital	3,815.39		1,569.23
Share Premium Received	45,784.58		18,830.74
Share Premium Utilised	(100.65)		-
Dividend paid (including dividend distribution tax)	(1,759.45)		(1,200.50)

₹ In Lacs

	Current Year	Previous Year
C. NET CASH USED IN FINANCING ACTIVITIES	684,770.06	360,567.61
NET CHANGES IN CASH & CASH EQUIVALENTS		
(A+B+C)	2,217.45	(16,373.88)
Cash or Cash equivalents (Opening Balance)	2,474.99	18,848.87
Cash or Cash equivalents (Closing Balance)	4,692.44	2,474.99
NET INCREASE OF CASH OR CASH EQUIVALENTS DURING THE YEAR	2,217.45	(16,373.88)

NOTE : Minus (-) denotes applications of cash

In terms of our report of even date

For and on Behalf of Board

B. R. Maheswari & Co.
Chartered Accountants

Akshay Maheshwari
Partner
Membership No.: 504704
FR No: 001035N

New Delhi
May 5, 2015

Sanjaya Gupta
Managing Director

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Gauri Shankar
Chairman

Jayesh Jain
Chief Financial Officer

Sunil Kaul
Director

Sanjay Jain
Company Secretary



Notes to Financial Statements for the year ended March 31st, 2015

NOTE: 1

SIGNIFICANT ACCOUNTING POLICIES

1.1 GENERAL METHOD AND SYSTEM OF ACCOUNTING

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 notified under the Companies (Accounting Standards) Rules, 2006, 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.

Accounting policies not specifically referred to otherwise are consistent with the generally accepted accounting principles followed by the Company.

1.2 USE OF ESTIMATES

The preparation of financial statements require 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.

1.3 REVENUE RECOGNITION

i) FEE AND OTHER CHARGES

Income from log in fee, other charges and penal interest on overdues / additional interest on defaults, pre-payment charges etc. is recognised on receipt basis. Income on loan processing/management fees is recognised over the average tenure of the loan being the consideration received for continuing obligation over the life of loan.

ii) INCOME FROM INVESTMENT

Interest income on Bonds and Government Securities is recognized on accrual basis. Dividend income is accounted for in the year in which the same is received. 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.

iii) OTHER INCOME

Interest on tax refunds and other incomes are accounted for on receipt basis.

iv) INTEREST ON LOANS

Interest Income is recognised on accrual basis except in case of non-performing assets where interest is accounted on realisation. In loans, the repayment is received by way of Equated Monthly Instalments (EMIs) comprising principal and interest. Interest is calculated on the outstanding balance at the beginning of the month. EMIs generally commence once the entire loan is disbursed. Pending commencement of EMIs, Pre-EMI interest is charged every month. Income on loans purchased through direct assignment is recognised on accrual basis.

Recovery in case of Non-Performing Loans is appropriated first towards interest portion of overdue EMIs and thereafter towards principal portion of overdue EMIs.

1.4 FIXED ASSETS

Fixed Assets are stated at cost of acquisition less accumulated depreciation. Costs include all expenses incidental to the acquisition of the fixed assets.

1.5 INTANGIBLE ASSETS

Intangibles 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 stated at cost of acquisition less accumulated amortisation.

1.6 DEPRECIATION/AMORTISATION

- i) Depreciation on Fixed Assets is provided on the Straight Line Method at the lives prescribed in Part C of Schedule II of the Companies Act, 2013 on pro-rata basis, except the following items on which different useful lives for depreciation have been charged:
 - Intangible Assets are amortised over a period of five years except website development costs which are amortised over a period of three years.
 - Networking Equipment's and Mobile phone instruments are depreciated over a period of five and three years respectively.
 - Leasehold Improvements are depreciated over a period of five years.
- ii) Assets costing up to ₹5,000/- are charged to revenue.

1.7 INVESTMENTS

Investments are capitalised at cost inclusive of brokerage and stamp charges excluding interest/dividend accruing till the date of purchase. The difference between the carrying amount and disposal proceeds of investments, net of expenses, is recognised in the Profit & Loss Account. Investments are classified as long-term investments (Non-Current Investment) and current investments and are valued in accordance with guidelines of National Housing Bank and Accounting Standard on Accounting for Investments (AS-13), issued by The Institute of Chartered Accountants of India. Long-term investments are valued at cost net of amortisation of premium / discount. However, when there is a decline, other than temporary, in the value of long-term investment, the carrying amount is reduced to recognise the decline. Current investments are valued at lower of cost or market value determined on individual investment basis.

1.8 EMPLOYEE BENEFITS

- i) The company has taken LIC Policy to cover the accumulated gratuity liability of its employees as Defined Contribution Plan. The premium on this policy has been accounted for on accrual basis in line with the Accounting Standard on Accounting for Employee Benefits (AS-15)- Revised, issued by the Institute of Chartered Accountants of India.
- ii) Provision for leave encashment is made on the basis of actuarial valuation.
- iii) Retirement benefits of employees on deputation from Punjab National Bank are borne by the Bank and hence no provision is considered necessary by the company.
- iv) Provident Fund Contribution paid to recognized Provident Fund Trust and Government Provident Fund is debited to the Profit and Loss Account on accrual basis.
- v) Incentive paid to employees in terms of performance linked incentive scheme is charged to Profit & Loss Account on accrual basis.



1.9 TRANSACTION INVOLVING FOREIGN EXCHANGE

- i) Foreign currency monetary liabilities are translated at the rate which reflects the liability of the company in Indian Rupee which is likely to be repaid at the balance sheet date.
- ii) Income and expenditure items are accounted for at the exchange rate prevailing on the date of transaction.
- iii) Generally Exchange differences arising on Foreign Currency transactions are recognised as income or expense as the case may be in the period in which they arise. However, in case of forward exchange contracts, the Exchange difference between the forward rate and the exchange rate at the date of transaction is recognised as an income or expense over the life of the forward 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.

1.10 BORROWING COSTS

Borrowing costs are recognised as an expense in the year in which they are incurred. Expenditure incurred on issue of shares/bonds is charged to Statement of Profit and Loss in the year on accrual basis except brokerage costs directly attributable to a borrowing which are amortised over the period of borrowing. Ancillary cost in connection with long term external borrowing are amortised to the Statement of Profit and Loss Account over the tenure of the loan. Issue expenses of certain securities are charged to Securities Premium account.

1.11 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.

1.12 EARNINGS PER SHARE

The basic earnings per share is computed by dividing the net profit / loss attributable to the equity shareholders for the period by the weighted average number of equity shares outstanding during the reporting period. 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 also 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.

1.13 TAXES ON INCOME

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

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

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. They are measured using substantially enacted tax rates and tax regulations as of the Balance Sheet date.

Deferred tax assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws, are recognised, only if there is virtual certainty of its realisation, supported by convincing evidence. Deferred tax assets on account of other timing differences are recognised only to the extent there is a reasonable certainty of its realisation.

1.14 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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. 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. Contingent Assets are neither recognised nor disclosed.

1.15 PROVISION FOR STANDARD ASSETS

Provisions are established on a collective basis against loan assets classified as “Standard” to absorb credit losses on the aggregate exposures in each of the Company’s loan portfolios based on the NHB Directions. A higher standard asset provision may be made based upon statistical analysis of past performance, level of allowance already in place and Management’s judgement. This estimate includes consideration of economic and business conditions. The amount of the collective allowance for credit losses is the amount that is required to establish a balance in the Provision for Standard Assets Account that the Company’s management considers adequate, after consideration of the prescribed minimum under the NHB Directions, to absorb credit related losses in its portfolio of loan items after individual allowances or write offs.

1.16 STOCK OF ACQUIRED PROPERTIES

- i) As per the National Housing Bank Directions 2010, the land and buildings, including Assets/ Properties acquired from NPA Advances in settlement of Loans, are held as ‘Other Current Assets’ till their disposal. These assets are required to be disposed off within 3 years from the date of acquisition (if it exceeds 10% of net owned funds of the company) unless and until extended by the NHB. All the expenses incurred on the upkeep of the property including safeguarding, insurance, rates & taxes etc. are charged to Profit & Loss Account in the year of incurrence.
- ii) Where the possession of the secured assets has been taken by the Company under SARFAESI Act, 2002 such assets are classified in ‘Current Assets’ at cost or market price (as per valuation report), whichever is less till its final disposal. The diminution in value is provided as ‘Provision for Doubtful Debts & Contingencies’. The loss, if any, is ascertained and accounted for in the year of its disposal.

1.17 LOAN ORIGATION / ACQUISITION COST

All direct costs incurred for the loan origination are amortised over the average tenure of the loan.

1.18 SERVICE TAX INPUT CREDIT

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing / utilising the credits.



1.19 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.

1.20 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.

1.21 SECURITISATION OF LOANS

The Company transfers pool of loan assets. Such Assets are derecognised, if and only if, Company loses control over the contractual rights that comprises pool of loan assets transferred.

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.

NOTE: 2

SHARE CAPITAL

₹ In Lacs

	As at March 31st, 2015	As at March 31st, 2014
Authorized Share Capital		
15,00,00,000 Equity Shares of ₹10/- each (Previous year 15,00,00,000 Equity Shares)	15,000.00	15,000.00
Equity Share Capital		
Issued, Subscribed and Paid-up Capital		
5,00,00,000 Equity Shares of ₹10/- each fully Paid up (Previous year 5,00,00,000)	5,000.00	5,000.00
7,69,23,000 Partly Paid-Up Equity Shares of ₹10/- each Amount Called and Paid up ₹7/- per Share (Previous year ₹4/- Paid up on 3,92,30,700 Equity Shares)	5,384.61	1,569.22
Total Issued, Subscribed and Paid-Up Share Capital	10,384.61	6,569.22

	As at March 31st, 2015		As at March 31st, 2014	
	Number	₹ in Lacs	Number	₹ in Lacs
2.1 Reconciliation of Number of Shares				
Equity Shares				
At the beginning of the year	89,230,700	6,569.22	50,000,000	5,000.00
Issued during the year *	37,692,300	3,815.39	39,230,700	1,569.22
Outstanding at the end of the year	126,923,000	10,384.61	89,230,700	6,569.22
*Equity Shares of ₹10/- each. ₹7/- Called and Paid up.				

	As at March 31st, 2015		As at March 31st, 2014	
	No. of Shares	% of Holding	No. of Shares	% of Holding
2.2 Details of Shareholders holding more than 5% Shares in the Company				
Name of Shareholder				
Punjab National Bank (PNB) (Holding Company)	64,730,700	51.00%	64,730,700	72.54%
Destimoney Enterprises Pvt. Ltd. (DEPL)	62,192,300	49.00%	24,500,000	27.46%

2.3 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 Share held.

2.4 Rights Issue of Equity Shares

The Company has allotted 3,76,92,300 Equity Shares of ₹10/- each (amount called and paid up ₹4/- per share on allotment) along with premium of ₹120/- per share (proportionate share premium called and paid up ₹48/- per share on allotment) aggregating to ₹19,600.00 lacs to DEPL on 8th August, 2014.

In the previous year, the Company had allotted 3,92,30,700 equity shares of ₹10/- each (amount called and paid ₹4/- per share along with proportionate premium of ₹48/- per share) aggregating to ₹20,399.96 Lacs to PNB on 29th March, 2014.

2.5 Second Call on Rights Issue of equity shares

- (i) The Company has called ₹3/- along with proportionate premium of ₹36/- per share on 7,69,23,000 equity shares allotted to PNB and DEPL.
- (ii) The second call on 3,92,30,700 equity shares along with proportionate premium aggregating to ₹15299.97 lacs was paid on 15th December 2014.
- (iii) The second call on 3,76,92,300 equity shares along with proportionate premium aggregating to ₹14700.00 lacs was paid on 13th February 2015.

2.6 Issue of Bonus Shares

The Company had issued 64,70,589 equity shares of ₹10/- each as fully paid up Bonus shares after capitalisation of General Reserves of ₹6,47,05,890 on 30th March 2013 to existing shareholders in proportion of their shareholding (PNB - 33,00,000 Equity Shares and DEPL 31,70,589 Equity Shares).



NOTE: 3
RESERVES AND SURPLUS

₹ In Lacs

	As at March 31st, 2015	As at March 31st, 2014
Special Reserve		
Created under Section 36(1) (viii) of the Income Tax Act, 1961 Opening Balance	15,025.81	13,150.81
Add: Transferred from the Statement of Profit and Loss	3,110.00	1,875.00
	18,135.81	15,025.81
Statutory Reserve		
As per Section 29C of National Housing Bank Act, 1987 Opening Balance	1,519.00	839.00
Add: Transferred from the Statement of Profit and Loss	815.00	680.00
	2,334.00	1,519.00
General Reserve		
Opening Balance	37,989.66	29,489.66
Add: Transferred from the Statement of Profit and Loss	2,500.00	8,500.00
Less: Utilised for creating Deferred Tax Liability on Special Reserve	1,276.82	-
	39,212.84	37,989.66
Securities Premium Reserve		
Opening Balance	31,210.15	12,379.41
Add: Premium on issue of equity shares (Refer note 2)	45,784.58	18,830.74
Less: Share Issue Expenses	100.65	-
	76,894.08	31,210.15
Surplus in the Statement of Profit and Loss		
Opening Balance	1,150.51	1,220.71
Profit for the year	19,610.97	12,744.25
Amount Available for Appropriation	20,761.48	13,964.96
Appropriations		
- Special Reserve	3,110.00	1,875.00
- Statutory Reserve (U/s. 29C of the NHB Act)	815.00	680.00
- General Reserve	2,500.00	8,500.00
- Proposed Dividend	2,410.41	1,503.87
- Dividend Distribution Tax	490.70	255.58
- Corporate Social Responsibility Activities (refer note 31)	269.58	-
Net Surplus in the Statement of Profit and Loss	11,165.79	1,150.51
	147,742.52	86,895.13

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 ₹3,110.00 Lacs (Previous year ₹1,875.00 Lacs 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 current financial year, in a phased manner in the ratio of 25:25:50. Accordingly, the company has created 25% of deferred tax liability of ₹1,276.82 Lacs on accumulated Special Reserve as on April 1, 2014 out of free reserves as on April 1, 2014.

Company has charged its Statement of Profit & Loss for the year ended March 31, 2015 with the deferred tax liability on an additional amount appropriated towards Special Reserve out of current year's profits. An amount of ₹1057.09 Lacs towards deferred tax liability for the year ended March 31, 2015 has been charged to the Statement of Profit and Loss and the same has been shown separately.

3.3 The Company has transferred an amount of ₹815.00 Lacs (Previous year ₹680.00 lacs) to Statutory Reserve u/s 29C of the National Housing Bank Act, 1987.

3.4 In terms of requirement of NHB's Circular No. NHB(ND)/DRS/Pol.Circular.61/2013-14 dated April 7, 2014 following information on Reserve Fund under section 29C of NHB Act, 1987 is provided :

Particulars	₹ In Lacs	
	As at March 31st, 2015	As at March 31st, 2014
Balance at the beginning of the year		
a) Statutory Reserve u/s 29C of NHB Act, 1987	1,519.00	839.00
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	15,025.81	13,150.81
c) Total	16,544.81	13,989.81
Addition / Appropriation / Withdrawal during the year		
Add :		
a) Amount transferred u/s 29C of the NHB Act, 1987	815.00	680.00
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	3,110.00	1,875.00
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	-	-
	20,469.81	16,544.81
Balance at the end of the year		
a) Statutory Reserve u/s 29C of NHB Act, 1987	2,334.00	1,519.00
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	18,135.81	15,025.81
c) Total	20,469.81	16,544.81



NOTE: 4

LONG-TERM BORROWINGS

₹ In Lacs

	Non-Current Maturities		Current Maturities	
	As at March 31st, 2015	As at March 31st, 2014	As at March 31st, 2015	As at March 31st, 2014
Secured Borrowings				
Term Loans				
National Housing Bank	158,254.21	87,749.27	19,163.42	11,807.20
Banks	195,962.67	274,205.63	118,369.13	134,054.71
External Commercial Borrowing	61,069.50	-	-	-
	415,286.38	361,954.90	137,532.55	145,861.91
Redeemable Non-Convertible Debentures	396,500.00	307,500.00	-	7,500.00
	811,786.38	669,454.90	137,532.55	153,361.91
Unsecured Borrowings				
Redeemable Non-Convertible				
Subordinated Debentures	40,000.00	30,000.00	10,000.00	-
Public Deposits	258,727.51	95,263.16	45,303.01	17,757.97
	298,727.51	125,263.16	55,303.01	17,757.97
Current Maturity of Long-Term Borrowings disclosed under the head "Other Current Liabilities" (Refer Note 10)	-	-	(192,835.56)	(171,119.88)
	1,110,513.89	794,718.06	-	-

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/guarantees obtained by the company against Loans disbursed.

Maturity Profile of Term Loans from National Housing Bank

Previous year figures are in (bracket)

₹ In Lacs

Maturities	≤ 1 year	1 - 3 years	3 - 5 years	5 - 10 years	Total
Rate of interest					
6.00% - 8.00%	1,380.81	2,657.94	845.89	-	4,884.64
	(1,381.39)	(3,170.24)	(2,051.68)	(123.18)	(6,726.49)
8.01% - 10.00%	17,767.91	41,228.51	38,772.76	74,602.21	172,371.39
	(10,026.21)	(23,875.79)	(19,055.72)	(34,947.68)	(87,905.40)
10.01% - 12.00%	14.70	39.20	39.20	68.50	161.60
	(399.60)	(1,065.60)	(1,065.60)	(2,393.80)	(4,924.60)

Maturity Profile of Term Loans from Banks:

₹ In Lacs

Maturities	≤ 1 year	1 - 3 years	3 - 5 years	5 - 10 years	Total
Rate of interest					
10.00% - 11.00%	118,369.13	164,672.54	31,290.13	-	314,331.80
	(134,054.71)	(167,961.29)	(89,620.99)	(16,623.35)	(408,260.34)

4.2 External Commercial Borrowing

During the year, the Company has availed External Commercial Borrowing of USD 100 million for financing prospective owners of low cost affordable housing units under “approval route” in terms of Reserve Bank of India guidelines dated December 17, 2012. The borrowing has a maturity of five years. In terms of the RBI guidelines, these borrowings have been swapped into rupees for the entire maturity by way of principal only swaps and interest payable (fixed coupon) have been swapped into Rupees for the entire maturity by way of interest only swaps.

As on March 31, 2015, the Company has foreign currency borrowings of USD 100 million equivalent (Previous year USD Nil million). The Company has undertaken currency swaps, options and forward contracts on a notional amount of USD 100 million equivalent (Previous year USD Nil million equivalent) to hedge the foreign currency risk. Further, interest rate swaps (fixed coupon only) on a notional amount of USD 100 million equivalent (Previous year Nil) are outstanding, which have been undertaken to hedge the foreign currency risk arising out of interest payment on the foreign currency borrowings.

4.3 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 by hypothecation of book debts of outstanding amount. In addition, all the Redeemable Non-Convertible Debentures are also secured by mortgage of buildings of ₹77.23 Lacs (Refer Note 11)

Terms of Repayment

₹ In Lacs

Maturities	≤ 1 year	1 - 3 years	3 - 5 years	5 - 10 years	Total
Rate of interest					
8.00% - 9.00%	-	40,000.00	12,500.00	80,000.00	132,500.00
	(7,500.00)	(10,000.00)	(-)	(92,500.00)	(110,000.00)
9.01% - 10.00%	-	99,000.00	36,000.00	129,000.00	264,000.00
	(-)	(10,000.00)	(63,000.00)	(132,000.00)	(205,000.00)

4.4 Unsecured Redeemable Non-Convertible Debentures

Redeemable Non-Convertible Subordinated Debentures, for value aggregating to ₹ 50,000.00 Lacs 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.

Terms of Repayment

₹ In Lacs

Maturities	≤ 1 year	1 - 3 years	3 - 5 years	5 - 10 years	Total
Rate of interest					
8.00% - 9.00%	-	-	-	20,000.00	20,000.00
	(-)	(-)	(-)	(-)	(-)
9.01% - 10.00%	10,000.00	-	-	20,000.00	30,000.00
	(-)	(10,000.00)	(-)	(20,000.00)	(30,000.00)



4.5 Public Deposits

- i) 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.
- ii) The Company is carrying Statutory Liquid Assets amounting to ₹46,534.25 Lacs (Previous year ₹23,240.99 Lacs) comprising of Investment of ₹21,912.49 Lacs (Previous year ₹11,873.73 Lacs) and Fixed Deposits of ₹24,621.76 Lacs (Previous year ₹11,367.26 Lacs).

NOTE: 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.

₹ In Lacs

	As at March 31st, 2015		As at March 31st, 2014	
Deferred Tax Liabilities				
Expenses paid in advance				
(Net of Income received in Advance)	2,147.65		1,016.39	
Depreciation on Fixed Assets	37.91		-	
Special Reserve	2,333.91		-	
Total Deferred Tax Liabilities- (A)		4,519.47		1,016.39
Deferred Tax Assets				
Depreciation on Fixed Assets	-		10.74	
Provision for leave encashment	146.99		86.14	
Provision for doubtful debts and contingencies	3,464.02		2,203.54	
Others	113.14		183.98	
Total Deferred Tax Assets - (B)		3,724.15		2,484.40
Net Deferred Tax Liabilities/ (Assets) (Net A-B)		795.32		(1,468.01)

NOTE: 6

OTHER LONG-TERM LIABILITIES

₹ In Lacs

	Non-Current Maturities		Current Maturities	
	As at March 31st, 2015	As at March 31st, 2014	As at March 31st, 2015	As at March 31st, 2014
Interest Accrued but not Due on Borrowings	21,497.21	10,626.75	5,584.10	2,370.57
Income Received in Advance	4,379.25	2,800.65	1,493.06	756.59
(Refer Note 1.3 & Note 10)				
Amount disclosed under the head			(7,077.16)	(3,127.16)
"Other Current Liabilities" (Note 10)				
	25,876.46	13,427.40	-	-

NOTE: 7
PROVISIONS

₹ In Lacs

	Long-Term		Short-Term	
	As at March 31st, 2015	As at March 31st, 2014	As at March 31st, 2015	As at March 31st, 2014
Provision for Employees Benefits	357.57	189.29	1,763.36	64.15
Provision for Standard Assets as per NHB norms	7,800.00	4,677.63	-	-
Provision for NPAs as per NHB norms	-	-	2,281.36	1,735.64
Proposed Dividend	-	-	2,410.41	1,503.87
Tax on Proposed Dividend	-	-	490.70	255.58
Other Provisions	-	-	242.18	-
	8,157.57	4,866.92	7,188.01	3,559.24

7.1 The movement in provision for Standard Assets and NPAs during the year is as under:

₹ In Lacs

	Current Year	Previous Year
Opening Balance	6,409.34	4,164.93
Addition during the year	3,668.09	2,244.41
Closing Balance	10,077.43	6,409.34

NOTE: 8
SHORT-TERM BORROWINGS

₹ In Lacs

	As at March 31st, 2015	As at March 31st, 2014
Secured Borrowings:		
Term Loans Banks	10,000.00	-
Bank Overdraft	16,095.73	-
Unsecured Borrowings:		
Public Deposits	158,630.81	45,207.86
Commercial Paper	160,000.00	-
	318,630.81	45,207.86
	344,726.54	45,207.86

8.1 Nature of Security

- Term Loans from Banks are secured by hypothecation of specific loans/ book debts against which Term Loan has been availed.
- Bank Overdraft is secured by hypothecation of book debts and negative lien on properties charged to/guarantees obtained by the company against Loans disbursed
- 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.



NOTE: 9
TRADE PAYABLES

₹ In Lacs

	As at March 31st, 2015	As at March 31st, 2014
Sundry Creditors for Expenses	3,843.93	2,161.35
	3,843.93	2,161.35

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.

NOTE: 10
OTHER CURRENT LIABILITIES

₹ In Lacs

	As at March 31st, 2015	As at March 31st, 2014
Current Maturity of Long - Term Borrowings (Refer note 4)	192,835.56	171,119.88
Current Portion of Other Long - Term Liabilities (Refer note 6)	7,077.16	3,127.16
Interest Accrued but not Due	1,444.62	1,538.08
Book Overdraft	31,372.95	18,096.91
Statutory Dues Payable	1,108.06	577.96
Security Deposit	839.58	-
Other Liabilities	9,419.42	1,151.85
	244,097.35	195,611.84

NOTE: 11
TANGIBLE ASSETS

₹ In Lacs

	Buildings*	Furniture & Fixtures	Vehicles	Computers	Office Equipments others	Intangibles	Leasehold Improvements	Total
Cost or Valuation								
At 01 April 2013	108.88	429.64	6.59	243.60	437.24	8.93	375.09	1,609.97
Additions	-	219.81	-	275.00	327.47	98.97	612.27	1,533.52
Disposals	-	39.51	-	1.59	23.47	-	-	64.57
At 31 March 2014	108.88	609.94	6.59	517.01	741.24	107.90	987.36	3,078.92
Additions	-	413.16	-	212.95	546.43	62.57	1,004.28	2,239.39
Disposals/ Adjustments	-	57.63	-	(4.31)	45.21	-	-	98.53
At 31 March 2015	108.88	965.47	6.59	734.27	1,242.46	170.47	1,991.64	5,219.78
Depreciation								
At 01 April 2013	49.73	146.48	4.35	58.53	59.64	0.32	34.04	353.09
Charge for the year	2.96	79.48	0.58	148.32	91.57	11.53	154.81	489.25
Disposals	-	29.24	-	1.45	9.34	-	-	40.03
At 31 March 2014	52.69	196.72	4.93	205.40	141.87	11.85	188.85	802.31
Charge for the year	(33.48)	(8.52)	(1.06)	96.79	169.75	31.07	268.20	522.75
Disposals	-	51.75	-	1.54	9.47	-	-	62.76
At 31 March 2015	19.21	136.45	3.87	300.65	302.15	42.92	457.05	1,262.30
Net Block								
At 31 March 2014	56.19	413.22	1.66	311.61	599.37	96.05	798.51	2,276.61
At 31 March 2015	89.67	829.02	2.72	433.62	940.31	127.55	1,534.59	3,957.48

*Includes Buildings of ₹77.23 Lacs (Previous year ₹77.23 Lacs) mortgaged for securing Secured Redeemable Non-Convertible Debentures (Refer Note 4.3).

11.1 During the Year ended March 31, 2015, the Company has reviewed its policy of providing for depreciation on its fixed assets and has also reassessed their useful lives. On and from April 1, 2014, the straight line method is being used to depreciate all class of fixed assets, Previously, fixed assets were being depreciated using reducing balance method except leasehold improvements, intangibles etc. The revised useful lives, as assessed match those specified in Part C of Schedule II of the Companies Act, 2013, for all classes of assets other than leasehold improvements, intangible assets etc. As a result of the change, the charge on account of Depreciation for the year ended March 31, 2015 is lower by ₹280.16 Lacs.



NOTE: 12
NON-CURRENT INVESTMENTS

	Number of Bonds	Face Value per Bond Amount in ₹	As at March 31st, 2015 ₹ in Lacs	Number of Bonds	Face Value per Bond Amount in ₹	As at March 31st, 2014 ₹ in Lacs
OTHER INVESTMENTS (NON TRADE)						
QUOTED - (FULLY PAID)						
Investments in Government Securities						
Government of India Stock						
10.71% Government of India Stock 2016	8,000	100	8.57	8,000	100	8.57
10.25% Government of India Stock 2021	1,005,000	100	1,261.19	1,005,000	100	1,261.19
10.03% Government of India Stock 2019	7,000	100	7.72	7,000	100	7.72
8.97% Government of India Stock 2030	50,000	100	56.79	50,000	100	56.79
8.33% Government of India Stock 2036	26,000	100	28.20	26,000	100	28.20
8.32% Government of India Stock 2032	25,000	100	26.93	25,000	100	26.93
8.30% Government of India Stock 2023	30,000	100	30.74	30,000	100	30.74
8.28% Government of India Stock 2032	19,000	100	20.24	19,000	100	20.24
8.26% Government of India Stock 2027	10,000	100	10.66	10,000	100	10.66
8.15% Government of India Stock 2022	14,000	100	14.66	14,000	100	14.66
8.13% Government of India Stock 2022	10,000	100	10.15	10,000	100	10.15
8.08% Government of India Stock 2022	15,000	100	15.52	15,000	100	15.52
8.07% Government of India Stock 2017	3,005,000	100	3,171.59	3,005,000	100	3,171.59
7.94% Government of India Stock 2021	7,900	100	8.11	7,900	100	8.11
7.50% Government of India Stock 2034	18,000	100	17.92	18,000	100	17.92
5.69% Government of India Stock 2018	10,000	100	9.05	10,000	100	9.05
State Development Loans						
9.79% Maharashtra SDL 2023	1,500,000	100	1,550.65	1,500,000	100	1,550.65
9.72% Kerala SDL 2023	4,000,000	100	4,153.60	4,000,000	100	4,153.60
9.60% Maharashtra SDL 2023	1,400,000	100	1,401.82	1,400,000	100	1,401.82
8.93% Haryana SDL 2022	22,200	100	23.90	22,200	100	23.90
8.89% West Bengal SDL 2022	25,000	100	26.88	25,000	100	26.88
8.73% Madhya Pradesh SDL 2022	12,000	100	12.73	12,000	100	12.73
8.66% Andhra Pradesh SDL 2021	10,000	100	10.54	10,000	100	10.54
8.55% Uttar Pradesh SDL 2017	10,000	100	10.30	10,000	100	10.30
8.53% Maharashtra SDL 2020	25,000	100	26.08	25,000	100	26.08
8.40% Madhya Pradesh SDL 2019	10,000	100	10.30	10,000	100	10.30
8.39% Uttar Pradesh SDL 2020	20,000	100	20.65	20,000	100	20.65
8.30% Gujarat SDL 2017	10,000	100	10.18	10,000	100	10.18
8.25% Rajasthan SDL 2020	30,000	100	30.77	30,000	100	30.77
7.91% Maharashtra SDL 2016	5,000	100	5.02	5,000	100	5.02
7.85% Uttar Pradesh SDL 2016	8,000	100	8.02	8,000	100	8.02
7.79% Tamil Nadu SDL 2016	1,200	100	1.20	1,200	100	1.20
7.79% Punjab SDL 2016	16,800	100	16.81	16,800	100	16.81

	Number of Bonds	Face Value per Bond Amount in ₹	As at March 31st, 2015 ₹ in Lacs	Number of Bonds	Face Value per Bond Amount in ₹	As at March 31st, 2014 ₹ in Lacs
7.77% Gujarat SDL 2015	9,800	100	9.80	9,800	100	9.80
7.77% Andhra Pradesh SDL 2015	9,000	100	9.00	9,000	100	9.00
7.53% Uttar Pradesh SDL 2015	10,200	100	10.15	10,200	100	10.15
10.03% Rajasthan SDL 2028	3,391,000	100	3,497.82	-	-	-
9.49% Tamil Nadu SDL 2023	3,000,000	100	3,087.32	-	-	-
9.37% Gujarat SDL 2023	2,500,000	100	2,541.97	-	-	-
9.19% Kerela SDL 2024	1,000,000	100	1,005.83	-	-	-
			22,179.38			12,046.44
Less: Provision for loss to arise on Redemption of Investments			266.89			172.71
Aggregate value of investments			21,912.49			11,873.73
Cost of Quoted investments			22,179.38			12,046.44
Market Value			23,130.50			11,635.08

NOTE: 13
LOANS AND ADVANCES

₹ In Lacs

	Non-Current		Current Portion	
	As at March 31st, 2015	As at March 31st, 2014	As at March 31st, 2015	As at March 31st, 2014
Loans - Secured (Refer note 22.03)				
Housing Loans	1,023,161.65	598,611.45	171,359.83	135,760.37
Non-Housing Loans	415,055.59	265,453.34	69,551.50	56,658.41
Current portion of Long-Term Loans & Advances disclosed under the head Current "Loans & Advances" (Refer Note 18)	-	-	(240,911.33)	(192,418.78)
	1,438,217.24	864,064.79	-	-

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 Mortgage of Property
- ii) Pledge of shares, units, NSCs, other securities, assignment of life insurance policies.
- iii) Bank guarantee, corporate guarantee, government guarantee or personal guarantee.
- iv) Undertaking to create a security.

13.2 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 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.



Classification of loans made for Non-Performing Loan Assets are given below :

As at March 31st, 2015

₹ In Lacs

Loans	Standard	Sub-Standard	Doubtful	Loss	Total
Housing Loans	1,194,036.21	677.10	1,391.86	250.04	1,196,355.21
Provisions made	5,341.27	117.08	1,391.86	250.04	7,100.25
Non-Housing Loans	484,481.95	681.89	412.63	-	485,576.47
Provisions made	2,458.73	105.83	412.63	-	2,977.19
Total Loans	1,678,518.16	1,358.99	1,804.49	250.04	1,681,931.68
Total Provisions	7,800.00	222.91	1,804.49	250.04	10,077.44

As at March 31st, 2014

₹ In Lacs

Loans	Standard	Sub-Standard	Doubtful	Loss	Total
Housing Loans	743,870.61	376.49	1,564.75	300.40	746,112.25
Provisions made	3,189.01	56.47	923.13	300.40	4,469.01
Non-Housing Loans	311,878.14	268.14	862.28	-	313,008.56
Provisions made	1,488.62	40.22	411.49	-	1,940.33
Total Loans	1,055,748.75	644.63	2,427.03	300.40	1,059,120.81
Total Provisions	4,677.63	96.69	1,334.62	300.40	6,409.34

13.3 Interest on non-performing assets is recognised on realisation basis as per the NHB Directions. Accordingly total interest de-recognised as at the Balance Sheet date is summarised as under:-

₹ In Lacs

	As at March 31st, 2015	As at March 31st, 2014
Cumulative interest B/F from last Balance Sheet	263.37	278.33
Less: Recovered/Write Off during the year	243.28	150.17
Add: Interest de-recognised for the year on		
- Sub-Standard Assets (Net)	146.03	8.41
- Doubtful/ Loss Assets	210.93	126.80
Total	377.05	263.37

NOTE: 14

OTHER NON-CURRENT ASSETS

₹ In Lacs

	Non-Current		Current Portion	
	As at March 31st, 2015	As at March 31st, 2014	As at March 31st, 2015	As at March 31st, 2014
Security Deposits (Unsecured, Considered Good)	522.54	281.26	-	-
Prepaid Expenses (Refer note 1.17)	11,796.57	6,537.17	3,845.28	898.22
	12,319.11	6,818.43	3,845.28	898.22

NOTE: 15
CURRENT INVESTMENTS

₹ In Lacs

	Number of Bonds	Face Value per Bond Amount in ₹	As at March 31st, 2015 ₹ in Lacs	Number of Bonds	Face Value per Bond Amount in ₹	As at March 31st, 2014 ₹ in Lacs
QUOTED - OTHER THAN TRADE (FULLY PAID)						
Bonds and Debentures						
11.25% Power Finance Corporation Limited 2018	5	1,000,000	54.28	-	-	-
11.00% Bank of India Perpetual Bonds (Tier 1- Basel III)	650	1,000,000	7,021.95	-	-	-
10.45% Gujarat State Petroleum Corporation Limited 2072 with call option on 28/09/2022	500	1,000,000	5,400.00	-	-	-
9.95% Food Corporation of India Limited 2022	9	1,000,000	98.69	-	-	-
9.48% Bank of Baroda Perpetual Bonds	550	1,000,000	5,508.50	-	-	-
8.90% Syndicate Bank Perpetual Bonds	96	1,000,000	992.79	-	-	-
8.83% Indian Railway Finance Corporation Bonds 2023	1,000	1,000	1,349.53	103	1,000,000	1,052.45
8.78% National Hydroelectric Power Corporation Limited 2023	500	100,000	507.30	-	-	-
8.78% National Hydroelectric Power Corporation Limited 2021	500	100,000	508.40	-	-	-
8.78% National Hydroelectric Power Corporation Limited 2020	500	100,000	510.50	-	-	-
8.69% Damodar Valley Corporation 2028	938	1,000,000	10,026.53	456	1,000,000	4,764.60
8.55% Indian Infrastructure Finance Company Ltd Bonds 2024	9	1,000,000	90.52	-	-	-
8.36% Power Finance Corporation Limited 2020	250	1,000,000	2,490.43	-	-	-
8.10% Indian Infrastructure Finance Company Ltd Bonds 2024	5	1,000,000	48.92	-	-	-
7.98% Infrastructure Development Finance Company Limited 2023	849	1,000,000	8,816.70	716	1,000,000	7,181.34
7.93% Power Grid Corporation of India Limited 2028	70	1,000,000	711.17	100	1,000,000	988.35
7.93% Power Grid Corporation of India Limited 2021	50	1,000,000	512.85	100	1,000,000	997.30
7.93% Power Grid Corporation of India Limited 2018	50	1,000,000	512.80	100	1,000,000	997.13
7.93% Power Grid Corporation of India Limited 2020	50	1,000,000	512.55	90	1,000,000	897.20
7.93% Power Grid Corporation of India Limited 2019	50	1,000,000	510.85	100	1,000,000	997.56



NOTE: 15
CURRENT INVESTMENTS

₹ In Lacs

	Number of Bonds	Face Value per Bond Amount in ₹	As at March 31st, 2015 ₹ in Lacs	Number of Bonds	Face Value per Bond Amount in ₹	As at March 31st, 2014 ₹ in Lacs
7.93% Power Grid Corporation of India Limited 2022	50	1,000,000	510.15	50	1,000,000	502.55
7.93% Power Grid Corporation of India Limited 2017	50	1,000,000	508.75	50	1,000,000	501.40
7.93% Power Grid Corporation of India Limited 2024	50	1,000,000	507.85	50	1,000,000	495.00
7.93% Power Grid Corporation of India Limited 2025	50	1,000,000	505.10	50	1,000,000	495.00
7.93% Power Grid Corporation of India Limited 2026	50	1,000,000	505.10	50	1,000,000	495.00
7.93% Power Grid Corporation of India Limited 2027	50	1,000,000	503.75	100	1,000,000	987.75
7.34% Indian Railway Finance Corporation Bonds 2028	130	1,000,000	10.24	-	-	-
9.45% State Bank of India Bonds 2021	-	-	-	4,000	10,000	401.96
9.24% Rural Electrification Corporation Limited 2018	-	-	-	100	1,000,000	1,003.60
9.41% Indian Infrastructure Finance Company Limited Bonds 2037	-	-	-	10	1,000,000	108.59
8.94% Power Finance Corporation Limited 2028	-	-	-	100	1,000,000	1,027.20
8.82% Rural Electrification Corporation Limited 2023	-	-	-	8	1,000,000	81.42
8.80% Food Corporation of India Limited 2028	-	-	-	778	1,000,000	8,422.16
8.70% National Hydroelectric Power Corporation Limited 2015	-	-	-	100	100,000	100.17
7.93% Power Grid Corporation of India Limited 2023	-	-	-	50	1,000,000	502.95
UNQUOTED - OTHER THAN TRADE (FULLY PAID)						
Certificate of Deposit of IDBI Bank Ltd.	20,000	100,000	19,658.79	10,000	100,000	9,835.17
Certificate of Deposit of Punjab & Sind Bank	20,000	100,000	19,594.30	-	-	-
Certificate of Deposit of Canara Bank	17,500	100,000	17,092.49	-	-	-
Certificate of Deposit of Andhra Bank	17,500	100,000	16,370.11	-	-	-
Certificate of Deposit of Oriental Bank of Commerce	10,000	100,000	9,804.57	-	-	-
Certificate of Deposit of Allahabad Bank	5,000	100,000	4,928.57	10,000	100,000	9,837.75
Total			136,685.03			52,673.60

₹ In Lacs

	Number of Bonds	Face Value per Bond Amount in ₹	As at March 31st, 2015 ₹ in Lacs	Number of Bonds	Face Value per Bond Amount in ₹	As at March 31st, 2014 ₹ in Lacs
Aggregate value of quoted investments			49,236.20			33,000.68
Market Value of quoted investments			49,448.09			33,341.06
Aggregate value of unquoted investments			87,448.83			19,672.92

NOTE: 16

CASH AND CASH EQUIVALENTS

₹ In Lacs

	As at March 31st, 2015	As at March 31st, 2014
16.1 Cash and Bank Balances		
Cash on Hand	116.18	113.35
Balances with Banks in Current Accounts	4,576.26	2,361.64
	4,692.44	2,474.99
16.2 Other Bank Balances		
Fixed Deposits with original maturity of more than three months upto twelve months	15,214.18	2,689.13
Fixed Deposits with original maturity of more twelve months	9,407.58	8,678.13
	29,314.20	13,842.25

NOTE: 17

SHORT-TERM LOANS AND ADVANCES

₹ In Lacs

	As at March 31st, 2015	As at March 31st, 2014
Loan Against Deposits (Secured)	936.17	117.56
Advances Recoverable in Cash or Kind (Unsecured, Considered Good)	3,435.74	106.51
Advance Income Tax [Net of Provision for Taxation ₹28,626.75 Lacs (Previous year ₹19,676.75 Lacs)]	634.53	677.28
	5,006.44	901.35



NOTE: 18
OTHER CURRENT ASSETS

₹ In Lacs

	As at March 31st, 2015	As at March 31st, 2014
Current Maturities of Long-Term Loans & Advances (Secured, Refer Note 13)	240,911.33	192,418.78
Installments Due from Borrowers (Secured)	2,803.10	2,637.23
Stock of Acquired Properties (Held for sale or disposal) [Net of Provision for Diminution in Value of ₹109.93 Lacs (Previous year ₹69.65 Lacs)]	3,484.66	1,376.56
Interest Accrued on Investments	2,531.11	1,465.37
Interest Accrued but not Due on Loans	528.41	-
Prepaid Expenses (Refer Note 14)	3,845.28	898.22
	254,103.89	198,796.16

18.1 The installment due from borrowers is net of interest de-recognised ₹377.05 Lacs
(Previous year ₹263.37 Lacs) (Refer note 13.3)

NOTE: 19
REVENUE FROM OPERATIONS

₹ In Lacs

	Current Year	Previous Year
INTEREST INCOME		
i) Interest on Loans [TDS ₹3,036.94 Lacs (Previous year ₹619.95 Lacs)]	159,763.56	100,111.37
ii) Interest on Investments [TDS ₹108.19 Lacs (Previous year ₹94.85 Lacs)]	7,292.53	5,474.99
iii) Other Interest	28.06	4.43
	167,084.15	105,590.79
Fees & Other Charges (Refer Note 1.3 and Note 6)	4,550.47	2,254.44
Surplus from deployment of funds in Cash Management Schemes of Mutual Funds	1,989.31	1,154.08
Profit / (Loss) on Sale of Investment	1,568.07	949.55
Other Operating Income [TDS ₹47.95 Lacs (Previous year ₹58.64 Lacs)]	2,480.61	1,652.73
	177,672.61	111,601.59

19.1 Surplus from deployment in Cash Management Schemes of Mutual Funds amounting to ₹1,989.31 lacs
(Previous year ₹1,154.08 Lacs) is in respect of Investments held as Current Investments.

NOTE: 20
FINANCE COST

₹ In Lacs

	Current Year	Previous Year
Interest on		
Term Loans	51,310.06	40,148.21
Non-Convertible Debentures	35,275.29	24,840.95
Commercial Paper	5,790.84	1,080.12
Deposits	29,662.37	13,238.44
	122,038.56	79,307.72
Other Charges		
Brokerage on Deposits (Refer Note 1.10)	1,460.56	528.50
Fee and other expenses (Refer note 1.17)	2,915.08	259.96
Bank Charges	70.10	18.98
	4,445.74	807.44
	126,484.30	80,115.16

NOTE: 21
EMPLOYEE BENEFIT EXPENSE

₹ In Lacs

	Current Year	Previous Year
Salaries and Allowances	6,290.16	3,736.52
Contribution to Provident Fund & Other Funds (Refer Note 31)	281.66	202.58
Staff Welfare Expenses	134.44	100.98
	6,706.26	4,040.08

NOTE: 22
OFFICE OPERATING EXPENSES

₹ In Lacs

	Current Year	Previous Year
Rent	1,145.24	704.09
Rates & Taxes	5.16	10.45
Repairs & Maintenance - Building	72.89	71.38
Office Maintenance	77.06	52.54
Registration and Filing Fees	38.50	78.98
Electricity and Water Charges	299.14	196.13
General Office Expenses	1,704.71	749.83
Insurance Charges	12.73	2.51
Travelling & Conveyance	478.53	300.18
Printing & Stationery	220.89	108.48
Postage & Telephone	425.86	272.24
	4,480.71	2,546.81



NOTE: 23
OTHER EXPENSES

₹ In Lacs

	Current Year	Previous Year
Legal Expenses	662.12	241.10
Professional Charges	1,158.94	1,178.60
Advertisement & Publicity	1,177.22	545.98
Cost of Loan Acquisition (Refer Note 1.17)	2,890.86	1,687.51
Director's Sitting Fee	13.05	6.69
Auditors Remuneration		
- Audit Fees	11.15	11.15
- Tax Audit Fees	4.25	4.25
- Other Certifications work	11.68	5.84
- Reimbursement of Expenses	0.37	4.78
Loss on sale of Fixed Assets	22.08	14.45
Miscellaneous Expenses	138.72	92.60
	6,090.44	3,792.95

NOTE: 24
DISCLOSURE REQUIRED BY NATIONAL HOUSING BANK

The following additional disclosures have been given in terms of the circular no. NHB/ND/DRS/PoI- No.35/2010-11 dated October 11, 2010 issued by the National Housing Bank.

a) Capital to Risk Assets Ratio (CRAR)

	As at March 31st, 2015	As at March 31st, 2014	As at March 31st, 2013
i) CRAR (%)	13.76	12.95	13.81
ii) CRAR - Tier I Capital (%)	10.41	9.94	9.51
iii) CRAR - Tier II Capital (%)	3.35	3.01	4.30

On Inspection for FY 2012-13, NHB has observed that NOF & CAR as on 31st March 2013 was over stated on account of deferred revenue expenditure, short provisioning due to negative amortisation and incorrect application of discount on subordinate debts. The Company has made necessary rectifications and accordingly the CRAR as at March 31, 2014 & March 31, 2013 has been restated.

b) Exposure to Real Estate Sector

₹ In Lacs

Sr. No.		As at March 31st, 2015	As at March 31st, 2014
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 lacs – ₹1,06,755.00 Lacs Previous year ₹1,05,253.00 Lacs)	14,34,045.00	9,57,929.00
	B. Commercial Real Estate: Lending secured by mortgages on commercial real estates. Exposure would also include non-fund based (NFB) limits	2,47,887.00	1,01,191.00
	C. Investments in Mortgage Backed Securities (MBS) and other securitised exposures – i) Residential ii) Commercial Real Estate	Nil	Nil
ii)	Indirect Exposure		
	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	Nil	Nil

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

c) Disclosure regarding penalty or adverse comments as per Housing Finance Companies (NHB) Directions, 2010. During the current year, the company has:

- i) Not been imposed any penalty by National Housing Bank; and
- ii) During the course of Inspection FY 2012-13, NHB has made certain observations. Most of the observations were routine in nature except with reference to the calculation of CRAR as explained above



d) 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 is as follows:

As at March 31st, 2015

₹ In Lacs

Maturity Buckets	Liabilities		Assets	
	Bank Borrowings	Market Borrowings	Net Advances	Investments
1 day to 30-31 days (one month)	36,429.06	22,804.33	21,528.73	1,36,685.03
Over 1 month to 2 months	2,000.00	58,921.98	21,253.16	18.80
Over 2 months to 3 months	8,000.00	88,831.10	20,981.12	-
Over 3 months to 6 months	49,535.67	68,339.34	61,345.71	1,864.30
Over 6 months to 1 year	67,663.55	1,39,420.38	1,15,802.63	15,240.19
Over 1 year to 3 years	2,08,598.19	3,00,535.97	3,83,244.53	10,643.57
Over 3 years to 5 years	1,32,017.48	1,45,076.96	2,81,319.27	78.12
Over 5 years to 7 years	38,535.36	50,151.01	2,06,501.40	1,217.38
Over 7 years to 10 years	36,135.35	2,22,161.57	2,11,507.31	17,471.88
Over 10 years	-	-	3,58,447.83	-
Total	5,78,914.66	10,96,242.65	16,81,931.66	1,83,219.27

As at March 31st, 2014

₹ In Lacs

Maturity Buckets	Liabilities		Assets	
	Bank Borrowings	Market Borrowings	Net Advances	Investments
1 day to 30-31 days (one month)	20,475.40	7,502.03	18,210.31	21,320.57
Over 1 month to 2 months	2,143.08	1,540.58	17,187.15	2,689.13
Over 2 months to 3 months	15,144.31	1,686.79	16,903.56	16,500.33
Over 3 months to 6 months	51,626.18	9,470.74	49,055.56	16,500.33
Over 6 months to 1 year	56,472.93	49,054.99	91,062.19	-
Over 1 year to 3 years	1,96,072.92	1,04,576.97	2,85,571.35	10,184.26
Over 3 years to 5 years	1,11,794.00	92,715.15	1,91,557.59	39.84
Over 5 years to 7 years	25,243.80	20,134.91	1,28,494.37	84.82
Over 7 years to 10 years	28,844.20	2,29,529.64	1,17,977.00	8,595.30
Over 10 years	-	14.50	1,43,101.71	-
Total	5,07,816.82	5,16,226.30	10,59,120.79	75,914.58

NOTE: 25

RELATED PARTY TRANSACTION

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
Punjab National Bank *	Holding Company
PNB Gilts Limited *	Fellow Subsidiary
Punjab National Bank (International) Ltd., UK *	Fellow Subsidiary
PNB Investment Services Limited *	Fellow Subsidiary
Druk PNB Bank Ltd, Bhutan *	Fellow Subsidiary
PNB Insurance Broking Private Limited *	Fellow Subsidiary
JSC SB PNB Kazakhstan *	Fellow Subsidiary
Destimoney Enterprises Private Limited	Enterprise having Significant Control
Mr. Sanjaya Gupta (Managing Director)	Key Managerial Personnel
Mr. Sanjay Jain (Company Secretary)	Key Managerial Personnel
Mr. Jayesh Jain (Chief Financial Officer)	Key Managerial Personnel

* State Controlled Enterprises

25.1. Transactions with Related Parties

In view of the exemption available to the company under para 9 of Accounting Standard on Related Party Disclosures (AS-18), related party relationships with other state controlled enterprises and transactions with such enterprises are not being disclosed. However, the company has identified all other related parties having transactions during the year as given below:

₹ In Lacs

Nature of Transaction	Enterprise Having Significant Control		Key Managerial Personnel	
	Current Year	Previous Year	Current Year	Previous Year
Commission	339.39	526.10	-	-
Dividend on Equity Shares	735.00	470.66	-	-
Issues of Equity Shares under Rights Issue and payment of Call Money	34,299.99	-	-	-
Remuneration to Key Managerial Personnel			167.70	111.61

NOTE: 26

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 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, amounts to



₹1145.00 Lacs (Previous year ₹704.00 Lacs). The future minimum lease payments in respect of properties taken under non-cancellable operating lease are as follows:

₹ In Lacs

Period	As at March 31st, 2015	As at March 31st, 2014
Not later than one year	938.85	520.27
Later than one year but not later than 5 years	1337.98	618.77
More than five years	Nil	Nil

NOTE: 27

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:

₹ In Lacs

Particulars	Unit	Current Year	Previous Year
a. Amount used as the numerator for Basic EPS Profit after tax	(₹ in Lacs)	19,610.97	12,744.25
b. Weighted average number of equity shares for Basic EPS	Number	8,03,46,855	5,01,28,978
c. Weighted average number of equity shares for Diluted EPS	Number	8,03,46,855	5,01,28,978
d. Nominal value per share	(in ₹)	10	10
e. Earnings per share			
- Basic (a/b)	(in ₹)	24.41	25.42
- Diluted (a/c)	(in ₹)	24.41	25.42

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 2014-15

Particulars	Pro-Rata No. of Shares	Days
(i) 5,00,00,000 Equity Shares of ₹10 each (Fully Paid-up) and 3,92,30,700 of ₹10 each (Partly Paid-up ₹4 per each) at the beginning of the year	6,56,92,280	365
(ii) Allotment of 37,692,300 equity shares under rights issue (first call of ₹4 having nominal value of ₹10 per share)	1,50,76,920	236
(iii) Second call of ₹3 on 39,230,700 equity shares having nominal value of ₹10 per share	1,17,69,210	107
(iv) Second call of ₹3 on 37,692,300 equity shares having nominal value of ₹10 per share	1,13,07,690	47
(v) Weighted Average number of shares for computation of Basic Earnings Per Share	8,03,46,855	-

(b) For the year 2013-2014

Particulars	Pro-Rata No. of Shares	Days
(i) Equity Shares of ₹10 each at the beginning of the year	5,00,00,000	365
(ii) Allotment of 37,692,300 equity shares under rights issue (first call of ₹4 having nominal value of ₹10 per share)	1,56,92,280	3
(iii) Weighted Average number of shares for computation of Basic Earnings Per Share	5,01,28,978	

iii) The Diluted Earnings Per Share is same as Basic Earnings Per Share, as there are no dilutive potential equity shares outstanding as on March 31, 2015 and March 31, 2014.

NOTE: 28

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 Corporation revolve around the main business. There are no business operations located "Outside India". Hence all the activities are considered as a "Single business/ Geographical Segment" for the purposes of Accounting Standard on Segment Reporting (AS-17), issued by The Institute of Chartered Accountants of India.

NOTE: 29

CONTINGENT LIABILITIES AND COMMITMENTS

- i) Contingent liability in respect of Income-tax and Interest-tax demands of ₹447.18 Lacs (Previous year ₹312.49 Lacs) is disputed by the Company and are under appeal. The Company expects to succeed in these matters before appellate authority and hence no additional provision is considered necessary. Against the said demand, ₹524.15 Lacs has been paid / adjusted and will be received as refund if the matters are decided in favour of the Company.
- ii) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is ₹2107.72 Lacs (Previous year ₹3217.99 Lacs).
- iii) Claims against the Company not acknowledged as debt is ₹ Nil (Previous year ₹ Nil)

NOTE: 30

DISCLOSURE IN RESPECT OF LEAVE ENCASHMENT LIABILITY

Changes in the benefit obligation	₹ In Lacs	
	As at March 31st, 2015	As at March 31st, 2014
Liability at the beginning of year	218.42	169.16
Interest cost	18.56	13.53
Current service cost	150.21	72.89
Benefits paid	(39.70)	(31.57)
Actuarial (gain)/loss on obligation	63.21	(5.59)
Liability at the end of year	410.71	218.42



₹ In Lacs

Amounts recognised in balance sheet

	As at March 31st, 2015	As at March 31st, 2014
Present value of obligation as at the end of the period	410.71	218.42
Net asset / (liability) recognized in balance sheet	(410.71)	(218.42)

₹ In Lacs

Expense recognized in the statement of profit and loss

	As at March 31st, 2015	As at March 31st, 2014
Current service cost	150.21	72.89
Interest cost	15.56	13.53
Net actuarial (gain)/ loss recognized in the period	63.21	(5.59)
Expenses recognized in the statement of profit & loss	231.99	80.83

₹ In Lacs

Movement in the liability recognized in the balance sheet

	As at March 31st, 2015	As at March 31st, 2014
Liability at the beginning of year	218.42	169.16
Expense as above	231.99	80.83
Benefits paid	(39.70)	(31.57)
Liability at the end of year	410.71	218.42

Assumptions

	As at March 31st, 2015	As at March 31st, 2014
Discounting Rate	7.75%	8.50%
Future salary Increase	7.75%	8.50%
Retirement Age (Years)	60	60
Mortality Table	IALM (2006-08)	IALM (2006-08)

NOTE: 31**CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES**

During the year, The Company has spent / provisioned ₹269.58 Lacs towards Corporate Social Responsibility (CSR) under section 135 of Companies Act, 2013 and rules thereon. As per clarification issued by the Institute of Chartered Accountants of India, CSR expenses have been appropriated from current year's profits.

NOTE: 32

There are no indications which reflects 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.

NOTE: 33

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

In terms of our report of even date

For and on Behalf of Board

B. R. Maheswari & Co.
Chartered Accountants

Akshay Maheshwari
Partner
Membership No.: 504704
FR No: 001035N

New Delhi
May 5, 2015

Sanjaya Gupta
Managing Director

Krishan Gopal
Chief Manager (F & A)

Gauri Shankar
Chairman

Jayesh Jain
Chief Financial Officer

Sunil Kaul
Director

Sanjay Jain
Company Secretary