



COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF PNB HOUSING FINANCE LIMITED FOR THE YEAR ENDED 31 MARCH 2016

The preparation of financial statement of PNB Housing Finance Limited for the year ended 31 March 2016 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The Statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 12 May, 2016.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143 (6) (a) of the financial statements of PNB Housing Finance Limited for the year ended 31 March 2016. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report

For and on the behalf of the
Comptroller & Auditor General of India



(Suparna Deb)

Principal Director of Commercial Audit
& Ex-officio Member, Audit Board-II,
New Delhi

Place: New Delhi

Date : 28.06.2016

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, 2016, 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 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, 2016 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 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, 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 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, 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 (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. 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, refer Annexure 'III' on the matters specified.

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

Akshay Maheshwari
Partner
Membership No: 504704

Place: New Delhi
Date: 12th May, 2016

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 2015-16, 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, 2016 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 not yet deposited (₹ in Lacs)	Period to which the amount relates (Assessment Year)	Forum where dispute is pending
Income tax Act, 1961	Income tax	42.63	2013-14	CIT (Appeals)
Income tax Act, 1961	Income tax	415.16	2012-13	CIT (Appeals)
Income tax Act, 1961	Income tax	32.02	2011-12	CIT (Appeals)
Income tax Act, 1961	Income tax	11.10	2009-10	ITAT
Income tax Act, 1961	Income tax	2.29	2008-09	ITAT
Total		503.22		

- 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) The Company has not raised any money by way of public offer during the year. In our opinion, the term loans have been applied 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) 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 wherever 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**
Chartered Accountants
Firm's Registration No: 001035N

Akshay Maheshwari
Partner
Membership No: 504704

Place: New Delhi
Date: 12th May, 2016

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 31, 2016 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, 2016 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**
Chartered Accountants
Firm's Registration No: 001035N

Akshay Maheshwari
Partner
Membership No: 504704

Place: New Delhi
Date: 12th May, 2016

ANNEXURE 'III' TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in Paragraph 3 under the heading "Report on other legal and regulatory requirements" of our report of even date)

Directions and Sub-Directions under sub section (5) of section 143 of Companies Act, 2013 for the year 2015-16 for PNB Housing Finance Limited ("the Company")

A.	Directions	
1.	Whether the Company has clear title/ lease deeds for freehold and leasehold respectively? If not, please state the area of freehold and leasehold land for which the title/ lease deeds are not available.	The Company does not own any land.
2.	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 ₹ 255.15 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/ grant (s) from the Govt. or other authorities.	The Company, being in Housing Finance business, does not hold any inventory. The Company has not received any asset from government as gift/grant (s) during the year.
B.	Sub-Directions	
1.	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 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.	Retirement benefits provided by the Company include Gratuity and Leave Encashment. Provision for Gratuity liability is made on the basis of an actuarial valuation done by the Life insurance Corporation of India (LIC), who manages the Company Gratuity fund. Liability for Leave Encashment is recognised on the basis of an actuarial valuation conducted by an independent actuary. We have independently verified the information furnished to LIC and the independent Actuary for calculation of liability on account of retirement benefits.

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

Akshay Maheshwari
Partner
Membership No: 504704

Place: New Delhi
Date: 12th May, 2016



Balance Sheet as at March 31st, 2016

(₹ in Lacs)

	Notes	As at March 31st, 2016	As at March 31st, 2015
EQUITY AND LIABILITIES			
Shareholder's Funds			
Share Capital	2	12,692.30	10,384.61
Reserves and Surplus	3	2,01,897.73	1,47,742.52
		2,14,590.03	1,58,127.13
Non-Current Liabilities			
Long-Term Borrowings	4	16,64,621.52	11,10,513.89
Deferred Tax Liabilities (Net)	5	3,046.97	795.32
Other Long-Term Liabilities	6	10,079.02	25,876.46
Long-Term Provisions	7	16,093.23	8,157.57
		16,93,840.74	11,45,343.24
Current Liabilities			
Short-Term Borrowings	8	7,44,840.96	3,44,726.54
Trade Payables	9	7,524.18	5,774.58
Other Current Liabilities	10	2,99,186.95	2,44,097.35
Short-Term Provisions	7	7,111.82	5,257.36
		10,58,663.91	5,99,855.83
TOTAL		29,67,094.68	19,03,326.20
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	11	4,815.13	3,829.93
Intangible Assets	11	996.16	127.55
Capital Work-in-Progress		405.23	1,810.32
Non-Current Investments	12	81,396.21	21,912.49
Long-Term Loans And Advances	13	25,62,356.12	14,38,217.24
Other Non-Current Assets	14	18,800.78	12,319.11
		26,68,769.63	14,78,216.64
Current Assets			
Current Investments	15	80,831.24	1,36,685.03
Cash and Bank Balances	16	24,853.59	29,314.20
Short-Term Loans and Advances	17	1,800.57	2,019.73
Other Current Assets	18	1,90,839.65	2,57,090.60
		2,98,325.05	4,25,109.56
TOTAL		29,67,094.68	19,03,326.20

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. Maheswari & Co.
Chartered Accountants

For and on behalf of the Board

Akshay Maheswari
Partner
M No : 504704
FR No : 001035N

Sanjaya Gupta
Managing Director

Sunil Kaul
Director

Usha Ananthasubramanian
Chairperson

Place: New Delhi
Date: May 12, 2016

Jayesh Jain
Chief Financial Officer

Sanjay Jain
Company Secretary

Statement of Profit and Loss for the year ended March 31st, 2016

(₹ in Lacs)

	Notes	Year Ended March 31st, 2016	Year Ended March 31st, 2015
INCOME			
Revenue from Operations	19	2,69,659.36	1,77,672.61
TOTAL REVENUE		2,69,659.36	1,77,672.61
EXPENSES			
Interest Expenses and Other Charges	20	1,86,028.53	1,26,484.30
Employee Benefit Expense	21	7,528.33	6,706.26
Office Operating Expenses	22	5,643.41	4,480.71
Other Expenses	23	10,533.65	6,090.44
Depreciation & Amortisation	11	1,503.94	522.75
Provision for Doubtful Debts & Contingencies		7,857.57	3,708.37
Bad Debts Written Off		255.15	102.29
TOTAL EXPENSES		2,19,350.58	1,48,095.12
PROFIT BEFORE TAX		50,308.78	29,577.49
Less: Provision for Taxation -Current Tax		16,598.00	8,980.00
-Earlier years		135.25	-
-Deferred Tax(Net)		928.41	986.52
PROFIT AFTER TAX		32,647.12	19,610.97
Earnings Per Share:	27		
-Basic (Face Value ₹ 10/- per share)(in ₹)		27.48	24.41
-Diluted (Face Value ₹ 10/- per share)(in ₹)		27.48	24.41

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. Maheswari & Co.
Chartered Accountants

For and on behalf of the Board

Akshay Maheswari
Partner
M. No : 504704
FR No : 001035N

Sanjaya Gupta
Managing Director

Sunil Kaul
Director

Usha Ananthasubramanian
Chairperson

Place: New Delhi
Date: May 12, 2016

Jayesh Jain
Chief Financial Officer

Sanjay Jain
Company Secretary



Cash Flow Statement for the year ended March 31st, 2016 (Indirect Method)

	(₹ in Lacs)	
	Year Ended March 31st, 2016	Year Ended March 31st, 2015
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax	50,308.78	29,577.49
Adjustment for non-cash item/items, to be disclosed separately		
Add: Depreciation	1,503.94	522.75
Loss on sale of fixed assets	11.83	22.08
Provision for Doubtful Debts & Contingencies	7,857.57	3,708.37
Bad debts written off/ Business Loss	255.15	102.29
	9,628.49	4,355.49
Operating Profits before Changes in Working Capital	59,937.27	33,932.98
Adjustment for Changes in working capital and provisions:		
Increase/ (Decrease) in Trade Payables	1,749.60	1,682.58
Increase/ (Decrease) in Long-Term Provision	239.39	168.28
Increase/ (Decrease) in Short-Term Provision	7.86	1,941.39
Increase/ (Decrease) in Other Current Liabilities	49,996.07	22,819.83
Increase/ (Decrease) in Other Long-Term Liabilities	(9,772.67)	16,399.06
(Increase)/ Decrease in Long-Term Loans & advances	(11,24,394.03)	(5,74,254.74)
(Increase)/ Decrease in Short-Term Loans & advances	30.26	(4,147.84)
(Increase)/ Decrease in Other Non-Current Assets	(6,481.67)	(5,500.68)
(Increase)/ Decrease in Other Current Assets	65,980.34	(55,348.01)
Investments (Net)	(3,633.85)	(94,050.19)
(Increase)/ Decrease in Other Bank Balances	16,438.88	(13,254.50)
	(10,09,839.82)	(7,03,544.82)
Cash Generated from Operations	(9,49,902.55)	(6,69,611.84)
Taxes Paid (net of refunds)	(16,544.35)	(8,937.25)
CSR expenses	-	(269.58)
NET CASH USED IN OPERATING ACTIVITIES	(9,66,446.90)	(6,78,818.67)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(1,971.33)	(3,747.63)
Sale of Fixed Assets	6.83	13.69
	(1,964.50)	(3,733.94)
NET CASH USED IN INVESTING ACTIVITIES	(1,964.50)	(3,733.94)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from borrowings:		
- Bonds	5,01,500.00	1,10,000.00
- Banks	-	3,07,069.50
- Unsecured Loans (net)	5,77,434.84	4,64,432.34
Repayment of borrowings:		
- Bonds	(10,000.00)	(8,500.00)

(₹ in Lacs)

	Year Ended March 31st, 2016	Year Ended March 31st, 2015
-Banks	(1,15,644.03)	(2,35,971.65)
Proceeds from issue of Share Capital	2,307.69	3,815.39
Share Premium Received	27,692.28	45,784.58
Share Premium Utilised	-	(100.65)
Dividend paid (including dividend distribution tax)	(2,901.11)	(1,759.45)
NET CASH FROM FINANCING ACTIVITIES	9,80,389.67	6,84,770.06
NET CHANGES IN CASH & CASH EQUIVALENTS (A+B+C)	11,978.27	2,217.45
Cash or Cash equivalents (Opening Balance)	4,692.44	2,474.99
Cash or Cash equivalents (Closing Balance)	16,670.71	4,692.44
NET INCREASE OF CASH OR CASH EQUIVALENTS DURING THE YEAR	11,978.27	2,217.45

NOTE : Figures in bracket denotes application of cash

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 & Co.**
Chartered Accountants

For and on behalf of the Board

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

Sanjaya Gupta
Managing Director

Sunil Kaul
Director

Usha Ananthasubramanian
Chairperson

Place: New Delhi
Date: May 12, 2016

Jayesh Jain
Chief Financial Officer

Sanjay Jain
Company Secretary



Notes forming part of the Financial Statements

for the year ended March 31st, 2016

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 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 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 SYSTEM OF ACCOUNTING

The Company adopts 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.

1.4 OPERATING CYCLE

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

1.5 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.

1.6 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.

1.7 REVENUE RECOGNITION

i) INTEREST ON LOANS

Interest income 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.

Interest income is allocated over the contractual term of the loan by applying the committed interest rate to the outstanding amount of the loan. Interest income is accrued as earned with the passage of time.

Interest on loan assets classified as “non-performing” is recognised only on actual receipt.

ii) INCOME FROM INVESTMENT

Interest income on Investment is recognised 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) FEE AND OTHER CHARGES

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 past experience of repayment behaviour of the borrowers.

iv) OTHER INCOME

Other income and interest on tax refunds except service fee on securitised portfolio are accounted for on receipt basis.

1.8 TANGIBLE ASSETS

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

1.9 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.

1.10 DEPRECIATION / AMORTISATION

Depreciation on Tangible 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:

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

Intangible Assets are amortised over a period of five years except website development costs which are amortised over a period of three years.



1.11 INVESTMENTS

Investments are capitalised at cost inclusive of brokerage and stamp charges. 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.

1.12 EMPLOYEE BENEFITS

- i) The Company has taken Policy from Life Insurance Corporation of India to cover the accumulated gratuity liability of its employees as Defined Benefit 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) Leave benefits for both short-term and long-term compensated absences are accounted for on actuarial valuation determined as at the year end. Actuarial gains and losses comprising of experience adjustments and effects of changes in actuarial assumptions, are recognised immediately in Statement of Profit and Loss as income or expense.
- iii) Provident Fund Contribution paid to Employees Provident Fund Organisation is debited to the Statement of Profit and Loss on accrual basis.
- iv) Incentive paid to employees in terms of performance linked incentive scheme is charged to Statement of Profit and Loss on accrual basis.

1.13 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.

1.14 BORROWING COSTS

- i) Interest of borrowings are recognised as an expense in the period in which they are incurred.
- ii) Ancillary cost in connection with long-term borrowing are amortised to the Statement of Profit and Loss over the tenure of the borrowing. Issue expenses of certain securities are charged to Securities Premium account.

1.15 OPERATING LEASES

Lease payments for assets taken on operating lease are recognised as an expense in the Statement of Profit and Loss as per terms of lease agreement.

1.16 EARNINGS PER SHARE

The basic earnings per share is computed by dividing the net profit or loss attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting year. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving earnings per share, and 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.

1.17 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 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 at 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 on account of other timing differences are recognised only to the extent there is a reasonable certainty of its realisation.

1.18 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

- i) Provisions are recognised when the Company has a legal and constructive obligation as a result of a past event, for which it is probable that cash outflow will be required and a reliable estimate can be made of the amount of the obligation. 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.

1.19 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. Excess provisions over and above provisioning requirement for Standard Assets and NPAs are carried under Provision for Contingencies Account.

1.20 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.

1.21 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 at based on the past experience of repayment behaviour of the borrowers.

1.22 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.

1.23 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.

1.24 SECURITISATION OF LOANS

Securitised 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.

NOTE: 2

SHARE CAPITAL

	(₹ in Lacs)	
	As at March 31st, 2016	As at March 31st, 2015
Authorised 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		
12,69,23,000 Equity Shares of ₹ 10/- each fully Paid up (Previous year 5,00,00,000 Equity Shares of ₹ 10/- each)	12,692.30	5,000.00
Nil Partly Paid-Up Equity Shares of ₹ 10/- each (Previous year ₹ 7/- Partly Paid-up on 7,69,23,000 Equity Shares)	-	5,384.61
	12,692.30	10,384.61

2.1 RECONCILIATION OF NUMBER OF SHARES

	As at March 31st, 2016		As at March 31st, 2015	
	No. of Shares	(₹ in Lacs)	No. of shares	(₹ in Lacs)
Equity Shares				
At the beginning of the year	12,69,23,000	10,384.61	8,92,30,700	6,569.22
Issued during the year	-	2,307.69	3,76,92,300	3,815.39
Outstanding at the end of the year	12,69,23,000	12,692.30	12,69,23,000	10,384.61

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

	As at March 31st, 2016		As at March 31st, 2015	
	No. of Shares	% of Holding	No. of shares	% of Holding
Punjab National Bank (Holding Company)	6,47,30,700	51.00	6,47,30,700	51.00
Destimoney Enterprises Limited	6,21,92,300	49.00	6,21,92,300	49.00

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

During the financial year 2013-14, the Company approved Rights Issue of 7,69,23,000 Equity Shares of ₹ 10/- each along with premium of ₹ 120/- per share. The Company had allotted 3,92,30,700 Equity Shares in financial year 2013-14 and 3,76,92,300 Equity Shares in financial year 2014-15.

During the financial year 2014-15, the Company had called ₹ 3/- along with proportionate premium of ₹ 36/- per share on 7,69,23,000 equity shares.

During the financial year 2015-16, the Company has called third and final call of ₹ 3/- along with proportionate premium of ₹ 36/- per share on 7,69,23,000 Equity Shares and the call was fully received.

2.5 ISSUE OF BONUS SHARES

During the financial year 2012-13, the Company had issued 64,70,589 Equity Shares of ₹ 10/- each as fully paid up Bonus Shares after capitalisation of General Reserves of ₹ 647.06 Lacs to shareholders in proportion of their shareholding.



NOTE: 3

RESERVES AND SURPLUS

	(₹ In Lacs)	
	As at March 31st, 2016	As at March 31st, 2015
Special Reserve		
Created under Section 36(1) (viii) of the Income Tax Act, 1961		
Opening Balance	18,135.81	15,025.81
Add: Transferred from the Statement of Profit and Loss	5,840.00	3,110.00
	23,975.81	18,135.81
Statutory Reserve		
As per Section 29 C of National Housing Bank Act, 1987		
Opening Balance	2,334.00	1,519.00
Add: Transferred from the Statement of Profit and Loss	690.00	815.00
	3,024.00	2,334.00
General Reserve		
Opening Balance	39,212.84	37,989.66
Add: Transferred from the Statement of Profit and Loss	4,897.00	2,500.00
Less: Utilised for creating Deferred Tax Liability on Special Reserve	1,323.25	1,276.82
	42,786.59	39,212.84
Securities Premium Reserve		
Opening Balance	76,894.08	31,210.15
Add: Premium on issue of equity shares	27,692.28	45,784.58
Less: Share Issue Expenses	-	100.65
	1,04,586.36	76,894.08
Surplus in the Statement of Profit and Loss		
Opening Balance	11,165.79	1,150.51
Profit for the year	32,647.12	19,610.97
Amount Available for Appropriation	43,812.91	20,761.48
Appropriations:		
-Special Reserve	5,840.00	3,110.00
-Statutory Reserve (U/s. 29C of the NHB Act)	690.00	815.00
-General Reserve	4,897.00	2,500.00
-Proposed Dividend	4,038.75	2,410.41
-Dividend Distribution Tax	822.19	490.70
-Corporate Social Responsibility Activities (Refer Note 31)	-	269.58
Net Surplus in the Statement of Profit and Loss	27,524.97	11,165.79
	2,01,897.73	1,47,742.52

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 ₹ 5,840.00 Lacs (Previous year ₹ 3,110.00 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 at 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 free reserves as at April 01, 2015 by ₹ 1,323.25 Lacs (Previous year ₹ 1,276.82 Lacs) with respect to second tranche of deferred tax liability on Special Reserve balance as at April 01, 2014.

Company has charged its Statement of Profit and Loss for the year ended March 31, 2016 by ₹ 2,040.33 Lacs (Previous year ₹ 1,057.09 Lacs) 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 ₹ 690.00 Lacs (Previous year ₹ 815.00 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 :

	(₹ In Lacs)	
	As at March 31st, 2016	As at March 31st, 2015
Particulars		
Balance at the beginning of the year		
Statutory Reserve u/s 29C of NHB Act, 1987	2,334.00	1,519.00
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	18,135.81	15,025.81
Total	20,469.81	16,544.81
Addition / Appropriation / Withdrawal during the year		
Add :		
Amount transferred u/s 29C of the NHB Act, 1987	690.00	815.00
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	5,840.00	3,110.00
Less :		
Amount appropriated from Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
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	-	-
	26,999.81	20,469.81
Balance at the end of the year		
Statutory Reserve u/s 29C of NHB Act, 1987	3,024.00	2,334.00
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	23,975.81	18,135.81
Total	26,999.81	20,469.81



NOTE: 4

LONG-TERM BORROWINGS

(₹ In Lacs)

	Non-Current Maturities		Current Maturities	
	As at March 31st, 2016	As at March 31st, 2015	As at March 31st, 2016	As at March 31st, 2015
Secured Borrowings				
Term Loans:				
- National Housing Bank	1,82,639.79	158,254.21	25,244.97	19,163.42
- Banks	58,683.80	195,962.67	57,261.57	1,18,369.13
- External Commercial Borrowing	61,069.50	61,069.50	-	-
Redeemable Non-Convertible Debentures	8,58,000.00	3,96,500.00	19,000.00	-
	11,60,393.09	8,11,786.38	1,01,506.54	1,37,532.55
Unsecured Borrowings				
Redeemable Non-Convertible Subordinated Debentures	61,000.00	40,000.00	-	10,000.00
Public Deposits	4,43,228.43	2,58,727.51	90,397.78	45,303.01
	5,04,228.43	2,98,727.51	90,397.78	55,303.01
Current Maturity of Long-Term Borrowings disclosed under the head "Other Current Liabilities" (Refer Note 10)	-	-	(1,91,904.32)	(1,92,835.56)
	16,64,621.52	11,10,513.89	-	-

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 is 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 Lacs)

Maturities	≤ 1 year	1 - 3 years	3 - 5 years	> 5 years	Total
Rate of interest					
6.00% - 8.00%	996.73	1,328.97	845.89	-	3,171.59
	(1,380.81)	(2,657.94)	(845.89)	-	(4,884.64)
8.01% - 10.00%	17,937.00	23,916.00	46,007.96	1,16,852.21	2,04,713.17
	(17,767.91)	(41,228.51)	(38,772.76)	(74,602.21)	(1,72,371.39)
10.01% - 12.00%	-	-	-	-	-
	(14.70)	(39.20)	(39.20)	(68.50)	(161.60)

(Previous year figures are in bracket)

Maturity Profile of Term Loans from Banks:

(₹ In Lacs)

Maturities	≤ 1 year	1 - 3 years	3 - 5 years	> 5 years	Total
Rate of interest					
9.25% - 11.00%	57,261.57	53,683.80	5,000.00	-	1,15,945.37
	(1,18,369.13)	(1,64,672.54)	(31,290.13)	-	(3,14,331.80)

(Previous year figures are in bracket)

4.2 EXTERNAL COMMERCIAL BORROWING

During the financial year 2014-15, 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. This facility is secured against eligible affordable housing loans. 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 at March 31, 2016, the Company has foreign currency borrowings of USD 100 million equivalent (Previous year USD 100 million). The Company has undertaken currency swap contracts on a notional amount of USD 100 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 100 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.

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 ₹ 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%	10,000.00	30,000.00	4,43,000.00	1,30,000.00	6,13,000.00
	-	(40,000.00)	(12,500.00)	(80,000.00)	(1,32,500.00)
9.01% - 10.00%	9,000.00	1,23,000.00	6,000.00	126,000.00	2,64,000.00
	-	(99,000.00)	(36,000.00)	(1,29,000.00)	(2,64,000.00)

(Previous year figures are in bracket)

4.4 UNSECURED REDEEMABLE NON-CONVERTIBLE DEBENTURES

Redeemable Non-Convertible Subordinated Debentures, for value aggregating to ₹ 61,000.00 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. Based on the balance term to maturity as at March 31, 2016, 100% (Previous year 80%) of the book value of Subordinate debt is considered as Tier II capital.



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%	-	-	-	41,000.00	41,000.00
				(20,000.00)	(20,000.00)
9.01% - 10.00%	-	-	-	20,000.00	20,000.00
	(10,000.00)	-	-	(20,000.00)	(30,000.00)

(Previous year figures are in bracket)

4.5 PUBLIC DEPOSITS

- 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.
- The Company is carrying Statutory Liquid Assets amounting to ₹ 89,579.09 Lacs (Previous year ₹ 46,534.25 Lacs) comprising of Investment of ₹ 81,396.21 Lacs (Previous year ₹ 21,912.49 Lacs) in Central/State Government Securities and Fixed Deposits of ₹ 8,182.88 Lacs (Previous year ₹ 24,621.76 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, 2016	As at March 31st, 2015
Deferred Tax Liabilities		
Expenses Paid in Advance (Net of Income Received in Advance)	3,906.95	2,147.65
Depreciation on Fixed Assets	112.72	37.91
Special Reserve	5,697.49	2,333.91
Total Deferred Tax Liabilities- (A)	9,717.16	4,519.47
Deferred Tax Assets		
Provision for Leave Encashment	235.24	146.99
Provision for Doubtful Debts and contingencies	6,244.99	3,464.02
Others	189.96	113.14
Total Deferred Tax Assets - (B)	6,670.19	3,724.15
Net Deferred Tax Liabilities/ (Assets) (Net A-B)	3,046.97	795.32

NOTE: 6

OTHER LONG-TERM LIABILITIES

(₹ In Lacs)

	Non-Current Maturities		Current Maturities	
	As at March 31st, 2016	As at March 31st, 2015	As at March 31st, 2016	As at March 31st, 2015
Interest Accrued but not Due on Borrowings	3,674.19	21,497.21	10,845.70	5,584.10
Income Received in Advance	6,404.83	4,379.25	2,256.23	1,493.06
Amount disclosed under the head "Other Current Liabilities" (Refer Note 10)	-	-	(13,101.93)	(7,077.16)
	10,079.02	25,876.46	-	-

NOTE: 7

PROVISIONS

(₹ In Lacs)

	Non-Current Maturities		Current Maturities	
	As at March 31st, 2016	As at March 31st, 2015	As at March 31st, 2016	As at March 31st, 2015
Provision for Employees Benefits	596.96	357.57	82.76	74.89
Provision for Standard Assets as per NHB norms	13,046.27	7,800.00	-	-
Provision for Contingencies	2,450.00	-	-	-
Provision for NPAs as per NHB norms	-	-	2,168.12	2,281.36
Proposed Dividend	-	-	4,038.75	2,410.41
Tax on Proposed Dividend	-	-	822.19	490.70
	16,093.23	8,157.57	7,111.82	5,257.36

NOTE: 8

SHORT-TERM BORROWINGS

(₹ In Lacs)

	As at March 31st, 2016	As at March 31st, 2015
Secured Borrowings		
Term Loans Banks	-	10,000.00
Bank Overdraft	78,371.00	16,095.73
	78,371.00	26,095.73
Unsecured Borrowings		
Public Deposits	1,63,438.96	1,58,630.81
Commercial Paper	5,02,500.00	1,60,000.00
Others	531.00	-
	6,66,469.96	3,18,630.81
	7,44,840.96	3,44,726.54



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 the Company against Loans disbursed.

NOTE: 9

TRADE PAYABLES

	As at March 31st, 2016	As at March 31st, 2015
Sundry Creditors for Expenses	7,524.18	5,774.58
	7,524.18	5,774.58

- 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.

NOTE: 10

OTHER CURRENT LIABILITIES

	As at March 31st, 2016	As at March 31st, 2015
Current Maturity of Long-Term Borrowings (Refer Note 4)	1,91,904.32	1,92,835.56
Current Portion of Other Long-Term Liabilities (Refer Note 6)	13,101.93	7,077.16
Interest Accrued but not Due on Borrowings	1,422.59	1,444.62
Book Overdraft	70,600.50	31,372.95
Statutory Dues Payable	2,197.31	1,108.06
Security Deposit	-	839.58
Other Liabilities	19,960.30	9,419.42
	2,99,186.95	2,44,097.35

NOTE: 11

FIXED ASSETS

Description	Gross Block		Depreciation/ Amortisation		Net Block	
	As at March 31st, 2015	As at March 31st, 2016	As at March 31st, 2015	For the year	As at March 31st, 2016	As at March 31st, 2015
Tangible:						
Buildings*	108.88	108.88	-	2.18	21.39	89.67
Furniture & Fixtures	965.47	1,255.76	14.65	105.50	233.22	829.02
Vehicles	6.59	6.59	-	0.97	4.84	2.72
Computers	734.27	1,692.89	-	442.93	743.58	433.62
Office Equipment & Others	1,242.46	1,585.94	14.56	298.51	592.15	940.31
Leasehold Improvements	1,991.64	2,700.59	12.00	488.60	940.34	1,534.59
Subtotal	5,049.31	7,350.65	41.21	1,338.69	2,535.52	3,829.93
Intangible:						
Computer Software	170.47	1,204.33	-	165.25	208.17	127.55
Grand Total	5,219.78	8,554.98	41.21	1,503.94	2,743.69	3,957.48
Previous Year	3,078.92	5,219.78	98.53	522.75	1,262.30	3,957.48

(₹ In Lacs)

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

During the Previous 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 on March 31, 2015 was lower by ₹ 280.16 Lacs.



NOTE: 12

NON-CURRENT INVESTMENTS

OTHER INVESTMENTS (NON TRADE) QUOTED - (FULLY PAID)	Number of Bonds/Units	Face Value per Bonds/Units	As at March 31st, 2016 (₹ In Lacs)	Number of Bonds/Units	Face Value per Bonds/Units	As at March 31st, 2015 (₹ In Lacs)
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	10,05,000	100	1,261.19	10,05,000	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	30,05,000	100	3,171.59	30,05,000	100	3,171.57
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	15,00,000	100	1,550.65	15,00,000	100	1,550.65
9.72% Kerala SDL 2023	40,00,000	100	4,153.60	40,00,000	100	4,153.60
9.60% Maharashtra SDL 2023	14,00,000	100	1,401.82	14,00,000	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
10.03% Rajasthan SDL 2028	33,91,000	100	3,497.82	33,91,000	100	3,497.82
9.49% Tamil Nadu SDL 2023	30,00,000	100	3,087.32	30,00,000	100	3,087.32
9.37% Gujarat SDL 2023	25,00,000	100	2,541.97	25,00,000	100	2,541.97
9.19% Kerala SDL 2024	10,00,000	100	1,005.83	10,00,000	100	1,005.83
8.92% Rajasthan SDL 2022	40,00,000	100	4,152.44	-	-	-
9.00% Haryana SDL 2024	10,00,000	100	1,050.81	-	-	-

OTHER INVESTMENTS (NON TRADE) QUOTED - (FULLY PAID)	Number of Bonds/Units	Face Value per Bonds/Units	As at March 31st, 2016 (₹ in Lacs)	Number of Bonds/Units	Face Value per Bonds/Units	As at March 31st, 2015 (₹ in Lacs)
9.48% Haryana SDL 2023	50,00,000	100	5,357.70	-	-	-
9.70% Uttarakhand SDL 2024	50,00,000	100	5,432.14	-	-	-
9.50% Himachal Pradesh SDL 2024	20,00,000	100	2,148.39	-	-	-
8.99% Madhya Pradesh SDL 2024	10,00,000	1,00,000	10,452.00	-	-	-
8.95% Madhya Pradesh SDL 2024	8,000	50,000	8,339.60	-	-	-
8.83% Uttar Pradesh SDL 2026	13,500.00	1,00,000	13,907.91	-	-	-
9.72% West Bengal SDL 2024	3,000	1,00,000	3,264.90	-	-	-
8.88% West Bengal SDL 2026	2,500	1,00,000	2,521.50	-	-	-
8.84% Punjab SDL 2024	3,000	1,00,000	3,119.40	-	-	-
7.85% Uttar Pradesh SDL 2016	-	-	-	8,000	100	8.02
7.79% Tamilnadu SDL 2016	-	-	-	1,200	100	1.20
7.79% Punjab SDL 2016	-	-	-	16,800	100	16.81
7.77% Gujarat SDL 2015	-	-	-	9,800	100	9.80
7.77% Andhra Pradesh SDL 2015	-	-	-	9,000	100	9.00
7.53% Uttar Pradesh SDL 2015	-	-	-	10,200	100	10.15
			81,871.19			22,179.38
Less: Provision for loss to arise on Redemption of Investments			474.98			266.89
Aggregate value of investments			81,396.21			21,912.49
Cost of Quoted investments			81,871.19			22,179.38
Market Value			84,367.47			23,130.50

NOTE: 13

LONG-TERM LOANS AND ADVANCES

(₹ In Lacs)

	Non-Current Maturities		Current Maturities	
	As at March 31st, 2016	As at March 31st, 2015	As at March 31st, 2016	As at March 31st, 2015
Loans - Secured				
Housing Loans	18,31,672.47	10,23,161.65	79,951.79	1,71,359.83
Non-Housing Loans	7,30,683.65	4,15,055.59	75,418.95	69,551.50
Current maturities of Long-Term Loans & Advances disclosed under the head "Other Current Assets" (Refer Note 18)	-	-	(1,55,370.74)	(2,40,911.33)
	25,62,356.12	14,38,217.24	-	-



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 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.

The details of Housing and Non-Housing Loans classified as Non-Performing Assets and provisions carried thereon is given below:

As at March 31, 2016 (₹ In Lacs)

Particulars	Standard	Sub-Standard	Doubtful	Loss	Total
Housing Loans	19,08,350.14	3,489.55	941.34	69.07	19,12,850.10
Provision on Housing Loans	8,527.81	772.16	680.95	69.07	10,049.99
Non-Housing Loans	8,05,751.90	839.60	641.23	-	8,07,232.73
Provision on Non-Housing Loans	4,518.22	130.25	515.92	-	5,164.39
Total Loans	27,14,102.04	4,329.15	1,582.57	69.07	27,20,082.83
Total Provisions	13,046.03	902.41	1,196.87	69.07	15,214.38

As at March 31, 2015 (₹ In Lacs)

Particulars	Standard	Sub-Standard	Doubtful	Loss	Total
Housing Loans	11,94,036.21	677.10	1,391.86	250.04	11,96,355.21
Provision on Housing Loans	5,341.27	117.08	1,391.86	250.04	7,100.25
Non-Housing Loans	4,84,481.95	681.89	412.63	-	4,85,576.47
Provision on Non-Housing Loans	2,458.73	105.83	412.63	-	2,977.19
Total Loans	16,78,518.16	1,358.99	1,804.49	250.04	16,81,931.68
Total Provisions	7,800.00	222.91	1,804.49	250.04	10,077.44

The total loans outstanding includes overdue principal of ₹ 2,355.97 lacs (Previous year ₹ 2,429.16 lacs)

13.3 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:-

Particulars	(₹ In Lacs)	
	As at March 31st, 2016	As at March 31st, 2015
Cumulative interest B/F from last Balance Sheet	377.05	263.37
Add: Interest de-recognised for the year on		
- Sub-Standard Assets (Net)	958.15	146.03
- Doubtful/Loss Assets	1,065.00	210.93
Less: Recovered/Write Off during the year	952.01	243.28
Total	1,448.19	377.05

NOTE: 14

OTHER NON CURRENT ASSETS

(Unsecured, considered good)

	(₹ In Lacs)			
	Non-Current Maturities		Current Maturities	
	As at March 31st, 2016	As at March 31st, 2015	As at March 31st, 2016	As at March 31st, 2015
Security Deposits	612.61	522.55	-	-
Prepaid Expenses (Refer Note 18)	18,188.17	11,796.56	13,086.93	6,831.99
	18,800.78	12,319.11	13,086.93	6,831.99



NOTE: 15

CURRENT INVESTMENTS

	Number of Debentures /Units	Face Value /Debenture	As at March 31st, 2016 (₹ In Lacs)	Number of Debentures /Units	Face Value /Debenture	As at March 31st, 2015 (₹ In Lacs)
QUOTED - OTHER THAN TRADE (FULLY PAID)						
Bonds and Debentures						
7.93% Power Grid Corporation of India Ltd. 2028	41	10,00,000	410.00	70	10,00,000	711.17
7.93% Power Grid Corporation of India Ltd. 2021	50	10,00,000	497.25	50	10,00,000	512.85
7.93% Power Grid Corporation of India Ltd. 2018	50	10,00,000	500.10	50	10,00,000	512.80
7.93% Power Grid Corporation of India Ltd. 2019	50	10,00,000	499.10	50	10,00,000	510.85
7.93% Power Grid Corporation of India Ltd. 2020	50	10,00,000	498.10	50	10,00,000	512.55
7.93% Power Grid Corporation of India Ltd. 2022	50	10,00,000	496.55	50	10,00,000	510.15
7.93% Power Grid Corporation of India Ltd. 2017	50	10,00,000	497.75	50	10,00,000	508.75
7.93% Power Grid Corporation of India Ltd. 2024	50	10,00,000	500.18	50	10,00,000	507.85
7.93% Power Grid Corporation of India Ltd. 2025	40	10,00,000	400.15	50	10,00,000	505.10
7.93% Power Grid Corporation of India Ltd. 2026	45	10,00,000	450.00	50	10,00,000	505.10
7.98% Infrastructure Development Finance Company Ltd. 2023	350	10,00,000	3,712.65	849	10,00,000	8,816.70
8.69% Damodar Valley Corporation Ltd. 2028	652	10,00,000	7,108.10	-	-	-
8.80% Food corporation of India Ltd. 2028	138	10,00,000	1,515.93	-	-	-
6.89% National Housing Bank 2023	26	10,00,000	257.40	-	-	-
8.40% Indian Railways Finance Corporation 2029	1,00,000	1,000	1,105.34	-	-	-
7.40% Indian Infrastructure Finance Company Ltd. 2033	5,57,000	1,000	5,831.79	-	-	-
6.87% National Housing Bank 2023	47	10,00,000	466.95	-	-	-
7.15% National Thermal Power Corporation Ltd. 2025	12	10,00,000	122.22	-	-	-
8.14% Nuclear Power Corporation of India 2027	5	10,00,000	50.65	-	-	-
8.58% Housing and Urban Development Corporation Ltd. 2029	95,000	1,000	1,060.20	-	-	-
8.46% Power Finance Corporation 2028	100	10,00,000	1,108.35	-	-	-

	Number of Debentures /Units	Face Value /Debenture	As at March 31st, 2016 (₹ In Lacs)	Number of Debentures /Units	Face Value /Debenture	As at March 31st, 2015 (₹ In Lacs)
7.35% Indian Railway Finance Corporation 2031	2,40,000	1,000	2,455.20	-	-	-
8.50% National Highway Authority of India 2029	1,00,000	1,000	1,115.00	-	-	-
8.14% Nuclear Power Corporation of India 2028	73	10,00,000	748.25	-	-	-
7.93% Power Grid Corporation of India Ltd. 2023	50	10,00,000	492.45	-	-	-
9.95% Food Corporation of India Ltd. 2022	1	10,00,000	11.16	9	10,00,000	98.69
11.25% Power Finance Corporation Ltd. 2018	-	-	-	5	10,00,000	54.28
11.00% Bank of India Perpetual Bond (Tier 1- Basel III)	-	-	-	650	10,00,000	7,021.95
10.45% Gujarat State Petroleum Corporation Ltd. 2072	-	-	-	500	10,00,000	5,400.00
9.48% Bank of Baroda Perpetual Bond	-	-	-	550	10,00,000	5,508.50
8.90% Syndicate Bank Perpetual Bond	-	-	-	96	10,00,000	992.79
8.83% Indian Railway Finance Corporation 2023	-	-	-	1,000	1,000	1,349.53
8.78% National Hydroelectric Power Corporation Ltd. 2023	-	-	-	500	1,00,000	507.30
8.78% National Hydroelectric Power Corporation Ltd. 2021	-	-	-	500	1,00,000	508.40
8.78% National Hydroelectric Power Corporation Ltd. 2020	-	-	-	500	1,00,000	510.50
8.69% Damodar Valley Corporation 2028	-	-	-	938	10,00,000	10,026.53
8.55% Indian Infrastructure Finance Company Ltd. 2024	-	-	-	9	10,00,000	90.52
8.36% Power Finance Corporation Ltd. 2020	-	-	-	250	10,00,000	2,490.43
8.10% Indian Infrastructure Finance Company Ltd. 2024	-	-	-	5	10,00,000	48.92
7.93% Power Grid Corporation of India Ltd. 2027	-	-	-	50	10,00,000	503.75
7.34% Indian Railway Finance Corporation 2028	-	-	-	130	10,00,000	10.24
UNQUOTED - OTHER THAN TRADE (FULLY PAID)						
Certificate of Deposit of Indian Bank	30,000	1,00,000	29,509.05	-	-	-
Certificate of Deposit of Corporation Bank	2,500	1,00,000	2,339.06	-	-	-
Certificate of Deposit of Bank of Maharashtra	5,000	1,00,000	4,915.09	-	-	-
Certificate of Deposit of Canara Bank	10,000	1,00,000	9,824.57	17,500	1,00,000	17,092.49



	Number of Debentures /Units	Face Value /Debenture	As at March 31st, 2016 (₹ In Lacs)	Number of Debentures /Units	Face Value /Debenture	As at March 31st, 2015 (₹ In Lacs)
Certificate of Deposit of Andhra Bank	2,500	1,00,000	2,332.65	17,500	1,00,000	16,370.11
Certificate of Deposit of IDBI Bank Ltd.	-	-	-	20,000	1,00,000	19,658.79
Certificate of Deposit of Punjab & Sind Bank	-	-	-	20,000	1,00,000	19,594.30
Certificate of Deposit of Oriental Bank of Commerce	-	-	-	10,000	1,00,000	9,804.57
Certificate of Deposit of Allahabad Bank	-	-	-	5,000	1,00,000	4,928.57
Total			80,831.24			1,36,685.03
Aggregate value of quoted investments			31,910.81			49,236.20
Market Value of quoted investments			32,138.75			49,448.09
Aggregate value of unquoted investments			48,920.42			87,448.83

NOTE: 16

CASH AND BANK BALANCES

	As at March 31st, 2016	As at March 31st, 2015
16.1 Cash and Cash Equivalents		
Balances with Banks in Current Accounts	16,586.49	4,576.26
Cash on Hand	84.22	116.18
	16,670.71	4,692.44
16.2 Other Bank Balances		
Fixed Deposits with original maturity of more than three months up to twelve months	-	15,214.18
Fixed Deposits with original maturity of more than twelve months	8,182.88	9,407.58
Total	24,853.59	29,314.20

NOTE: 17

SHORT-TERM LOANS AND ADVANCES

(Unsecured, considered good unless otherwise stated)

	As at March 31st, 2016	As at March 31st, 2015
Loan Against Deposits (Secured)	403.02	936.17
Advances Recoverable in Cash or Kind	951.92	449.03
Advance Income Tax [Net of Provision for Taxation ₹ 42,437.00 Lacs (Previous year ₹ 28,626.75 Lacs)]	445.63	634.53
	1,800.57	2,019.73

NOTE: 18

OTHER CURRENT ASSETS

(Unsecured, considered good unless otherwise stated)

	As at March 31st, 2016	As at March 31st, 2015
Current Maturities of Long-Term Loans & Advances (Secured) (Refer Note 13)	1,55,370.74	2,40,911.33
Instalments Due from Borrowers (Secured)	4,455.55	2,803.10
Stock of Acquired Properties (Held for sale or disposal) (Secured)	8,381.08	3,484.66
Interest Accrued on Investments	2,393.79	2,531.11
Interest Accrued but not Due on Loans	7,090.07	528.41
Prepaid Expenses (Refer Note 14)	13,086.93	6,831.99
Other Advances	61.49	-
	1,90,839.65	2,57,090.60

18.1 The instalment due from borrowers is net of interest de-recognised of ₹ 1,448.19 Lacs (Previous year ₹ 377.05 Lacs) in respect of non-performing loans.

18.2 Stock of Acquired Properties is net of Provision for Diminution in Value of ₹ 380.54 Lacs (Previous year ₹ 109.93 Lacs)

NOTE: 19

REVENUE FROM OPERATIONS

	Year Ended March 31st, 2016	Year Ended March 31st, 2015
INTEREST INCOME		
i) Interest on Loans [(TDS ₹ 2,943.66 Lacs (Previous year ₹ 3,306.94 Lacs))]	2,46,002.59	1,59,763.56
ii) Interest on Investments [(TDS ₹ 122.51 Lacs (Previous year ₹ 108.19 Lacs))]	8,314.64	7,292.53
iii) Other Interest	88.74	28.06
	2,54,405.97	1,67,084.15
Fees & Other Charges	7,995.66	4,550.47
Surplus from deployment of funds in Cash Management Schemes of Mutual Funds	1,420.60	1,989.31
Profit on Sale of Investment	999.89	1,568.07
Other Operating Income	4,774.66	2,480.61
Interest on Income Tax Refund	62.58	-
	2,69,659.36	1,77,672.61



NOTE: 20

INTEREST EXPENSES AND OTHER CHARGES

	(₹ In Lacs)	
	Year Ended March 31st, 2016	Year Ended March 31st, 2015
Interest on		
Term Loans	40,004.37	51,310.06
Non-Convertible Debentures	57,814.19	35,275.29
Commercial Paper	22,666.29	5,790.84
Deposits	58,275.00	29,662.37
	1,78,759.85	1,22,038.56
Other Charges		
Brokerage on Deposits	2,239.28	1,460.56
Fee and other expenses	4,968.09	2,915.08
Bank Charges	61.31	70.10
	1,86,028.53	1,26,484.30

NOTE: 21

EMPLOYEE BENEFIT EXPENSE

	(₹ In Lacs)	
	Year Ended March 31st, 2016	Year Ended March 31st, 2015
Salaries and Allowances	7,049.94	6,290.16
Contribution to Provident Fund & Other Funds	350.65	281.66
Staff Welfare Expenses	127.74	134.44
	7,528.33	6,706.26

NOTE: 22

OFFICE OPERATING EXPENSES

	(₹ In Lacs)	
	Year Ended March 31st, 2016	Year Ended March 31st, 2015
Rent	1,462.43	1,145.24
Rates & Taxes	34.11	5.16
Repairs & Maintenance - Building	82.82	72.89
Office Maintenance	67.38	77.05
Registration and Filing Fees	16.64	38.49
Electricity and Water Charges	414.75	299.14
General Office Expenses	2,374.90	1,704.72
Insurance Charges	24.95	12.73
Travelling & Conveyance	331.42	478.54
Printing & Stationery	255.72	220.89
Postage & Telephone	578.29	425.86
	5,643.41	4,480.71

NOTE: 23

OTHER EXPENSES

	(₹ In Lacs)	
	Year Ended March 31st, 2016	Year Ended March 31st, 2015
Cost of Loan Acquisition	4,971.07	2,890.86
Advertisement & Publicity	2,306.10	1,177.22
Professional Charges	1,464.04	1,158.94
Legal Expenses	1,141.38	662.12
Director's Sitting Fee	45.60	13.05
Auditors Remuneration:		
- Audit Fees	12.37	11.15
- Tax Audit Fees	4.84	4.25
- Other Certifications work	11.72	11.68
Loss on sale of Fixed Assets	11.83	22.08
CSR expenses (Refer Note 31)	398.00	-
Miscellaneous Expenses	166.70	139.09
	10,533.65	6,090.44

NOTE: 24

DISCLOSURE REQUIRED BY NATIONAL HOUSING BANK

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

a) Capital to Risk Assets Ratio (CRAR)

Particulars	March 31st, 2016	March 31st, 2015*
i) CRAR (%)	12.70	13.34
ii) CRAR - Tier I Capital (%)	9.04	9.99
iii) CRAR - Tier II Capital (%)	3.66	3.35

*On Inspection for FY 2013-14, NHB has observed that NOF & CRAR as at March 31, 2014 was overstated on account of intangible assets, deferred revenue expenditure, short provisioning due to wrong asset classification, negative amortisation and non-provisioning on loan against deposits. The Company has made necessary rectifications and accordingly the CRAR as at March 31, 2014 is restated at 12.64% as against 12.95% published in the Annual Report 2014-15. Similarly, the CRAR as at March 31, 2015 has been restated at 13.34% as against 13.76% published in Annual Report 2014-15.



b) Exposure to Real Estate Sector

(₹ In Lacs)

Sr. No.	Particulars	March 31st, 2016	March 31st, 2015
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 - ₹ 2,14,200 Lacs (Previous year ₹ 1,06,755 Lacs))	22,55,497.22	14,34,045.00
	B. Commercial Real Estate: Lending secured by mortgages on commercial real estates. Exposure would also include non-fund based (NFB) limits	4,64,585.61	2,47,887.00
	C. Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
	i) Residential	Nil	Nil
	ii) Commercial Real Estate		
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:

- Not been imposed any penalty by National Housing Bank.
- During the course of inspection for FY 2013-14, 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, 2016

(₹ In Lacs)

Maturity Buckets	Liabilities		Assets	
	Bank Borrowings	Market Borrowings	Net Advances	Investments
1 day to 30-31 days (one month)	78,371.00	12,735.10	53,950.33	57,100.83
Over 1 month to 2 months	2,000.00	3,77,306.48	53,017.62	5.00
Over 2 months to 3 months	-	1,36,918.96	52,104.56	31,921.33
Over 3 months to 6 months	26,861.24	52,377.68	1,51,025.01	-
Over 6 months to 1 year	53,645.30	35,083.01	2,79,855.16	3,027.77
Over 1 year to 3 years	96,474.35	4,13,436.87	8,82,165.14	39.87
Over 3 years to 5 years	1,11,939.86	5,06,666.20	4,51,000.77	83.87
Over 5 years to 7 years	44,099.54	4,60,154.88	2,86,052.19	5,391.58
Over 7 years to 10 years	33,879.34	1,40,191.43	2,47,414.36	69,197.94
Over 10 years	16,000.00	17,214.45	2,63,497.69	3,642.14
Total	4,63,270.63	21,52,085.06	27,20,082.83	1,70,410.33

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



NOTE: 25

RELATED PARTY TRANSACTIONS

As per the Accounting Standard on 'Related Party Disclosures' (AS 18), 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 *(upto March 09, 2016)	Fellow Subsidiary
Destimoney Enterprises Limited	Enterprise having Significant Control
Shri Sanjaya Gupta (Managing Director)	Key Managerial Personnel
Shri Sanjay Jain (Company Secretary)	Key Managerial Personnel
Shri 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. The Company has identified all other related parties transactions during the year as given below:

Particulars	₹ In Lacs)	
	March 31st, 2016	March 31st, 2015
Commission paid to Destimoney Enterprises Limited	130.00	339.39
Dividend paid to Destimoney Enterprises Limited	1,071.00	735.00
Issues of Equity Shares under Rights Issue and payment of Call Money by Destimoney Enterprises Limited	14,700.00	34,299.99
Remuneration paid to KMPs:		
a) Shri Sanjaya Gupta (Managing Director)	136.67	105.25
b) Shri Sanjay Jain (Company Secretary)	46.82	35.00
c) Shri Jayesh Jain (Chief Financial Officer)	58.75	27.45*

*For part of the year with effect from 22nd August 2014.

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 ₹ 1,462.43 Lacs (Previous year ₹ 1,145.24 Lacs). The future minimum lease payments in respect of properties taken under non-cancellable operating lease are as follows:

Particulars	₹ In Lacs)	
	March 31st, 2016	March 31st, 2015*
Not later than one year	1,087.13	938.85
Later than one year but not later than 5 years	883.67	1,337.98
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:

Particulars	Unit	March 31st, 2016	March 31st, 2015
a) Amount used as the numerator for Basic EPS Profit After Tax	(₹ in Lacs)	32,647.12	19,610.97
b) Weighted average number of equity shares for Basic EPS	Number	11,87,86,817	8,03,46,855
c) Weighted average number of equity shares for Diluted EPS	Number	11,87,86,817	8,03,46,855
d) Nominal value per share	(in ₹)	10	10
e) Earnings Per Share:			
-Basic (a/b)	(in ₹)	27.48	24.41
-Diluted (a/c)	(in ₹)	27.48	24.41

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 2015-16 :

Particulars	Pro-Rata No. of Shares	Days
i) 5,00,00,000 Equity Shares of ₹ 10/- each (Fully Paid-up) and 7,69,23,000 Equity Shares of ₹ 10/- each (Partly Paid-up ₹ 7/- per share) 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) Weighted Average number of shares for computation of Basic Earnings Per Share	11,87,86,817	-



(b) 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 Equity Shares 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	-

iii) The Diluted Earnings Per Share is same as Basic Earnings Per Share, as there are no dilutive potential equity shares outstanding as at March 31, 2016 and March 31, 2015.

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 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 Standards) Rules, 2016.

NOTE: 29

CONTINGENT LIABILITIES AND COMMITMENTS

- i) Contingent liability in respect of Income-tax ₹ 503.22 Lacs (Previous year ₹ 447.18 Lacs) is disputed by the Company and are under appeal. The Company expects to succeed in these matters before appellate authorities and hence no additional provision is considered necessary.
- ii) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is ₹ 1,719.51 Lacs (Previous year ₹ 2,107.72 Lacs).
- iii) Claims against the Company not acknowledged as debt is Nil (Previous year Nil).

NOTE: 30

DISCLOSURES IN RESPECT OF EMPLOYEE BENEFITS

In accordance with Accounting Standards on (AS-15) - "EMPLOYEE BENEFITS" the following disclosure have been made:

30.1 The Company has made Contribution to Provident Fund of ₹ 283.98 Lacs (Previous year ₹ 223.68 Lacs) which has been recognised in Statement of Profit and Loss which are included under "Contribution to Provident Fund and Other Funds" in Note 21.

30.2 The Company has recognised expenses of ₹ 87.48 Lacs (Previous year ₹ 60.25 Lacs) in Statement of Profit and Loss for Contribution to State Plan namely Employees' Pension Scheme.

30.3 GRATUITY LIABILITY

(₹ In Lacs)		
Change in present value of obligation	March 31st, 2016	March 31st, 2015
Present value of obligation as at the beginning of the year	217.78	161.45
Interest cost	17.42	12.92
Current service cost	56.02	40.01
Benefits paid	(4.34)	(18.01)
Actuarial (gain)/loss on obligation	8.02	21.42
Present value of obligation as at the end of year	294.90	217.78

(₹ In Lacs)		
Fair Value of plan assets	March 31st, 2016	March 31st, 2015
Fair Value of plan assets as at the beginning of the year	264.06	207.27
Actual return on plan assets	23.12	18.57
Contributions	64.39	56.23
Benefits paid	(4.34)	(18.01)
Fair Value of plan assets as at the end of year	347.22	264.06
Funded status	52.32	46.27

(₹ In Lacs)		
Amount recognised in Balance Sheet	March 31st, 2016	March 31st, 2015
Present value of obligation as at the end of the year	294.90	217.78
Fair value of plan assets as at the end of the year	347.22	264.06
Funded status/Difference	52.32	46.27
Net asset/(liability) recognised in Balance Sheet	52.32	46.27

(₹ In Lacs)		
Expense recognised in the Statement of Profit and Loss	March 31st, 2016	March 31st, 2015
Current service cost	56.02	40.01
Interest cost	17.42	12.92
Expected return on plan assets	(23.12)	(18.57)
Net actuarial (gain)/loss recognised in the year	8.02	21.42
Expenses recognised in the Statement of Profit and Loss	58.34	55.78

Gratuity Contribution is paid to LIC of India under Gratuity Scheme of LIC.



30.4 LEAVE ENCASHMENT

(₹ In Lacs)

Change in present value of obligation	March 31st, 2016	March 31st, 2015
Present value of obligation as at the beginning of the year	410.71	218.42
Interest cost	31.83	18.56
Current service cost	216.36	150.21
Benefits paid	(60.95)	(39.70)
Actuarial (gain)/loss on obligation	43.03	63.21
Present value of obligation as at the end of year	640.98	410.70

(₹ In Lacs)

Amount recognised in Balance Sheet	March 31st, 2016	March 31st, 2015
Present value of obligation as at the end of the year	640.98	410.70
Fair value of plan assets as at the end of the year	0.00	0.00
Funded status/Difference	(640.98)	(410.70)
Net asset/(liability) recognised in Balance Sheet	(640.98)	(410.70)

(₹ In Lacs)

Expense recognised in the Statement of Profit and Loss	March 31st, 2016	March 31st, 2015
Current service cost	216.36	150.21
Interest cost	31.83	18.56
Expected return on plan assets	0.00	0.00
Net actuarial (gain)/loss recognised in the year	43.03	63.21
Expenses recognised in the Statement of Profit and Loss	291.22	231.98

(₹ In Lacs)

Movement in the liability recognised in the Balance Sheet	March 31st, 2016	March 31st, 2015
Opening Liability	410.71	218.42
Expenses as above	291.22	231.98
Benefits paid	(60.95)	(39.70)
Actual return of plan assets	0.00	0.00
Acquisition adjustment	0.00	0.00
Closing Liability	640.98	410.70

30.5 FOLLOWING ASSUMPTIONS HAVE BEEN MADE IN RESPECT OF GRATUITY AND LEAVE ENCASHMENT:

(₹ In Lacs)

Assumptions	March 31st, 2016	March 31st, 2015
Discounting Rate	8.00%	8.00%
Future Salary Increase	7.75%	7.75%
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 ₹ 398.00 Lacs towards Corporate Social Responsibility (CSR) under section 135 of Companies Act, 2013 and rules thereon. In terms of clarification issued by the Institute of Chartered Accountants of India in current year same has been charged to Statement of Profit and Loss while during previous year CSR expenses of ₹ 269.58 Lacs had been appropriated from previous 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.