



HOME  
FINANCE

# Annual Report 2017 - 18



**Padma Vibhushan**  
**Shri Dhirubhai H. Ambani**  
(28th December, 1932 – 6th July, 2002)  
Reliance Group – Founder and Visionary

## Profile

Reliance Home Finance Limited ('RHF' / the 'Company'), part of Reliance Capital, is one of the country's leading private sector Home Loan Company, incorporated in the year 2008. The Company's equity shares are listed on the Indian Stock Exchanges with effect from September 22, 2017.

RHF is a subsidiary of Reliance Capital Limited. The Company is registered with National Housing Bank as a housing finance company under the National Housing Bank Act, 1987.

RHF provides a wide range of solutions like Home Loans including Affordable Housing Loans, Loan against Property (LAP) and Construction Finance. The Company also provides property services that help customers find their dream homes / properties.

The Company has a strong distribution network with more than 125 locations, through a "hub and spoke" model, across the country, serving over 45,000 client accounts.

## Mission

- To back opportunities and enabling ideas that make tomorrow better.
- To be a significant contributor in the fundamental need of every Indian – Housing.

## Values

- To conduct all of our activities and business ethically.
- To add value for our customers through customized digital solutions and support.
- We are committed to sustainability and excellence.
- We believe in transparency in all our activities and processes, thus making us accountable for all our business practices.

# Reliance Home Finance Limited

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Key Managerial Personnel		
Mr. Pinkesh R. Shah – Chief Financial Officer		
Ms. Parul Jain – Company Secretary & Compliance Officer		
Auditors		
M/s. Price Waterhouse & Co Chartered Accountants LLP		
Registered Office		
Reliance Centre, 6 <sup>th</sup> Floor		
South Wing, Off Western Express Highway		
Santacruz (East), Mumbai 400 055		
CIN : L67190MH2008PLC183216		
Tel. : +91 22 3303 6000		
Fax : +91 22 2610 3299		
E-mail : rhfl.investor@relianceada.com		
Website: www.reliancehomefinance.com		
Registrar and Transfer Agent		
Karvy Computershare Private Limited		
Karvy Selenium Tower – B		
Plot No. 31 & 32, Survey No. 116/22, 115/24, 115/25		
Financial District, Nanakramguda		
Hyderabad 500 032		
Website: www.karvy.com		
Investor Helpdesk		
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E-mail : rhflinvestor@karvy.com		

**10<sup>th</sup> Annual General Meeting on Tuesday, September 18, 2018 at 2:30 P.M. or soon after the conclusion of the Annual General Meeting of Reliance Capital Limited convened on the same day, whichever is later, at Birla Matushri Sabhagar, 19, New Marine Lines, Mumbai 400 020**

Letter to Shareowners

My dear fellow Shareowners,

I am happy to share that our Company has completed 10 years. Financial Year 2017-18 has been an iconic year for us. Let me share with you the highlights of the Company's performance.

The Company made significant progress during the year towards improving operational performance across its core segments, and is fully geared to capitalise on its growth aspirations. We continue to move forward in fulfilling the vision of our legendary founder, Padma Vibhushan Shri Dhirubhai Ambani, to make sure that every Indian who desires a home can own it and, we, at Reliance Home Finance act as enablers.

While the world economy grew by 3.2 per cent and 3.7 per cent, respectively, in 2016 and 2017, the Indian economy expanded by a sharper 7.1 per cent and 6.7 per cent, respectively, making it the fastest growing large economy in the world.

While the housing finance companies have been able to grow at a faster pace, owing to their focus on niche segments such as self-employed and affordable housing segments which have huge growth potential, the initiatives and economic reforms taken by the Government such as implementation of Goods and Services Tax (GST), Jan Dhan Yojana, Demonetization, etc. have been very positive for financial services sector; particularly for the housing finance sector.

Owing to the growing housing finance sector, the government's initiatives like "Pradhan Mantri Awas Yojana (PMAY) and Housing For All" by 2022; better access to the capital markets, your Company's equity shares were successfully listed on BSE and NSE with effect from September 22, 2017. The existing shareholders of Reliance Capital Limited ("Reliance Capital"), the Company's holding company; were given one free share of RHF for every share held by them in Reliance Capital.

Today, your Company is reckoned amongst India's leading housing finance companies serving over 45,000 customers and has a clear focus on creating value by expanding the book size along with a robust growth in the net worth, and superior asset quality. Over the period, we have developed our expertise in Home Loans including Affordable Housing Loans, Loan against Property (LAP) and Construction Finance product segments.

Reliance Home Finance Limited, is a constituent of the Reliance Group which is a prominent business house, widely recognised in India and abroad as one of the leading creators of projects of national importance – in infrastructure, power generation, transmission & distribution, financial services, defence manufacturing, entertainment and telecommunications, amongst others.

The Reliance Group has the largest investor base in India with over 15.5 million retail investors. Reliance Group has over 75,000 employees and serves over 200 million customers. The Reliance Group has assets under management of over ₹ 4.5 lakh crore and also manages Government of India's Employees' Provident Fund Organisation (EPFO), Pension Fund Regulatory and Development Authority (PFRDA) and Coal Mines Provident Fund Organisation (CMPFO) funds.

Currently, the Reliance Group has assets worth ₹ 3,50,000 crore, net worth of ₹ 70,000 crore and cash flows of over ₹ 21,000 crore.

## Performance Review

The key financial highlights are:

- **Assets Under Management** increased to ₹ **16,379 crore** against ₹ 11,174 crore in the previous year, an increase of 47 per cent
- **Total income** of ₹ **1,671 crore** against ₹ 1,145 crore in the previous year, an increase of 46 per cent
- **Net profit** of ₹ **181 crore** against ₹ 173 crore in the previous year
- **Total assets** of ₹ **15,684 crore** against ₹ 11,347 crore in the previous year, an increase of 38 per cent
- **Total net worth** of ₹ **1,744 crore** as against ₹ 1,032 crore in the previous year, an increase of 69 per cent

Considering the strong performance of your Company, the Board has recommended a dividend of ₹ 1 per share in the first year of Listing.

## Highest credit ratings

Our Company's short-term debt programme has been assigned a rating of "A1+" both by ICRA and Brickwork, the highest credit quality rating assigned by the respective agencies to short-term debt instruments (Instruments rated in this category carry lower credit risk in the short term). CARE and Brickwork ratings assigned our long – term debt programme a rating of "CARE AA+" and "BWR AA+" (Instruments with this rating offer investors a high degree of safety for timely servicing of debt obligations).

## Corporate Governance

Reliance Home Finance has always maintained the highest governance standards and practices by adopting, as is the norm for all constituent companies of the Group, the "Reliance Group – Corporate Governance Policies and Code of Conduct". These Policies and Code prescribe a set of systems, processes and principles, which conform to the highest international standards and are reviewed periodically to ensure their continuing relevance, effectiveness and responsiveness to the needs of investors, both local and global, and all other stakeholders.

## Social Commitments

The Company continued to contribute actively to community welfare activities and took up several initiatives and measures related to education and healthcare.

## Our Commitment

Our founder, the legendary Padma Vibhushan Shri Dhirubhai Ambani, gave us a simple mantra: to aspire to the highest global standards of quality, efficiency, operational performance and customer care. We remain committed to upholding that vision. Dhirubhai exhorted us to think big. With your continued support, we will think bigger. Indeed, not just bigger, but better, creating greater value for all our stakeholders.



**Ravindra Sudhalkar**  
Executive Director & CEO

## Notice

Notice is hereby given that the 10<sup>th</sup> Annual General Meeting of the Members of **Reliance Home Finance Limited** will be held on Tuesday, September 18, 2018 at 2:30 P.M. or soon after the conclusion of the Annual General Meeting of Reliance Capital Limited convened on the same day, whichever is later, at Birla Matushri Sabhagar, 19, New Marine Lines, Mumbai 400 020, to transact the following business:

### Ordinary Business:

1. To consider and adopt the audited financial statement of the Company for the financial year ended March 31, 2018 and the reports of the Board of Directors and Auditors thereon.
2. To declare dividend on equity shares and preference shares.
3. To appoint a Director in place of Mr. Ravindra Sudhakar (DIN:07787205), who retires by rotation under the provisions of the Companies Act, 2013 and being eligible, offers himself for re-appointment.

### Special Business:

4. **Appointment of Lt Gen Syed Ata Hasnain (Retd) as an Independent Director**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Lt Gen Syed Ata Hasnain (Retd) (DIN:07257757), who qualifies for being appointed as an Independent Director and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a term up to 5 (five) consecutive years commencing from February 26, 2018."

5. **Appointment of Mr. Jai Anmol Ambani as a Director**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") (including any statutory modifications(s) or re-enactment(s) thereof, for the time being in force), Mr. Jai Anmol Ambani (DIN:07591624) who was appointed by the Board of Directors as an Additional Director of the Company on April 24, 2018, pursuant to the provisions of Section 161 of the Act and Article 89 of the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

6. **Approval for appointment of Mr. Amit Bapna as a Whole-time Director from September 8, 2017 to August 7, 2018**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198 and 203 read with Schedule V and other

applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Articles of Association of the Company and subject to such sanctions, as may be necessary, approval of the Members of the Company be and is hereby accorded to the appointment of Mr. Amit Bapna (DIN:00008443) as a Whole-time Director designated as Director & CFO of the Company, from September 8, 2017 to August 7, 2018.

**RESOLVED FURTHER THAT** the shareholders be informed that Mr. Amit Bapna has not drawn any remuneration from the Company during the tenure of his appointment as Key Managerial Personnel of the Company.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

7. **Continuation of Mr. Padmanabh Vora as an Independent Director**

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

"**RESOLVED THAT** pursuant to the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), approval of the Members of the Company be and is hereby accorded for the continuation of Mr. Padmanabh Vora (DIN:00003192), who will attain the age of seventy five years on October 1, 2018, as an Independent Director of the Company up to expiry of his present term i.e. March 24, 2020 on the existing terms and conditions."

8. **Private Placement of Non-Convertible Debentures and / or other Debt Securities**

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Sections 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") read with the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and the provisions of the Memorandum of Association and the Articles of Association of the Company, the Securities and Exchange Board of India ("SEBI") (Issue and Listing of Debt Securities) Regulations, 2008, as amended, and other applicable SEBI regulations and guidelines, and subject to such other applicable laws, rules and regulations and guidelines, approval of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall include any duly constituted committee of the Board) for making offer(s) or invitation(s) to subscribe to Secured / Unsecured / Redeemable / Non-Redeemable Non-Convertible Debentures (NCDs) including but not limited to subordinated debentures, bonds, and / or other debt securities, etc., on a private placement basis, in one or more series / tranches, within the overall borrowing limits of the Company, as may be approved by the Members from time to time.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorised to determine the terms of issue including the class of investors to whom NCDs are to be issued, time of issue, securities to be offered, the number of NCDs, tranches, issue price, tenor, interest rate, premium / discount, listing, redemption period, utilisation of the issue proceeds and to do all such acts and things and deal with all such matters and take all such steps as may be necessary and to sign and execute any deeds /

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documents / undertakings / agreements / papers / writings, as may be required in this regard."

9. **Issue of securities through qualified institutions placement on a private placement basis to qualified institutional buyers ("QIBs")**

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

"(a) **RESOLVED THAT** pursuant to the provisions of Sections 23, 42, 62(1)(c), 71 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") read with the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Chapter VIII and other applicable provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("SEBI ICDR Regulations"), provisions of the Foreign Exchange Management Act, 1999 and the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, as amended, from time to time and applicable provisions of other laws, rules, regulations and guidelines and applicable provisions of the Memorandum of Association and the Articles of Association of the Company and subject to any approval, consent, permission or sanction of the Central Government, Securities and Exchange Board of India, Reserve Bank of India, National Housing Bank and any other appropriate authorities, institutions or bodies, including stock exchanges where the securities of the Company are currently listed (hereinafter collectively referred to as the "Appropriate Authorities") and subject to such conditions as may be prescribed by any of them while granting any such approval, consent, permission and / or sanction (hereinafter referred to as the "Requisite Approvals"), which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall include any duly constituted committee of the Board), the Board be and is hereby authorised to create, issue, offer and allot equity shares and / or non-convertible debt instruments along with warrants and / or convertible securities other than warrants, which are convertible or exchangeable into equity shares, on such date or dates as may be determined by the Board but not later than 60 months from the date of allotment or such other time period as may be prescribed under law (collectively referred to as "QIP Securities"), through qualified institutions placement, on a private placement basis in accordance with Section 42 of the Act to qualified institutional buyers ("QIBs") as defined in the SEBI ICDR Regulations, whether or not such QIBs are members of the Company, on the basis of placement document(s), at such time or times in one or more tranches, at par or at such price or prices including at a permissible discount or premium to market price(s) in terms of applicable regulations and on such terms and conditions and in such manner as the Board may, at its absolute discretion determine, in consultation with the lead managers, advisors and / or other intermediaries appointed in this regard, for an aggregate amount raised by issue of QIP Securities as above shall not result in increase of the issued and subscribed equity share capital of the Company by more than 25 per cent of the then issued and subscribed equity share capital of the Company.

(b) **RESOLVED FURTHER THAT** in accordance with Regulation 81 of the SEBI ICDR Regulations, the "Relevant Date" for determination of applicable price

for the issue of the QIP Securities shall be: (i) in case of allotment of equity shares, the date on which the Board of the Company decides to open the proposed issue, or (ii) in case of allotment of eligible convertible securities, either the date on which the Board decides to open the proposed issue or the date on which the holders of the securities which are convertible into equity shares at a later date, becomes entitled to apply for equity shares.

(c) **RESOLVED FURTHER THAT** in accordance with Regulation 86 of the SEBI ICDR Regulations, a minimum of 10 per cent of the QIP Securities shall be allotted to mutual funds and if mutual funds do not subscribe to the aforesaid minimum percentage or part thereof, such minimum portion or part thereof, may be allotted to other QIBs and that no allotment shall be made directly or indirectly to any QIB who is a promoter or any person related to promoters of the Company.

(d) **RESOLVED FURTHER THAT** the Board be and is hereby authorised to issue and allot such number of equity shares as may be required to be issued and allotted upon conversion of any QIP Securities referred to in paragraph (a) above or as may be necessary in accordance with the terms of the offering, all such shares shall rank *pari passu* with the then existing equity shares of the Company in all respects, as may be provided under the terms of the issue and in the offering document.

(e) **RESOLVED FURTHER THAT** such of these QIP Securities to be issued as are not subscribed may be disposed of by the Board to such person or persons and in such manner and on such terms as the Board may in its absolute discretion think fit in accordance with the provisions of law.

(f) **RESOLVED FURTHER THAT** the issue to the holders of the QIP Securities with equity shares underlying such securities shall be, *inter-alia*, subject to suitable adjustment in the number of shares, the price and the time period, etc., in the event of any change in the equity capital structure of the Company consequent upon capitalisation of profits (other than by way of dividend on shares), rights issue of equity shares, consolidation of its outstanding equity shares into smaller number of shares, etc.

(g) **RESOLVED FURTHER THAT** the Board may at its absolute discretion offer discount of not more than five per cent or such other discount as may be permitted under the applicable regulations to the price of the QIP Securities as determined in accordance with the SEBI ICDR Regulations.

(h) **RESOLVED FURTHER THAT** the QIP Securities shall be issued and allotted within twelve months from the date of this resolution or such other time as may be allowed under the SEBI ICDR Regulations and that no subsequent qualified institutions placement shall be made until the expiry of six months from the date of the qualified institutions placement approved by way of this resolution.

(i) **RESOLVED FURTHER THAT** subject to the applicable laws, for the purpose of giving effect to the issuance of QIP Securities, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds and things thereof in its absolute discretion as it deems necessary or desirable in connection with the issue of the QIP Securities, including, without limitation to: (i) decide the date for the opening and closing of the issue of QIP Securities, including determining the form and manner of the issue, issue structure, including the class of investors to whom the QIP Securities are to



be issued and allotted, number of QIP Securities to be allotted, issue price (including the premium or discount to the floor price, as the case may be), face value, delivery and execution of all contracts, agreements and all other documents, deeds and instruments as may be required or desirable in connection with the issue of QIP Securities by the Company; (ii) finalisation of the allotment of the QIP Securities on the basis of the subscriptions received; (iii) finalisation of and arrangement for the submission of the preliminary and final placement document(s), and any amendments and supplements thereto, with any applicable government and regulatory authorities, institutions or bodies, as may be required; (iv) approval of the preliminary and final offering circulars or placement document (including amending, varying or modifying the same, as may be considered desirable or expedient) as finalised in consultation with the lead manager(s) / underwriter(s) / advisor(s), in accordance with all applicable rules, regulations and guidelines; (v) appointment in its absolute discretion, managers (including lead managers), merchant bankers, underwriters, guarantors, financial and / or legal advisors and all other agencies, whether in India or abroad, entering into or execution of all such agreements / arrangements / memorandum of understanding / documents with any such agencies, in connection with the proposed offering of the QIP Securities; (vi) authorisation to any director or directors of the Company or other officer or officers of the Company, including by the grant of powers of attorney, to do such acts, deeds and things as the authorised person in its absolute discretion may deem necessary or desirable in connection with the issue, allotment and listing of the QIP Securities; (vii) seeking, if required, the consent of the Company's lenders, parties with whom the Company has entered into various commercial and other agreements, all concerned government and regulatory authorities in India or outside India and any other consent that may be required in connection with the issue and allotment of the QIP Securities; and (viii) all such acts, deeds, matters and things as the Board may, in its absolute discretion, consider necessary, proper, expedient, desirable or appropriate for making the said issue as aforesaid and to settle any question, query, doubt or difficulty that may arise in this regard including the power to allot under subscribed portion, if any, in such manner and to such person(s) as the Board, may deem fit and proper in its absolute discretion to be most beneficial to the Company.

(j) **RESOLVED FURTHER THAT** for the purpose aforesaid, the Board be and is hereby authorised to settle all questions, difficulties or doubts that may arise in regard to the issue, offer and allotment of QIP Securities and utilisation of the issue proceeds including but without limitation to the creation of such mortgage / hypothecation / charge on the Company's assets under Section 180(1)(a) of the Act in respect of the aforesaid QIP Securities either on *pari passu* basis or otherwise or in the borrowing of loans as it may in its absolute discretion deem fit without being required to seek any further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

(k) **RESOLVED FURTHER THAT** the Board shall have the authority and power to accept any modifications in the proposal as may be required or imposed by the Appropriate Authorities at the time of according / granting their approvals, consents, permissions and

sanctions to issue, allotment and listing thereof and as may be agreed to by the Board.

(l) **RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of Directors or any other Director(s) / Officer(s) / Authorised Representative(s) of the Company to give effect to this resolution."

By Order of the Board of Directors

Parul Jain  
Company Secretary & Compliance Officer

Registered Office:  
Reliance Centre, 6<sup>th</sup> Floor, South Wing  
Off Western Express Highway  
Santacruz (East), Mumbai 400 055  
CIN: L67190MH2008PLC183216  
Website: [www.reliancehomefinance.com](http://www.reliancehomefinance.com)  
August 7, 2018

### Notes:

1. Statement pursuant to Section 102(1) of the Companies Act, 2013 (the "Act"), relating to the special business to be transacted at the Annual General Meeting (the "Meeting") is annexed hereto.
2. **A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on a poll, instead of herself / himself and the proxy need not be a member of the Company. The instrument appointing the proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before commencement of the Meeting.**
3. A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten per cent of the total share capital of the Company carrying voting rights. However, a member holding more than ten per cent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other shareholder. The holder of proxy shall prove his identity at the time of attending the Meeting.
4. Corporate members intending to send their authorised representative(s) to attend the Meeting are requested to send to the Company a certified true copy of their board resolution authorising their representative(s) together with their specimen signature(s) to attend and vote on their behalf at the Meeting.
5. Attendance slip, proxy form and the route map of the venue of the Meeting are annexed hereto.
6. Members / Proxies are requested to bring their duly filled attendance slip sent herewith along with their copy of the annual report to the Meeting.
7. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.
8. Members who hold shares in electronic form are requested to write their DP ID and Client ID numbers and those who hold shares in physical form are requested to write their Folio number in the attendance slip for attending the Meeting to facilitate identification of membership at the Meeting.
9. Relevant documents referred to in the accompanying Notice are open for inspection by the Members at the Registered



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Office of the Company on all working days, except Saturdays between 11:00 A.M. and 1:00 P.M. up to the date of the Meeting. The certificate from the Statutory Auditors of the Company confirming the compliance of the Companies Act, 2013 read with Rules made thereunder and Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 with respect to the Company's Employees Stock Option Scheme will be available for inspection at the Meeting.

10. a. The Company's Register of Members and Transfer Books will remain closed from Saturday, September 15, 2018 to Tuesday, September 18, 2018 (both days inclusive) for the purpose of Annual General Meeting and for determining the names of members eligible for dividend, if declared, on equity shares and preference shares for the financial year ended on March 31, 2018.
- b. The dividend on equity shares, as recommended by the Board of Directors, if declared, at the Meeting, will be paid after the Meeting to:
  - i. all those equity shareholders, whose names appear in the Register of Members as on September 14, 2018; and
  - ii. those whose names appear as beneficial owners as on September 14, 2018 as furnished by the National Securities Depository Limited and Central Depository Services (India) Limited for the purpose.

In respect of preference shares, dividend will be paid on pro-rata basis for the financial year 2017-18 to those preference shareholders whose names appear in the Register of Members on September 14, 2018 pursuant to the provisions of the Act and Rules made thereunder.

- c. Members may please note that the dividend warrants shall be payable at par at the designated branches of the Bank for an initial period of three months only. Thereafter, the dividend warrants on revalidation shall be payable only at limited centres / branches of the said Bank. Members are therefore, requested to encash dividend warrants within the initial validity period.
11. Members may please note that for shares in electronic form, bank particulars registered against their depository accounts will be used by the Company for payment of dividend. Members are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. The Company or its Registrar and Transfer Agent cannot change bank particulars or bank mandates for shares held in electronic form.
12. Non-Resident Indian Members are requested to inform Karvy Computershare Private Limited (Karvy), the Company's Registrar and Transfer Agent immediately on:
  - a. the change in the residential status on return to India for permanent settlement; and
  - b. the particulars of the bank account(s) maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
13. Re-appointment of Director:

At the ensuing Annual General Meeting, Mr. Ravindra Sudhalkar, Director of the Company retires by rotation under the provisions of the Act and being eligible, offers himself for re-appointment. The Nomination and Remuneration Committee and the Board of Directors of the Company have recommended the re-appointment.

Mr. Ravindra Sudhalkar fulfils the Fit and Proper Criteria of Directors as per the requirements of Housing Finance Companies - Corporate Governance (National Housing Bank) Directions, 2016 and has given his declaration in this regard.

The details pertaining to Mr. Ravindra Sudhalkar are furnished hereunder:

Mr. Ravindra Sudhalkar, 50 years, is Masters in Science (Electronics) from Sardar Patel University, Gujarat. He also holds a masters in business administration from Sardar Patel University. He has over two decades of experience in financial sectors and has been part of the senior management at ICICI Bank and Kotak Mahindra Bank.

He has been appointed as a Director of the Company with effect from April 24, 2017. He has attended all eight Board Meetings held during the financial year 2017-18. He is also on the board of Square Dotcom Private Limited.

He is the Chairman of the Wilful Defaulter's Review Committee and the Member of Stakeholders Relationship Committee, Corporate Social Responsibility (CSR) Committee and Risk Management Committee of the Company.

In terms of Section 152(6) of the Act, he was appointed as a Whole-time Director liable to retire by rotation and designated as Executive Director & CEO at the Annual General Meeting held on July 24, 2017 and paid a remuneration as per the existing approved terms and conditions.

He holds 1 equity share in the Company. He does not hold any relationship with other Directors and Key Managerial Personnel of the Company.

Further, the details pursuant to the requirements of Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations") are furnished in the Corporate Governance Report forming part of this Annual Report.

14. In terms of Notification No. S.O. 1883 (E) dated May 7, 2018, issued by the Ministry of Corporate Affairs, Government of India, the requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting has since been done away. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed in the Annual General Meeting held on July 24, 2017.
15. Members are advised to refer to the section titled 'Investor Information' provided in this Annual Report.
16. **SEBI has decided that securities of listed companies can be transferred only in dematerialised form with effect from December 5, 2018. In view of the above and to avail various benefits of dematerialisation, Members are advised to dematerialise shares held by them in physical form.**
17. Members are requested to fill in and submit the Feedback Form provided in the 'Investor Relations' section on the Company's website [www.reliancehomefinance.com](http://www.reliancehomefinance.com) to aid the Company in its constant endeavour to enhance the standards of service to investors.
18. The Statement containing the salient features of the balance sheet, the statement of profit and loss and auditors' report on the Abridged Financial Statement, is sent to the Members. Any Member interested in obtaining a copy of the full Annual Report, may write to the Company or Registrar and Transfer Agent.
19. Members holding shares in physical mode:
  - a. are required to submit their Permanent Account Number (PAN) and bank account details to the Company / Karvy,

## Notice

- if not registered with the Company as mandated by SEBI.
- b. are advised to register the nomination in respect of their shareholding in the Company. Nomination Form (SH-13) is put on the Company's website and can be accessed at link <https://www.reliancehomefinance.com/corporate-governance/investor-relations/download-forms>.
  - c. are requested to register / update their e-mail address with the Company / Karvy for receiving all communications from the Company electronically.
20. Members holding shares in electronic mode:
- a. are requested to submit their PAN and bank account details to their respective DPs with whom they are maintaining their demat accounts.
  - b. are advised to contact their respective DPs for registering the nomination.
  - c. are requested to register / update their e-mail address with their respective DPs for receiving all communications from the Company electronically.
21. The Securities and Exchange Board of India vide its circular no. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018, with a view to protect the interest of the shareholders, has mandated to all the members who holds securities of the company in physical form, to furnish to the company / its registrar and transfer agent, the details of their valid Permanent Account Number (PAN) and bank account. To support the SEBI's initiative, the Members are requested to furnish the details of PAN and bank account to the Company or Karvy Computershare Private Limited (Karvy), the Company's Registrar and Transfer Agent. **Form for updating PAN / Bank details is provided as a part of this Annual Report. Members are requested to send duly filled form along with (a) self-attested copy of PAN card of all the holders; and (b) original cancelled cheque leaf with names of shareholders or bank passbook showing names of members, duly attested by an authorised bank official.**
22. Members who hold shares in physical form, in multiple folios, in identical names or joint holding in the same order of names are requested to send the share certificates to the Registrar and Transfer Agent for consolidation into a single folio.
23. In compliance with the provisions of Section 108 of the Act read with Rules made thereunder and Regulation 44 of the Listing Regulations, the Company is offering e-voting facility to all Members of the Company through Notice dated August 7, 2018 (remote e-voting). A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners (in case of electronic shareholding) maintained by the depositories as on the cut-off date i.e. September 11, 2018 only shall be entitled to avail the facility of remote e-voting / voting. Karvy Computershare Private Limited will be facilitating remote e-voting to enable the Members to cast their votes electronically. The Members can cast their vote online from 10:00 A.M. on September 14, 2018 to 5:00 P.M. on September 17, 2018. The Members shall refer to the detailed procedure on remote e-voting given in the e-voting instruction slip. The facility for voting shall also be available at the Meeting. The Members who have cast their votes by remote e-voting prior to the Meeting may also attend the Meeting, but shall not be entitled to cast their votes again at the Meeting. The Board of Directors have appointed Mr. Anil Lohia or in his absence Mr. Rinkit Kiran Uchat, Partners, M/s. Dayal and Lohia, Chartered Accountants as the Scrutiniser to scrutinise the voting process in a fair and transparent manner.
- The Scrutiniser will submit his report to the Chairman or any person authorised by him after completion of the scrutiny and the results of voting will be announced after the Meeting of the Company. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the Meeting. The result of the voting will be submitted to the Stock Exchanges, where the shares of the Company are listed and posted on the website of the Company at [www.reliancehomefinance.com](http://www.reliancehomefinance.com) and also on the website of Karvy Computershare Private Limited.

## Statement pursuant to Section 102(1) of the Companies Act, 2013 to the accompanying Notice dated August 7, 2018

### Item No. 4 Appointment of Lt Gen Syed Ata Hasnain (Retd) as an Independent Director.

Lt Gen Syed Ata Hasnain (Retd) was appointed as Additional Director and an Independent Director of the Company by the Board with the recommendation of the Nomination and Remuneration Committee, for a term up to 5 (five) consecutive years commencing from February 26, 2018, in accordance with the provisions of Section 149 read with Schedule IV to the Act.

The Company has received a declaration from Lt Gen Syed Ata Hasnain (Retd) that he meets the criteria of independence as prescribed both under Section 149(6) of the Act and under the Listing Regulations. In the opinion of the Board, Lt Gen Syed Ata Hasnain (Retd) fulfil the condition specified in the Act and the Listing Regulations for his appointment as an Independent Director and that he is independent of the management.

Keeping in view the above, it is proposed to seek approval of the Members to appoint Lt Gen Syed Ata Hasnain (Retd) as an Independent Director on the Board of the Company, not liable to retire by rotation.

As required under Section 160 of the Act, the Company has received a notice in writing from a member proposing the candidature of Lt Gen Syed Ata Hasnain (Retd) for appointment as a Director of the Company.

Lt Gen Syed Ata Hasnain (Retd) is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as Director.

He fulfils the Fit and Proper Criteria of Directors as per the requirements of Housing Finance Companies - Corporate Governance (National Housing Bank) Directions, 2016 and has given his declaration in this regard.

The details pertaining to Lt Gen Syed Ata Hasnain (Retd) are furnished hereunder:

Lt Gen Syed Ata Hasnain (Retd), 65 years, holds a B.A. (Honours) degree in History from St. Stephen's College and is a post graduate in International Relations from Kings College, University of London; he also has an M Phil in Defence & Management Studies from University of Indore. In addition he has attended long programs in Strategic Studies at the Royal College of Defence Studies (RCDS) and the Asia Pacific Center for Strategic Studies (APCSS), Hawaii, USA. Lt Gen Syed Ata Hasnain (Retd) is a member of the Eminent Persons Group on Indonesia for consultation by the MEA. He is also on the Experts Committee of the MEA on Afghanistan. He is a President of India's Nominee on the Executive Council of Aligarh Muslim University. On July 12, 2018 he has been appointed the Chancellor of the Central University of Kashmir, by the President of India, only the second time that a military leader has received that honour.

One Board Meeting was held from the date of his appointment upto March 31, 2018 and he has attended the same. Sitting fees has been paid to him for the Meeting attended by him.

Statement pursuant to Section 102(1) of the Companies Act, 2013 to the accompanying Notice dated August 7, 2018

He currently serves as a director on the board of Reliance Naval And Engineering Limited and is also a member of its nomination and remuneration committee.

He does not hold any share in the Company as of March 31, 2018 and does not hold any relationship with other Directors and Key Managerial Personnel of the Company.

Brief profile of Lt Gen Syed Ata Hasnain (Retd) is furnished in the Corporate Governance Report forming part of this Annual Report.

Approval of Members is accordingly sought for appointment of Lt Gen Syed Ata Hasnain (Retd) as an Independent Director as set out in the Item No. 4 of the accompanying Notice.

The terms and conditions of appointment of Lt Gen Syed Ata Hasnain (Retd) shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday, between 11:00 A.M. and 1:00 P.M. up to the date of Meeting.

Save and except Lt Gen Syed Ata Hasnain (Retd) and his relatives, none of the other Directors, Key Managerial Personnel and their relatives are concerned or interested, financially or otherwise, in this resolution.

This statement may also be regarded as a disclosure under the Act and Regulation 36(3) of the Listing Regulations.

The Board accordingly recommends the Ordinary Resolution set out at Item No. 4 of the accompanying Notice for the approval of the Members.

**Item No. 5 Appointment of Mr. Jai Anmol Ambani as a Director.**

Mr. Jai Anmol Ambani (Mr. Anmol) was appointed as an Additional Director of the Company by the Board with the recommendation of the Nomination and Remuneration Committee, with effect from April 24, 2018 in accordance with the provisions of Section 161 of the Act and Article 89 of the Articles of Association of the Company. Pursuant to the provisions of Section 161 of the Act, Mr. Anmol holds office upto the date of the ensuing Annual General Meeting.

As required under Section 160 of the Act, the Company has received a notice in writing from a member proposing the candidature of Mr. Anmol for appointment as a Director of the Company.

Mr. Anmol is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as Director.

He fulfils the Fit and Proper Criteria of Directors as per the requirements of Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016 and has given his declaration in this regard.

The details pertaining to Mr. Anmol are furnished hereunder:

Mr. Jai Anmol Ambani, 26 years, studied in Cathedral and John Connors School, Mumbai, till Xth (2007) and thereafter completed his schooling from Seven Oaks School, United Kingdom, in 2009. He completed his undergraduate studies – BSc in Management from Warwick Business School, UK. He has four years of experience in financial services.

He serves on the board of Reliance Capital Limited, Reliance Nippon Life Asset Management Limited, Reliance Innoventures Private Limited, Unlimit IOT Private Limited and Reliance Entertainment Holdings Private Limited. He is a member of the audit committee and corporate social responsibility (CSR) committee of Reliance Capital Limited. He is also the member of audit committee, nomination and remuneration committee and CSR committee of Reliance Nippon Life Asset Management Limited.

He holds 83,487 equity shares in the Company. He does not hold any relationship with other Directors and Key Managerial Personnel of the Company.

Brief profile of Mr. Anmol is furnished in the Corporate Governance Report forming part of this Annual Report.

Approval of Members is accordingly sought for appointment of Mr. Anmol as a Director as set out in the Item No. 5 of the accompanying Notice.

Save and except Mr. Anmol and his relatives, none of the other Directors, Key Managerial Personnel and their relatives are concerned or interested, financially or otherwise, in this resolution.

This statement may also be regarded as a disclosure under the Act and Regulation 36(3) of the Listing Regulations.

The Board accordingly recommends the Ordinary Resolution set out at Item No. 5 of the accompanying Notice for the approval of the Members.

**Item No. 6 Approval for appointment of Mr. Amit Bapna as a Whole-time Director from September 8, 2017 to August 7, 2018.**

The Board of Directors upon the recommendation of the Nomination and Remuneration Committee ("NR Committee") at their meeting held on September 8, 2017 had, subject to the approval of Members, appointed Mr. Amit Bapna (Mr. Amit) as a Whole-time Director of the Company, liable to retire by rotation and designated him as Director & CFO for a period of 2 (two) years commencing from September 8, 2017.

The Board of Directors of the Company at its meeting held on August 7, 2018, has on the recommendation of the NR Committee and considering the continuing growth of the Company and its needs, appointed Mr. Pinkesh R. Shah as the full-time Chief Financial Officer of the Company. Upon his appointment Mr. Amit has ceased to be the CFO with effect from August 7, 2018.

Mr. Amit continues to be a Non – Executive Director of the Company.

Mr. Amit is currently holding the position of Chief Financial Officer i.e. Key Managerial Personnel (KMP) of Reliance Capital Limited (RCap), the Company's holding company and pursuant to the provisions of Section 203 of the Act also held the position of KMP in the Company from September 8, 2017 to August 7, 2018. He is entitled to the remuneration as a KMP of RCap as per his terms and conditions of appointment.

Mr. Amit has not drawn any remuneration from the Company during the tenure of his appointment as the Director & CFO of the Company.

Mr. Amit is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as Director. He fulfils the Fit and Proper Criteria of Directors as per the requirements of Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016 and has also given his declaration in this regard.

The details pertaining to Mr. Amit are furnished hereunder:

Mr. Amit Bapna, 43 years, a Chartered Accountant, is the Chief Financial Officer of Reliance Capital Limited. He has been with Reliance Capital since 2004 and with the Group since 1999. As CFO, he provides financial direction, oversight and control for Reliance Capital and Group companies and strategic leadership for Treasury. He has over eighteen years of experience in varied business environments – manufacturing and financial services.

He earlier worked in the capacity of CFO of Reliance Capital Asset Management Limited and Reliance Consumer Finance where he played a key role and had been a significant contributor to the exponential growth of our Asset Management business and has brought in operational & process disciplines, which has been invaluable to the Consumer Finance business. Prior to that he worked in the Corporate Treasury of Reliance Industries Ltd.

He currently serves as a director on the board of Reliance Nippon Life Insurance Company Limited, Reliance Capital AIF Trustee Company Private Limited, Reliance Securities Limited, Reliance Business Broadcast News Holdings Limited, People's Electoral

Trust, Unlimit IOT Private Limited, Quant Capital Private Limited, Quant Broking Private Limited, Square Dotcom Private Limited and Grover Zampa Vineyards Limited.

He is the member of the audit committee of Reliance Nippon Life Insurance Company Limited, Reliance Securities Limited, Quant Capital Private Limited and Quant Broking Private Limited. He is also a member of board risk management committee, board policyholders' protection committee, board asset liability management committee, board investment committee, board corporate social responsibility (CSR) committee, board share transfer and allotment committee and board nomination and remuneration committee of Reliance Nippon Life Insurance Company Limited. Further, he is a member of nomination & remuneration committee, risk committee and corporate social responsibility committee of Reliance Securities Limited and nomination & remuneration committee and CSR committee of both Quant Capital Private Limited and Quant Broking Private Limited.

He holds 8,180 equity shares in the Company. He does not hold any relationship with other Directors and Key Managerial Personnel of the Company.

He has been appointed as a Director of the Company with effect from April 24, 2017. He has attended seven Board Meetings from the date of his appointment during the financial year 2017-18.

Brief profile of Mr. Amit is furnished in the Corporate Governance Report forming part of this Annual Report.

It is proposed to seek the Members' approval for the appointment of Mr. Amit as a Whole-time Director, designated as Director & CFO of the Company from September 8, 2017 to August 7, 2018, in terms of the applicable provisions of the Act and the relevant Rules made thereunder.

Mr. Amit satisfied all the conditions as set out in Part-I of Schedule V to the Act and sub-section (3) of Section 196 of the Act, for being eligible for his appointment.

The above may be treated as a written memorandum setting out the terms of appointment of Mr. Amit under Section 190 of the Act.

The terms and conditions of appointment of Mr. Amit shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday, between 11:00 A.M. and 1:00 P.M. up to the date of Meeting.

Save and except Mr. Amit and his relatives, none of the other Directors, Key Managerial Personnel and their relatives are concerned or interested, financially or otherwise, in this resolution.

This statement may also be regarded as a disclosure under the Act and Regulation 36(3) of the Listing Regulations.

The Board accordingly recommends the Ordinary Resolution set out at Item No. 6 of the accompanying Notice for the approval of the Members.

### **Item No. 7 Continuation of Mr. Padmanabh Vora as an Independent Director.**

The Securities and Exchange Board of India vide its Notification No. SEBI/LAD-NRO/GN/2018/10 dated May 9, 2018 has amended Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and prescribed that no company shall continue the directorship of a person as a non-executive director who has attained the age of seventy five years unless it is approved by the members by passing a special resolution. The effective date of Notification is April 1, 2019.

Mr. Padmanabh Vora, who was appointed as an Independent Director by the Members for a term of 5 (five) years up to March 24, 2020, will attain the age of seventy five years on October 1, 2018 and in terms of the requirements of abovementioned SEBI Notification, continuation after

April 1, 2019 of Mr. Padmanabh Vora as an Independent Director beyond the age of seventy five years would require the approval of Members by a special resolution.

Mr. Padmanabh Vora has been associated with the Company from its inception year i.e. since 2008 and presently he is the Non-Executive Chairman of the Board of Directors of the Company. He has over four decades of experience in finance, banking and management. He was also the chairman of National Housing Bank, the regulatory body for housing finance in India. Keeping in view that Mr. Vora has rich and varied experience in industry, it would be beneficial to the Company to continue the directorship of Mr. Padmanabh Vora as an Independent Director.

In view of above, it is proposed to seek approval of the Members for continuation of Mr. Padmanabh Vora as an Independent Director on the Board of the Company till his term upto March 24, 2020.

Details of Mr. Padmanabh Vora have been furnished in Corporate Governance Report forming part of this Annual Report.

Approval of Members is accordingly sought for continuation of Mr. Padmanabh Vora as an Independent Director as set out in the Item No. 7 of the accompanying Notice.

Save and except Mr. Padmanabh Vora and his relatives, none of the other Directors, Key Managerial Personnel and their relatives are concerned or interested, financially or otherwise, in this resolution.

The Board accordingly recommends the Special Resolution set out at Item No. 7 of the accompanying Notice for the approval of the Members.

### **Item No. 8 Private Placement of Non-Convertible Debentures and / or other Debt Securities.**

As per the provisions of Section 42 of the Act and the Rules made thereunder, a company offering or making an invitation to subscribe to Secured / Unsecured / Redeemable / Non-Redeemable Non-Convertible Debentures (NCDs) on a private placement basis is required to obtain the prior approval of the Members by way of a Special Resolution. Such approval by a Special Resolution can be obtained once a year for all the offers and invitations for such NCDs to be made during the year.

NCDs including subordinated debentures, bonds and / or other debt securities, etc., issued on a private placement basis constitute a significant source of borrowings for the Company and meet the ongoing funding requirements for the Company's business activities, for general corporate purposes and refinancing of the existing debt obligations of the Company.

The Board of Directors at its meeting held on April 24, 2018 has considered the proposal to make an offer or invitation, to subscribe to securities through private placement subject to the shareholders' approval at the ensuing AGM for all the offers or invitations for NCDs to be made during the year.

It is proposed to obtain an enabling approval of shareholders to offer or invite subscriptions for NCDs including subordinated debentures, bonds, and/or other debt securities, etc. on private placement basis, at appropriate time in one or more tranches, within the overall borrowing limits of the Company as approved by the Members with authority to the Board to determine the terms and conditions, including the issue price of the NCDs, interest, repayment, security, use of proceeds or otherwise, as it may deem expedient and to do all such acts, deeds, matters and things in connection therewith and incidental thereto as the Board in its absolute discretion deems fit, the Board would act on the basis of the enabling resolution without being required to seek any further consent or approval of the Members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of the Resolution. Accordingly, the approval of the Members is being sought by way of a Special Resolution under Sections 42, 71 and other applicable provisions, if any, of the Act and its



Statement pursuant to Section 102(1) of the Companies Act, 2013 to the accompanying Notice dated August 7, 2018

Rules made thereunder as set out in Item No. 8 appended to this Notice.

None of the Directors, Key Managerial Personnel and their relatives are concerned or interested, financially or otherwise, in this resolution.

The Board accordingly recommends the Special Resolution set out at Item No. 8 of the accompanying Notice for the approval of the Members.

**Item No. 9 Issue of securities through qualified institutions placement on a private placement basis to qualified institutional buyers ("QIBs").**

The Company is one of the leading housing finance companies, with a strong distribution network with more than 125 locations, through a "hub and spoke" model, across the country, serving over 45,000 client accounts. Your Company provides a wide range of solutions like Home Loans including Affordable Housing Loans, Loan against Property (LAP) and Construction Finance. The Company also provides property services that help customers find their dream homes / properties. The equity shares of the Company were listed with BSE Limited and the National Stock Exchange of India Limited (Stock Exchanges) with effect from September 22, 2017 which has opened up various new avenues for fund raising by the Company.

Keeping in view the growing business requirements and the ability to compete with the peer group your Company believes that it should strengthen its financial position and net worth by augmenting its long term resources.

In order to meet the requirements for the above purposes and for general corporate purposes, as may be decided by the Board from time to time, it is proposed to seek authorisation of the Members of the Company in favour of the Board of Directors ("Board" or "Board of Directors" which expression for the purposes of this resolution shall include any duly constituted committee of Directors), without the need for any further approval from the Members, to undertake the proposed issue of securities through qualified institutions placement on private placement basis to qualified institutional buyers ("QIBs"), in accordance with the provisions of Chapter VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended ("SEBI ICDR Regulations") and other applicable laws, regulations, rules and guidelines, as set out in the Special Resolution at Item No. 9 of the accompanying Notice.

In view of above, the Board may, in one or more tranches, issue and allot equity shares and / or non-convertible debt instruments along with warrants and / or convertible securities other than warrants, which are convertible or exchangeable into equity shares, on such date(s) as may be determined by the Board but not later than 60 months from the date of allotment or such other time period as may be prescribed under law (collectively referred to as "QIP Securities") to QIBs on a private placement basis. The proposed issue of QIP Securities ("QIP") shall be subject to the provisions of applicable laws, including the SEBI ICDR Regulations, including in relation to the pricing of the QIP Securities. The "Relevant Date" for the determination of applicable price for the issue of the QIP Securities shall be (a) in case of allotment of equity shares the date of the meeting in which the Board of the Company decides to open the proposed QIP, or (b) in case of allotment of eligible convertible securities which are convertible into equity shares at a later date, the date on which the Board decides to open the proposed issue or the date on which the holders of such securities becomes entitled to apply for equity shares, as the case may be.

The pricing of the QIP Securities that may be issued shall be determined subject to such price not being less than the floor price calculated in accordance with Chapter VIII of the SEBI ICDR Regulations ("QIP Floor Price"). Further, the Board may offer a discount of not more than five per cent or such other percentage as permitted on the QIP Floor Price calculated in accordance with the pricing formula provided under SEBI ICDR Regulations.

For the reasons aforesaid, an enabling Special Resolution is therefore proposed to be passed to give adequate flexibility and discretion to the Board to finalise the terms of the QIP. The QIP Securities issued pursuant to the offering would be listed on the Indian stock exchanges.

The proposed issue of QIP Securities as above may be made in one or more tranches such that the aggregate amount raised by the issue of QIP Securities shall not result in increase of the issued and subscribed equity share capital of the Company by more than 25 per cent of the then issued and subscribed equity share capital of the Company as on the Relevant Date. The proposed Special Resolution is only enabling in nature and the Board may from, time to time, consider the extent, if any, to which the QIP Securities may be issued.

The QIP Securities issued pursuant to the QIP, if necessary, may be secured by way of mortgage / hypothecation of the Company's assets as may be finalised by the Board in consultation with the Security Holders / Trustees in favour of Security Holders / Trustees for the holders of the said securities. The security that may have to be created for the purposes of this issue, as above may come within the purview of Section 180(1) (a) of the Act. Necessary approval under Section 180(1)(a) of the Act has already been obtained.

Section 62(1)(c) of the Act provides, *inter-alia*, that where it is proposed to increase the subscribed share capital of the Company by allotment of further shares, such further shares shall be offered to the persons, who on the date of the offer are holders of the equity shares of the Company, in proportion to the capital paid-up on those shares as of that date unless the Members decide otherwise. The proposed Special Resolution seeks the consent and authorisation of the Members to the Board of Directors to offer, issue, allot and listing the QIP Securities as also securities to be issued on exercise of warrants, in consultation with the lead managers, legal advisors and other intermediaries, to any persons, whether or not they are members of the Company.

None of the Directors, Key Managerial Personnel and their relatives are concerned or interested, financially or otherwise, in this resolution, except to the extent of their shareholding in the Company, if any.

The Board accordingly recommends the Special Resolution set out at Item No. 9 of the accompanying Notice for the approval of the Members.

By Order of the Board of Directors

Parul Jain

Company Secretary & Compliance Officer

Registered Office:

Reliance Centre, 6<sup>th</sup> Floor, South Wing

Off Western Express Highway

Santacruz (East), Mumbai 400 055

CIN: L67190MH2008PLC183216

Website: [www.reliancehomefinance.com](http://www.reliancehomefinance.com)

August 7, 2018

## Directors' Report

Dear Shareowners,

Your Directors have pleasure in presenting the 10<sup>th</sup> Annual Report and the audited financial statement for the financial year ended March 31, 2018.

### Financial Performance and State of Company's Affairs

The performance of the Company for the financial year ended March 31, 2018 is summarised below:

(₹ in crore)

Particulars	Financial Year ended March 31, 2018	* Financial Year ended March 31, 2017
Total revenue	1 670.52	1 144.68
Profit before depreciation and tax	297.73	144.86
Less: Depreciation & Amortisation	26.18	7.06
Profit before Tax	271.55	137.80
Current tax	21.16	-
(Reversal)/Income Tax for Earlier Year	(38.47)	(9.57)
Deferred Tax/(Credit)	108.28	(25.22)
Net Profit after Tax	180.58	172.59
Transfer to Debenture Redemption Reserve	194.10	48.52
Amount transferred to Special Reserve Fund	36.11	34.52

\*Previous year figures has been regrouped / reclassified wherever necessary.

### Financial Performance

The Company's gross income for the financial year ended March 31, 2018 increased to ₹ 1,670.52 crore, from ₹ 1,144.68 crore in the previous year, increase of 46 per cent. The profit before tax of the Company increased to ₹ 271.55 crore during the year as against ₹ 137.80 crore in the previous year. The net profit for the year increased by 4.59 per cent to ₹ 180.58 crore from ₹ 172.59 crore in the previous year. The Company continued its robust growth. Assets Under Management (AUM) were at ₹ 16,379 crore as at March 31, 2018 as against ₹ 11,174 crore as at March 31, 2017. An amount of ₹ 36.11 crore was transferred to Special Reserve Fund pursuant to Section 29 C of the National Housing Bank Act, 1987.

### Dividend

Your Directors have recommended a dividend of ₹ 1 (10 per cent) per equity share each of ₹ 10 aggregating to ₹ 58.38 crore (inclusive of dividend tax) and a pro-rata dividend of ₹ 0.80 (8 per cent) per preference share each of ₹ 10 aggregating to ₹ 1.60 crore for the financial year 2017-18 subject to the approval of the members of the Company at the 10<sup>th</sup> Annual General Meeting, will be paid to (i) all those equity shareholders whose names appear in the Register of Members as on September 14, 2018, and (ii) to those whose names appear in the Register of Beneficial Owners, as on September 14, 2018 as furnished by the National Securities Depository Limited and Central Depository Services (India) Limited for the purpose.

In respect of preference shares, dividend will be paid on pro-rata basis for the financial year ended March 31, 2018 to those preference shareholders whose names appear in the Register of Members on September 14, 2018 pursuant to the provisions of the Act and Rules made thereunder.

The dividend payout is in accordance with the Company's Dividend Distribution Policy, which forms part of this Annual Report.

### Schemes of Arrangement

(a) The Scheme of Arrangement under Sections 391 to 394 of the Companies Act, 1956 (the 'Scheme') for demerger of Real Estate Lending Business of the Company's holding company viz. Reliance Capital Limited (RCap) into the Company was sanctioned by the National Company Law

Tribunal, Mumbai Bench on August 10, 2017. The Scheme became effective on September 5, 2017 on filing with the Registrar of Companies, Maharashtra at Mumbai with effect from April 1, 2017 i.e. Appointed Date. Pursuant to the Scheme, the Company had issued and allotted 25,26,89,630 fully paid-up equity shares to the shareholders of RCap in the ratio of 1:1 on September 7, 2017 and after receiving requisite approvals, equity shares of the Company were listed on the Stock Exchanges on September 22, 2017; and

(b) The Scheme of Arrangement under Sections 391 to 394 of the Companies Act, 1956 (the 'Scheme') for demerger of Credit Business of India Debt Management Private Limited (IDMPL) into the Company was sanctioned by the National Company Law Tribunal, Mumbai Bench on April 5, 2017. The Scheme became effective on April 21, 2017 on filing with the Registrar of Companies, Maharashtra at Mumbai with effect from March 31, 2016 i.e. Appointed Date. Pursuant to the Scheme, the Company had issued and allotted 3,10,35,980 8% Cumulative Non-Convertible Redeemable Preference Shares to the equity shareholders of IDMPL on August 9, 2017.

Besides the two allotments pursuant to the Schemes as mentioned in (a) and (b) above, 11,65,49,188 fully paid-up equity shares were issued and allotted to RCap on September 4, 2017 on rights basis at a premium of ₹ 22 per share.

Accordingly, the Issued, Subscribed and Paid-up Share Capital of your Company stood at ₹ 516.10 crore.

### Capital Structure

Your Company's Authorised Share Capital was enhanced to ₹ 800 crore divided into 70 crore equity shares of ₹ 10 each and 10 crore preference shares of ₹ 10 each on December 11, 2017.

### Capital Adequacy Ratio

Your Company's Capital to Risk Assets Ratio (CRAR) calculated in line with the NHB Directions stood at 19.83 per cent, well above the regulatory minimum requirement of 12 per cent. Your Company's asset size is ₹ 16,379 crore.

### Management Discussion and Analysis

Management Discussion and Analysis Report for the year under review as stipulated under the Listing Regulations and the

## Directors' Report

Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016 is presented in a separate section forming part of this Annual Report.

### Resources and Liquidity

The Company's Net Worth as on March 31, 2018, stood at ₹ 1,744 crore. The Company has raised ₹ 9,844.42 crore during the financial year 2017-18 by issuance of Commercial Paper, Non-Convertible Debentures (NCDs) and other money market instruments. The funds were deployed in providing Home Loans including Affordable Housing Loans, Loan Against Property (LAP) and other business requirement. RHFL's debt equity ratio as on March 31, 2018 stood at 7.55:1.

### Deposits

The Company has neither accepted nor renewed any fixed deposits during the year. There are no unclaimed deposits, unclaimed / unpaid interest, refunds due to the deposit holders or to be deposited to the Investor Education and Protection Fund as on March 31, 2018.

### Particulars of Loans, Guarantees or Investments

Pursuant to Section 186(11) of the Companies Act, 2013 (the "Act") loans made, and acquisition of securities by a Housing Finance Company in the ordinary course of its business are exempted from disclosure in the Annual Report.

### Subsidiary and Associate companies

The Company does not have any subsidiary or associate company.

### Directors

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of Independence as prescribed under the Act and the Listing Regulations.

The details of programme for familiarisation of Independent Directors with the Company, nature of the industry in which the Company operates and related matters are put up on the website of the Company at the link <https://www.reliancehomefinance.com/corporate-governance/policies>.

During the year under review, the Company has appointed Lt Gen Syed Ata Hasnain (Retd) as an Independent Director of the Company for a term of 5 (five) years commencing from February 26, 2018 and Mr. Jai Anmol Ambani was appointed as an Additional Director with effect from April 24, 2018.

The Company has received the notices in writing from members proposing their candidature for the office of Directors.

Mr. Amit Bapna, Director, also held the position of CFO of the Company from September 8, 2017 to August 7, 2018. Mr. Amit Bapna has not drawn any remuneration from the Company.

Mr. Padmanabh Vora, who was appointed as an Independent Director of the Company by the Members for a term of 5 (five) years up to March 24, 2020 and will attain the age of seventy five years on October 1, 2018. In terms of the amended Regulation 17 of Listing Regulations vide SEBI Notification No. SEBI/LAD-NRO/GN/2018/10 dated May 9, 2018, it is proposed to obtain Members' approval for continuation of directorship after April 1, 2019 of Mr. Padmanabh Vora as an Independent Director at the ensuing Annual General Meeting (AGM).

In terms of the provisions of the Act, Mr. Ravindra Sudhalkar, Director of the Company, retires by rotation and being eligible, offers himself for re-appointment at the ensuing AGM.

A brief resume of Directors proposed to be appointed / re-appointed at the ensuing AGM, along with requisite details, as stipulated under Regulation 36(3) of Listing Regulations, is

given in the section on Corporate Governance Report forming part of this Annual Report.

Mr. K. V. Srinivasan ceased to be a Director with effect from April 24, 2017. The Board placed on record its deep sense of appreciation for the invaluable contribution made by Mr. K. V. Srinivasan during his tenure with the Company.

### Key Managerial Personnel

Mr. Pinkesh R. Shah was appointed as the Chief Financial Officer of the Company on August 7, 2018 and upon his appointment Mr. Amit Bapna has ceased to be the CFO.

During the year, Mr. Sandip Parikh ceased to be the Chief Financial Officer of the Company with effect from September 8, 2017.

The Board placed on record its deep sense of appreciation for the invaluable contribution made by them during their tenure with the Company.

### Evaluation of Directors, Board and Committees

The Company has devised a policy for performance evaluation of the individual Directors, Board and its Committees, which includes criteria for performance evaluation.

Pursuant to the provisions of the Act and Regulation 17(10) of the Listing Regulations, the Board has carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of the Committees of the Board. The Board performance was evaluated based on inputs received from all the Directors after considering criteria such as Board composition and structure, effectiveness of Board / Committee processes, and information provided to the Board, etc. A separate meeting of the Independent Directors was also held during the financial year for the evaluation of the performance of non-independent Directors, performance of the Board as a whole and that of the Chairman of the Board.

The Nomination and Remuneration Committee has also reviewed the performance of the individual Directors based on their knowledge, level of preparation and effective participation in meetings, understanding of their roles as directors, etc.

### Policy on appointment and remuneration for Directors, Key Managerial Personnel and Senior Management Employees

The Nomination and Remuneration Committee of the Board has devised a policy for selection and appointment of Directors, Key Managerial Personnel and Senior Management Employees and their Remuneration. The Committee has formulated the criteria for determining qualifications, positive attributes and independence of a Director, which has been put up on the Company's website at [www.reliancehomefinance.com](http://www.reliancehomefinance.com). The policy on the above is attached as Annexure – A.

### Directors' Responsibility Statement

Pursuant to the requirements under Section 134(5) of the Act with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- In the preparation of the annual financial statement for the financial year ended March 31, 2018, the applicable Accounting Standards had been followed along with proper explanation relating to material departures, if any;
- The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2018 and of the profit of the Company for the year ended on that date;
- The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance



## Directors' Report

with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- iv. The Directors had prepared the annual financial statement for the financial year ended March 31, 2018 on a 'going concern' basis;
- v. The Directors had laid down proper internal financial controls to be followed by the Company and such financial controls are adequate and are operating effectively; and
- vi. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### Contracts and Arrangements with Related Parties

All contracts / arrangements / transactions entered into / by the Company during the financial year under review with related parties were on an arm's length basis and in the ordinary course of business.

There were no materially significant related party transactions which could have potential conflict with interest of the Company at large.

During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

All Related Party Transactions were placed before the Audit Committee as also the Board for approval. Prior omnibus approval of the Audit Committee and the Board was obtained for the transactions which were of a repetitive nature. The transactions entered into pursuant to the omnibus approval so granted were reviewed and statements giving details of all related party transactions were placed before the Audit Committee and the Board of Directors on a quarterly basis.

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website at the link <https://www.reliancehomefinance.com/corporate-governance/policies>. Your Directors draw attention of the members to Note No. 36 to the Financial Statement which sets out related party disclosures.

### Material Changes and Commitments if any, affecting the financial position of the Company

There were no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year and the date of this Report.

### Meetings of the Board

A calendar of Meetings is prepared and circulated in advance to the Directors. During the year, eight Board Meetings were held, details of meetings held and attended by each Director are given in the Corporate Governance Report.

### Audit Committee

The Audit Committee of the Board consists of Independent Directors namely Ms. Deena Mehta, Chairperson, Mr. Padmanabh Vora, Lt Gen Syed Ata Hasnain (Retd) and Non-Independent Director Mr. Gautam Doshi as members. During the year, all the recommendations made by the Audit Committee were accepted by the Board.

### Auditors and Auditors' Report

M/s. Price Waterhouse & Co Chartered Accountants LLP were appointed as Auditors of the Company for a term of 5 (five) consecutive years, at the Annual General Meeting of the Company held on July 24, 2017. The Company has received a letter from M/s. Price Waterhouse & Co Chartered Accountants

LLP that they are not disqualified from continuing as Auditors of the Company.

The Notes on Financial Statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The observations and comments given by the Auditors in their Report read together with notes on Financial Statements are self-explanatory and hence do not call for any further comments under Section 134 of the Act.

### Maintenance of Cost Records

The Central Government has not specified maintenance of cost records, for any of the products of the Company, under Section 148(1) of the Act.

### Secretarial Standards

During the year under review, the Company has complied with the applicable Secretarial Standards issued by The Institute of Company Secretaries of India.

### Secretarial Audit

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors had appointed M/s. Aashish K. Bhatt & Associates, Practicing Company Secretaries, to undertake the Secretarial Audit of the Company. There is no qualification, reservation or adverse remark made in their Secretarial Audit Report. The Audit Report of the Secretarial Auditor is attached as Annexure – B.

### Extract of Annual Return

Extract of the Annual Return of the Company in form MGT-9 is attached as Annexure – C.

### Particulars of Employees and related disclosures

#### (a) Employees Stock Option Scheme

Employees Stock Option Scheme (ESOS Scheme) was approved and implemented by the Company and Options were granted to the employees in accordance with guidelines applicable to ESOS Scheme. The Nomination and Remuneration Committee of the Board monitors the Scheme. The existing ESOS Scheme is in compliance with the Companies Act, 2013 read with Rules made thereunder and Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (SEBI Regulations).

The Company has received a certificate from the Auditors of the Company that the ESOS Scheme have been implemented in accordance with the Companies Act and SEBI Regulations and as per the resolution passed by the members of the Company authorising issuance of the said Options. The details as required to be disclosed under SEBI Regulations are put on the Company's website at <https://www.reliancehomefinance.com/corporate-governance/financials>.

#### (b) Other Particulars

In terms of the provisions of Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said Rules are provided in the Annual Report, which forms part of this Report.

Disclosures relating to the remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, are also provided in the Annual Report, which forms part of this Report.

## Directors' Report

However, having regard to the provisions of first proviso to Section 136(1) of the Act, the Annual Report excluding the aforesaid information is being sent to all the members of the Company and others entitled thereto. The said information is available for inspection at the Registered Office of the Company on all working days, except Saturdays between 11:00 A.M. and 1:00 P.M. up to the date of the Meeting. Any member interested in obtaining the same may write to the Company Secretary and the same will be furnished on request.

### Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The Company is a Housing Finance Company and does not involve in any manufacturing activity, most of the information as required under Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 are not applicable. However, the information as applicable has been given in Annexure – D forming part of this Report.

### Corporate Governance

The Company has adopted 'Reliance Group – Corporate Governance Policies and Code of Conduct' which sets out the systems, process and policies conforming to the international standards. The report on Corporate Governance as stipulated under Regulation 34(3) read with Para C of Schedule V of the Listing Regulations and the Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016, as amended, from time to time is presented in separate section forming part of this Annual Report.

A Certificate from the Auditors of the Company M/s. Price Waterhouse & Co Chartered Accountants LLP confirming compliance to the conditions of Corporate Governance as stipulated under Para E of Schedule V of the Listing Regulations, is enclosed to this Report.

### Ombudspersons & Whistle Blower (Vigil Mechanism)

The Company has formulated an Ombudspersons & Whistle Blower (Vigil Mechanism) policy to address the genuine concerns, if any, of the Directors and employees. The details of the same have been stated in the Report on Corporate Governance and the policy can be accessed on the Company's website.

### Risk Management

The Company has laid down a robust Risk Management Policy, defining Risk profiles involving Strategic, Technological, Operational, Financial, Organisational, Legal and Regulatory risks within a well defined framework. The Risk Management Policy acts as an enabler of growth for the Company by helping its businesses to identify the inherent risks, assess, evaluate and monitor these risks continuously and undertake effective steps to manage these risks.

A Risk Management Committee (RMC) consisting of Ms. Deena Mehta as Chairperson and Mr. Padmanabh Vora, Mr. Gautam Doshi, Mr. Amit Bapna and Mr. Ravindra Sudhalkar as members, periodically reviews the robustness of the Risk Management Policy. The periodical update on the risk management practices and mitigation plan of the Company are presented to the Audit Committee and Board of Directors. The Audit Committee and Board periodically review such updates and findings and suggest areas where internal controls and risk management practices can be improved. More details on Risk Management indicating development and implementation of Risk Management Policy including identification of elements of risk and their mitigation are covered in Management Discussion and Analysis section, which forms part of this Report.

Asset Liability Committee (ALCO) consisting of senior management executives, monitors liquidity and interest rate

risks of the Company. The functioning of ALCO is reviewed by the RMC which meets quarterly and reports to the Board of Directors.

### Compliance with provisions of Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company is committed to uphold and maintain the dignity of woman employees and it has in place a policy which provides for protection against sexual harassment of women at work place and for prevention and redressal of such complaints. During the year, no such complaints were received. The Company has also constituted an Internal Compliance Committee under the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013.

### Corporate Social Responsibility

The Company has constituted Corporate Social Responsibility (CSR) Committee in compliance with the provisions of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. The Corporate Social Responsibility Committee has formulated a Corporate Social Responsibility Policy (CSR policy) indicating the activities to be undertaken by the Company. The CSR policy may be accessed on the Company's website at the link; <https://www.reliancehomefinance.com/corporate-governance/policies>.

The CSR Committee consists of Mr. Padmanabh Vora as Chairman, Mr. Gautam Doshi and Mr. Ravindra Sudhalkar, as members. The disclosures with respect to CSR activities is given in Annexure – E.

### Order, if any, passed by Regulators or Courts or Tribunals

No orders have been passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations.

### Internal Financial Controls and their adequacy

The Company has in place adequate internal financial controls across the organization. The same is subject to review periodically by the internal audit cell for its effectiveness. During the year, such controls were tested and no reportable material weakness in the design or operation were observed.

### Business Responsibility Report

Business Responsibility Report for the year under review as stipulated under Listing Regulations is presented in the separate section forming part of this Annual Report.

### Acknowledgement

Your Directors would like to express their sincere appreciation for the co-operation and assistance received from shareholders, debenture holders, debenture trustee, bankers, financial institutions, regulatory bodies and other business constituents during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the commitment displayed by all executives, officers and staff, resulting in the successful performance of the Company during the year.

For and on behalf of the Board of Directors

**Ravindra Sudhalkar** **Padmanabh Vora**  
Executive Director & CEO Non-Executive Chairman

Mumbai  
August 7, 2018

### Policy on appointment and remuneration for Directors, Key Managerial Personnel and Senior Management Employees

- 1. Introduction**
  - 1.1 Reliance Home Finance Limited considers human resources as its invaluable assets. This policy aims to harmonise the aspirations of the directors / employees with the goals of the Company.
  - 1.2 Human capital is a strategic source of value creation. As part of our progressive HR philosophy, it is necessary to have in place a comprehensive Compensation Policy, which is in line with the industry trend and is employee friendly.
- 2. Objectives**
  - 2.1 Ensuring that the quantum and composition of remuneration is reasonable and sufficient to attract, retain and motivate, employees to run the Company successfully.
  - 2.2 Ensuring that relationship of remuneration to performance is clear and meets the performance benchmarks.
  - 2.3 Ensure that annual compensation review considers industry / business outlook and strategies adopted by industry peers, differentiates employees based on their performance /skill sets and also protects employees, particularly those in junior cadre, against inflationary pressures.
  - 2.4 Retention of high performers at all levels and those playing critical roles.
- 3. Scope**

The Board has constituted the "Nomination and Remuneration Committee" in line with the requirements under the provisions of the Companies Act, 2013. This Policy sets out the broad guiding principles for the Committee for recommending to the Board the appointment and remuneration of the directors, key managerial personnel and senior managerial personnel of the Company.
- 4. Definitions**
  - 4.1 "Director" means a director appointed to the Board of the Company.
  - 4.2 "Key Managerial Personnel" means;
    - (i) the Chief Executive Officer or the Managing Director or the Manager;
    - (ii) the Company Secretary;
    - (iii) the Whole-time Director;
    - (iv) the Chief Financial Officer; and
    - (v) such other officer as may be prescribed under the Companies Act, 2013.
  - 4.3 "Senior Management" means personnel of the Company who are members of its core management team excluding Board of Directors, comprising of all members of management one level below the executive directors, if any.
- 5. Policy**
  - 5.1 Appointment of Directors / Key Managerial / Senior Management personnel**

The Nomination and Remuneration Committee, *inter-alia*, considers qualifications, positive attributes, areas of expertise and number of Directorships and Memberships held in various committees of other companies by such persons for selection. The Board considers the recommendation of the Committee's and takes appropriate decisions. The Company also considers the requirement of skills and effectiveness of persons contributing to the Company's business and policy decisions.
  - 5.2 Remuneration to Directors / Key Managerial Personnel**
    - 5.2.1 The remuneration of the Directors / Managing Directors / Whole-time Directors and Managers, etc. will be governed as per provisions contained in the Companies Act, 2013 and Rules made therein from time to time.
    - 5.2.2 Non-Executive Directors shall be entitled to sitting fees for attending the meetings of the Board and the Committees thereof as approved by the Board of Directors from time to time. The Non-Executive Directors shall also be entitled to profit related Commission, if approved by the Board, in addition to the sitting fees.
    - 5.2.3 The Board, on the recommendation of the Nomination and Remuneration Committee, shall review and approve the remuneration payable to the Directors / Key Managerial Personnel / Senior Management Personnel of the Company within the overall limits, if any, approved by the shareholders.
    - 5.2.4 The remuneration structure shall include the following components:
      - (i) Basic Pay
      - (ii) Perquisites and Allowances
      - (iii) Stock Options, if any.
      - (iv) Commission (Applicable in case of Executive Directors / Directors)
      - (v) Retiral Benefits
      - (vi) Performance Linked Incentives
    - 5.2.5 The Annual Plan, Objectives, financial results of the Company shall be reviewed by the Nomination and Remuneration Committee and performance incentives, increment, revision in remuneration, etc. will be proposed based on the achievements.
  - 5.3 Remuneration to other employees**

Employees shall be assigned grades / bands according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade / bands and shall be based on various factors such as job profile, skill sets, seniority, experience, performance and prevailing remuneration levels for equivalent jobs.
- 6. Retention Features as part of Compensation Package**

Based on the organizational need for retaining performing employees and those in critical roles, certain retention features may be rolled out as part of the overall compensation package. These may take form of Retention Bonuses (RBs), Special Monetary Programs (SMPs), Long-term Incentives (LTIs), Employee Stock Options, etc.
- 7. Modification and Amendment**

The policy is subject to modification, amendment and alterations by the management at any time without assigning any reasons.

**Form No. MR-3  
Secretarial Audit Report**

**For the financial year ended March 31, 2018**

**[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To  
**The Members,  
Reliance Home Finance Limited**  
Reliance Centre 6<sup>th</sup> Floor  
South Wing Off Western Express Highway  
Santacruz (East) Mumbai 400 055

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Reliance Home Finance Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2018 complied with the statutory provisions listed hereunder and also that the Company has followed proper Board – processes and have required compliance – mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2018, according to the provisions of:

- (i) The Companies Act, 2013 (the 'Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
- (iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder for compliance in respect of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client – Not Applicable;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 – Not Applicable; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 – Not Applicable.

I have also examined compliance with applicable clauses of the following:

- (i) Secretarial Standards issued by the Institute of the Company Secretaries of India pertaining to the General Meetings, Board and Committees Meetings (i.e. Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee and Risk Management Committee);
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Uniform Listing Agreement(s) entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

## Directors' Report

I further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company:

- (a) The National Housing Bank Act, 1987 and its circulars, Master Circulars, notifications, guidelines and its Directions as prescribed for HFC's; and
- (b) The Prevention of Money-Laundering Act, 2002.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Non – Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board meetings, agenda and detailed notes on agenda were sent seven days in advance / shorter notice of time less than seven days for items of business which were in the nature of 'unpublished price sensitive information' and a system exist for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

The decisions at Board and Committee meetings are carried out and recorded in the minutes of the Board of Directors and Committee(s) of the Board accordingly.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, the Company has undertaken event / action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above viz.

- a. The Scheme of Arrangement between India Debt Management Private Limited (IDMPL) and the Company and their respective shareholders had been sanctioned by the National Company Law Tribunal, Mumbai Bench being the Appointed Date as March 31, 2016 and pursuant to the Scheme 8% Cumulative Non- Convertible Redeemable Preference Shares have been issued and allotted to the equity shareholders of IDMPL;
- b. The Scheme of Arrangement for demerger of Real Estate Lending Business of its holding company viz. Reliance Capital Limited into the Company had been sanctioned by the National Company Law Tribunal, Mumbai Bench being the Appointed Date as April 1, 2017;
- c. The Company has issued and allotted equity shares to its holding company on rights basis;
- d. The Company has issued and allotted equity shares to the shareholders of Reliance Capital Limited in the ratio of 1:1;
- e. The equity shares of the Company got listed on BSE Limited and National Stock Exchange of India Limited on September 22, 2017;
- f. The Company has approved the limit of shareholding by registered Foreign Institutional Investors (FIIs);
- g. The Company has obtained the shareholders' approval on December 11, 2017 through postal ballot for the following businesses:
  - (i) Increase in Authorized Share Capital and Alteration of Memorandum of Association of the Company;
  - (ii) Issue of securities through qualified institutions placement on a private placement basis to qualified institutional buyers;
  - (iii) Ratification of the 'Reliance Home Finance Limited – Employee Stock Option Scheme'; and
  - (iv) Ratification of the grant of Employee Stock Options to the employees / directors of Subsidiary Companies and Holding Company of the Company under ESOS.
- h. The Company has issued and redeemed Non-Convertible Debentures through private placement;
- i. The Board has granted approval for appointment and cessation of Directors and Key Managerial Personnel; and
- j. The Company has declared and paid dividend of ₹ 0.50 per equity share.

For **Aashish K. Bhatt & Associates**

**Company Secretaries**

**(ICSI Unique Code S2008MH100200)**

**Aashish Bhatt**

**Proprietor**

ACS No.: 19639

COP No.: 7023

Date : April 24, 2018

Place : Mumbai

**FORM NO. MGT – 9  
EXTRACT OF ANNUAL RETURN**

as on the financial year ended March 31, 2018

[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS**

i) CIN	L67190MH2008PLC183216
ii) Registration Date	June 5, 2008
iii) Name of the Company	Reliance Home Finance Limited
iv) Category / Sub-Category of the Company	Public Company / Housing Finance Company (HFC)
v) Address of the Registered Office and contact details	Reliance Centre, 6 <sup>th</sup> Floor South Wing, Off Western Express Highway, Santacruz (East), Mumbai 400 055 Tel. : +91 22 3303 6000, Fax: +91 22 3303 6662 E-mail: rhfl.investor@relianceada.com Website: www.reliancehomefinance.com
vi) Whether listed company	Yes
vii) Name, address and contact details of Registrar and Transfer Agent, if any	Karvy Computershare Private Limited Karvy Selenium Tower – B, Plot No. 31 & 32 Survey No. 116/22, 115/24, 115/25 Financial District, Nanakramguda Hyderabad 500 032 Toll free no.: 1800 4250 999 Tel. : +91 40 6716 1500, Fax : +91 40 6716 1791 E-mail : rhflinvestor@karvy.com Website: www.karvy.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the Business Activities contributing 10 per cent or more of the total turnover of the Company shall be stated:

Sr. No.	Name and Description of main Products / Services	NIC Code of the Product / Service	% to total turnover of the Company
1.	Loans & Mortgages	6492	95.95%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr. No.	Name and address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
(1)	Reliance Capital Limited	L65910MH1986PLC165645	Holding*	47.91	2(46) 2(87)

\*Reliance Capital Limited (RCap) the Promoter of the Company holds 47.91 per cent of the total paid-up equity share capital of the Company and controls the Company pursuant to a voting agreement with other Promoter Group entities namely Reliance Inceptum Private Limited and Reliance Infrastructure Consulting and Engineers Private Limited (which in the aggregate hold 25.91 per cent of the total paid-up equity share capital of the Company) and the Company is a subsidiary of RCap in terms of Section 2(87) of the Companies Act, 2013.

**IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**i) Category wise Shareholding**

Category of Shareholders	No. of Shares held at the beginning of the year (April 1, 2017)				No. of Shares held at the end of the year (March 31, 2018)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	-	-	-	-	11 66 014	-	11 66,014	0.24	0.24
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	11 58 19 980	20 11 58 20 000	100 36 25 85 477	-	36 25 85 477	-	74.75	-25.25	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A)(1):</b>	<b>11 58 19 980</b>	<b>20 11 58 20 000</b>	<b>100 36 37 51 491</b>	<b>-</b>	<b>36 37 51 491</b>	<b>74.99</b>	<b>-25.01</b>		



# Reliance Home Finance Limited

## Directors' Report

Category of Shareholders	No. of Shares held at the beginning of the year (April 1, 2017)				No. of Shares held at the end of the year (March 31, 2018)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(2) Foreign</b>									
a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A)(2):</b>	-	-	-	-	-	-	-	-	-
<b>Total Shareholding of Promoters (A) = (A)(1)+(A)(2)</b>	<b>11 58 19 980</b>	<b>20 11 58 20 000</b>	<b>100</b>	<b>36 37 51 491</b>	<b>-</b>	<b>36 37 51 491</b>	<b>74.99</b>	<b>-25.01</b>	
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	-	-	-	-	1 52 29 356	22 763	1 52 52 119	3.14	3.14
b) Banks / FI	-	-	-	-	247 012	14 189	261 201	0.05	0.05
c) Central Govt.	-	-	-	-	32 713	40 144	72 857	0.02	0.02
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	1 08 42 189	143	1 08 42 332	2.24	2.24
g) FIIs/FPIs	-	-	-	-	2 90 05 686	-	2 90 05 686	5.98	5.98
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Any Other....	-	-	-	-	7 818	5 745	13 563	0.00	0.00
<b>Sub-Total (B)(1):</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5 53 64 774</b>	<b>82 984</b>	<b>5 54 47 758</b>	<b>11.43</b>	<b>11.43</b>
<b>(2) Non-Institutions</b>									
a) Bodies Corporate									
i) Indian	-	-	-	-	1 10 33 590	77 367	1 11 10 957	2.29	2.29
ii) Overseas	-	-	-	-	4 572	1 503	6 075	0.00	0.00
b) Individuals									
i. Individual shareholders holding nominal share capital up to ₹1 lac	-	-	-	-	3 89 72 399	41 45 488	4 31 17 887	8.89	8.89
ii. Individual shareholders holding nominal share capital in excess of ₹1 lac	-	-	-	-	91 62 289	22 500	91 84 789	1.89	1.89
c) Others (specify)									
i) NRI	-	-	-	-	22 86 616	1 52 345	24 39 861	0.50	0.50
<b>Sub-Total(B)(2):</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6 14 59 466</b>	<b>43 99 203</b>	<b>6 58 59 569</b>	<b>13.58</b>	<b>13.58</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11 68 24 240</b>	<b>44 82 187</b>	<b>12 13 07 327</b>	<b>25.01</b>	<b>25.01</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total (A+B+C)</b>	<b>11 58 19 980</b>	<b>20 11 58 20 000</b>	<b>100</b>	<b>48 05 75 731</b>	<b>44 82 187</b>	<b>48 50 58 818</b>	<b>100.00</b>	<b>0.00</b>	

### ii) Shareholding of Promoters (\*)

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares (**)	
1.	Reliance Capital Limited	11 58 20 000	100	Nil	23 23 69 188	47.91	-	-52.09
2.	Reliance Inceptum Private Limited	-	-	-	9 77 14 206	20.14	11.06	20.14
3.	Reliance Infrastructure Consulting & Engineers Private Limited	-	-	-	2 79 75 633	5.77	5.15	5.77
4.	Crest Logistics and Engineers Private Limited	-	-	-	32 50 000	0.67	-	0.67
5.	Reliance Infrastructure Management Private Limited	-	-	-	7 00 000	0.14	-	0.14
6.	Reliance Innoventures Private Limited	-	-	-	5 76 450	0.12	-	0.12
7.	Smt. Kokila D. Ambani (***)	-	-	-	5 45 157	0.11	-	0.11



Directors' Report

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares (**)	
8.	Mr. Anil D. Ambani	-	-	-	2 73 891	0.06	-	0.06
9.	Ms. Tina A. Ambani	-	-	-	2 63 474	0.05	-	0.05
10.	Mr. Jai Anmol A. Ambani	-	-	-	83 487	0.02	-	0.02
11.	Mr. Jai Anshul A. Ambani	-	-	-	5	-	-	-
	<b>Total</b>	<b>11 58 20 000</b>	<b>100</b>	<b>Nil</b>	<b>36 37 51 491</b>	<b>74.99</b>	<b>16.21</b>	<b>-25.01</b>

(\*) Shareholders listed above are promoters as per disclosure received under Regulation 30(2) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 2011, as on March 31, 2018.

(\*\*) The term encumbrance has the same meaning as assigned to it in Regulation 28(3) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

(\*\*\*) As per disclosure, pursuant to Regulation 30(2) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 received from the Promoters alongwith Persons Acting in Concert, 17,00,000 (0.35 per cent) equity shares of the Company were allotted, in terms of the Scheme of Arrangement, to discretionary Portfolio Manager of Smt. Kokila D. Ambani under the Portfolio Management Scheme (PMS). The same have been credited to a separate Demat Account specifically opened for PMS purpose as per the SEBI requirements. No voting or other rights / interest is held on those shares, except the economic interest in PMS. This is disclosed by way of an abundant caution.

iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	At the beginning of the year	11 58 20 000	100		
2.	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):	#	#	#	#
3.	At the end of the year	36 37 51 491	74.99		

# Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (April 1, 2017)		Increase / Decrease in shareholding	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company		No. of Shares	% of total shares of the Company
1.	Reliance Capital Limited	11 58 20 000	100	11 65 49 188	23 23 69 188	47.91
2.	Reliance Inceptum Private Limited	-	-	9 77 14 206	9 77 14 206	20.14
3.	Reliance Infrastructure Consulting & Engineers Private Limited	-	-	2 79 75 633	2 79 75 633	5.77
4.	Crest Logistics and Engineers Private Limited	-	-	32 50 000	32 50 000	0.67
5.	Reliance Infrastructure Management Private Limited	-	-	7 00 000	7 00 000	0.14
6.	Reliance Innoventures Private Limited	-	-	5 76 450	5 76 450	0.12
7.	Smt. Kokila D. Ambani	-	-	5 45 157	5 45 157	0.11
8.	Mr. Anil D. Ambani	-	-	2 73 891	2 73 891	0.06
9.	Ms. Tina A. Ambani	-	-	2 63 474	2 63 474	0.05
10.	Mr. Jai Anmol A. Ambani	-	-	83 487	83 487	0.02
11.	Mr. Jai Anshul A. Ambani	-	-	5	5	-

Serial No. 1. - Allotment on September 4, 2017 on rights basis; Serial No. 2. to 11. - Allotment on September 7, 2017 pursuant to Scheme of Arrangement.

## Directors' Report

### iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (April 1, 2017)		Increase / Decrease	Shareholding at the end of the year (March 31, 2018)	
		No. of Shares	% to total shares of the Company		No. of Shares	% to total shares of the Company
1.	Life Insurance Corporation of India	-	-	1 05 12 297	1 05 12 297	2.17
2.	Aviator Global Investment Fund	-	-	80 00 000	80 00 000	1.65
3.	Reliance Capital Trustee Co. Ltd.	-	-	78 78 924	78 78 924	1.62
4.	Aditya Birla Sun Life Trustee Private Limited	-	-	73 49 071	73 49 071	1.52
5.	National Westminster Bank Plc as Trustee of The Jupiter India Fund	-	-	31 48 099	31 48 099	0.65
6.	Vanguard Emerging Markets Stock Index Fund, A Series of Vanguard International Equity Index Funds	-	-	23 88 370	23 88 370	0.49
7.	Valiant Mauritius Partners Offshore Limited	-	-	20 64 005	20 64 005	0.43
8.	Dimensional Emerging Markets Value Fund	-	-	17 66 396	17 66 396	0.36
9.	Vanguard Total International Stock Index Fund	-	-	15 77 613	15 77 613	0.33
10.	Valiant Mauritius Partners Limited	-	-	13 91 657	13 91 657	0.29

Note: The date wise increase or decrease in shareholding of the top ten shareholders is available on the 'Investor Relations' section of the website of the Company at [www.reliancehomefinance.com](http://www.reliancehomefinance.com)

### v) Shareholding of Directors and Key Managerial Personnel

1. Mr. Ravindra Sudhalkar, Executive Director & CEO and Mr. Amit Bapna, Director held nil equity share at the beginning of the year and holds 1 share and 8,180 shares, respectively at the end of the year.
2. Mr. Padmanabh Vora, Non-Executive Chairman, Ms. Deena Mehta, Lt Gen Syed Ata Hasnain (Retd) and Mr. Gautam Doshi, Directors of the Company hold nil shares at the beginning and end of the year.
3. Ms. Parul Jain, Company Secretary & Compliance Officer held nil equity share at the beginning of the year and holds 2 shares at the end of the year.

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment. (₹ in crore)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i. Principal Amount	7 950.99	1 727.39	-	9 678.38
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	100.09	27.26	-	127.35
<b>Total (i+ii+iii)</b>	<b>8 051.08</b>	<b>1 754.65</b>	<b>-</b>	<b>9 805.73</b>
<b>Change in Indebtedness during the financial year</b>				
Additions	5 304.42	4 540.00	-	9 844.42
Reduction	(1 431.26)	(4 971.38)	-	(6 402.65)
<b>Net Change</b>	<b>3 873.16</b>	<b>(431.38)</b>	<b>-</b>	<b>3 441.77</b>
<b>Indebtedness at the end of the financial year</b>				
i. Principal Amount	11 824.15	1 296.01	-	13 120.16
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	169.94	73.18	-	243.12
<b>Total (i+ii+iii)</b>	<b>11 994.09</b>	<b>1 369.19</b>	<b>-</b>	<b>13 363.28</b>

Directors' Report

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

(A) Remuneration to Managing Director, Whole-time Directors and / or Manager:

(₹ in lakh)

Sr. No.	Particulars of Remuneration	Mr. Ravindra Sudhalkar (Executive Director & CEO)
1	Gross Salary	
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	454.00
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-
2	Stock Option (Number of Options)	3 46 535 Options
3	Sweat Equity	-
4	Commission	-
	- as % of profit	
	- others, specify	
5	Others, please specify	-
	<b>Total (A)</b>	<b>454.00</b>
	Ceiling as per the Act	1 421

Note: Mr. Amit Bapna, Director was also CFO of the Company from September 8, 2017 to August 7, 2018 and has not drawn any remuneration from the Company.

(B) Remuneration to other Directors:

(₹ in lakh)

Sr. No.	Particulars of Remuneration	Name of Director			Total Amount
1.	Independent Directors	Mr. Padmanabh Vora	Ms. Deena Mehta	Lt Gen Syed Ata Hasnain (Retd)	
	• Fee for attending board/ committee meetings	14.40	8.80	0.40	23.60
	• Commission	-	-	-	-
	• Others, please specify	-	-	-	-
	<b>Total (1)</b>	<b>14.40</b>	<b>8.80</b>	<b>0.40</b>	<b>23.60</b>
2.	Other Non-Executive Directors	Mr. Gautam Doshi			
	• Fee for attending board/ committee meetings	8.00			8.00
	• Commission	-			-
	• Others, please specify	-			-
	<b>Total (2)</b>	<b>8.00</b>			<b>8.00</b>
	<b>Total (B) = (1 + 2)</b>				<b>31.60</b>
	<b>Total Managerial Remuneration (A+B)</b>				<b>485.60</b>
	Overall Ceiling as per the Act				1 421

(C) Remuneration to key managerial personnel other than MD / Manager / WTD

(₹ in lakh)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel	
		Ms. Parul Jain Company Secretary & Compliance Officer	*Mr. Sandip Parikh Chief Financial Officer
1	Gross Salary	26.00	196.00
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2	Stock Option (Number of Options)	14 852 Options	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit	-	-
	Others, specify	-	-
	<b>Total</b>	<b>26.00</b>	<b>196.00</b>

\*Upto September 8, 2017

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding offences to the Company, directors and other officers of the Company during the year ended March 31, 2018.

### Disclosure under Section 134(3)(m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014

#### (a) Conservation of Energy:

The steps taken or impact on conservation of energy	:	The Company requires energy for its operations and the Company is making all efforts to conserve energy by monitoring energy costs and periodically reviews of the consumption of energy. It also takes appropriate steps to reduce the consumption through efficiency in usage and timely maintenance / installation / upgradation of energy saving devices
The steps taken by the Company for utilizing alternate sources of energy		
The capital investment on energy conservation equipments		

#### (b) Technology Absorption, Adoption and Innovation:

(i) The efforts made towards technology absorption	:	The Company uses latest technology and equipments into the business. Further the Company is not engaged in any manufacturing activities.
(ii) The benefits derived like product improvement, cost reduction, product development or import substitution		
(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)		
(a) The details of technology imported		
(b) The year of import		
(c) Whether technology been fully absorbed?		
(d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof.		
(iv) The expenditure incurred on Research and development	:	The Company has not spent any amount towards research and developmental activities and has been active in harnessing and tapping the latest and the best technology in the industry.

#### (c) Total foreign exchange earnings and outgo:

a. Total Foreign Exchange earnings	:	Nil
b. Total Foreign Exchange outgo	:	₹ 0.19 crore

**Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2017-18**

**1. A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes:**

The Company has a robust CSR Policy at Group level. As per the said policy, all our efforts are focused towards two goals: building a great enterprise for the stakeholders and a great future for our country. Our approach is to interweave social responsibility into the Company's mainstream business functions through translating commitments into policies, which not only drive all employees but influence and mobilize stakeholders, especially partners and suppliers, to embrace responsible business practices in their respective spheres of action. The policy affirms business objectives and strategy along with our commitment to preserve natural resources and augment the growth and development of employees and families, the communities we operate in, suppliers/vendors, and our investors. Through the social policy manual, the Company seeks to engage with all the stakeholders, using it as a reference or guideline for all stakeholders and practitioners. Our CSR policy is placed on our website at the link <https://www.reliancehomefinance.com/corporate-governance/policies>.

**2. The Composition of the CSR Committee:**

Mr. Padmanabh Vora, Chairman (Non- Executive Chairman & Independent Director)

Mr. Gautam Doshi (Non- Executive Director)

Mr. Ravindra Sudhalkar (Executive Director & CEO)

**3. Average net profit of the Company for last three financial years:**

Average net profit : ₹ 137.53 crore.

**4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):**

The Company is required to spend ₹ 2.75 crore towards CSR.

**5. Details of CSR spent during the financial year:**

a. Total amount spent for the financial year :- ₹ 2.75 crore

b. Amount unspent, if any :- NA

c. Manner in which the amount spent during the financial year is detailed below :- (₹ in crore)

1. Sr. No.	2. CSR Projects or activity identified	3. Sector in which the project is covered.	4. Projects or Programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken.	5. Amount Outlay (budget) Project or Programs wise.	6. Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Overheads.	7. Cumulative Expenditure upto the reporting period.	8. Amount spent: Direct or through implementing agency.*
1.	Health & Safety	Health Care	Maharashtra	6.81	2.68	6.81	Through a non-profit centre viz. Mandke Foundation specialised in the provision of health care and safety.
2.	Health & Safety	Health Care	Maharashtra	0.08	0.02	0.08	Through a non-profit centre viz. Janhit Society for Social Welfare specialised in the provision of health care and safety.
3.	Promotion of Education	Education	New Delhi	0.27	0.05	0.27	Through a non-profit centre viz. Smile Foundation specialised in the provision of education.
<b>Total</b>				<b>7.16</b>	<b>2.75</b>	<b>7.16</b>	

\* Implemented in phased manner

**6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.**

Not applicable.

**7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the Company.**

The implementation and monitoring of Corporate Social Responsibility (CSR) Policy is in compliance with CSR objectives and policy of the Company.

August 7, 2018

**Ravindra Sudhalkar**  
Executive Director & CEO

**Padmanabh Vora**  
Chairman, CSR Committee

## Dividend Distribution Policy

The Board of Directors (the "Board") of Reliance Home Finance Limited (the "Company") at its meeting held on September 8, 2017, had adopted this Dividend Distribution Policy (the "Policy") in accordance with the Companies Act, 2013 (the "Act") and Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

The Policy was reviewed and revised by the Board at its meeting held on April 24, 2018.

### Objective

The Objective of this Policy is to establish the parameters to be considered by the Board of Directors of the Company before declaring or recommending dividend.

### Circumstances under which the shareholders of the listed entities may or may not expect dividend

The shareholders of the Company may not expect dividend in the below mentioned circumstances:

- i. In the event of a growth opportunity where the Company may be required to allocate a significant amount of capital.
- ii. In the event of higher working capital requirement for business operations or otherwise.
- iii. In the event of inadequacy of cashflow available for distribution.
- iv. In the event of inadequacy or absence of profits.
- v. In the event of any regulation or contractual restriction.

The Board may consider not declaring dividend or may recommend a lower pay-out for a given financial year, after analysing the prospective opportunities and threats or in the event of challenging circumstances such as regulatory and financial environment.

In such event, the Board will provide rationale in the Annual Report.

### Parameters to be considered before recommending dividend

Dividends will generally be recommended by the Board once a year, after the announcement of the full year results and before the Annual General Meeting (AGM) of the shareholders, as may be permitted by the Act. The Board may also declare interim dividends as may be permitted by the Act. The Company has had a consistent dividend policy that balances the objective of appropriately rewarding shareholders through dividends and to support the future growth.

The decision regarding dividend pay-out is a crucial decision as it determines the amount of profit to be distributed among shareholders and amount of profit to be retained in business. The Dividend pay-out decision of any company depends upon certain external and internal factors:

#### External Factors:

- State of Economy: In case of uncertain or recessionary economic and business conditions, Board will endeavor to retain larger part of profits to build up reserves to absorb future shocks.

#### Internal Factors:

Apart from the various external factors aforementioned, the Board will take into account various internal factors while declaring Dividend, which, *inter-alia*, will include:

- Income / Profits earned during the year;
- Present & future capital requirements of the existing businesses;
- Brand / Business Acquisitions;
- Expansion / Modernization of existing businesses;
- Additional investments in subsidiaries / associates (if any) of the Company; and
- Fresh investments into external businesses.

Any other factor as deemed fit by the Board.

### Utilisation of retained earnings

The Company shall endeavour to utilise the retained earnings in following manner:

- For expansion and growth of business;
- Additional investments in existing businesses;
- Declaration of Dividend;
- General Corporate purpose; and
- Any other specific purpose as may be approved by the Board.

### Parameters that shall be adopted with regard to various classes of shares

The Company has issued two classes of shares viz. Equity Shares and Preference Shares. Parameters for dividend payments in respect of any other class of shares other than equity shares, will be as per the respective terms of issue and in accordance with the applicable regulations.

### Review

This Policy will be reviewed periodically by the Board.

### Limitation and amendment

In the event of any conflict between the Act or the Listing Regulations and the provisions of the policy, the Listing Regulations shall prevail over this policy. Any subsequent amendment / modification in the Listing Regulations, in this regard, shall automatically apply to this policy.

**Financial Highlights**

(₹ in crore)

<b>Year ended March 31</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Turnover	1 670.52	1 144.68	815.03	512.60	429.71
Earnings Before Depreciation, Interest & Tax (EBDIT)	1 230.04	788.06	611.99	403.79	334.86
Depreciation	26.18	7.06	0.72	0.03	0.18
Profit after Tax	180.58	172.59	86.75	69.06	43.39
Equity Share Capital	485.06	115.82	65.82	65.82	65.82
Reserves and Surplus	1 413.05	982.74	554.3	467.54	398.48
Net Worth	1 744.00	1 032.44	570.28	498.27	438.93
Total Assets	15 683.62	11 346.65	7 693.59	5 557.39	3 744.90
Number of Employees	961	908	792	312	255

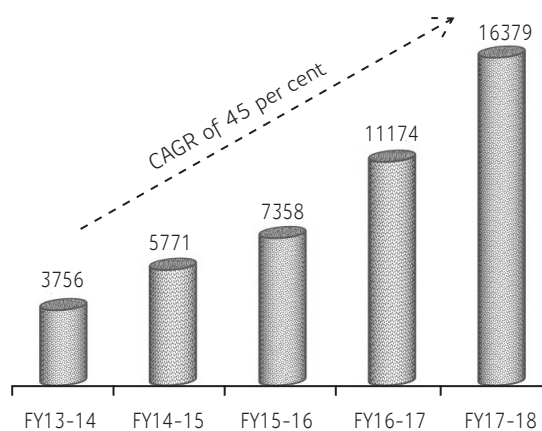
**Key Indicators**

<b>Year ended March 31</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
EBDIT / Gross Turnover %	73.60	68.85	75.09	78.77	77.93
Net Profit Margin %	10.80	15.08	10.65	13.47	10.10
Basic Earnings Per Share (₹)	5.57	20.45	13.18	10.49	6.59
Diluted Earnings Per Share (₹)	5.55	20.45	13.18	10.49	6.59
Book Value Per Share (₹)	39.13	94.85	94.21	81.03	70.54
Debt : Equity Ratio	7.55	9.37	11.49	8.88	6.88

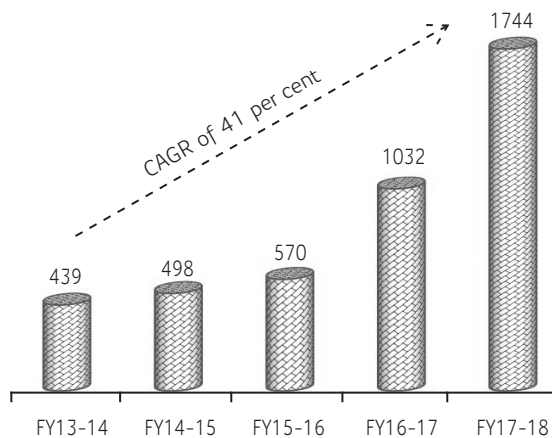


Financial Highlights

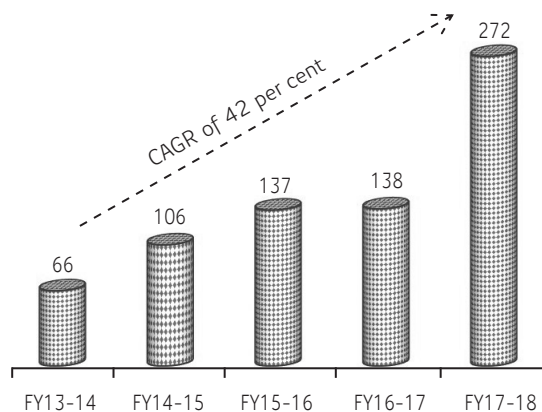
**Assets Under Management  
(₹ in crore)**



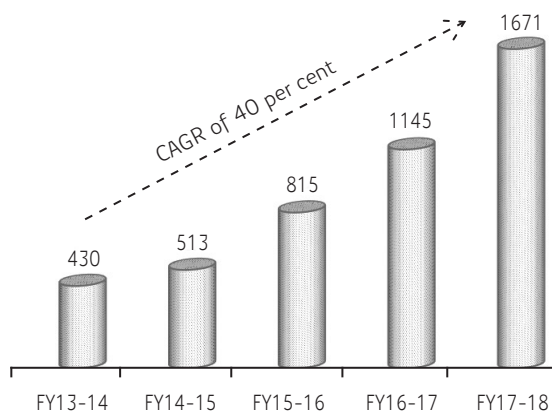
**Net Worth  
(₹ in crore)**



**Profit Before Tax  
(₹ in crore)**



**Total Income  
(₹ in crore)**



Awards & Recognition



**Most promising  
brand in  
housing finance  
by ET Now**



**Best affordable  
housing finance  
company of the  
year by ET Now**



**Best BFSI Brand  
2018 by  
The Economic  
Times**



**National Awards  
for Best Housing  
Finance Companies  
for "Technology  
initiative of the  
year" by CMO**



### Forward looking statements

*Statements in this Management Discussion and Analysis of Financial Condition and Results of Operations of the Company describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable securities laws and regulations. Forward looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised. The Company assumes no responsibility to publicly amend, modify or revise forward-looking statements, based on any subsequent developments, information or events. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include determination of tariff and such other charges and levies by the regulatory authority, changes in government regulations, tax laws, economic developments within the country and such other factors globally.*

*The financial statements are prepared under historical cost convention, on accrual basis of accounting, and in accordance with the provisions of the Companies Act, 2013 (the "Act") and comply with the Accounting Standards notified under Section 133 of the Act. The management of Reliance Home Finance Limited ("Reliance Home Finance" or "RHF" or "RHFL" or "the Company") has used estimates and judgments relating to the financial statement on a prudent and reasonable basis, in order that the financial statement reflect in a true and fair manner, the state of affairs and profit for the year.*

*The following discussions on our financial condition and result of operations should be read together with our audited financial statement and the notes to these statements included in the Annual Report.*

*Unless otherwise specified or the context otherwise requires, all references herein to "we", "us", "our", "the Company", "Reliance", "RHF" or "RHFL" or "Reliance Home Finance" are to Reliance Home Finance Limited.*

### Macro Economy

While the world economy grew by 3.2 per cent and 3.7 per cent, respectively, in 2016 and 2017, the Indian economy expanded by a sharper 7.1 per cent and 6.7 per cent, respectively, making it the fastest growing large economy in the world, ahead of China (+6.7 per cent and +6.8 per cent), and significantly healthier than the performance of South Africa (+0.3 per cent and +0.9 per cent), Brazil (-3.5 per cent and +1.1 per cent) and Russia (-0.2 per cent and +1.8 per cent) (According to the data released by the International Monetary Fund (IMF) in January 2018).

The Union Budget for 2018-19, focused on uplifting the rural economy and strengthening of the agriculture sector, healthcare for the economically less privileged, infrastructure creation and improvement in the quality of education of the country. In the budget, the Government is committed towards doubling the farmers' income by 2022. A total of ₹ 14.34 lakh crore (US\$ 225.43 billion) will be spent for creation of livelihood and infrastructure in rural areas. Budgetary allocation for infrastructure is set at ₹ 5.97 lakh crore (US\$ 93.85 billion) for 2018-19. All-time high allocations have been made towards the rail and road sectors.

Although the nation is not immune to the global trends, the focus on initiatives to curtail economic evils like tax evasion, counterfeit currency, corruption and terrorism would help the country grow at a much higher pace. The Government's initiatives

like demonetization, implementation of Goods and Service Tax (GST) and introduction of The Real Estate (Regulation and Development) Act, 2016 (RERA) would also help in building a positive business environment, which is expected to drive an overall economic growth to higher levels.

India is expected to emerge as one of the fastest growing major economy in the world as its GDP is estimated to have increased 7.4 per cent in 2018 and is expected to grow 7.8 per cent in 2019.

### Indian Housing Finance sector

The prospects of housing finance industry are closely linked to country's economic growth which impacts primary as well as secondary real estate sales, interest rate environment, government policies, and income levels of individuals and saving habits.

The mortgage penetration levels in India has increased to approx. 10 per cent as on March 31, 2018 while it was 8 per cent as on March 31, 2014, but still it continues to be lower than the developed countries. This shows a significant scope for further growth.

Over the last 5 years (FY13-FY18), the housing credit growth has remained steady despite a tough operating environment, subdued real estate demand and low affordability levels. This could be attributed to construction linked housing loans (and thus disbursements being linked to construction stages), secondary sales and low mortgage penetration in India. Housing Finance Companies (HFCs) have been able to grow at a faster pace, owing to their focus on niche segments such as self-employed and affordable housing segments which have been largely served by the HFCs and have higher growth potential. The total housing credit outstanding was approx. ₹ 16 trillion as on March 31, 2018.

While there has been a temporary slowdown in the growth for the sector due to the implementation of the demonetization and GST along with the imposition of RERA, the long-term growth outlook remains positive.

### Initiatives by the Government

The Government further sweetened the deal for prospective home buyers by permitting them to utilise as much as 90 per cent of their accumulated Employee Provident Fund Organisation (EPFO) corpus for purchase or construction of a home. Additionally, the remainder corpus and monthly contributions can now be used to service home loan EMI's.

Increasing supply, moderating prices, low effective interest rates and strong wage inflation will boost affordability. The outlook for the housing sector is very bright and the sector will see an elongated period of steady growth.

The Government and various sectoral regulators have also done much to direct efficient funding to the housing sector. The granting of infrastructure status to affordable housing widened access to cost effective long-term funding from external commercial borrowing, insurance companies and pension provident fund. The Government has also implemented initiatives such as "Pradhan Mantri Awas Yojana" (PMAY) to promote the provision of housing, which has also increased the demand for housing loans, particularly in the affordable housing segment. Tax incentives on home loans, for both principal and interest repayment, and subsidies under CLSS for EWS, LIG and MIG segments have further decreased the effective rate of interest on housing loans.

SEBI had increased the cap for mutual fund investment into HFCs rated AA and above, permitting investment into HFC's by upto 15 per cent in addition to the 25 per cent sectoral cap in place.

## Management Discussion and Analysis

### Reliance Home Finance

This year has been a milestone for the Company as it got listed on the Indian Stock Exchanges on September 22, 2017. The existing shareholders of Reliance Capital Limited were given one free share of the Company for every share of Reliance Capital Limited held by them. The Company is well capitalised to stand strong in the market with a robust financial structure and performance.

Reliance Home Finance Limited, a subsidiary of Reliance Capital, provides a wide range of loan solutions like Home Loans, Affordable Housing Loans, LAP and Construction Finance. RHFL also provides property services that help customers find their dream homes / properties.

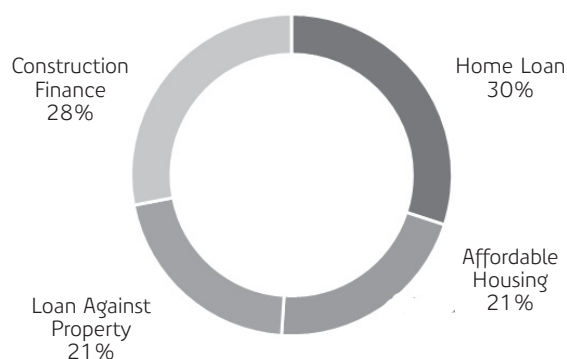
The Company has benefitted from having very stable senior and mid-management teams. The Company has directed conscious effort towards retention of talent as it truly believes that employees are an organization's greatest asset.

The Company has a strong distribution network of 54 branches catering to more than 125 locations, through a "hub and spoke"

### Product Portfolio

Over the period, we have developed our expertise in Home Loan and Affordable Housing segment which caters to the Self-employed & Salaried Individuals and is one of the key focus areas

### Our Portfolio Mix



### Financials

The disbursements for the year ended March 31, 2018, were ₹ 8,695 crore as against ₹ 7,333 crore for the previous year, an increase of 19 per cent. As of March 31, 2018, the Assets Under Management (AUM) (including securitised portfolio) was ₹ 16,379 crore as against ₹ 11,174 crore as on March 31, 2017, an increase of 47 per cent. The Total Income for the year ended March 31, 2018, was at ₹ 1,671 crore, as against ₹ 1,145 crore for the previous year, an increase of 46 per cent. As on March 31, 2018, the outstanding loan book was ₹ 14,655 crore as against ₹ 9,983 crore at the end of March 31, 2017. This loan book is spread over 45,000 client accounts catering to approx. 54 cities. The gross Non-Performing Assets stood at 0.8 per cent of the total AUM. Profit before tax increased by

model, across the country, serving over 45,000 client accounts and has a clear focus on expanding the book size along with a robust growth in the net worth, with robust asset quality.

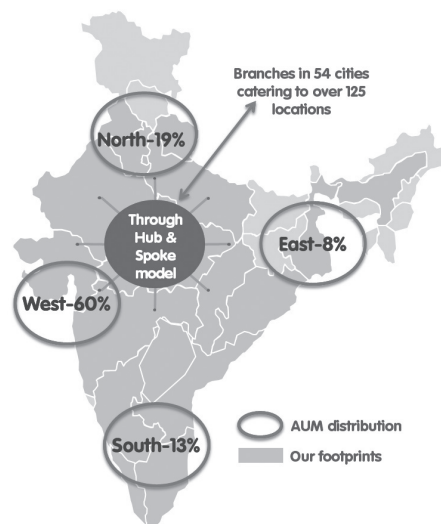
RHFL has also launched a digital portal to source loans from the salaried segment, thereby catering to the need of technology driven millennials, while also cutting down costs. While, this helps in speedy and hassle-free sanction for the borrower, it also helps the Company by automating processes like e-KYC, customer service and account updation.

### Geographical Distribution

The Company follows a "hub and spoke" model to achieve the objective of strategically expanding the market reach while developing operational efficiencies. Pan India 11 new branches were launched during the year including 4 affordable housing branches. These branches are operationally light with lower costs involved, thus helps in reducing the overall cost. Currently the total number of branches are 54 which cater to more than 125 locations.

for the Company. We have also developed the capabilities over time and fulfil the contemporary needs of the Non-housing loan clients majorly the Loan against Property segment. The Company also offers Construction Finance loans to real estate developers involved in building homes.

### Our Presence



97 per cent to ₹ 272 crore in FY18 from ₹ 138 crore in FY17. The business achieved a profit after tax of ₹ 181 crore as against ₹ 173 crore, for the year ended March 31, 2018.

### Risks and Concerns

RHFL is exposed to specific risks that are particular to its businesses and the environment within which it operates, including market risk, competition risk, credit risk, liquidity and interest rate risk, human resource risk, operational risk, information security risks, regulatory risk and macro-economic risks.

### Market risk

The Company has also raised funds through issue of Market Linked Debentures, whose returns are linked to relevant underlying market instruments or indices. RHFL continuously



## Management Discussion and Analysis

monitors market exposure for both equity and debt and, in appropriate cases, also uses various derivative instruments as a hedging mechanism to limit volatility.

### Competition risk

The housing finance sector is becoming increasingly competitive and the Company's growth will depend on its ability to compete effectively. The Company's main competitors are other HFCs, Banks and Non - Banking Financial Companies (NBFCs). The Company's strong brand image, wide distribution network, diversified product offering and quality of management, place it in a strong position to deal with competition effectively.

### Credit risk

Credit risk is a risk arising out of default or failure on the part of borrowers in meeting their financial obligations towards repayment of loans. Thus, credit risk is a loss as a result of non-recovery of funds lent both on principal and interest counts. This risk is comprehensively addressed both at the strategic level and at the client level. There is a robust governance framework with risk oversight being provided by the Risk Management Committee.

Stringent standards have been stipulated for customer identification and evaluation of credit proposals. Critical underwriting activities are automated. Comprehensive product program guidelines have been developed to suit various products requirements and appropriate delegation and deviation grids have been put in place. Each credit proposal is evaluated on various lending parameters both in qualitative and quantitative terms. Proper security, industry norms and ceilings have been prescribed to ensure diversifying risks and to avoid concentration risk. Cross references to credit bureau data are made to assess the credit behavior of the prospective customers. Since most of the loans are secured against assets (residential and commercial properties) which are valued by independent agencies and loan to value ratio is restricted, chances of non-recoverability in case of default are minimised. Company has put in place monitoring mechanisms commensurate with nature and volume of activities. Any early signal of default is addressed on priority to minimise / prevent credit loss. Regular portfolio risk analysis is done extensively on various financial and policy parameters for making required changes in the credit policy as a proactive approach to risk management. The Indian housing finance industry is highly competitive and the Company may compete directly with large HFCs and large public and private sector banks, which have larger retail customer bases, larger branch networks and greater access to capital than the Company. Large HFCs and Indian banks have made significant investments in retail credit in recent periods and currently have a larger market share in the retail home loan credit segment as compared to medium sized HFCs. If the Company is unable to compete with such large HFCs and Banks, by reason of our lesser experience in retail Home Loans or otherwise, its business, results of operations and financial condition could be affected to some extent. With the experience and market knowledge the Company has gained over the years in the housing finance business and is well placed to be the preferred provider of housing finance in coming years.

### Liquidity and Interest Rate risk

The Company is exposed to liquidity risk principally, as a result of lending and investment for periods which may differ from those of its funding sources. RHFL's treasury team actively manages asset liability positions in accordance with the overall guidelines laid down by NHB in the Asset Liability Management (ALM) framework. The Company may be impacted by volatility in interest rates in India which could cause its margins to decline and profitability to shrink. The success of the Company's business depends significantly on interest income from its operations. It is

exposed to interest rate risk, both as a result of lending at fixed interest rates and for reset periods which may differ from those of its funding sources. Interest rates are highly sensitive to many factors beyond the Company's control, including the monetary policies of the RBI, deregulation of the financial sector in India, domestic and international economic and political conditions and, inflation. As a result, interest rates in India have historically experienced a relatively high degree of volatility.

The Company seeks to match its interest rate positions of assets and liabilities to minimise interest rate risk. However, there can be no assurance that significant interest rate movements will not have an adverse effect on its financial position. With the growth of the Company's business, it will become increasingly reliant on funding from the debt capital markets and commercial borrowings. The market for such funds is competitive and the Company's ability to obtain funds at competitive rates will depend on various factors including its credit ratings. There can be no guarantee that the Company will be able to raise debt on competitive terms, in the required quantum and in a cost-effective manner. Any failure to do so may adversely impact the Company's business, its future financial performance. The Company is also hedged to some extent against this risk through the variable interest clause in its advances portfolio.

### Human resource risk

The Company's success depends largely upon the quality and competence of its management team and key personnel. Attracting and retaining talented professionals is therefore a key element of the Company's strategy and a significant source of competitive advantage. While the Company has a salary and incentive structure designed to encourage employee retention, a failure to attract and retain talented professionals, or the resignation or loss of key management personnel, may have an impact on the Company's business, its future financial performance and the results of its operations.

### Operational risk

The Company may encounter operational and control difficulties when commencing businesses in new markets. The rapid development and establishment of financial services businesses in new markets may raise unanticipated operational or control risks. Such risks could have a materially adverse effect on the Company's financial position and the results of its operations.

The operations of the Company have been extensively automated which minimizes the operational risk arising out of human errors and omissions. A robust system of internal controls is practiced by RHFL to ensure that all its assets are safeguarded and protected against loss from unauthorised use or disposition and all its transactions are authorised, recorded and reported correctly. The Audit Committee of Board periodically reviews the adequacy of our internal controls. The Company has implemented SAP systems across functions. With this initiative, along with other key systems and checks and balances established, we believe that our overall control environment has been enhanced. The Company is relentlessly focused on quality parameters and has a dedicated quality team to proactively identify and address operational issues. The mandate of the quality team is also to work closely with various business teams to bring about operational efficiencies and effectiveness through Six Sigma initiatives. It is pertinent to note that Reliance Home Finance has obtained an ISO 9001:2008 certification and is amongst the few companies in the industry to be ISO certified.

### Information security risk

RHFL has robust Information Security Risk monitoring systems and tools to guard and protect sensitive customer data and guard against potential hackers and viruses. The Information Security team is governed by the Information Security Risk Management

## Management Discussion and Analysis

Committee. Robust governance, controls and sophisticated technology is adopted across lines of business to ward off cyber threats and protect information residing within the Company.

Information Security has been brought under the Enterprise Risk Management Framework to enhance data protection and ward off cyber risks effectively, thereby making our overall Risk, Control and Governance framework more robust.

### Regulatory risk

As an entity in the financial services sector, the Company is subject to regulations by Indian governmental authorities, including the National Housing Bank (NHB). Government's and Regulator's laws and regulations impose numerous requirements on the Company, including asset classifications and prescribed levels of capital adequacy liquid assets. There may be future changes in the regulatory system or in the enforcement of the laws and regulations that could adversely affect the Company's performance.

### Macro-economic risk

Any slowdown in economic growth in India could cause the business of the Company to suffer. Any slowdown in the Indian economy, and in the demand for housing and infrastructure, could adversely affect the Company's business. Similarly, any sustained volatility in global commodity prices, including a significant increase in the prices of oil and petroleum products, could once again spark off a new inflationary cycle, thereby curtailing the purchasing power of the consumers. RHFL manages these risks by maintaining a conservative financial profile and following prudent business and risk management practices.

### Internal Control

The Company maintains a system of internal controls designed to provide a high degree of assurance regarding the effectiveness and efficiency of operations, the adequacy of safeguards for assets, the reliability of financial controls, and compliance with applicable laws and regulations.

The organization is well structured and the policy guidelines are well documented with pre-defined authority. The Company has also implemented suitable controls to ensure that all resources are utilised optimally, financial transactions are reported with accuracy and there is strict adherence to applicable laws and regulations. The Company has put in place adequate systems to ensure that assets are safeguarded against loss from unauthorised use or disposition and that transactions are authorised, recorded and reported. The Company also has an exhaustive budgetary control system to monitor all expenditures against approved budgets on an ongoing basis.

The Company uses information technology extensively in its operations for ensuring effective controls besides economy. It also helps the Company in providing accurate MIS and prompt information / services to its customers and other stakeholders. The Company has implemented enhanced level of Information System Security controls with monitoring systems to address technology risks.

The Company has an independent internal audit function which continuously evaluates the adequacy of, and compliance with, policies, plans, regulatory and statutory requirements. Risk based approach is adopted while carrying out the audits. Internal audit also evaluates and suggests improvement in effectiveness of risk management, control and governance process. The Audit Committee of Board provides necessary oversight and directions to the internal audit function and periodically reviews the findings and ensures corrective measures are taken.

### Opportunities

- Government's focus on the infrastructure and financial push
- The main purpose of RERA was to curb the unaccounted transactions, diversion of funds, inflated prices, etc. Many

fringe players may completely exit the residential market, while mid-sized players would focus on execution and managing risks. This would make RERA successful in the long term

- With the implementation of RERA, the developers now have limited alternative sources of funds like pre-sales, etc. leading to an increase in the need for formal sources of funding
- Extensive distribution reach and strong brand recognition
- In the budget, the Government is committed towards doubling the farmers' income by 2022. A total of ₹ 14.34 lakh crore (US\$ 225.43 billion) will be spent for creation of livelihood and infrastructure in rural areas. Budgetary allocation for infrastructure is set at ₹ 5.97 lakh crore (US\$ 93.85 billion) for 2018-19
- Affordable housing finance is estimated to be a ₹ 6 lakh crore business opportunity by 2022, by when the Government seeks to achieve housing for all citizens. This may lead to deeper market opportunity
- Opportunity to capitalise on the group synergy to optimise distribution

### Challenges

- With the Implementation of RERA, the initial impact might be negative during the phase when the housing finance sector transits from being uncontrolled to a regulated one
- Inflationary pressures, slowdown in policy making and reduction in household savings in financial products
- However, there is enormous demand for low – cost housing finance options within the lower income groups, but demand remains unfulfilled due to constraints like difficulty in assessing the repaying capacity of the customers having uneven income streams, inability in assessing repaying capacity of customers, etc.
- Several new players are entering the sector thus leading to stiff competition which may lead to downward pressure on the pricing. This may impact the profitability for the players in the years ahead
- Supply constraints in the affordable housing space

### Human Resources

The Company has a dedicated team of 961 employees (average age being 33 years, women employees being 118) as on March 31, 2018, who has been contributing to the progress and growth of the Company. The Company also invests in professional development and provides career development opportunities for its employees. The Company has a leadership competency framework which identifies the potential leaders on a regular basis and as a result of which most of the senior management has grown within the organization. The growth of the workforce is in line with the strategy of growing the operations and expanding the footprints, especially in new cities.

### Corporate Social Responsibility

The Reliance Group strives to further its commitment to being an ideal corporate citizen. The Kokilaben Dhirubhai Ambani Hospital continues to provide quality healthcare and contributes in a very significant manner towards supporting the poor and the needy, especially those below the poverty line. The Company initiated projects in the areas of promoting preventive healthcare, education and rural development in Maharashtra. Reliance Home Finance Limited made a contribution of ₹ 2.75 crore in FY 2017-18, *inter-alia*, through the non-profit centre(s) engaged in the provision of health care, safety and education.



### SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. **Corporate Identity Number (CIN) of the Company** : L67190MH2008PLC183216
2. **Name of the Company** : Reliance Home Finance Limited
3. **Registered Address** : Reliance Centre, 6<sup>th</sup> Floor, South Wing, Off Western Express Highway, Santacruz (East), Mumbai 400 055
4. **Website** : www.reliancehomefinance.com
5. **E-mail id** : rhfl.investor@relianceada.com
6. **Financial Year Reported** : 2017-18
7. **Sector(s) that the Company is engaged in (industrial activity code-wise)**  
 Reliance Home Finance Limited, part of Reliance Capital, is one of the country's leading private sector Home Loan Company, incorporated in the year 2008. The Company's equity shares are listed on the Indian Stock Exchanges with effect from September 22, 2017.  
 RHF is a subsidiary of Reliance Capital Limited. The Company is registered with National Housing Bank as a housing finance company under the National Housing Bank Act, 1987.  
 RHF provides a wide range of solutions like Home Loans including Affordable Housing Loans, Loan against Property (LAP) and Construction Finance. The Company also provides property services that help customers find their dream homes / properties.  
 The Company has a strong distribution network with more than 125 locations, through a "hub and spoke" model, across the country, serving over 45,000 client accounts.

#### Services Code No.

6492

#### Description

Loans & Mortgages

8. **List three key products / services that the Company manufactures / provides (as in balance sheet)**  
 The Company provides a wide range of solutions like Home Loans including Affordable Housing Loans, Loan against Property (LAP) and Construction Finance. The Company also provides property services that help customers find their dream homes / properties.
9. **Total number of locations where business activity is undertaken by the Company**  
 (a) Number of International Locations: Not Applicable.  
 (b) Number of National Locations: The Company conducts its operations through a network of 54 branches.
10. **Markets served by the Company**  
 Reliance Home Finance has a Pan India presence covering Metros, Tier II and Tier III cities. It is having full-fledged independent branches in 54 locations.

### SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. **Paid up Capital (INR)** : ₹ 516.10 crore
2. **Total Turnover (INR)** : ₹ 1,670.52 crore
3. **Total profit after taxes (INR)** : ₹ 180.58 crore
4. **Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)** : \*2% (₹ 2.75 crore)  
 \*Based on average net profit of the Company for last three financial years
5. **List of activities in which expenditure in 4 above has been incurred:-**
  - (a) One of the main CSR initiative of Reliance Group is to support the Mandke Foundation. With the support of Reliance Group, Mandke Foundation had developed Kokilaben Dhirubhai Ambani Hospital & Medical Research Institute as one of the most advanced tertiary care facilities, which continues to provide quality healthcare, especially those below the poverty line.
  - (b) The Company initiated projects in the areas of promoting education in New Delhi through a non-profit centre i.e. Smile Foundation, engaged in the provision of health care.
  - (c) The Company initiated the project for set up multiple RO plants in different urban slums to make available safe drinking water through Non-Government Organisation i.e. Janhit Society for Social Welfare.

### SECTION C: OTHER DETAILS

1. **Does the Company have any Subsidiary Company / Companies?**  
 No.
2. **Do the Subsidiary Company / Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)**  
 Not Applicable.
3. **Do any other entity / entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity / entities?**  
 No.

## Business Responsibility Report

### SECTION D: BR INFORMATION

#### 1. Details of Director/Directors responsible for BR

- a) Details of the Director responsible for implementation of the BR policy / policies

DIN Number	Name	Designation
00003192	Mr. Padmanabh Vora	Non-Executive Chairman & Independent Director

- b) Details of the BR head

No.	Particulars	Details
1.	DIN Number (if applicable)	07787205
2.	Name	Mr. Ravindra Sudhalkar
3.	Designation	Executive Director & CEO
4.	Telephone number	+91 22 3303 6000
5.	e-mail id	rhfl.investor@relianceada.com

#### 2. Principle-wise (as per NVGs) BR Policy / policies

- P1 Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
- P2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
- P3 Businesses should promote the wellbeing of all employees.
- P4 Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
- P5 Businesses should respect and promote human rights.
- P6 Business should respect, protect, and make efforts to restore the environment.
- P7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
- P8 Businesses should support inclusive growth and equitable development.
- P9 Businesses should engage with and provide value to their customers and consumers in a responsible manner.

#### (a) Details of compliance (Reply in Y/N)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy / policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national /international standards? If yes, specify? (50 words)	Y	-	Y	-	Y	Y	-	-	-
4	Has the policy being approved by the Board? Is yes, has it been signed by MD / owner / CEO / appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board / Director / Official to oversee the implementation of the policy?	Yes								
6	Indicate the link for the policy to be viewed online?	Code of conduct is available on the Company's website - <a href="http://www.reliancehomefinance.com">www.reliancehomefinance.com</a>								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes								
8	Does the company have in-house structure to implement the policy / policies.	Yes								
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Yes								
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Yes								

## Business Responsibility Report

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	The company has not understood the Principles									
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The company does not have financial or manpower resources available for the task									
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within the next 1 year									
6.	Any other reason (please specify)									

Not Applicable

### 3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company: Within 3 months, 3-6 months, Annually, More than 1 year

The Company periodically reviews the BR performance of the Company.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Yes, BRR is provided on the website of the Company ([www.reliancehomefinance.com](http://www.reliancehomefinance.com)) and the same is published annually.

## SECTION E - Principle-wise performance

**Principle 1 Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.**

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes / No. Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

The Company considers Corporate Governance as an integral part of good management. The Company's policy relating to ethics, bribery and corruption is covered under Reliance Group Companies Code of Ethics and Business Policies, which are applicable to all personnel of the Company as well as to the (i) Consultants, (ii) Representatives, (iii) Suppliers, (iv) Contractors and (v) Agents dealing with the Company.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?

Particulars	No. of complaints received	Status
Customer related	2,709	
Through regulators	32	All complaints are satisfactorily resolved
Investors related	4	

**Principle 2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.**

Reliance Home Finance is a key player in Housing Finance Industry in India, providing Home Loan solutions to various segments of society thereby contributing towards the society in terms of Housing Growth. It has product variants which cater to all the segment of buyers. Company is a key player in Affordable Housing Segment which serves Low Income Group (LIG) / Low Middle Income (LMI) segment.

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

RHFs principle is based on Government of India's vision of "Housing for All". Its major focus is on Affordable Housing Sector where customers belong to Low Middle Income (LMI) / Middle Income Group (MIG) segment thereby contributing towards social and economic growth of the society.

The Company has also contributed in large in Government of India's initiative - 'Pradhan Mantri Awas Yojana', which helps LIG / MIG customer segments to take benefits of Credit Linked Subsidy Scheme (CLSS). This scheme is in-line with the Government's initiative "Housing for all by 2022" and aims at making the dream of owning 'Own House' come true.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

With regard to business of Reliance Home Finance, the question is not applicable to the Company.

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

The Company has taken initiative like making use of digital lending platforms for sourcing home loan business, thus saving paper on a large scale.

## Business Responsibility Report

4. **Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?**

With regard to business of Reliance Home Finance, the question is not applicable to the Company.

5. **Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

With regard to the business of Reliance Home Finance, the question is not applicable to the Company.

### Principle 3 Businesses should promote the wellbeing of all employees.

1. **Please indicate the Total number of employees.**

The total number of employees in the Company are 961 on rolls as on March 31, 2018.

2. **Please indicate the Total number of employees hired on temporary / contractual / casual basis.**

There are no employees hired on temporary / contractual / casual basis.

3. **Please indicate the Number of permanent women employees.**

There are 118 women employees.

4. **Please indicate the Number of permanent employees with disabilities.**

There is 1 employee with disabilities.

5. **Do you have an employee association that is recognized by management?**

No.

6. **What percentage of your permanent employees is members of this recognized employee association?**

Not Applicable.

7. **Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

Sr. No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1.	Child labour / forced labour / involuntary labour	The Company does not hire Child labour, forced labour or involuntary labour. No Complaint.	Not Applicable
2.	Sexual harassment	No case reported	Not Applicable
3.	Discriminatory employment	There is no discrimination in the recruitment process of the Company.	Not Applicable

8. **What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**

Permanent Employees	100%
Permanent Women Employees	100%
Casual/Temporary/Contractual Employees	Nil
Employees with Disabilities	100%

### Principle 4 Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1. **Has the company mapped its internal and external stakeholders?**

Yes.

2. **Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.**

Yes.

3. **Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders.**

- One of the main CSR initiative of Reliance Group is to support the Mandke Foundation. With the support of Reliance Group, Mandke Foundation had developed Kokilaben Dhirubhai Ambani Hospital & Medical Research Institute as one of the most advanced tertiary care facilities, which continues to provide quality healthcare, especially those below the poverty line.
- The Company initiated projects in the areas of promoting education in New Delhi through a non-profit centre i.e. Smile Foundation, engaged in the provision of health care.
- The Company initiated the project for setting up multiple RO plants in different urban slums to make available safe drinking water through Non-Government Organisations viz. Janhit Society for Social Welfare.

## Business Responsibility Report

### Principle 5 Businesses should respect and promote human rights.

**1. Does the policy of the company on human rights cover only the company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?**

Most of the aspects of human policy are covered in our Reliance Group Companies Code of Ethics and Business Policies. We respect human rights. All the labour related laws are based on human rights principle, which we follow consistently. We provide equal opportunity to all the sections of the society without any discrimination. We have formulated the Ombudspersons & Whistle Blower (Vigil Mechanism) Policy of the Company on human rights.

**2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

Please refer our response to Principle No. 1.

### Principle 6 Businesses should respect, protect and make efforts to restore the environment.

**1. Does the policy related to Principle 6 cover only the company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others.**

Our companies in the Group are committed to achieve the global standards of health, safety and environment. We believe in sharing process and product innovations within the Group and extending its benefits to the Industry. We believe in safeguarding environment for long term. Reliance Group Companies Code of Ethics and Business Policies is applicable to all personnel of the Company as well as to the Consultants, Representatives, Suppliers, Contractors and Agents dealing with the Company.

**2. Does the company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**

Not Applicable.

**3. Does the company identify and assess potential environmental risks?**

Not Applicable.

**4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

Not Applicable.

**5. Has the company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc.**

Yes.

The System Enhancements has been undertaken in order to promote digitization in dealing with the customers. This initiative noticeably increased the efficiency while reducing the physical process footprint to a minimal.

**6. Are the Emissions / Waste generated by the company within the permissible limits given by Central Pollution Control Board (CPCB) / State Pollution Control Board (SPCB) for the financial year being reported?**

Not Applicable

**7. Number of show cause / legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as at end of Financial Year.**

Not received any notice from CPCB / SPCB.

### Principle 7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

**1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

Yes, We are the members of The Associated Chambers of Commerce & Industry of India - National Council Affordable Housing.

**2. Have you advocated / lobbied through above associations for the advancement or improvement of public good?**

No.

### Principle 8 Businesses should support inclusive growth and equitable development

**1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

The Company supports inclusive growth and equitable development through various training and development programmes for its employees as well as its key stakeholders. The details are as under.

- Tied up with Medi Assist for free Health Check up for employees who belong to the age group of 40 years and above.
- Contributes in development of rural areas and neighbouring communities around the schools.

## Business Responsibility Report

- **Donate Blood – Gift Life! (Blood Donation Drive):** Our blood donation drive was partnered by Kokilaben Dhirubhai Ambani Hospital in which our employees participated and donated over 100 units of blood.
- **Mission Education Programme with Smile Foundation:** With Smile Foundation, we are working towards the development and welfare – supporting education and nutrition needs of under-privileged children for a year, as part of the "Mission Education Programme".
- **Payroll Giving program:** Our employees have supported the initiatives of "Give India" through their Payroll Giving program. Many employees have enrolled under the Payroll Giving program run by Give India, where a certain amount of money is deducted from their salary every month and directed towards the NGO & the cause chosen by the employee.
- **Inclusive' Greeting Cards:** Anniversary greeting cards made by Indian Mouth and Foot Painting Artists (IMFPA), to help them meet their financial needs. IMFPA is an international, for-profit association wholly owned and run by disabled artists who paint with brushes held in their mouth or feet (as a result of a disability sustained at birth or through an accident or illness that prohibits them from using their hands).

### 2. Are the programmes / projects undertaken through in-house team / own foundation / external NGO / government structures / any other organization?

Driven by our belief that the whole is greater than the sum of its parts, all our CSR activities across the Group are aligned under one umbrella: the Group CSR forum which is the helm for strategy, planning and integration of functional learning. The forum facilitates cross-functional, cross-geographical learning and brings in operational and methodological efficiency at every level within the CSR ambit across the Group companies.

The programmes were undertaken both, through in-house teams as well as in co-ordination with external NGOs.

### 3. Have you done any impact assessment of your initiative?

On a periodic basis, we measure the direction of our initiatives and their impact. The assessment helps in focusing our efforts and achieving better results.

### 4. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Reliance Home Finance, through its various social programmes and financial inclusion initiatives, is expanding its coverage to rural and semi-urban markets and providing access to financial services to customers in those markets. The products and services offered by the Company have made a positive impact.

## Principle 9 Businesses should engage with and provide value to their customers and consumers in a responsible manner.

### 1. What percentage of customer complaints / consumer cases are pending as on the end of financial year.

With regards to our large customer base and business reach, the percentage of pending complaints is very miniscule. However, as on date all complaints are satisfactorily resolved.

### 2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A. / Remarks (additional information)

Not Applicable.

### 3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

Not Applicable.

### 4. Did your company carry out any consumer survey / consumer satisfaction trends?

Indian Market Research Bureau (IMRB) has conducted surveys, focusing on customer satisfaction, across our businesses.



### Corporate governance philosophy

Reliance Home Finance follows the highest standards of corporate governance principles and best practices by adopting the "Reliance Group – Corporate Governance Policies and Code of Conduct" as is the norm for all constituent companies in the Group. These policies prescribe a set of systems and processes guided by the core principles of transparency, disclosure, accountability, compliances, ethical conduct and the commitment to promote the interests of all stakeholders. The policies and the code are reviewed periodically to ensure their continuing relevance, effectiveness and responsiveness to the needs of our stakeholders.

### Governance policies and practices

The Company has formulated a number of policies and introduced several governance practices to comply with the applicable statutory and regulatory requirements, with most of them introduced long before they were made mandatory.

#### A. Values and commitments

We have set out and adopted a policy document on 'Values and Commitments' of Reliance Home Finance. We believe that any business conduct can be ethical only when it rests on the nine core values viz. honesty, integrity, respect, fairness, purposefulness, trust, responsibility, citizenship and caring.

#### B. Code of ethics

Our policy document on 'Code of Ethics' demands that our employees conduct the business with impeccable integrity and by excluding any consideration of personal profit or advantage.

#### C. Business policies

Our 'Business Policies' cover a comprehensive range of issues such as fair market practices, inside information, financial records and accounting integrity, external communication, work ethics, personal conduct, policy on prevention of sexual harassment, health, safety, environment and quality.

#### D. Separation of the board's supervisory role from executive management

In line with best global practices, we have adopted the policy of separating the Board's supervisory role from the executive management. We have also split the posts of the Chairman and CEO.

#### E. Policy on prohibition of insider trading

This document contains the policy on prohibiting trading in the securities of the Company, based on insider or privileged information.

#### F. Policy on prevention of sexual harassment

Our policy on prevention of sexual harassment aims at promoting a productive work environment and protects individual rights against sexual harassment.

#### G. Ombudspersons & Whistle Blower (Vigil Mechanism) policy

Our Ombudspersons & Whistle Blower (Vigil Mechanism) policy encourages disclosure in good faith of any wrongful conduct on a matter of general concern and protects the whistle blower from any adverse personnel action.

It is affirmed that no personnel has been denied access to the Audit Committee.

#### H. Environment policy

The Company is committed to achieving excellence in environmental performance, preservation and promotion of clean environment. These are the fundamental concern in all our business activities.

### I. Risk management

Our risk management procedures ensure that the management controls various business related risks through means of a properly defined framework.

### J. Boardroom practices

#### a. Chairman

In line with the highest global standards of corporate governance, the Board has separated the Chairman's role from that of an executive in managing day-to-day business affairs.

#### b. Board charter

The Company has a comprehensive charter which sets out clear and transparent guidelines on matters relating to the composition of the Board, the scope and function of various Board Committees, etc.

#### c. Board committees

Pursuant to the provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Board constituted Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility (CSR) Committee and Risk Management Committee. The Board rotates the Chairman of these Committees.

#### d. Selection of independent directors

Considering the requirement of skill sets on the Board, eminent people having an independent standing in their respective field / profession, and who can effectively contribute to the Company's business and policy decisions are considered by the Nomination and Remuneration Committee, for appointment, as Independent Directors on the Board. The Committee, *inter-alia*, considers qualification, positive attributes, area of expertise and number of directorships and memberships held in various committees of other companies by such persons. The Board considers the Committee's recommendation, and takes appropriate decision.

Every Independent Director, at the first meeting of the Board in which she / he participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that she / he meets the criteria of independence as provided under law.

#### e. Tenure of independent directors

Tenure of independent directors on the Board of the Company shall not exceed the time period as per provisions of the Companies Act, 2013, as amended, from time to time.

#### f. Independent director's interaction with stakeholders

Members of the Stakeholders Relationship Committee interact with stakeholders on their suggestions and queries, if any, which are forwarded to the Company Secretary.

#### g. Familiarisation of board members

The Board members are periodically given formal orientation and training with respect to the Company's vision, strategic direction, core values including ethics, corporate governance practices, financial matters and business operations. The Directors are facilitated to get familiar with the Company's functions at the operational levels. Periodic presentations are made at

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the Board and Committee Meetings, on business and performance updates of the Company, global business environment, business strategy and risks involved. The Board members are also provided with the necessary documents / brochures, reports and internal policies to enable them to familiarise with the Company's procedures and practices.

Periodic updates and training programs for Board members are also conducted on relevant statutory changes and landmark judicial pronouncements encompassing important laws.

The details of programs for familiarisation of independent directors is put on the website of the Company at the link <https://www.reliancehomefinance.com/corporate-governance/policies>.

**h. Meeting of independent directors with operating team**

The independent directors of the Company meet in executive sessions with the various operating teams as and when they deem necessary. These discussions may include topics such as operating policies and procedures, risk management strategies, measures to improve efficiencies, performance and compensation, strategic issues for Board consideration, flow of information to directors, management progression and succession and others, as the independent directors may determine. During these executive sessions, the independent directors have access to members of management and other advisors, as the independent directors may determine and deem fit.

**i. Commitment of directors**

The meeting dates for the entire financial year are scheduled in the beginning of the year and an annual calendar of meetings of the Board and its Committees is circulated to the directors. This enables the directors to plan their commitments and facilitates attendance at the meetings of the Board and its Committees.

**K. Role of the Company Secretary in Governance Process**

The Company Secretary plays a key role in ensuring that the Board procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the directors and senior management for effective decision making at the meetings. The Company Secretary is primarily responsible, to assist and advise the Board in the conduct of affairs of the Company, to ensure compliance with applicable statutory requirements and Secretarial Standards, to provide guidance to directors and to facilitate convening of meetings. She interfaces between the management and regulatory authorities for governance matters. All the directors of the Company have access to the advice and services of the Company Secretary.

**L. Independent Statutory Auditors**

The Company's accounts are audited by M/s. Price Waterhouse & Co Chartered Accountants LLP, an independent audit firm.

**M. Compliance with the Listing Regulations**

The Company is fully compliant with the mandatory requirements of the Listing Regulations.

We present our report on compliance of governance conditions specified in the Listing Regulations:

**I. Board of Directors**

**1. Board composition – Board strength and representation**

The Board consists of seven members. The composition and category of directors on the Board of the Company were as under:

Category	Name of directors and DIN
Independent Directors	Mr. Padmanabh Vora, Non-Executive Chairman (DIN: 00003192)  Ms. Deena Mehta (DIN: 00168992)  Lt Gen Syed Ata Hasnain (Retd) <sup>1</sup> (DIN: 07257757)
Non-Executive and Non-Independent Director	Mr. Gautam Doshi (DIN: 00004612)  Mr. Jai Anmol Ambani <sup>2</sup> (DIN: 07591624)  Mr. Amit Bapna <sup>3</sup> (DIN: 00008443)
Executive Director	Mr. Ravindra Sudhalkar, <sup>4</sup> Executive Director & CEO (DIN: 07787205)

<sup>1</sup> Appointed w.e.f. February 26, 2018.

<sup>2</sup> Appointed w.e.f. April 24, 2018.

<sup>3</sup> Appointed w.e.f. April 24, 2017 and was also CFO from September 8, 2017 to August 7, 2018.

<sup>4</sup> Appointed on April 24, 2017 and designated as Executive Director & CEO on July 24, 2017.

Notes:

- None of the directors are related to any other director.
- None of the directors has any business relationship with the Company.
- None of the directors has received any loans and advances from the Company during the year.

All the independent directors of the Company furnish a declaration at the time of their appointment as also annually that they qualify the conditions of their being independent. All such declarations are placed before the Board.

**2. Conduct of Board proceedings**

The day-to-day business is conducted by the executives and the business heads of the Company under the direction of the Board. The Board holds minimum four meetings every year to review and discuss the performance of the Company, its future plans, strategies and other pertinent issues relating to the Company.

The Board performs the following specific functions in addition to overseeing the business and the management:

- Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans; setting performance objectives; monitoring

## Corporate Governance Report

- implementation and corporate performance; and overseeing major capital expenditures, acquisitions and divestments.
- b. Monitoring the effectiveness of the Company's governance practices and making changes as needed.
- c. Selecting, compensating, monitoring and, when necessary, replacing key executives and overseeing succession planning.
- d. Aligning key executive and board remuneration with the longer term interests of the Company and its shareholders.
- e. Ensuring a transparent board nomination process with the diversity of thought, experience, knowledge, perspective and gender in the Board.
- f. Monitoring and managing potential conflicts of interest of management, board members and shareholders, including misuse of corporate assets and abuse in related party transactions.

- g. Ensuring the integrity of the Company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.
- h. Overseeing the process of disclosure and communications.
- i. Monitoring and reviewing Board Evaluation Framework.

### 3. Board meetings

The Board held eight meetings during the financial year 2017-18 on April 24, 2017, July 17, 2017, September 8, 2017, October 30, 2017, November 9, 2017, December 11, 2017, February 7, 2018 and March 27, 2018. The maximum time gap between any two meetings during the year under review was 83 days and the minimum gap was 9 days.

The Board periodically reviews compliance reports of all laws applicable to the Company.

### 4. Attendance of directors

Attendance of the Directors at the Board meetings held during the financial year 2017 - 18 and the last Annual General Meeting (AGM) held on July 24, 2017 and the details of directorships (calculated as per provisions of Section 165 of the Companies Act, 2013), Committee Chairmanships and Committee Memberships held by the Directors as on March 31, 2018 were as under:

Name of Director	Number of Board meetings attended out of Eight meetings held	Attendance at the last AGM held on July 24, 2017	Number of directorship (including RHFL)	Committee(s) Chairmanship / Membership (including RHFL)	
				Membership	Chairmanship
Mr. Padmanabh Vora	7	Present	9	7	3
Ms. Deena Mehta	8	Present	8	3	2
Lt Gen Syed Ata Hasnain (Retd) <sup>1</sup>	1	-	2	1	-
Mr. Gautam Doshi	8	Present	13	7	2
Mr. Ravindra Sudhalkar <sup>2</sup>	8	Present	1	1	-
Mr. Amit Bapna <sup>3</sup>	7	Present	13	6	-

<sup>1</sup> Appointed w.e.f. February 26, 2018. One meeting was held since his appointment.

<sup>2</sup> Appointed on April 24, 2017 and designated as Executive Director & CEO on July 24, 2017.

<sup>3</sup> Appointed w.e.f. April 24, 2017 and was also CFO from September 8, 2017 to August 7, 2018.

Notes:

- a. None of the directors hold directorships in more than 20 companies of which directorship in public companies does not exceed 10 in line with the provisions of Section 165 of the Companies Act, 2013.
- b. None of the directors hold membership of more than 10 committees of board, nor, is a chairman of more than 5 committees across board of all listed entities.
- c. None of the independent director holds the position of the independent director in more than seven listed companies as required under the Listing Regulations.
- d. The information provided above pertains to the following committees in accordance with the provisions of Regulation 26(1)(b) of the Listing Regulations: (i) Audit Committee (ii) Stakeholders Relationship Committee.
- e. The committee membership and chairmanship above excludes membership and chairmanship in private companies, foreign companies and Section 8 companies.
- f. Membership of committees include chairmanship, if any.

The Company's Independent Directors meet at least once in every financial year without the attendance of Non-Independent Directors and Management Personnel. One meeting of the Independent Directors was held during the financial year.

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5. Details of Directors

The abbreviated resumes of all the directors are furnished hereunder:

**Mr. Padmanabh Vora**, 74 years, is a practicing Chartered Accountant and a Managing Partner in P. P. Vora & Co, Chartered Accountants. He has over four decades of experience in finance, banking and management. He has in the past held managing directorship and chairmanship of IDBI Bank Limited and chairmanship of National Housing Bank, the regulatory body for housing finance in India.

He is the Non-Executive Chairman of the Board of Directors of the Company and also a director on the board of Reliance Capital Trustee Co. Limited, J. Kumar Infraprojects Limited, NSDL Database Management Limited and Paramount Limited. Mr. Padmanabh is the Chairman of Stakeholders Relationship Committee and Corporate Social Responsibility (CSR) Committee of the Company and a Member of the Audit Committee, Nomination and Remuneration Committee and Risk Management Committee of the Company. He is the chairman of the audit committee and stakeholders relationship committee of NSDL Database Management Limited and the member of the audit committee of Reliance Capital Trustee Co. Limited, J. Kumar Infraprojects Limited and Paramount Limited. He does not hold any share in the Company as of March 31, 2018.

**Ms. Deena Mehta**, 57 years, is a Chartered Accountant, Masters in Management Studies (Finance), and Fellow Member of Securities and Investment Institute London. She is a former President of Bombay Stock Exchange and has the honour of being the first woman Director on Board of BSE as well as being the first woman President. She is also a former director of National Payments Corporation of India (NPCI). She was the promoter director of Central Depository Services (India) Ltd and is a Founder Member of South Asian Federation of exchanges, the association of stock exchanges of SAARC countries. She has been an invitee to International Securities Regulators Organization and a member of the Index Committee and Advisory Committee on mutual funds of stock exchange, Mumbai. Member of SEBI committees such as Review of Eligibility (CORE) norms of SEBI, Derivative Committee, Delisting Committee, Ethics Committee, and Investor Education.

She currently serves as a director on the board of Asit C Mehta Financial Services Limited, Asit C Mehta Investment Intermediates Limited, NMIMS Business School Alumni Association, Gandhar Oil Refinery (India) Limited, Reliance Commercial Finance Limited and Reliance Asset Reconstruction Company Limited. She is the Chairperson of the Audit Committee, Nomination and Remuneration Committee and Risk Management Committee of the Company and a Member of the Wilful Defaulter's Review Committee of the Company. She is the chairperson of stakeholders relationship committee of Asit C Mehta Financial Services Limited and a member of the audit committee of Reliance Commercial Finance Limited. She does not hold any share in the Company as of March 31, 2018.

**Lt Gen Syed Ata Hasnain (Retd)**, 65 years, participated in Operation Pawan in Sri Lanka during 1988-90 and counter insurgency operations in Punjab in 1990-91. During the 1990s he served with the United Nations in Mozambique, and later, war torn Rwanda. He commanded his unit in the Siachen Glacier. He is one of the rare officers to have

commanded a company, battalion, brigade, division and corps, all in the challenging environment of Jammu & Kashmir.

As a Lieutenant General, Hasnain was initially the General Officer Commanding (GOC), XXI Corps, in Bhopal, Madhya Pradesh and was then specially nominated to take over the Srinagar based 15 Corps when turbulence hit Kashmir in a big way. He was instrumental in restoring stability to Kashmir through his innovative 'Hearts Doctrine'. On June 09, 2012, Lt Gen Hasnain took office as the Military Secretary, at Army Headquarters, New Delhi. On September 7, 2013, Lt Gen Syed Ata Hasnain (Retd) was awarded his first civilian honor by the Capital Foundation Society of Delhi. The award was for Military leadership of an exceptional order. He is one of highest decorated officers of the Indian Army having been decorated eight times.

Ever since his superannuation, General Hasnain has actively pursued intellectual activities. He writes for a large number of media houses, and appears as a strategic affairs commentator on various TV channels. His area of emphasis is J&K, Pakistan and West Asia besides affairs of the Army concerning equipment management, doctrine and training. He holds a B.A. (Honours) degree in History from St Stephen's College and is a post graduate in International Relations from Kings College, University of London; he also has an M Phil in Defence & Management Studies from University of Indore. In addition he has attended long programs in Strategic Studies at the Royal College of Defence Studies (RCDS) and the Asia Pacific Center for Strategic Studies (APCSS), Hawaii, USA.

General Hasnain is a member of the Eminent Persons Group on Indonesia for consultation by the MEA. He is also on the Experts Committee of the MEA on Afghanistan. He is a President of India's Nominee on the Executive Council of Aligarh Muslim University. On July 12, 2018 he has been appointed the Chancellor of the Central University of Kashmir, by the President of India, only the second time that a military leader has received that honour.

He currently serves as a director on the board of Reliance Naval And Engineering Limited. He is a Member of the Audit Committee of the Company. He does not hold any share in the Company as of March 31, 2018.

**Mr. Gautam Doshi**, 65 years, is a member of the Institute of Chartered Accountants of India. He has served as the Chairman of the Western India Regional Council of the Institute of Chartered Accountants of India for the year 1982-83, and was elected to the Council of the Institute of Chartered Accountants of India for two consecutive terms spanning over 1992 to 1998. He also held key positions in various organizations such as M/s. Bansi S. Mehta & Co. and Ambit Corporate Finance Private Limited. He specialises in the fields of taxation and regulatory areas. He is associated with Reliance Group since 2005 and presently is a Group Managing Director of Reliance Group.

He currently serves as a director on the board of Reliance Nippon Life Insurance Company Limited, Reliance MediaWorks Limited, Reliance Anil Dhirubhai Ambani Group Limited, Reliance Telecom Limited, Reliance Communications Infrastructure Limited, Capricorn Realty Limited, Piramal Phytocare Limited and Sun Pharmaceutical Industries Limited. Mr. Doshi is a Member of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility (CSR) Committee, Risk Management Committee and Wilful

Defaulter's Review Committee of the Company. He is the chairman of audit committee of Piramal Phytocare Limited and chairman of investor grievance committee of Reliance MediaWorks Limited. He is a member of audit committee of Reliance MediaWorks Limited, Reliance Communications Infrastructure Limited and Sun Pharmaceutical Industries Limited and also a member of board audit & compliance committee of Reliance Nippon Life Insurance Company Limited. He does not hold any share in the Company as of March 31, 2018.

**Mr. Jai Anmol Ambani**, 26 years, studied in Cathedral and John Connon School, Mumbai, till Xth (2007) and thereafter completed his schooling from Seven Oaks School, United Kingdom, in 2009.

Mr. Anmol completed his undergraduate studies – BSC in Management – from Warwick Business School, UK. He has four years of experience in financial services. He serves on the board of Reliance Capital Limited and Reliance Nippon Life Asset Management Limited. He is the member of the audit committee of Reliance Capital Limited and Reliance Nippon Life Asset Management Limited.

As on March 31, 2018, Mr. Anmol held 83,487 equity shares in the Company.

**Mr. Ravindra Sudhalkar**, 50 years, is Masters in Science (Electronics) from Sardar Patel University, Gujarat. He also holds a masters in business administration from Sardar Patel University. He has over two decades of experience in financial sectors and has been part of the senior management at ICICI Bank and Kotak Mahindra Bank.

He is the Executive Director & CEO of the Company. He is the Chairman of the Wilful Defaulter's Review Committee and the Member of Stakeholders Relationship Committee, Corporate Social Responsibility (CSR) Committee and Risk Management Committee of the Company.

As on March 31, 2018, Mr. Ravindra held 1 equity share in the Company.

**Mr. Amit Bapna**, 43 years, a Chartered Accountant, is the Chief Financial Officer of Reliance Capital Limited. He has been with Reliance Capital since 2004 and with the Group since 1999. As CFO, he provides financial direction, oversight and control for Reliance Capital and Group companies and strategic leadership for Treasury. He has over eighteen years of experience in varied business environments – manufacturing and financial services.

He earlier worked in the capacity of CFO of Reliance Capital Asset Management Limited and Reliance Consumer Finance where he played a key role and had been a significant contributor to the exponential growth of our Asset Management business and has brought in operational & process disciplines, which has been invaluable to the Consumer Finance business. Prior to that he worked in the Corporate Treasury of Reliance Industries Ltd.

He currently serves as a director on the board of Reliance Nippon Life Insurance Company Limited, Reliance Securities Limited, Quant Capital Private Limited, Quant Broking Private Limited, Reliance Business Broadcast News Holdings Limited and Grover Zampa Vineyards Limited.

Mr. Amit Bapna is a Member of Risk Management Committee of the Company. He is a member of the audit committee of Reliance Nippon Life Insurance Company

Limited, Reliance Securities Limited, Quant Capital Private Limited and Quant Broking Private Limited.

As on March 31, 2018, Mr. Amit held 8,180 equity shares in the Company.

### 6. Insurance coverage

Directors & Officers Liability Insurance policy obtained by Reliance Capital Limited, the holding company covers any legal action that might be initiated against directors / officers of the Company.

### II. Audit Committee

The Company has an Audit Committee. The composition and terms of reference of Audit Committee are in compliance with the provisions of Section 177 of the Companies Act, 2013, Listing Regulations, the Housing Finance Companies – Corporate Governance (NHB) Directions, 2016 and other applicable laws. The Committee was re-constituted by the Board of Directors of the Company on March 27, 2018 and presently comprises of three independent non-executive directors and one non-independent non-executive director of the Company viz. Ms. Deena Mehta as Chairperson, Mr. Padmanabh Vora, Lt Gen Syed Ata Hasnain (Retd) and Mr. Gautam Doshi as Members. All the Members of the Committee possess financial / accounting expertise / exposure.

The Audit Committee, *inter-alia*, advises the management on the areas where systems, processes, measures for controlling and monitoring revenue assurance, internal audit and risk management can be improved.

The terms of reference, *inter-alia*, comprises the following:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013
  - b. Changes, if any, in accounting policies and practices and reasons for the same
  - c. Major accounting entries involving estimates based on the exercise of judgment by management
  - d. Significant adjustments made in the financial statements arising out of audit findings
  - e. Compliance with listing and other legal requirements relating to financial statements
  - f. Disclosure of any related party transactions
  - g. Qualifications in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;



Corporate Governance Report

6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Subject to and conditional upon the approval of the Board of Directors, approval of Related Party Transactions (RPTs) or subsequent modifications thereto. Such approval can be in the form of omnibus approval of RPT subject to conditions not inconsistent with the conditions specified in Regulation 23(2) and Regulation 23(3) of the Listing Regulations. Such approval shall not be required for transactions with a wholly owned subsidiary whose accounts are consolidated with the Company;
9. Subject to review by the Board of Directors, review on quarterly basis, of RPTs entered into by the Company pursuant to each omnibus approval given pursuant to (8) above;
10. Scrutiny of inter-corporate loans and investments;
11. Valuation of undertakings or assets of the company, wherever it is necessary;
12. Review the Company's established system and processes of internal financial controls and risk management systems;
13. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
14. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
15. Discussion with internal auditors of any significant findings and follow up there on;
16. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
17. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
18. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
19. To review the functioning of the Whistle Blower mechanism;
20. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing

the qualifications, experience and background, etc. of the candidate; and

21. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Explanation (i): The term "related party transactions" shall have the same meaning as provided in Regulation 23 of the Listing Regulations.

The Audit Committee is also authorised to:

1. Investigate any activity within its terms of reference;
2. Obtain outside legal or other professional advice;
3. To have full access to information contained in the records of the Company;
4. Secure attendance of outsiders with relevant expertise, if it considers necessary;
5. Call for comments from the auditors about internal controls systems and the scope of audit, including the observations of the auditors;
6. Review financial statements before submission to the Board; and
7. Discuss any related issues with the internal and statutory auditors and the management of the Company.

The Audit Committee shall also perform all the functions as may be required in terms of the NHB Directions.

The Audit Committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee.
6. Statement of deviations:
  - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Listing Regulations;
  - (b) annual statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice in terms of Regulation 32(7) of the Listing Regulations.

**Attendance at the meetings of the Audit Committee held during 2017 - 18**

The Audit Committee held its meetings on April 24, 2017, July 17, 2017, October 30, 2017 and February 7, 2018 which was attended by all the Committee Members. The maximum and minimum time gap between any two meetings, during the year under review was 104 days and 83 days, respectively.



The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company.

The Audit Committee considered all the points in terms of its reference at periodic intervals.

The Company Secretary acts as the Secretary to the Audit Committee.

During the year, the Committee discussed with the Company's Auditors the overall scope and plans for the independent audit.

The Management represented to the Committee that the Company's Financial Statements were prepared in accordance with prevailing laws and regulations.

The Committee discussed the Company's Audited Financial Statement, the rationality of significant judgments and the clarity of disclosures in the Financial Statement. Based on the review and discussions conducted with the Management and the Auditors, the Audit Committee believes that the Company's Financial Statement are fairly presented in conformity with prevailing laws and regulations in all material aspects.

The Committee has also reviewed the internal controls put in place to ensure that the accounts of the Company are properly maintained and that the accounting transactions are in accordance with the prevailing laws and regulations. In conducting such reviews, the Committee found no material discrepancy or weakness in the internal control systems of the Company. The Committee also reviewed the financial policies of the Company and expressed its satisfaction with the same. The Committee, after review expressed its satisfaction on the independence of both the Internal and the Statutory Auditors.

### III. Nomination and Remuneration Committee

The Company has a Nomination and Remuneration Committee. The composition and terms of reference of Nomination and Remuneration Committee are in compliance with the provisions of Section 178 of the Companies Act, 2013, Listing Regulations, Housing Finance Companies – Corporate Governance (NHB) Directions, 2016 and other applicable laws. The Committee was re-constituted by the Board of Directors of the Company on September 8, 2017 and presently comprises of three directors, viz. Ms. Deena Mehta as Chairperson, Mr. Padmanabh Vora and Mr. Gautam Doshi as Members.

The Company Secretary acts as the Secretary to the Nomination and Remuneration Committee.

The terms of reference, *inter-alia*, comprises the following:

1. To follow the process for selection and appointment of new directors and succession plans;
2. To recommend to the Board from time to time, a compensation structure for Directors and the senior management personnel;
3. To identify persons who are qualified to be appointed as directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend their appointment and / or removal to the Board;
4. To formulate the criteria for evaluation of performance of Independent Directors, the Board and the Committee(s) thereof;

5. To assess whether to extend or continue the term of appointment of the Independent Directors, on the basis of the report of performance evaluation of Independent Directors;
6. To carry out evaluation of every Director's performance;
7. To devise a policy on Board diversity;
8. To perform functions relating to all share based employees benefits; and
9. To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the Directors, Key Managerial Personnel and other employees.

Policy on appointment and remuneration for Directors, Key Managerial Personnel and Senior Management Employees has been provided as an Annexure to the Directors' Report.

The Nomination and Remuneration Committee held its meetings on April 20, 2017, July 17, 2017, July 24, 2017, August 9, 2017, February 7, 2018, February 22, 2018 and March 27, 2018. The meetings were attended by the members as below:

Members	Number of Meetings	
	held during the tenure	attended
Ms. Deena Mehta	7	7
Mr. Padmanabh Vora	7	7
Mr. Gautam Doshi	7	2

### Criteria for making payments to non-executive directors

The remuneration to non-executive directors is benchmarked with the relevant market, performance oriented, balanced between financial and sectoral market, based on comparative scales, aligned to Corporate Goals, role assumed and number of meetings attended.

Non-Executive Directors are paid remuneration only by way of sitting fees for attending Board / Committee meetings.

### Details of sitting fees paid to the Non-Executive Directors during the Financial Year ended March 31, 2018.

(₹ in lakh)

Directors	Sitting Fees
Mr. Padmanabh Vora	14.40
Ms. Deena Mehta	8.80
Lt Gen Syed Ata Hasnain (Retd)	0.40
Mr. Gautam Doshi	8.00

Notes:

- a. There were no other pecuniary relationships or transactions of non-executive directors vis-à-vis the Company.
- b. The Company has so far not issued any stock options to its non-executive directors.
- c. Pursuant to the limits approved by the Board, all non-executive directors, were paid sitting fees of ₹ 40,000 for attending each meeting of the Board and its Committee(s).

Corporate Governance Report

During the year, in terms of the approval granted by the shareholders, Mr. Ravindra Sudhalkar, Executive Director & CEO was paid a remuneration of ₹ 454 lakh and the same is as per the Policy on appointment and remuneration for Directors, Key Managerial Personnel and Senior Management Employees. Mr. Amit Bapna, Director & CFO has not drawn any remuneration from the Company.

**Employee Stock Option Scheme**

In order to share the growth in value and reward the employees for having participated in the success of the Company, our Employee Stock Option Scheme (the "Scheme") has been implemented by the Company to the eligible employees based on specified criteria.

The Scheme is in compliance with the requirements of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

**IV. Stakeholders Relationship Committee**

The Company has a Stakeholders Relationship Committee. The composition and terms of reference of Stakeholders Relationship Committee are in compliance with the provisions of Section 178 of the Companies Act, 2013, Listing Regulations and other applicable laws. The terms of reference of the Committee, *inter-alia*, is to consider and resolve the grievances of the security holders including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends. The Committee was re-constituted by the Board of Directors of the Company on April 24, 2017 and presently comprises of Mr. Padmanabh Vora as Chairman, Mr. Gautam Doshi and Mr. Ravindra Sudhalkar as Members.

**Attendance at the meeting of the Stakeholders Relationship Committee held during 2017 - 18**

The Stakeholders Relationship Committee held its meetings on October 30, 2017 and February 7, 2018 which was attended by all the Committee Members. The maximum time gap between two meetings held during the year was 99 days.

The Company Secretary acts as the Secretary to the Stakeholders Relationship Committee.

**V. Compliance Officer**

Ms. Parul Jain, Company Secretary is the Compliance Officer for complying with the requirements of various provisions of Law, Rules, Regulations applicable to the Company including SEBI Regulations and the Uniform Listing Agreements executed with the Stock Exchanges.

**VI. Corporate Social Responsibility (CSR) Committee**

The Company has a Corporate Social Responsibility (CSR) Committee. The composition and terms of reference of Corporate Social Responsibility (CSR) Committee is in compliance with the provisions of Section 135 of the Companies Act, 2013 and other applicable laws. The Committee was re-constituted by the Board of Directors of the Company on April 24, 2017 and presently comprises

of Mr. Padmanabh Vora as Chairman, Mr. Gautam Doshi and Mr. Ravindra Sudhalkar as Members. The Committee's prime responsibility is to assist the Board in discharging its social responsibilities by way of formulating and monitoring implementation of the framework of 'Corporate Social Responsibility Policy'.

The CSR Committee has formulated a CSR policy indicating the activities to be undertaken by the Company.

The Committee's constitution and terms of reference meet with the requirements of the Companies Act, 2013.

During the year, the CSR Committee held its meeting on March 27, 2018 which was attended by all the Committee Members.

The Company Secretary acts as the Secretary to the CSR Committee.

**VII. Risk Management Committee**

The Company has Risk Management Committee. The composition and terms of reference of Risk Management Committee is in compliance with the provisions of the Housing Finance Companies – Corporate Governance (NHB) Directions, 2016 and other applicable laws. The Committee was re-constituted by the Board of Directors of the Company on September 8, 2017 and presently comprises of Ms. Deena Mehta as Chairperson and Mr. Padmanabh Vora, Mr. Gautam Doshi, Mr. Amit Bapna and Mr. Ravindra Sudhalkar as Members.

The Committee is authorised to discharge its responsibilities as follows:

1. Oversee and approve the risk management, internal compliance and control policies and procedures of the Company.
2. Oversee the design and implementation of the risk management and internal control systems (including reporting and internal audit systems), in conjunction with existing business processes and systems, to manage the Company's material business risks.
3. Set reporting guidelines for management.
4. Establish policies for the monitoring and evaluation of risk management systems to assess the effectiveness of those systems in minimizing risks that may impact adversely on the business objectives of the Company.
5. Oversight of internal systems to evaluate compliance with corporate policies.
6. Provide guidance to the Board on making the Company's risk management policies.

During the year, the Risk Management Committee held its meetings on April 19, 2017, July 17, 2017, October 30, 2017 and February 7, 2018 which was attended by all the Committee Members.

The minutes of the meetings of all the Committee(s) of the Board of Directors are placed before the Board.

## Corporate Governance Report

### VIII. General Body Meetings

#### A. Annual General Meetings

The Company held its last three Annual General Meetings as under:

Financial Year	Date and Time	Venue	Whether Special Resolution passed or not
2016-17	July 24, 2017 11:00 A.M.	Reliance Energy Management Institute, Jogeshwari – Vikhroli Link Road, Aarey Colony, Mumbai 400 065	Yes, Adoption of new Articles of Association of the Company, Approval of 'Reliance Home Finance Limited – Employee Stock Option Scheme', Approval of Grant of Employee Stock Options to the employees / Directors of Subsidiary Companies and Holding Company of the Company under ESOS, Private Placement of Non-Convertible Debentures and / or other Debt Securities.
2015-16	August 4, 2016 5:00 P.M.	Reliance Energy Management Institute, Jogeshwari – Vikhroli Link Road, Aarey Colony, Mumbai 400 065	Yes, Private Placement of Non-Convertible Debentures and / or other Debt Securities, Alteration of Memorandum of Association of the Company, Alteration of Articles of Association of the Company, Borrowing Limits of the Company.
2014-15	September 16, 2015 4:00 P.M.	570, Rectifier House, Naigaum Cross Road, Wadala, Mumbai 400 031	Yes, Private Placement of Non-Convertible Debentures and / or other Debt Securities.

#### B. Extra-Ordinary General Meetings (EGM) and Tribunal Convened Meeting (TCM)

The Company held its Extra-Ordinary General Meetings and Tribunal Convened Meeting as under:

EGM / TCM	Date and Time	Venue	Special Resolution passed
EGM	April 25, 2017 11:00 A.M.	Reliance Centre, Off Western Express Highway, Santacruz (East), Mumbai 400 055	Yes, Borrowing Limits of the Company, Preferential Issue of equity shares.
EGM	September 6, 2017 4:00 P.M.	Reliance Centre, Off Western Express Highway, Santacruz (East), Mumbai 400 055	Yes, Private Placement of Non-Convertible Debentures and / or other Debt Securities, Limit of Shareholding by registered Foreign Institutional Investors (FIIs).
TCM	July 24, 2017 9:00 A.M.	Reliance Energy Management Institute, Jogeshwari – Vikhroli Link Road, Aarey Colony, Mumbai 400 065	Yes, Approval of the Scheme of Arrangement between Reliance Capital Limited ("RCap" or "the Demerged Company") and Reliance Home Finance Limited ("RHFL" or "the Resulting Company") and their respective shareholders and creditors.

### IX. Postal Ballot

The Company had conducted business through Postal Ballot during the financial year 2017-18.

The Company has sent the Postal Ballot Notice dated November 9, 2017, together with the Postal Ballot Form to the Members of the Company seeking their approval to the businesses listed therein, by Postal Ballot (which includes e-voting) pursuant to Section 110 of the Companies Act, 2013.

Mr. Anil Lohia, Partner or in his absence Mr. Rinkit Kiran Uchat, Partner, M/s. Dayal and Lohia, Chartered Accountants were appointed as Scrutinizer for overseeing the Postal Ballot process.

The result of the Postal Ballot was announced on December 11, 2017 in which the following special resolutions were passed with requisite majority:

Description	% of votes cast in favour of resolution
Issuance of securities to the Qualified Institutional Buyers	97.03
Ratification of 'Reliance Home Finance Limited – Employee Stock Option Scheme'	97.60
Ratification of grant of Employee Stock Options to the employees / directors of Subsidiary Companies and Holding Company of the Company under ESOS	97.73

None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing of a special resolution through postal ballot.

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X. Means of communication

- a. **Quarterly Results:** Quarterly results are published in The Financial Express (English) newspaper circulating in substantially the whole of India and in Navshakti (Marathi) newspaper and are also posted on the Company's website: [www.reliancehomefinance.com](http://www.reliancehomefinance.com).
- b. **Media Releases and Presentations:** Official media releases are sent to the Stock Exchanges before their release to the media for wider dissemination. Presentations made to media, analysts, institutional investors, etc. are posted on the Company's website.
- c. **Website:** The Company's website contains a separate dedicated section 'Investor Relations'. It contains comprehensive database of information of interest to our investors including the financial results and Annual Report of the Company, information on dividend declared by the Company, any price sensitive information disclosed to the regulatory authorities from time to time, business activities and the services rendered / facilities extended by the Company to our investors, in a user friendly manner. The basic information about the Company is provided on the Company's website and the same is updated regularly.
- d. **Annual Report:** The Annual Report containing, *inter-alia*, Notice of Annual General Meeting, Audited Financial Statement, Directors' Report, Auditors' Report and other important information is circulated to members and others entitled thereto. The Business Responsibility Report and Management Discussion and Analysis Report forms part of the Annual Report and are displayed on the Company's website.

**The Companies Act, 2013 read with the Rules made thereunder and the Listing Regulations facilitate the service of documents to members through electronic means. The Company e-mails the soft copies of the Annual Report to all those members whose E-mail Ids are available with its Registrar and Transfer Agent.**

- e. **NSE Electronic Application Processing System (NEAPS):** The NEAPS is a web-based system designed by NSE for corporates. The shareholding pattern, corporate governance report, corporate announcement, media release, results, etc. are filed electronically on NEAPS.
- f. **BSE Corporate Compliance & Listing Centre (the 'Listing Centre'):** The Listing Centre is a web-based application designed by BSE for corporates. The shareholding pattern, corporate governance report, media release, results, etc. are filed electronically on the Listing Centre.
- g. **Unique Investor Helpdesk:** Exclusively for investor servicing, the Company has set up a Unique Investor Helpdesk with multiple access modes as under:  
Toll free no. (India): 1800 4250 999  
Tel.: +91 40 6716 1500  
Fax: +91 40 6716 1791  
E-mail: [rhflinvestor@karvy.com](mailto:rhflinvestor@karvy.com)
- h. **Designated e-mail id:** The Company has also designated e-mail id; [rhfl.investor@relianceada.com](mailto:rhfl.investor@relianceada.com) exclusively for investor servicing.
- i. **SEBI Complaints Redressal System (SCORES):** The investors' complaints are also being processed through the centralised web-based complaint redressal system. The salient features of SCORES are availability of centralised data base of the complaints, uploading

online action taken reports by the Company. Through SCORES the investors can view online, the action taken and current status of the complaints.

XI. Management Discussion and Analysis

A Management Discussion and Analysis Report forms part of this Annual Report and includes discussions on various matters specified under Regulation 34(2), Schedule V of the Listing Regulations and the NHB Directions.

XII. Disclosures

- a. There has been no non-compliance by the Company on any matter related to capital markets during the last three years. No penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other Statutory Authority.

b. Related party transactions

During the financial year 2017-18, no transactions of material nature had been entered into by the Company that may have a potential conflict with interest of the Company. The details of related party transactions are disclosed in Notes to Financial Statement.

c. Accounting treatment

In the preparation of Financial Statement, the Company has followed the Accounting Standards as prescribed under the Companies (Accounting Standard) Rules, 2006, as applicable. The Accounting Policies followed by the Company to the extent relevant, are set out elsewhere in this Annual Report.

d. Risk management

The Company has laid down a robust Risk Management Policy, defining Risk profiles involving Strategic, Technological, Operational, Financial, Organisational, Legal and Regulatory risks within a well defined framework. The Risk Management Policy acts as an enabler of growth for the Company by helping its businesses to identify the inherent risks, assess, evaluate and monitor these risks continuously and undertake effective steps to manage these risks.

Ms. Deena Mehta acts as the Chairperson and Mr. Padmanabh Vora, Mr. Gautam Doshi, Mr. Amit Bapna and Mr. Ravindra Sudhalkar are members of the Risk Management Committee (RMC). The Committee periodically reviews the robustness of the Risk Management Policy. The periodical update on the risk management practices and mitigation plan of the Company are presented to the Audit Committee and Board of Directors. The Audit Committee and Board periodically review such updates and findings and suggest areas where internal controls and risk management practices can be improved.

Asset Liability Committee (ALCO) consisting of senior management executives, monitors liquidity and interest rate risks of the Company. The functioning of ALCO is reviewed by the RMC which meets on quarterly basis and reports to the Board of Directors.

e. Policy Guidelines on "Know Your Customer" Norms and Anti - Money Laundering Measures

In keeping with specific requirements for Housing Finance Companies, the Company has also formulated the Policy Guidelines on "Know Your Customer" Norms and Anti - Money Laundering Measures and the same has been posted on the Company's website.

f. Code of Conduct

The Company has adopted the Code of Conduct and ethics for directors and senior management. The

Code has been circulated to all the members of the Board and senior management and the same has been posted on the Company's website [www.reliancehomefinance.com](http://www.reliancehomefinance.com). The Board members and senior management have affirmed their compliance with the Code and a declaration signed by the Executive Director of the Company is given below:

"It is hereby declared that the Company has obtained from all members of the Board and senior management personnel affirmation that they have complied with the Code of Conduct for Directors and Senior Management of the Company for the year 2017-18."

**Ravindra Sudhalkar**  
Executive Director & CEO

### g. CEO / CFO certification

Mr. Ravindra Sudhalkar, Executive Director & CEO and Mr. Amit Bapna, Director & CFO of the Company has provided certification for the financial year 2017-18 on financial reporting and internal controls to the Board as required under Regulation 17(8) of the Listing Regulations.

### h. Review of Directors' Responsibility Statement

The Board in its report has confirmed that the Financial Statements for the year ended March 31, 2018 have been prepared as per applicable Accounting Standards and policies and that sufficient care has been taken for maintaining adequate accounting records.

## XIII. Policy on prohibition of insider trading

The Company has formulated the "Reliance Home Finance Limited – Code of Practices and Procedures and Code of Conduct to Regulate, Monitor and Report trading in securities and fair disclosure of Unpublished Price Sensitive Information (Code)" in accordance with the guidelines specified under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. The Board has appointed Ms. Parul Jain, Company Secretary as the Compliance Officer under the Code responsible for complying with the procedures, monitoring adherence to the rules for the preservation of price sensitive information, pre-clearance of trade, monitoring of trades and implementation of the Code under the overall supervision of the Board. The Company's Code, *inter-alia*, prohibits purchase and / or sale of securities of the Company by an insider, while in possession of unpublished price sensitive information in relation to the Company and also during certain prohibited periods. The Company's Code is available on the website of the Company.

## XIV. Compliance of Regulation 34(3) and Para F of Schedule V of the Listing Regulations

The equity shares were allotted and transferred to "Reliance Home Finance Limited – Unclaimed Suspense Account" pursuant to the Scheme of Arrangement between Reliance Capital Limited and Reliance Home Finance Limited. As per Regulation 34(3) and Para F of Schedule V of the Listing Regulations, the details in respect of equity shares lying in "Reliance Home Finance Limited – Unclaimed Suspense Account" were as follows:

Particulars	No. of shareholders	No. of shares
(i) Aggregate number of shareholders and the outstanding shares in the suspense account lying at September 7, 2017	52,215	1,99,254

Particulars	No. of shareholders	No. of shares
(ii) Number of shareholders who approached listed entity for transfer of shares from suspense account during September 7, 2017 to March 31, 2018	27	81
(iii) Number of shareholders to whom shares were transferred from suspense account during September 7, 2017 to March 31, 2018	27	81
(iv) Aggregate number of shareholders and the outstanding shares in the suspense account lying at March 31, 2018	52,188	1,99,173

The voting rights on the shares outstanding in the "Reliance Home Finance Limited – Unclaimed Suspense Account" as on March 31, 2018 shall remain frozen till the rightful owner of such shares claims the share(s).

Wherever shareholders have claimed the share(s), after proper verifications, the share certificates were dispatched to them or share(s) were credited to the respective beneficiary account.

## XV. Compliance with non-mandatory requirements

### 1. The Board

Our Chairman is a non-executive Chairman.

### 2. Audit qualifications

There are no audit qualifications on the Financial Statements of the Company for the year 2017-18.

### 3. Separate posts of Chairman and CEO

The Company appointed Mr. Ravindra Sudhalkar as Executive Director & CEO of the Company. Thus, Company maintains separate posts of Chairman and CEO.

### 4. Reporting of Internal Auditor

The Internal Auditor reports directly to the Audit Committee of the Company.

## XVI. General shareholder information

The mandatory and various additional information of interest to investors are voluntarily furnished in a separate section on investor information in this Annual Report.

### Auditors' certificate on corporate governance

The Auditors' certificate on compliance of Regulation 34(3) of the Listing Regulations relating to corporate governance is published in this Annual Report.

### Review of governance practices

We have in this Report attempted to present the governance practices and principles being followed at Reliance Home Finance, as evolved over a period, and as best suited to the needs of our business and stakeholders.

Our disclosures and governance practices are continually revisited, reviewed and revised to respond to the dynamic needs of our business and ensure that our standards are at par with the globally recognised practices of governance, so as to meet the expectations of all our stakeholders.

**Compliance of Corporate Governance requirements specified in Regulation 17 to 27 and Regulation 46(2)(b) to (i) of the Listing Regulations**

Sr. No.	Particulars	Regulation	Compliance Status	Compliance Observed
1.	Board of Directors	17	Yes	<ul style="list-style-type: none"> <li>• Composition &amp; Meetings</li> <li>• Review of compliance reports &amp; compliance certificate</li> <li>• Plans for orderly succession for appointments</li> <li>• Code of Conduct</li> <li>• Fees / compensation to Non-Executive Directors</li> <li>• Minimum information to be placed before the Board</li> <li>• Risk assessment and management</li> <li>• Performance evaluation</li> </ul>
2.	Audit Committee	18	Yes	<ul style="list-style-type: none"> <li>• Composition &amp; Meetings</li> <li>• Powers of the Committee</li> <li>• Role of the Committee and review of information by the Committee</li> </ul>
3.	Nomination and Remuneration Committee	19	Yes	<ul style="list-style-type: none"> <li>• Composition</li> <li>• Role of the Committee</li> </ul>
4.	Stakeholders Relationship Committee	20	Yes	<ul style="list-style-type: none"> <li>• Composition</li> <li>• Role of the Committee</li> </ul>
5.	Risk Management Committee	21	Yes	<ul style="list-style-type: none"> <li>• Composition</li> <li>• Role of the Committee</li> </ul>
6.	Vigil Mechanism	22	Yes	<ul style="list-style-type: none"> <li>• Review of Vigil Mechanism for Directors and employees</li> <li>• Direct access to Chairperson of Audit Committee</li> </ul>
7.	Related Party Transactions	23	Yes	<ul style="list-style-type: none"> <li>• Policy of Materiality of Related Party Transactions and dealing with Related Party Transactions</li> <li>• Approval including omnibus approval of Audit Committee and the Board</li> <li>• Review of Related Party Transactions</li> <li>• No material Related Party Transactions</li> </ul>
8.	Subsidiaries of the Company	24	N.A.	N.A.
9.	Obligations with respect to Independent Directors	25	Yes	<ul style="list-style-type: none"> <li>• Maximum directorships and tenure</li> <li>• Meetings of Independent Directors</li> <li>• Appointment of Independent Directors</li> <li>• Familiarisation of Independent Directors</li> </ul>
10.	Obligations with respect to employees including Senior Management, Key Managerial Personnel, Directors and Promoters	26	Yes	<ul style="list-style-type: none"> <li>• Memberships / Chairmanships in Committees</li> <li>• Affirmation on compliance of Code of Conduct by Directors and Senior Management</li> <li>• Disclosure of shareholding by Non-Executive Directors</li> <li>• Disclosures by Senior Management about potential conflicts of interest</li> <li>• No agreement with regard to compensation or profit sharing in connection with dealings in securities of the Company by Key Managerial Personnel, Director and Promoter</li> </ul>
11.	Other Corporate Governance requirements	27	Yes	<ul style="list-style-type: none"> <li>• Compliance with discretionary requirements</li> <li>• Filing of compliance report on Corporate Governance</li> </ul>
12.	Website	46(2)(b) to (i)	Yes	<ul style="list-style-type: none"> <li>• Terms and conditions for appointment of Independent Directors</li> <li>• Composition of various Committees of the Board of Directors</li> <li>• Code of Conduct for Directors and Senior Management</li> <li>• Details of establishment of Vigil Mechanism / Whistle-blower policy</li> <li>• Policy on dealing with Related Party Transactions</li> <li>• Details of familiarisation programmes imparted to Independent Directors</li> </ul>



### Auditor's Certificate regarding compliance of conditions of Corporate Governance

#### To the Members of Reliance Home Finance Limited

We have examined the compliance of conditions of Corporate Governance by Reliance Home Finance Limited ("the Company") for the year ended March 31, 2018 as stipulated in Regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of 46 and para C, D and E of Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as "SEBI Listing Regulations, 2015") and the Housing Finance Companies - Corporate Governance (National Housing Bank) Directions, 2016 ("NHB Directions, 2016") as amended, from time to time.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial

Information, and Other Assurance and Related Services Engagements.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015 and NHB Directions, 2016.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Price Waterhouse & Co Chartered Accountants LLP**  
Chartered Accountants  
ICAI Firm's Registration No.: 304026E/E300009

**Sharad Agarwal**  
Partner  
Membership No.: 118522

Place : Mumbai  
Date : August 07, 2018

## Investor Information

### Important points

**Hold securities in dematerialised form as transfer of securities in physical form will no more be permissible.**

**As per notification issued by SEBI, with effect from December 5, 2018, the securities of the Company can be transferred only in dematerialised form. Members are advised to dematerialise securities in the Company to facilitate transfer of securities.**

**Form for updating PAN / Bank details is provided as a part of this Annual Report.**

**Members are requested to send duly filled form along with (a) self-attested copy of PAN card of all the holders; and (b) original cancelled cheque leaf with names of shareholders or bank passbook showing names of members, duly attested by an authorised bank official.**

Holding securities in dematerialised form is beneficial to the investors in the following manner:

- A safe and convenient way to hold securities;
- Elimination of risk(s) associated with physical certificates such as bad delivery, fake securities, delays, thefts, etc.;
- Immediate transfer of securities;
- No stamp duty on electronic transfer of securities;
- Reduction in transaction cost;
- Reduction in paperwork involved in transfer of securities;
- No odd lot problem, even one share can be traded;
- Availability of nomination facility;
- Ease in effecting change of address / bank account details as change with Depository Participants (DPs) gets registered with all companies in which investor holds securities electronically;
- Easier transmission of securities as the same done by DPs for all securities in demat account;
- Automatic credit into demat account of shares, arising out of bonus / split / consolidation / merger / etc;
- Convenient method of consolidation of folios / accounts;
- Holding investments in Equity, Debt Instruments, Government securities, Mutual Fund Units, etc. in a single account;
- Ease of pledging of securities; and
- Ease in monitoring of portfolio.

### Hold securities in consolidated form

Investors holding securities in multiple folios are requested to consolidate their holdings in single folio. Holding of securities in one folio enables shareholders to monitor the same with ease.

### Furnish bank details and get dividend directly credited in bank account

Investors should avail the Electronic Payment Services for payment of dividend as the same reduces risk(s) attached to physical dividend warrants. Some of the advantages of payment through electronic credit services are as under:

- Avoidance of frequent visits to banks for depositing the physical instruments;
- Prompt credit to the bank account of the investor through electronic clearing;

- Fraudulent encashment of warrants is avoided;
- Exposure to delays / loss in postal service avoided; and
- As there can be no loss in transit of dividend warrants, issue of duplicate warrants is avoided.

Printing of bank account numbers, names and addresses of bank branches on dividend warrants provide protection against fraudulent encashment of dividend warrants. Members are requested to provide the same to the Company's RTA for incorporation on their dividend warrants.

### Register for SMS alert facility

Investor should register with Depository Participants for the SMS alert facility. Both Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) alert investors through SMS of the debits and credits in their demat account(s).

### Intimate mobile number

Shareholders are requested to intimate their mobile number and changes therein, if any, to Karvy, if shares are held in physical form or to their DP if the holding is in electronic form, to receive communications on corporate actions and other information of the Company.

### Submit nomination form and avoid transmission hassle

Nomination helps nominees to get the securities transmitted in their favour without any hassles. Investors should get the nomination registered with the Company in case of physical holding and with their Depository Participants in case securities are held in dematerialised form.

Form may be downloaded from the Company's website, [www.reliancehomefinance.com](http://www.reliancehomefinance.com) under the section "Investor Relations". However, if securities are held in dematerialised form, nomination has to be registered with the concerned Depository Participants directly, as per the form prescribed by the Depository Participants.

### Deal only with SEBI registered intermediaries

Investors should deal with SEBI registered intermediaries so that in case of deficiency of services, investor may take up the matter with SEBI.

### Corporate benefits in electronic form

Investor holding shares in physical form should opt for corporate benefits like bonus / split / consolidation / merger / etc. in electronic form by providing their demat account details to the Company's RTA.

### Register e-mail address

Investors should register their e-mail address with the Company / Depository Participants. This will help them in receiving all communication from the Company electronically at their e-mail address. This also avoids delay in receiving communications from the Company. Prescribed form for registration may please be downloaded from the Company's website.

### Course of action in case of non-receipt of dividend, revalidation of dividend warrant, etc.

Shareholders may write to the Company's RTA, furnishing the particulars of the dividend not received, and quoting the folio number / DP ID and Client ID particulars (in case of dematerialised shares), as the case may be and provide bank

## Investor Information

details along with cancelled cheque bearing the name of the shareholder for updation of bank details and payment of unpaid dividend. The RTA would request the concerned shareholder to execute an indemnity before processing the request. **As per the circular dated April 20, 2018 issued by SEBI, the unencashed dividend can be remitted by electronic transfer only and no duplicate dividend warrants will be issued by the Company. The shareholders are advised to register their bank details with the Company / RTA or their DPs, as the case may be, to claim unencashed dividend from the Company.**

### Facility for a Basic Services Demat Account (BSDA)

SEBI has stated that all the depository participants shall make available a BSDA for the shareholders unless otherwise opted for regular demat account with (a) No Annual Maintenance charges if the value of holding is upto ₹ 50,000 and (b) Annual Maintenance charges not exceeding ₹ 100 for value of holding from ₹ 50,001 to ₹ 2,00,000. (Refer circular CIR/MRD/DP/22/2012 dated August 27, 2012 and circular CIR/MRD/DP/20/2015 dated December 11, 2015)

### Annual General Meeting

The 10<sup>th</sup> Annual General Meeting (AGM) will be held on Tuesday, September 18, 2018 at 2:30 P.M. or soon after the conclusion of the Annual General Meeting of Reliance Capital Limited convened on the same day, whichever is later, at Birla Matushri Sabhagar, 19, New Marine Lines, Mumbai 400 020.

### E-voting

The Members can cast their vote online from 10:00 A.M. on September 14, 2018 to 5:00 P.M. on September 17, 2018.

### Financial year of the Company

The financial year of the Company is from April 1 to March 31 each year.

### Website

The Company's website [www.reliancehomefinance.com](http://www.reliancehomefinance.com) contains a separate dedicated section called 'Investor Relations'. It contains comprehensive database of information of interest to our investors including the financial results, annual reports, dividend declared, any price sensitive information disclosed to the regulatory authorities from time to time, business activities and the services rendered / facilities extended to our investors.

### Dedicated e-mail id for investors

For the convenience of our investors, the Company has designated an e-mail id i.e. [rhfl.investor@relianceada.com](mailto:rhfl.investor@relianceada.com) for investors.

### Registrar and Transfer Agent (RTA)

Karvy Computershare Private Limited  
Unit: Reliance Home Finance Limited  
Karvy Selenium Tower – B  
Plot No. 31 & 32, Survey No. 116/22, 115/24, 115/25  
Financial District, Nanakramguda, Hyderabad 500 032  
Toll free no. (India) : 1800 4250 999  
Tel. : +91 40 6716 1500, Fax : +91 40 6716 1791  
E-mail : [rhflinvestor@karvy.com](mailto:rhflinvestor@karvy.com), Website: [www.karvy.com](http://www.karvy.com)

### Dividend announcements

The Board of Directors of the Company have recommended a Dividend of ₹ 1 (10 per cent) per equity share and a pro-rata Dividend of ₹ 0.80 (8 per cent) per preference share for the

financial year ended March 31, 2018, subject to the declaration by shareholders at the ensuing AGM. The dividend, if declared, will be paid after the Meeting.

### Book closure dates for the purpose of dividend and AGM

Register of Members and Share Transfer Books of the Company will remain closed from Saturday, September 15, 2018 to Tuesday, September 18, 2018 (both days inclusive) for the purpose of AGM as well as to determine the entitlement of shareholders to receive the Dividend, if any, for the year ended March 31, 2018.

### Dividend remittance

Final Dividend on Equity Shares as recommended by the Directors for the financial year ended March 31, 2018, when declared at the AGM will be paid to:

- (i) all those equity shareholders whose names appear in the Register of Members as on September 14, 2018; and
- (ii) those whose names appear in the Register of Beneficial Owners as on September 14, 2018 are furnished by the NSDL and CDSL for the purpose.

In respect of preference shares, dividend will be paid on pro-rata basis for the financial year ended March 31, 2018 to those preference shareholders whose names appear in the Register of Members on September 14, 2018 pursuant to the provisions of the Act and Rules made thereunder

### Modes of payment of dividend

The dividend is paid under two modes viz.

- Electronic Payment via
  - NACH (National Automated Clearing House)
  - NEFT (National Electronic Funds Transfer)
  - RTGS (Real Time Gross Settlement)
  - Direct Credit
- Dispatch of physical dividend warrant

Shareholders are requested to avail the Electronic Payment Services for payment of dividend as the same is immensely beneficial and considerably reduces risk attached to physical dividend warrants.

### Share transfer system

Shareholders / Investors are requested to send share certificate(s) along with share transfer deed in the prescribed Form SH-4, duly filled in, executed and affixed with share transfer stamps, to the Company's RTA. If the transfer documents are in order, the transfer of shares is registered within 7 days of receipt of transfer documents by Company's RTA. **However, SEBI vide its notification has stated that transfer of securities shall not be processed unless the securities are held in the dematerialised form with a depository with effect from December 5, 2018.**

### Permanent Account Number (PAN) for transfer of shares in physical form mandatory

SEBI has stated that for securities market transactions and off-market transactions involving transfer of shares in physical form of listed companies, it is mandatory for the transferor(s) and transferee(s) to furnish copy of PAN card to the Company's RTA for registration of such transfer of shares.

## Investor Information

### Shareholding Pattern

Category of shareholders	As on 31.03.2018		As on 31.03.2017	
	Number of Shares	%	Number of Shares	%
(A) Shareholding of promoter and promoter group				
(i) Indian	36 37 51 491	74.99	11 58 20 000	100.00
(ii) Foreign	-	-	-	-
<b>Total shareholding of promoter and promoter group</b>	<b>36 37 51 491</b>	<b>74.99</b>	11 58 20 000	100.00
(B) Public shareholding				
(i) Institutions	5 54 47 758	11.43	-	-
(ii) Non-institutions	6 58 59 569	13.58	-	-
<b>Total public shareholding</b>	<b>12 13 07 327</b>	<b>25.01</b>	-	-
(C) Shares held by custodians and against which depository receipts have been issued	-	-	-	-
<b>Grand Total (A)+(B)+(C)</b>	<b>48 50 58 818</b>	<b>100.00</b>	11 58 20 000	100.00

### Distribution of Shareholding

Number of shares	Number of shareholders as on 31.03.2018		Total shares as on 31.03.2018		Number of shareholders as on 31.03.2017		Total shares as on 31.03.2017	
	Number	%	Number	%	Number	%	Number	%
Upto 500	8 77 638	98.39	2 47 56 722	5.10	6	75.00	20*	0.00
501 to 5000	13 291	1.49	1 69 97 107	3.50	-	-	-	0.00
5001 to 100000	1 041	0.11	1 58 40 365	3.27	-	-	-	0.00
Above 100000	68	0.01	42 74 64 624	88.13	1	25.00	11 58 19 980	100.00
<b>Total</b>	<b>8 92 038</b>	<b>100.00</b>	<b>48 50 58 818</b>	<b>100.00</b>	<b>7</b>	<b>100.00</b>	<b>11 58 20 000</b>	<b>100.00</b>

\*20 equity shares were jointly held by Reliance Capital Limited and its nominees

### Dematerialisation of shares and Liquidity

The Company had admitted its shares to the depository system of NSDL and CDSL for dematerialisation of shares. The International Securities Identification Number (ISIN) allotted to the Company is INE217K01011. The equity shares of the Company are compulsorily traded in dematerialised form as mandated by the Securities and Exchange Board of India (SEBI).

### Status of dematerialisation of shares

As on March 31, 2018, 99.08 per cent of the Company's shares are held in dematerialised form.

### Investors' Grievances Attended

Received from	Received during		Redressed during		Pending as on	
	2017-2018	2016-2017	2017-2018	2016-2017	31.03.2018	31.03.2017
SEBI	2	-	2	-	Nil	Nil
Stock Exchanges	2	-	2	-	Nil	Nil
NSDL / CDSL	-	-	-	-	Nil	Nil
Direct from investors	-	22	-	22	Nil	Nil
<b>Total</b>	<b>4</b>	<b>22</b>	<b>4</b>	<b>22</b>	<b>Nil</b>	<b>Nil</b>

### Analysis of Grievances

	2017 - 2018		2016 - 2017	
	Numbers	%	Numbers	%
Non-receipt of debenture / share certificates	-	-	-	-
Non-receipt of annual report	1	25	-	-
Non-receipt of refund order under Public Issue of NCDs	-	-	22	100
Others	3	75	-	-
<b>Total</b>	<b>4</b>	<b>100</b>	<b>22</b>	<b>100</b>

There was no complaint pending as on March 31, 2018.

### Notes :

- The equity shares of the Company are listed on the Stock Exchanges with effect from September 22, 2017. The shareholder base as of March 31, 2018 was 8,92,038.
- Investors queries / grievances are normally attended within a period of 3 days from the date of receipt thereof, except in cases involving external agencies or compliance with longer procedural requirements specified by the authorities concerned.

## Investor Information

### Legal Proceedings

There are certain pending cases relating to disputes over title to shares, in which the Company is made a party. These cases are however not material in nature.

### Equity History

Sr. No.	Date	Particulars	Price per equity share (₹)	No. of shares	Cumulative Total
1.	05-06-2008	Shares issued upon Incorporation	10	10 000	10 000
2.	26-06-2008	Issued to holding company	10	99 90 000	1 00 00 000
3.	26-02-2010	Rights Issue	10	2 00 00 000	3 00 00 000
4.	29-01-2013	Bonus Issue	-	3 29 10 000	6 58 20 000
5.	26-10-2016	Preferential Issue	40	2 50 00 000	9 08 20 000
6.	06-12-2016	Preferential Issue	40	2 50 00 000	11 58 20 000
7.	04-09-2017	Rights Issue	32	11 65 49 188	23 23 69 188
8.	07-09-2017	Allotment pursuant to Scheme of Arrangement	-	25 26 89 630	48 50 58 818

### Stock Price and Volume

	BSE Limited			National Stock Exchange of India Limited		
	High (₹)	Low (₹)	Volume Nos.	High (₹)	Low (₹)	Volume Nos.
September, 2017*	115.00	93.50	60 38 699	113.00	93.05	99 42 104
October, 2017	100.00	79.75	51 30 004	99.90	79.65	2 92 13 537
November, 2017	88.00	62.55	43 82 543	87.95	62.25	2 49 57 567
December, 2017	94.60	75.55	55 52 045	94.80	75.05	2 99 56 818
January, 2018	104.50	79.70	33 62 071	104.40	79.50	1 96 12 849
February, 2018	82.00	65.00	20 72 033	82.00	64.00	1 57 41 769
March, 2018	70.95	56.60	30 91 434	70.80	57.60	1 07 10 869

\*Equity Shares are listed with effect from September 22, 2017.

[Source: This information is compiled from the data available on the websites of BSE and NSE]

### Stock exchange listings

The equity shares of the Company are listed on BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) with effect from September 22, 2017. The Company's equity shares are actively traded on BSE and NSE, the Indian Stock Exchanges.

### Listing on stock exchanges

#### Equity shares

##### BSE Limited

Phiroze Jeejeebhoy Towers, Dalal Street  
Mumbai 400 001  
Website : [www.bseindia.com](http://www.bseindia.com)

##### National Stock Exchange of India Limited

Exchange Plaza, Plot No. C/1, G Block  
Bandra Kurla Complex, Bandra (East)  
Mumbai 400 051  
Website : [www.nseindia.com](http://www.nseindia.com)

#### Stock codes

BSE Limited : 540709  
National Stock Exchange of India Limited : RHFL  
ISIN for equity shares : INE217K01011

### Commodity price risk or foreign exchange risk and hedging activities

The Company does not have any un-hedged exposure to commodity price risks and foreign exchange risk. The Company hedges its interest rate risk on market linked debentures by taking positions in futures and options.

### Debt securities

The Non-Convertible Debentures (NCDs) issued through Public Issue are listed on BSE and NSE. NCDs issued through Private Placement are listed on the BSE.

#### Debenture Trustee

##### IDBI Trusteeship Services Limited

Asian Building, Ground Floor, 17 R Kamani Marg  
Ballard Estate, Mumbai 400 001  
Website: [www.idbitrustee.com](http://www.idbitrustee.com)

##### Catalyst Trusteeship Limited

GDA House, Plot No. 85  
Bhusari Colony (Right)  
Paud Road, Pune 411 038  
Website: [www.catalysttrustee.com](http://www.catalysttrustee.com)

#### Payment of listing fees

Annual listing fee for the year 2018-19 has been paid by the Company to the stock exchanges.

#### Payment of depository fees

Annual custody / issuer fee for the year 2018-19 has been paid by the Company to CDSL and will be paid to NSDL on receipt of invoice.

### Share price performance in comparison to broad based indices - Sensex BSE and Nifty NSE

During the period from September 22, 2017 to March 31, 2018, RHFL's share price decreased by 41.63 per cent as compared to an increase of 3.28 per cent of BSE Sensex and 1.50 per cent of NSE Nifty.

## Investor Information

### Key financial reporting dates for the financial year 2018-19

Unaudited results for the first quarter ended June 30, 2018	: On or before August 14, 2018
Unaudited results for the second quarter / half - year ended September 30, 2018	: On or before November 14, 2018
Unaudited results for the third quarter / nine months ended December 31, 2018	: On or before February 14, 2019
Audited results for the financial year 2018-19	: On or before May 30, 2019

### Depository services

For guidance on depository services, shareholders may write to the Company's RTA or National Securities Depository Limited, Trade World, 4<sup>th</sup> Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013, website: [www.nsdl.co.in](http://www.nsdl.co.in) or Central Depository Services (India) Limited, Unit No. A-2501, A Wing, Marathon Futurex, 25<sup>th</sup> Floor, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (E), Mumbai 400 013, website: [www.cdsindia.com](http://www.cdsindia.com).

### Communication to members

The quarterly financial results of the Company were announced within 45 days of the end of the respective quarter except last quarter during the year under review. The last quarter financial results of the Company were announced within 60 days of the end of the year. The Company's media releases and details of significant developments are made available on Company's website: [www.reliancehomefinance.com](http://www.reliancehomefinance.com). These are also published in leading newspapers.

### Reconciliation of share capital audit

The Securities and Exchange Board of India has directed that all issuer companies shall submit a report reconciling the total shares held in both the depositories, viz. NSDL and CDSL and in physical form with the total issued / paid-up capital. The said certificate, duly certified by a qualified chartered accountant is submitted to the stock exchanges where the securities of the Company are listed within 30 days of the end of each quarter and the certificate is also placed before the Board of Directors of the Company.

### Investors' correspondence may be addressed to the Registrar and Transfer Agent of the Company

Shareholders / Investors are requested to forward documents related to share transfer, dematerialisation requests (through their respective Depository Participant) and other related correspondence directly to Karvy Computershare Private Limited at the below mentioned address for speedy response:

Karvy Computershare Private Limited  
Unit: Reliance Home Finance Limited  
Karvy Selenium Tower - B  
Plot No. 31 & 32, Survey No. 116/22, 115/24, 115/25  
Financial District, Nanakramguda,  
Hyderabad 500 032  
E-mail: [rhflinvestor@karvy.com](mailto:rhflinvestor@karvy.com)  
Website: [www.karvy.com](http://www.karvy.com)

### Shareholders / Investors may send the above correspondence at the following address

Queries relating to Financial Statement of the Company may be addressed to :

Chief Financial Officer  
Reliance Home Finance Limited  
Reliance Centre, South Wing, 6<sup>th</sup> Floor  
Off Western Express Highway, Santacruz (East)  
Mumbai 400 055  
Tel.: +91 22 3303 6000  
Fax: +91 22 2610 3299  
E-mail: [rhfl.investor@relianceada.com](mailto:rhfl.investor@relianceada.com)

Correspondence on investor services may be addressed to:

Company Secretary & Compliance Officer  
Reliance Home Finance Limited  
Reliance Centre, South Wing, 6<sup>th</sup> Floor  
Off Western Express Highway, Santacruz (East)  
Mumbai 400 055  
Tel.: +91 22 3303 6000  
Fax: +91 22 2610 3299  
E-mail: [rhfl.investor@relianceada.com](mailto:rhfl.investor@relianceada.com)

### Plant Locations

The Company is engaged in the home finance business and as such has no plant.



## Independent Auditors' Report on the Financial Statement

To,  
The Members,  
Reliance Home Finance Limited

### Report on the Financial Statements

1. We have audited the accompanying financial statements of Reliance Home Finance Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

2. 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 to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements 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.
6. 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 auditors' 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.

7. 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

8. 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 March 31, 2018, and its profit and its cash flows for the year ended on that date.

### Other Matter

9. The financial statements of the Company for the year ended March 31, 2017 were audited by another firm of chartered accountants under the Companies Act, 2013 who, vide their report dated April 24, 2017 expressed an unmodified opinion on those financial statements.

Our opinion is not modified in respect of this matter.

### Report on Other Legal and Regulatory Requirements

10. As required by 'the Companies (Auditor's Report) Order, 2016' issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.
11. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (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 the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 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 with reference to financial statements of the

Independent Auditors' Report on the Financial Statement

- Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
- i. The Company has disclosed the impact of pending litigations as at March 31, 2018 on its financial position in its financial statements – Refer Note 38;
  - ii. The Company has made provision as at March 31, 2018, as required under the applicable law or accounting standards, for material foreseeable losses on long-term contracts including derivative contracts – Refer Note 25;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2018; and
  - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2018.

For **Price Waterhouse & Co Chartered Accountants LLP**  
Firm Registration Number: 304026E/E300009  
Chartered Accountants

**Vivek Prasad**  
Partner  
Membership Number: 104941  
Mumbai  
April 24, 2018

## Annexure A to the Independent Auditors' Report on the Financial Statement

Referred to in paragraph 11(f) of the Independent Auditors' Report of even date to the members of Reliance Home Finance Limited on the financial statements for the year ended March 31, 2018

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of Reliance Home Finance Limited ("the Company") as of March 31, 2018 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

2. 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 Act.

### Auditors' Responsibility

3. 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 deemed to be prescribed under section 143(10) of the Act 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 ICAI. 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.
4. 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.
5. 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

6. 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

7. 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

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, 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 **Price Waterhouse & Co Chartered Accountants LLP**

Firm Registration Number: 304026E/E300009

Chartered Accountants

**Vivek Prasad**

Partner

Membership Number: 104941

Mumbai

April 24, 2018

Annexure B to the Independent Auditor's Report on the Financial Statement

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Reliance Home Finance Limited on the financial statements as of and for the year ended March 31, 2018

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
- (c) The title deeds of immovable properties, as disclosed in Note 13 on fixed assets to the financial statements, are held in the name of the Company.
- ii. The Company is in the business of rendering services, and consequently, does not hold any inventory. Therefore, the provisions of Clause 3(ii) of the said Order are not applicable to the Company.
- iii. 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. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. The Company has not granted any loan or provided any guarantee or security in connection with any loan taken by parties covered under section 185. Therefore, the provisions of section 185 are not applicable to the Company. The Company is registered as a Housing Finance Company with the National Housing Bank. Therefore, the provisions of Section 186, except sub-section (1) of Section 186, of the Act are not applicable to the Company. Further, the Company has not made any investments to the parties covered under Section 186. Therefore, the provisions of Clause 3(iv) of the said Order in respect of Section 186(1) is not applicable to the Company.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, service tax, goods and service tax with effect from July 1, 2017 and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax and service-tax,

which have not been deposited on account of any dispute.

- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.
- ix. The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, and according to the information and explanations given to us, the money raised by way of term loans have been applied for the purposes for which they were obtained
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Price Waterhouse & Co Chartered Accountants LLP**  
Firm Registration Number: 304026E/E300009  
Chartered Accountants

**Vivek Prasad**  
Partner  
Membership Number: 104941  
Mumbai  
April 24, 2018

# Reliance Home Finance Limited

## Balance Sheet as at March 31, 2018

(₹ in crore)

	Note No.	As at March 31, 2018	As at March 31, 2017
<b>I EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' funds</b>			
(a) Share capital	4	516.10	115.82
(b) Share capital suspense		-	31.04
(c) Reserves and surplus	5	1 413.03	982.74
<b>(2) Non-current liabilities</b>			
(a) Long-term borrowings	6	10 454.00	7 277.78
(b) Other non-current liabilities	7	51.42	16.54
(c) Long-term provisions	8	117.63	92.98
<b>(3) Current liabilities</b>			
(a) Short-term borrowings	9	1 089.92	1 003.68
(b) Trade payables	10		
- Micro, small and medium enterprises		-	-
- Others		4.26	4.79
(c) Other current liabilities	11	2 012.36	1 815.34
(d) Short-term provisions	12	24.89	5.94
<b>TOTAL</b>		<b>15 683.61</b>	<b>11 346.65</b>
<b>II ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets	13		
(i) Tangible assets		47.86	41.94
(ii) Intangible assets		181.74	25.74
(b) Non-current investments	14	96.97	53.38
(c) Deferred tax assets (net)	15	14.76	123.03
(d) Long-term loans and advances	16	12 164.76	9 107.89
(e) Other non-current assets	17	237.58	258.06
<b>(2) Current assets</b>			
(a) Current investments	18	0.08	454.38
(b) Cash and bank balances	19	109.60	252.49
(c) Short-term loans and advances	20	2 653.74	947.05
(d) Other current assets	21	176.52	82.69
<b>TOTAL</b>		<b>15 683.61</b>	<b>11 346.65</b>

The accompanying notes (1-43) are integral part of these financial statements

As per our report of even date attached

For **Price Waterhouse & Co**  
**Chartered Accountants LLP**

Firm Registration No.: 304026E/E-300009  
Chartered Accountants

**Vivek Prasad**

Partner

Membership No.: 104941

Mumbai

Dated: April 24, 2018

For and on behalf of the Board

Non-Executive Chairman

Director

Executive Director & CEO

Director & CFO

Company Secretary & Compliance Officer

Mumbai

Dated: April 24, 2018

**Padmanabh Vora**

**Lt Gen Syed Ata Hasnain (Retd)**

**Ravindra Sudhalkar**

**Amit Bapna**

**Parul Jain**

**Statement of Profit and Loss for the year ended March 31, 2018**

(₹ in crore)

	Note No.	2017-18	2016-17
<b>REVENUE</b>			
<b>I</b> Revenue from operations	22	<b>1 603.02</b>	1 073.28
<b>II</b> Other income	23	<b>67.50</b>	71.40
<b>III Total revenue (I+II)</b>		<b>1 670.52</b>	1 144.68
<b>IV EXPENSES</b>			
Employee benefits expense	24	<b>117.58</b>	93.70
Finance cost	25	<b>1 037.09</b>	748.53
Depreciation and amortisation expense	13	<b>26.18</b>	7.06
Other expenses	26	<b>218.12</b>	157.59
<b>Total expenses</b>		<b>1 398.97</b>	1 006.88
<b>V Profit before tax (III-IV)</b>		<b>271.55</b>	137.80
<b>VI Tax expense</b>			
Current tax		<b>66.57</b>	-
MAT credit availed		<b>(45.41)</b>	-
Short / (excess) for earlier year		<b>(38.47)</b>	(9.57)
Deferred tax / (credit)		<b>108.28</b>	(25.22)
<b>VII Profit after tax (V-VI)</b>		<b>180.58</b>	172.59
<b>VIII Earnings per equity share face value of ₹ 10 each fully paid up</b>	37		
(1) Basic (₹)		<b>5.57</b>	20.45
(2) Diluted (₹)		<b>5.55</b>	20.45

The accompanying notes (1-43) are integral part of these financial statements

As per our report of even date attached

**For Price Waterhouse & Co  
Chartered Accountants LLP**

 Firm Registration No.: 304026E/E-300009  
Chartered Accountants

**Vivek Prasad**

Partner

Membership No.: 104941

Mumbai

Dated: April 24, 2018

For and on behalf of the Board

Non-Executive Chairman

Director

Executive Director &amp; CEO

Director &amp; CFO

Company Secretary &amp; Compliance Officer

Mumbai

Dated: April 24, 2018

**Padmanabh Vora**
**Lt Gen Syed Ata Hasnain (Retd)**
**Ravindra Sudhalkar**
**Amit Bapna**
**Parul Jain**



## Reliance Home Finance Limited

### Cash Flow Statement for the year ended March 31, 2018

	(₹ in crore)	
	2017-18	2016-17
<b>A. Cash flows from operating activities</b>		
<b>Net profit before tax</b>	<b>271.55</b>	137.80
<b>Adjusted for</b>		
Depreciation and amortisation expense	<b>26.18</b>	7.06
Provision for standard assets	<b>25.85</b>	21.37
Provision for NPA & doubtful debts	<b>5.26</b>	10.69
Provision for repossessed asset	<b>9.29</b>	15.75
Bad debts written off	<b>52.59</b>	6.04
Interest on investment	<b>(6.27)</b>	(5.29)
Investments written off	<b>0.01</b>	-
Sundry balances written off	-	0.61
Provision for diminution in the value of debentures	-	(240.54)
Loss on sale of debentures	-	209.94
Loss on sale of fixed asset	<b>0.02</b>	0.18
(Profit)/Loss on sale of investments	<b>(59.51)</b>	(33.86)
Discount on commercial papers	<b>99.58</b>	103.36
Amortised DSA commission	<b>26.58</b>	13.37
Amortised brokerage commission	<b>5.05</b>	1.94
Amortised guarantee commission	<b>1.24</b>	1.33
Amortised public issue expenses	<b>6.81</b>	1.70
Interest expenses & processing charges	<b>932.46</b>	643.23
Provision for leave encashment	<b>(0.20)</b>	0.02
Provision for gratuity	<b>1.35</b>	0.95
Brokerage commission on property solution	-	(2.14)
Interest on income tax refund	<b>(1.61)</b>	-
<b>Operating profit before working capital and interest changes</b>	<b>1 396.23</b>	893.51
<b>Adjusted for</b>		
(Decrease) trade receivable & loans and advances	<b>(4 866.80)</b>	(3 478.78)
(Decrease) trade payables and liabilities	<b>(57.89)</b>	(135.71)
Interest & processing charges paid	<b>(830.61)</b>	(547.84)
Increase / (Decrease) other liabilities and provisions	<b>2.03</b>	(2.25)
<b>Cash generated from operations</b>	<b>(4 357.04)</b>	(3 271.07)
Taxes paid (Net off income tax refund)	<b>(28.61)</b>	(25.20)
<b>Net cash used in operating activities</b>	<b>(4 385.65)</b>	(3 296.27)

**Cash Flow Statement for the year ended March 31, 2018**

(₹ in crore)

	2017-18	2016-17
<b>B. Cash flows from investing activities</b>		
Purchase of fixed asset	(4.79)	(1.03)
Proceeds of fixed asset	3.86	3.56
Proceeds / (Purchase) of current investments (Net)	513.78	(416.14)
Purchase of non-current investments	(44.67)	(53.49)
Proceeds from non-current investments	1.11	106.76
Interest received on investments	6.27	5.29
<b>Net cash from / (used in) investing activities</b>	<b>475.56</b>	<b>(355.05)</b>
<b>C. Cash flows from financing activities</b>		
Issue of equity share capital including securities premium	372.96	200.00
Dividend paid (including dividend distribution tax)	(6.97)	-
Proceeds / (Repayments) from issue of commercial papers (Net)	(530.96)	356.50
Repayments of long-term borrowing	(1 423.17)	(1 668.57)
Proceeds from long-term borrowing	4 786.80	4 563.27
Proceeds / (Repayments) from short-term borrowing (Net)	517.61	(224.47)
Premium on issue of debentures	0.28	-
<b>Net cash from financing activities</b>	<b>3 716.55</b>	<b>3 226.73</b>
<b>Net decrease in cash and cash equivalents (A + B + C)</b>	<b>(193.54)</b>	<b>(424.59)</b>
Cash and cash equivalents at beginning of period	252.49	677.08
Cash and cash equivalents at end of period	<b>58.95</b>	<b>252.49</b>

**Notes:**

- The previous year's figures have been regrouped and reclassified wherever necessary.
- Cash and cash equivalents include cash in hand and bank balance.

As per our report of even date attached

For **Price Waterhouse & Co**  
**Chartered Accountants LLP**  
Firm Registration No.: 304026E/E-300009  
Chartered Accountants

**Vivek Prasad**  
Partner  
Membership No.: 104941  
Mumbai  
Dated: April 24, 2018

For and on behalf of the Board

Non-Executive Chairman  
Director  
Executive Director & CEO  
Director & CFO  
Company Secretary & Compliance Officer

Mumbai  
Dated: April 24, 2018

**Padmanabh Vora**  
**Lt Gen Syed Ata Hasnain (Retd)**  
**Ravindra Sudhalkar**  
**Amit Bapna**  
**Parul Jain**

### 1 Background

Reliance Home Finance Limited ('the Company') was incorporated on June 5, 2008 with Registrar of Companies, Maharashtra at Mumbai. The Company is principally engaged in housing finance business and registered with National Housing Bank ('NHB') as a housing finance company (HFC), without accepting public deposits, as defined under Section 29A of the National Housing Bank Act, 1987.

### 2 Significant Accounting Policies

#### a Basis of Preparation of Financial Statements

The financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting. They are in conformity with the accounting principles generally accepted in India ('GAAP'), and comply with the Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006, as amended by the Companies (Accounting Standards) Amendment Rules, 2016 specified under Section 133 of the Companies Act, 2013 (the "Act"), read with Rule 7 of the Companies (Accounts) Rules, 2014 and relevant provisions of the Act. These financial statements are presented in Indian rupees rounded in crores upto two decimal, except otherwise stated.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Act. Based on the nature of the services and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities.

The Company complies in all material respects, with the prudential norms relating to income recognition, asset classification and provisioning for bad and doubtful debts and other matters, specified in the Directions issued by NHB in terms of "Master Circular – The Housing Finance Companies (NHB) Directions, 2010" vide NHB Notification No. NHB(ND)/DRS/REG/MC-01/2017 dated July 1, 2017 and Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016 vide NHB Notification No. NHB.HFC.CG-DIR.1/ MD&CEO/ 2016, as applicable to the Company.

#### b Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known / materialised.

#### c Revenue Recognition

##### i) Interest income

Repayment of housing loans is generally by way of Equated Monthly Instalments (EMIs) comprising of principal and interest. Necessary appropriation is made out of these EMI collections to principal and interest. EMIs commence generally once the entire loan is disbursed. Pending commencement of EMIs, pre-EMI interest is payable on every month. Interest on loans is computed either on an annual rest, half-yearly rest, quarterly rest or on a monthly rest basis on the principal outstanding at the beginning of the relevant period.

Interest income is allocated over the contractual term of loan by applying the committed interest rate to the outstanding amount of the loan. Interest income on performing assets is recognised on accrual basis and on non-performing assets on realisation basis as per Guidelines prescribed by NHB.

Fees, charges and additional interest income on delayed EMI / Pre-EMI are recognised on receipt basis.

##### ii) Processing fee income

Loan processing fee income is accounted for upfront as and when it becomes due.

##### iii) Income from assignment / securitisation

In case of assignment / securitisation of loans, the assets are derecognised when all the rights, title, future receivables and interest thereof along with all the risks and rewards of ownership are transferred to the purchasers of assigned/ securitised loans. The profit, if any, as reduced by the estimated provision for loss / expenses and incidental expenses related to the transaction, is recognised as gain or loss arising on assignment / securitisation.

##### iv) Servicing fee income

Servicing fees received is accounted for based on the underlying deal structure of the transaction as per the agreement.

##### v) Brokerage, commission and other income

Brokerage, commission and other income is recognised when there is no significant uncertainty as to determination and realisation.

##### vi) Income from investments

Profit / (Loss) earned from sale of securities is recognised on trade date basis.

Notes to the Financial Statement for the year ended March 31, 2018

vii) Dividend income

Dividend income is recognised when the right to receive payment is established.

viii) Foreclosure & other operating income

Foreclosure & other operating charges i.e. bounce charges, loan reschedulement charges are accounted as an when received.

ix) Infrastructure cost recovery

Infrastructure cost recovery income towards support services is accounted as and when it becomes due on contractual terms with the parties.

**d Fixed assets**

Fixed assets are stated at cost of acquisition less accumulated depreciation and impairment loss, if any. The Company has used the cost model as measurement basis for determining the gross carrying amount. Cost includes acquisition cost which is directly attributable to bring the asset to its working condition for its intended use.

**e Intangible assets**

Intangible assets are recognised where it is probable that the future economic benefit attributable to the assets will flow to the Company and its cost can be reliably measured. Intangible assets are stated at cost of acquisition less accumulated amortisation.

**f Depreciation / amortisation**

Depreciation on fixed assets is provided as follows:

Tangible assets

Depreciation is provided in accordance with the provisions of Schedule II to the Act. Tangible assets are depreciated on straight line basis method over the useful life of assets, as prescribed in Part C of Schedule II to the Act.

The estimated useful lives for the different types of assets are :

- (i) Buildings – 60 years
- (ii) Computers and Data Processing Machineries – 3 years
- (iii) Furniture and Fixtures – 10 years
- (iv) Office Equipments – 5 years

Intangible assets

- (i) Computer software which are amortised on straight line basis over the useful life of the assets up to a maximum of five years commencing from the month in which such assets are first installed or utilised.
- (ii) Goodwill arising pursuant to the Scheme of Arrangement is amortised on straight line basis over the tenure of 5 to 10 years.

**g Loan origination cost**

All direct cost incurred for the loan origination is amortised over the tenure of the loan.

**h Investments**

Investments are classified into current investments and non-current investments. In accordance with the Guidelines issued by NHB, current investments are carried at lower of cost and fair value and non-current investments are carried at cost. However, provision is made to recognise decline other than temporary in the carrying amount of long-term investments. Unquoted investments in the units of Mutual Funds in nature of current investment are valued at lower of cost or Net Asset Value declared by Mutual Funds in respect of each particular scheme.

**i Discount on commercial papers**

The difference between the acquisition cost and the redemption value of commercial papers is apportioned on time basis and recognised as discount expense.

**j Asset repossessed under SARFAESI Act**

Asset repossessed under the Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 ('SARFAESI Act') against the settlement of loans are carried in the balance sheet at outstanding loan amount net off provision thereon. The classification and provision is based on the underlying Days Past Due (DPD) of these loans.

**k Cash and cash equivalents**

In the cash flow statements, cash and cash equivalents includes cash in hand, balance in banks and fixed deposits without lien with original maturities of twelve months or less.

### **l Provision for standard assets, Non-Performing Assets (NPAs) and doubtful debts**

Provisions on standard assets, Non-Performing Assets (NPAs) and doubtful debts are made in accordance with the Prudential Norms as per the Housing Finance Companies (NHB) Directions, 2010.

### **m Securitised assets**

Derecognition of securitised assets in the books of the Company, recognition of gain or loss arising on securitisation and accounting for credit enhancement provided by the Company is based on the Guidance Note on Accounting for Securitisation issued by the Institute of Chartered Accountants of India.

### **n Security of loans given**

Housing loans / loans against property granted are secured by equitable registered mortgage of property and / or undertaking to create a security. Other secured loans are secured against hypothecation of respective assets.

### **o Market Linked Debentures (MLDs)**

The Company issues certain non-convertible debentures, the return of which is linked to performance of specified indices over the period of the debenture. Such debentures have a component of an embedded derivative which is fair valued at a reporting date. The resultant 'net unrealised loss or gain' on the fair valuation of these embedded derivatives is recognised in the statement of profit and loss. The debt component of such debentures is measured at amortised cost using yield to maturity basis.

### **p Employee benefits**

#### **i) Provident fund**

Contributions payable to the recognised provident fund, which is a defined contribution scheme, are charged to the Statement of Profit and Loss.

#### **ii) Gratuity**

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in the return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets, if any, is deducted.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as on the balance sheet date.

Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

#### **iii) Leave encashment**

Leave encashment which is a defined benefit, is accrued for based on an actuarial valuation at the balance sheet date carried out by an independent actuary.

The employees of the Company are entitled for compensated absence. The employees can carry forward a portion of the unutilised accrued leave balance and utilise it in future periods. The Company records an obligation for compensated absences in the period in which the employee renders the service that increases the entitlement. The Company measures the expected cost of compensated absence as the amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date.

#### **iv) Phantom stock option**

As a long-term incentive plan to employees, the Company has initiated phantom stock option plan which are cash settlement rights where the employees are entitled to get cash compensation based on formula linked to fair market value of shares upon exercise of phantom stock option over notional or hypothetical shares, whereby instead of becoming entitled to buy the actual shares on vesting, they become entitled to cash payment equivalent to appreciation in the value over defined base price of share. The present value of the obligation under such plan is determined based on actuarial valuation at the year end and any actuarial gains/ losses are charged to statement of profit and loss as applicable.

#### **v) Employee Stock Option Scheme ("ESOS / Scheme")**

The employees of the Company, its subsidiaries and holding company are entitled for grant of stock options (equity shares), based on the eligibility criteria set in Scheme of the Company. The employee compensation expenses are accounted on the basis of "intrinsic value method" as prescribed by the Guidance Note on Employee share based payments issued by the Institute of Chartered Accountants of India as required by the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. The excess, if any, of quoted market price over the exercise price on the date of grant would be recognised as compensation cost over the vesting period. The Company recognises compensation cost on the basis of estimated number of stock options expected to vest.

Notes to the Financial Statement for the year ended March 31, 2018

**q Borrowing cost**

Borrowing costs, which are directly attributable to the acquisition / construction of fixed assets, till the time such assets are ready for intended use, are capitalised as part of the cost of the assets. Other borrowing costs are recognised as an expense in the year in which they are incurred. Brokerage costs directly attributable to a borrowing are expensed over the tenure of the borrowing.

**r Investment in property**

Investment in property is accounted for in accordance with cost model, i.e. cost less any accumulated depreciation and any accumulated impairment losses.

**s Guarantee fees**

Mortgage guarantee fees, which are directly attributable to the loans guaranteed are expensed based on the principal outstanding at the end of the period.

**t Expenses related to public issue of Non-Convertible Debentures (NCDs)**

Expenses related to public issue of NCDs, which are directly attributable to the particular series of NCDs are expensed based on tenure of respective series. The expenses which are not directly attributable to the particular series of NCDs are expensed based on weighted average tenure of NCDs issued.

**u Earnings per share**

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

The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as right shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

**v Provision for current tax and deferred tax**

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Minimum Alternative Tax (MAT) credit entitlement is recognised where there is convincing evidence that the same can be realised in future.

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realised.

**w Impairment of assets**

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired, if such condition exists an asset is treated as impaired, when carrying cost of assets exceeds its recoverable amount. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of the recoverable amount is treated as impaired, when carrying cost of assets exceeds its recoverable amount.

**x Provisions, contingent liabilities and contingent assets**

The Company creates a provision when there is a present obligation as a result of past events and it is probable that there will be outflow of resources and a reliable estimate of the obligation can be made of the amount of the obligation. Contingent liabilities are not recognised but are disclosed in the notes to the financial statements. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are neither recognised nor disclosed in the financial statements.

**3** Previous year figures have been regrouped / reclassified wherever necessary.



## Notes to the Financial Statement for the year ended March 31, 2018

(₹ in crore)

	As at March 31, 2018	As at March 31, 2017
<b>4 Share capital</b>		
(a) <b>Authorised:</b>		
70 00 00 000 Equity shares of ₹ 10 each (Previous year 55 00 00 000)	<b>700.00</b>	550.00
10 00 00 000 Preference shares of ₹ 10 each (Previous year 5 00 00 000)	<b>100.00</b>	50.00
	<b>800.00</b>	600.00
(b) <b>Issued, subscribed &amp; fully paid-up:</b>		
48 50 58 818 Equity shares of ₹ 10 each (Previous year 11 58 20 000)	<b>485.06</b>	115.82
3 10 35 980 8% Cumulative Non-Convertible Redeemable Preference shares of ₹ 10 each (Previous year NIL)	<b>31.04</b>	-
	<b>516.10</b>	115.82

(c) **Equity shares held by holding company:**

Name of the holder	As at March 31, 2018		As at March 31, 2017	
	%	Qty.	%	Qty.
Reliance Capital Limited (Refer Note (h) below)	47.91	23 23 69 188	100	11 58 20 000*

\* Out of the above equity shares, 20 equity shares were jointly held by Reliance Capital Limited and its nominees.

(d) **Shares in the Company held by each shareholder holding more than 5 per cent:**

Name of the equity shareholder	As at March 31, 2018		As at March 31, 2017	
	%	Qty.	%	Qty.
Reliance Capital Limited	47.91	23 23 69 188	100	11 58 20 000*
Reliance Inceptum Private Limited	20.14	9 77 14 206	-	-
Reliance Infrastructure Consulting & Engineers Private Limited	5.77	2 79 75 633	-	-

\* Out of the above equity shares, 20 equity shares were jointly held by Reliance Capital Limited and its nominees.

Name of the preference shareholder	As at March 31, 2018		As at March 31, 2017	
	%	Qty.	%	Qty.
Mr. Sunil Bhandari, Mr. Vishal Rathi & BDG Advisors Private Limited as members of BDG Associates	99.99	3 10 35 886	-	-

(e) **Rights, Preferences and Restrictions:**

a **In respect of Equity shares:**

The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.

Notes to the Financial Statement for the year ended March 31, 2018

**b In respect of Preference shares:**

3,10,35,980, 8% Cumulative Non-Convertible Redeemable Preference Shares having a par value of ₹ 10 per share shall be redeemed at par after 5 years from the date of allotment i.e. August 9, 2017 or unless otherwise agreed between the Company and preference shareholders.

The Board of Directors have recommended a dividend of 10 per cent [₹ 1 (Previous year ₹ 0.50) per equity share] and a pro-rata dividend of 8 per cent (₹ 0.80 per preference share) for the financial year 2017-18 subject to the approval of the members of the Company at the ensuing Annual General Meeting. In terms of the revised Accounting Standard (AS) 4 'Contingencies and Events Occurring after the Balance sheet date' as notified by the Ministry of Corporate Affairs through Amendments to the Companies (Accounting Standards) (Amendment), Rules, 2016 dated March 30, 2016, the Company has not accounted for proposed dividend as a liability as at March 31, 2018. Accordingly, the proposed dividend of ₹ 48.51 crore (tax thereon ₹ 9.87 crore) on equity shares and ₹ 1.60 crore on preference shares are not recognised as liability in the financial statements for the year ended March 31, 2018.

- (f) Pursuant to the Scheme of Arrangement between India Debt Management Private Limited ("IDMPL") and the Company and their respective Shareholders, 3,10,35,980 fully paid-up 8% Cumulative Non-Convertible Redeemable Preference Shares were issued and allotted to the equity shareholders of IDMPL on August 9, 2017 without payment being received in cash.
- (g) Pursuant to the Scheme of Arrangement between Reliance Capital Limited ("RCap") and the Company and their respective Shareholders and Creditors:
- 11,65,49,188 fully paid-up equity shares were issued and allotted to the holding company viz. RCap on September 4, 2017 on rights basis at a premium of ₹ 22 per share amounting to ₹ 372.96 crore;
  - 25,26,89,630 fully paid-up equity shares were issued and allotted to the shareholders of RCap in the ratio of 1:1 on September 7, 2017 without payment being received in cash; and
  - Upon allotment of equity shares to shareholders of RCap, RCap held 47.91 per cent of the total paid-up equity share capital of the Company and RCap may acquire such number of shares from the other promoters of the Company at an agreed value, so that the holding of RCap in the Company is 51 per cent.
- (h) RCap, in accordance with an agreement with Reliance Inceptum Private Limited and Reliance Infrastructure Consulting and Engineers Private Limited who in the aggregate hold 25.91 per cent of the total paid-up capital and who have agreed to exercise their voting rights in such manner as is desired by RCap continues to retain control over our Company and our Company continues to be a subsidiary of RCap in terms of provisions of Section 2(87)(ii) of the Act.
- (i) In terms of the approval of the shareholders obtained through Postal Ballot on December 11, 2017, the Company has increased its authorised share capital from ₹ 600 crore (55,00,00,000 equity shares of ₹ 10 each and 5,00,00,000 preference shares of ₹ 10 each) to ₹ 800 crore (70,00,00,000 equity shares of ₹ 10 each and 10,00,00,000 preference shares of ₹ 10 each).
- (j) Out of the above shares 3,29,10,000 equity shares were allotted as fully paid-up bonus shares to its existing shareholders in the financial year 2012-13.
- (k) **Reconciliation of number of shares outstanding:**

	As at March 31, 2018		As at March 31, 2017	
	No. of Shares	Amount (₹ in crore)	No. of Shares	Amount (₹ in crore)
<b>Equity shares</b>				
Opening Balance	11 58 20 000	115.82	6 58 20 000	65.82
Addition during the year	36 92 38 818	369.24	5 00 00 000	50.00
Closing Balance	48 50 58 818	485.06	11 58 20 000	115.82
<b>Preference shares</b>				
Opening Balance	-	-	-	-
Addition during the year	3 10 35 980	31.04	-	-
Closing Balance	3 10 35 980	31.04	-	-

- (l) For employee stock option scheme Refer Note No. 33.

Notes to the Financial Statement for the year ended March 31, 2018

(₹ in crore)

	As at March 31, 2018	As at March 31, 2017	
<b>5 Reserves and surplus</b>			
<b>a) Statutory Reserve</b>			
<b>(As per Section 29C of the National Housing Bank Act, 1987)</b>			
<b>Special Reserve Fund #</b>			
As per last balance sheet	<b>94.45</b>	59.93	
Add: Transfer from surplus in statement of profit & loss	<b>36.11</b>	34.52	
	<b>130.56</b>		94.45
<b>b) Securities premium account</b>			
As per last balance sheet	<b>405.18</b>	255.18	
Add: premium on equity shares	<b>256.69</b>	150.00	
	<b>661.87</b>		405.18
<b>c) Debenture Redemption Reserve # #</b>			
As per last balance sheet	<b>48.52</b>	-	
Add: Transfer from surplus in statement of profit & loss	<b>194.10</b>	48.52	
	<b>242.62</b>		48.52
<b>d) Surplus in Statement of Profit &amp; Loss</b>			
As per last balance sheet	<b>434.59</b>	239.19	
Add: Deferred tax asset created pursuant to Scheme of Arrangement with India Debt Management Private Limited	-	105.85	
Add: Transfer from statement of profit & loss	<b>180.58</b>	172.59	
Less: Dividend paid	<b>5.79</b>		
Less: Dividend distribution tax	<b>1.19</b>		
Less: Transfer to debenture redemption reserve	<b>194.10</b>	48.52	
Less: Transfer to special reserve fund	<b>36.11</b>	34.52	
	<b>377.98</b>		434.59
	<b>1 413.03</b>		982.74
# The special reserve created as per Section 29C of the NHB Act, 1987, qualifies for deduction as specified u/s 36(1)(viii) of the Income Tax Act, 1961 and accordingly Company has been availing tax benefits for such transfer.			
## Created pursuant to the Companies (Share Capital and Debenture) Rules, 2014.			
<b>6 Long-term borrowings</b>			
Non-convertible debentures (Refer Note No. 27)			
Secured			
Others	<b>6 004.31</b>	3 663.65	
Related party (Refer Note No. 36)	<b>65.00</b>	40.00	3 703.65
	<b>6 069.31</b>		
Unsecured (Subordinated Tier II Series)			
Others	<b>768.71</b>	736.71	
Related party (Refer Note No. 36)	-	37.00	773.71
	<b>768.71</b>		
Term loans from banks / financial institutions			
Secured (Refer Note No. 28)	<b>3 615.98</b>	2 800.42	
	<b>10 454.00</b>		7 277.78

**Notes to the Financial Statement for the year ended March 31, 2018**

(₹ in crore)

	As at March 31, 2018	As at March 31, 2017
<b>7 Other non-current liabilities</b>		
a) Collateral deposit from customers	<b>0.28</b>	0.05
b) Interest accrued on long-term borrowings	<b>51.14</b>	16.49
	<b>51.42</b>	16.54
<b>8 Long-term provisions</b>		
a) Provision for employees benefits		
– Leave encashment	<b>0.34</b>	0.53
b) Provision for standard assets	<b>58.92</b>	50.69
c) Provision for NPA & doubtful debts	<b>32.58</b>	25.94
d) Provision for asset repossessed under SARFAESI Act	<b>25.79</b>	15.81
e) Provision for diminution in the value of investments	-	0.01
	<b>117.63</b>	92.98
<b>9 Short-term borrowings</b>		
a) <b>From Banks</b>		
Cash credit facilities – Secured (Refer Note 1 below)	<b>567.62</b>	50.00
b) <b>From Others</b>		
Commercial papers – Unsecured (Refer Note 2 below)	<b>522.30</b>	953.68
	<b>1 089.92</b>	1 003.68
<b>Notes:</b>		
1	Cash Credit facility of ₹ 567.62 crore (Previous year ₹ 50.00 crore), are secured by pari-passu first charge by hypothecation of all the standard book debts and receivables of the Company, both present and future, except for those book debts and receivables charged / to be charged in favour of National Housing Bank for refinance availed / to be availed, if any, from them, against security not exceeding ₹ 573.86 crore (Previous year ₹ 55.02 crore).	
2	In respect of Commercial Papers referred above, maximum face value amount outstanding during the year was ₹ 2,200 crore (Previous year ₹ 2,225 crore).	
<b>10 Trade payables</b>		
– Micro, small and medium enterprises (Refer Note below)	-	-
– Others	<b>4.26</b>	4.64
– Related Party	-	0.15
	<b>4.26</b>	4.79

**Note:**

Disclosure of amounts payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payments made during the year or brought forward from previous year.

## Notes to the Financial Statement for the year ended March 31, 2018

(₹ in crore)

	As at March 31, 2018	As at March 31, 2017
<b>11 Other current liabilities</b>		
a) Current maturities of long-term debts		
(i) Non-convertible debentures		
Others (secured)	107.20	121.63
Others (unsecured)	5.00	-
Related party (Refer Note No. 36)	2.45	0.50
	<u>114.65</u>	<u>122.13</u>
(ii) Term Loans from banks / financial institutions		
- Secured	1 461.59	1 266.68
b) Interest accrued and not due on borrowings	191.98	124.77
c) Advance from customers	130.05	30.68
d) Payable under securitisation / assignment (Net)	45.78	48.30
e) Temporary book overdraft (Refer Note 1 below)	1.83	187.52
f) Other payables (Refer Note 2 below)	66.48	35.26
g) Collateral deposit from customers	-	-
	<u>2 012.36</u>	<u>1 815.34</u>

### Notes:

- 1 Temporary Book Overdraft of ₹ 187.52 crore (Previous year ₹ 355.40 crore), represents cheques issued towards disbursements to borrowers for ₹ 187.50 crore (Previous year ₹ 187.50 crore) and cheques issued for payment of expenses of ₹ 0.02 crore (Previous year ₹ 0.02 crore), but not encashed as at March 31, 2018.
- 2 Other payables includes TDS, statutory payments and other liabilities.

### 12 Short-term provisions

a) Provision for employees benefits (Refer Note No. 34)		
- Leave encashment	0.01	0.01
- Gratuity	1.33	-
b) Provision for standard assets	23.55	5.93
	<u>24.89</u>	<u>5.94</u>

## Notes to the Financial Statement for the year ended March 31, 2018

## 13 Fixed assets

(₹ in crore)

Sr. No.		Gross Carrying Amount					Accumulated Depreciation					Net Carrying Amount	
		As at April,1 2017	Pursuant to Scheme of Arrangement	Addition	Deletion/ Adjustments	As at March 31, 2018	As at April,1 2017	Pursuant to Scheme of Arrangement	Depreciation	Deletion/ Adjustments	Upto March 31, 2018	As at March 31, 2018	As at March 31, 2017
(i)	Tangible Assets												
1	Buildings	43.34	8.65	-	3.93	48.06	1.42	0.75	0.85	0.05	2.97	45.09	41.92
2	Office Equipments	0.04	-	0.07	-	0.11	0.02	-	0.01	-	0.04	0.07	0.02
3	Data Processing Machineries	0.01	0.05	2.79	-	2.85	0.01	0.04	0.47	-	0.52	2.33	**
4	Furniture and Fixtures	-	2.37	0.16	-	2.53	-	2.11	0.05	-	2.16	0.37	-
Sub-Total (A)		43.39	11.07	3.02	3.93	53.55	1.45	2.90	1.38	0.05	5.69	47.86	41.94
Previous year		45.01	-	2.16	3.79	43.39	0.73	-	0.76	0.04	1.45	41.94	-
(ii)	Intangible Assets												
1	Computer Software	1.86	-	1.77	-	3.63	0.91	-	0.64	-	1.55	2.08	0.95
2	Goodwill on Scheme of Arrangement	30.99	-	178.97	-	209.96	6.20	-	24.10	-	30.30	179.66	24.79
Sub-Total (B)		32.85	-	180.74	-	213.59	7.11	-	24.74	-	31.85	181.74	25.74
Previous year		0.85	-	32.00	-	32.85	0.82	-	6.30	-	7.11	25.74	-
Total (A+B)		76.24	11.07	183.76	3.93	267.14	8.56	2.90	26.12	0.05	37.54	229.60	67.68

\*\* ₹ 13,013

## Notes:

- Depreciation and amortisation as shown in Statement of Profit and Loss includes ₹ 0.06 crore (Previous year ₹ Nil) on account of depreciation on investments in building shown under non-current investments.
- Gross carrying amount transferred & accumulated depreciation transferred pursuant to Scheme of Arrangement column represents assets transferred under the Scheme of Arrangement from Reliance Capital Limited during the year.



## Notes to the Financial Statement for the year ended March 31, 2018

(₹ in crore)

	Face Value / Issue Price ₹	Quantity		Value	
		As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
<b>14 Non-current investments</b>					
<b>(a) Investment in Properties</b>					
Building [net of accumulated depreciation ₹ 0.06 crore (Previous year ₹ Nil)]				<b>4.52</b>	-
				<b>4.52</b>	-
<b>(b) Equity Shares valued at cost unless stated otherwise</b>					
<b>Unquoted, fully paid-up</b>					
S Kumars Nationwide Limited * ₹ 4 438	10	-	1 000	-	*
Meta Copper & Alloys Ltd.	10	-	10 000	-	0.01
				-	0.01
<b>(c) Security Receipts valued at cost unless stated otherwise</b>					
<b>Unquoted, fully paid-up</b>					
Suraksha ARC – 004 Trust – 22 Dec. 2016		-	5 100	-	0.51
Suraksha ARC – 005 Trust – 22 Dec. 2016		<b>7 650</b>	7 650	<b>0.77</b>	0.77
Suraksha ARC – 029 Trust – 31 Mar. 2018		<b>4 01 502</b>	-	<b>40.15</b>	-
RHF Indian Receivable Trust – I – 30 Sep. 2016		<b>1</b>	1	<b>0.61</b>	0.88
RHF Indian Receivable Trust – II – 24 Mar. 2017		<b>150</b>	150	<b>0.92</b>	1.21
				<b>42.45</b>	3.37
<b>(d) Others – Unit of Venture Fund valued at cost unless stated otherwise</b>					
<b>Quoted**, fully paid-up</b>					
IFMR Impact Long-term Multi Asset Class Fund	100 000	<b>4 813</b>	4 813	<b>50.00</b>	50.00
				<b>50.00</b>	50.00
				<b>96.97</b>	53.38

### Notes:

	As at March 31, 2018		As at March 31, 2017	
	Book Value	Market value	Book Value	Market value
1. Aggregate value of investments:				
Quoted investments	<b>50.00</b>	<b>51.68</b>	50.00	51.52
Unquoted investments	<b>46.97</b>	-	3.38	-
<b>Total</b>	<b>96.97</b>	<b>51.68</b>	<b>53.38</b>	<b>51.52</b>
2. Aggregate provision for diminution in the value of investments:				
Quoted investments		-		-
Unquoted investments		-		0.01
<b>Total</b>		-		0.01

3. Basis of Valuation at cost less provision for diminution in the value of investments

\*\*for units of Fund net assets value (NAV) is taken as Market Value.

## Notes to the Financial Statement for the year ended March 31, 2018

	As at March 31, 2018	(₹ in crore) As at March 31, 2017
<b>15 Deferred tax assets (net)</b>		
Deferred tax assets and liabilities included in the balance sheet comprises of the following:		
<b>(a) Deferred tax asset</b>		
Disallowance under the Income Tax Act, 1961	1.00	3.71
Carried forward losses under the Income Tax Act, 1961	50.27	114.84
Provision for NPA / diminution in the value of assets	48.74	34.05
<b>Total (a)</b>	<b>100.01</b>	<b>152.60</b>
<b>(b) Deferred tax liability</b>		
Related to fixed assets	14.25	2.76
Unamortised expenditure	51.85	12.96
Special reserve fund	19.15	13.85
<b>Total (b)</b>	<b>85.25</b>	<b>29.57</b>
<b>Net deferred tax assets [(a)-(b)]</b>	<b>14.76</b>	<b>123.03</b>
<b>16 Long-term loans and advances</b>		
(a) Capital advances	23.76	16.28
(Unsecured, considered good)		
(b) Security deposits	1.17	0.03
(Unsecured, considered good)		
(c) Loans		
(i) (Secured, considered good)		
Housing loans:		
Individuals	5 656.97	4 558.29
Others	1 873.25	1 446.85
Officer of the Company	0.04	0.11
	<b>7 530.26</b>	<b>6 005.25</b>
Commercial loans		
- Secured, considered good	4 361.12	2 902.30
- Unsecured, considered good	19.04	60.00
Loans against gold jewellery	-	-
(ii) (Secured, considered doubtful)		
Housing loans:		
Individuals	33.42	38.55
Others	33.67	3.06
	<b>67.09</b>	<b>41.61</b>
Commercial loans	43.63	20.08
Loans against gold jewellery	-	-
(d) Instalments due (Secured, considered doubtful)		
Principal overdue	17.15	22.14
(e) Balance with GST / Service Tax Authorities	0.02	1.28
(f) Taxes paid [Net off income tax provision ₹ 42.68 crore (Previous year ₹ Nil)]	30.16	38.92
(g) MAT credit availed	71.36	-
	<b>12 164.76</b>	<b>9 107.89</b>

**Notes to the Financial Statement for the year ended March 31, 2018**

	(₹ in crore)	
	As at March 31, 2018	As at March 31, 2017
<b>17 Other non-current assets</b>		
(a) Receivable from trustee under securitisation	<b>8.00</b>	7.27
(b) Fixed deposits with banks		
– Credit enhancement towards securitisation	-	64.69
– Margin money deposits for Market Linked Debentures	<b>15.11</b>	16.85
– Kept as deposits for issuing bank guarantee	<b>0.26</b>	3.20
	<b>15.37</b>	84.74
(c) Unamortised expenditures		
(i) Unamortised DSA commission	<b>50.68</b>	34.79
Add: Incurred during the year	<b>40.88</b>	29.27
Less: Amortised during the year	<b>26.58</b>	13.37
	<b>64.98</b>	50.69
Less: to be amortised over the next one year	<b>6.27</b>	4.85
(Refer Note No. 21 (b))	<b>58.71</b>	45.84
(ii) Unamortised brokerage on borrowing	<b>10.53</b>	9.41
Add: Incurred during the year	<b>51.49</b>	3.05
Less: Amortised during the year	<b>5.05</b>	1.94
	<b>56.97</b>	10.52
Less: to be amortised over the next one year	<b>9.26</b>	2.20
(Refer Note No. 21 (b))	<b>47.71</b>	8.32
(iii) Unamortised mortgage guarantee fees	<b>4.33</b>	5.65
Add: Incurred during the year	-	-
Less: Amortised during the year	<b>1.24</b>	1.33
	<b>3.09</b>	4.32
Less: to be amortised over the next one year	<b>0.69</b>	0.71
(Refer Note No. 21 (b))	<b>2.40</b>	3.61
(iv) Unamortised public issue NCD expenses	<b>31.61</b>	-
Add: Incurred during the year	-	33.31
Less: Amortised during the year	<b>6.81</b>	1.70
	<b>24.80</b>	31.61
Less: to be amortised over the next one year	<b>6.81</b>	6.81
(Refer Note No. 21 (b))	<b>17.99</b>	24.80
(d) Asset repossessed under SARFAESI Act	<b>72.91</b>	51.98
(e) Prepaid expenses	<b>2.32</b>	0.91
(f) Other receivable	<b>12.17</b>	30.59
	<b>237.58</b>	258.06

## Notes to the Financial Statement for the year ended March 31, 2018

(₹ in crore)

	Face Value/ Issue Price ₹	Quantity		Value	
		As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
<b>18 Current investments</b>					
<b>Current portion of non-current investments</b>					
<b>a) Pass Through Certificates ('PTC') valued at cost unless stated otherwise</b>					
<b>Unquoted, fully paid-up</b>					
Cabaletta IFMR Capital 2015 - Series - A2 PTC 18 Dec.15		-	1 84 008	-	0.54
Hysminai IFMR Capital 2015 - Series - A2 PTC 30 Oct.15		-	9 93 370	-	0.40
IFMR Capital Mosec Glaucus 2015 - Series A2 PTC 01 Sep.15		-	18 54 181	-	0.82
IFMR Capital Mosec Vulcan 2015 - Series A2 PTC 30 Sep.15		-	5 93 180	-	0.55
Karpo IFMR Capital 2015 - Series - A2 PTC 31 July 15		-	1 05 137	-	0.42
Libertas IFMR Capital 2015 - Series A2 PTC 30 Nov. 15		-	1 52 39 096	-	1.53
				-	4.26
<b>b) Security receipts valued at cost unless stated otherwise</b>					
<b>Unquoted, fully paid-up</b>					
RHF Indian Receivable Trust - 30 Sep. 2016		1	1	0.04	0.06
RHF Indian Receivable Trust II - 24 Mar. 2017		1	1	0.04	0.06
				0.08	0.12
<b>Current Investments</b>					
<b>a) Unit of Mutual Fund valued at cost unless stated otherwise*</b>					
<b>Quoted, fully paid-up (valued at cost or market price whichever is lower)</b>					
Reliance Liquidity Fund -Direct Growth	1 000	-	16 34 434	-	400.00
SBI Magnum InstaCash -Direct Growth Plan	1 000	-	1 39 028	-	50.00
				-	450.00
				0.08	454.38

## Notes to the Financial Statement for the year ended March 31, 2018

(₹ in crore)

	As at March 31, 2018		As at March 31, 2017	
	Book Value	Market Value	Book Value	Market Value
<b>Notes:</b>				
<b>1 Aggregate value of investments:</b>				
Quoted investments	-	-	450.00	450.64
Unquoted investments	0.08	-	4.38	-
	<u>0.08</u>	<u>-</u>	<u>454.38</u>	<u>450.64</u>
<b>2 Aggregate Provision for diminution in the value of investments:</b>				
Quoted investments		-		-
Unquoted investments		-		-
		<u>-</u>		<u>-</u>

\* for units of Fund net assets value (NAV) is taken as Market Value.

(₹ in crore)

	As at March 31, 2018	As at March 31, 2017
<b>19 Cash and bank balances</b>		
(a) Cash and cash equivalents		
Balance with banks in current accounts	58.87	252.39
Cash on hand	0.08	0.10
	<u>58.95</u>	<u>252.49</u>
(b) Other bank balances		
Fixed deposits with banks # (Less than 12 months) (kept as credit enhancement towards securitisation/ direct assignment and margin money for MLDs)	47.23	-
(c) Others	3.42	-
	<u>109.60</u>	<u>252.49</u>

# In respect of fixed deposits with Banks ₹ 36.58 crore (Previous year ₹ Nil) is kept as credit enhancement towards securitisation / assignment transactions, ₹ 10.65 crore (Previous year ₹ Nil) is kept as margin money deposits for MLDs.

## 20 Short-term loans and advances

(a) Loans repayments within next 12 months (Secured, considered good)		
(i) Housing loans:		
Individuals	232.52	162.55
Others	520.10	514.58
Officer of the Company	0.24	0.04
	<u>752.86</u>	<u>677.17</u>
(ii) Commercial loans	1 821.29	230.30
(iii) Loan against gold jewellery	-	-
(b) Instalments due		
-Secured, considered good	76.10	35.35
-Unsecured, considered good	-	0.20
(c) Prepaid expenses	1.52	0.65
(d) Sundry advances	1.97	0.38
(e) Security deposit	-	3.00
	<u>2 653.74</u>	<u>947.05</u>

## Notes to the Financial Statement for the year ended March 31, 2018

(₹ in crore)

	As at March 31, 2018	As at March 31, 2017	
<b>21 Other current assets</b>			
(a) Interest accrued on			
Loans	151.45	65.15	
Fixed deposits	0.35	0.09	
Investments	<u>1.69</u>	<u>2.87</u>	68.11
(b) Unamortised expenditure			
DSA commission	6.27	4.86	
Brokerage on borrowing	9.26	2.20	
Mortgage guarantee fees	0.69	0.71	
Unamortised public issue NCD expenses	<u>6.81</u>	<u>6.81</u>	
	<b>23.03</b>		14.58
	<b>176.52</b>		82.69

(₹ in crore)

	2017-2018	2016-2017
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## 22 Revenue from operations

a)	Interest income			
	Interest on:			
	Housing and other loans	<b>1 464.94</b>	937.75	
	Investments	<b><u>20.20</u></b>	<u>31.29</u>	
		<b>1 485.14</b>		969.04
b)	Other financial income			
	Processing fee	<b>83.25</b>	71.28	
	Foreclosure & other operating income	<b>23.31</b>	16.95	
	Brokerage commission on property solution	<b><u>4.00</u></b>	<u>5.45</u>	
		<b>110.56</b>		93.68
c)	Interest on fixed deposits	<b>6.94</b>		8.53
d)	Bad debts recovered	<b>0.38</b>		2.03
		<b><u>1 603.02</u></b>		<u>1 073.28</u>

## 23 Other income

a)	Profit on sale of			
	- Current / Non-Current investments (Net)		<b>59.55</b>	33.86
b)	Interest on income tax refund		<b>1.61</b>	1.64
c)	Interest on investments		<b>6.27</b>	5.29
d)	Miscellaneous income		<b>0.07</b>	0.01
e)	Reversal of provision for diminution in the value of debentures	-	240.54	
	Less: Loss on sale of debentures	-	<u>209.94</u>	
			-	30.60
			<b>67.50</b>	<u>71.40</u>

## 24 Employee benefits expense

Payments to and provision for employees (including managerial remuneration)		
– Salary & bonus etc.	<b>107.93</b>	84.64
– Contribution to provident fund and other funds	<b>6.04</b>	3.95
– Staff welfare & other amenities	<b>3.61</b>	5.11
	<b>117.58</b>	93.70



## Notes to the Financial Statement for the year ended March 31, 2018

		(₹ in crore)
	2017-2018	2016-2017
<b>25 Finance cost</b>		
a) Interest expense		
Term loan from banks	414.47	470.18
Cash credit from banks	40.26	1.46
Non-convertible debentures	465.60	171.47
Body corporates	11.98	0.09
	<b>932.31</b>	643.20
b) Other borrowing costs		
Amortised brokerage (Refer Note No. 17 (c) (ii))	5.05	1.94
Discount on commercial papers	99.58	103.36
Processing charges	0.15	0.03
	<b>104.78</b>	105.33
	<b>1 037.09</b>	748.53
<b>26 Other expenses</b>		
Auditor's remuneration (Refer Note No. 29)	0.16	0.36
Bad debts written off	52.59	6.04
Bank charges	0.45	0.48
Credit cost	0.07	0.18
Collection cost	0.81	1.07
Corporate Social Responsibility expenditure (Refer Note No. 43)	2.75	2.05
Directors' sitting fees	0.32	0.23
Amortised DSA commission (Refer Note No. 17)	26.58	13.37
Amortised guarantee commission (Refer Note No. 17)	1.24	1.33
Amortised public issue NCD expenses (Refer Note No. 17)	6.81	1.70
Investments written off	0.01	-
Infrastructure cost	-	2.75
Legal and professional fees	34.10	26.00
Loss on sale of fixed asset	0.02	0.18
Marketing expenses	4.03	10.92
Management expenses	6.52	3.23
Miscellaneous expenses	0.20	0.26
Postage, telegram and telephone	1.42	2.01
Provision for standard asset	25.85	21.37
Provision for NPA & doubtful debts	5.26	10.69
Provision for repossessed asset	9.29	15.75
Printing and stationary	4.34	1.90
Rates and taxes	3.39	3.90
Repairs and maintenance - others	17.83	15.35
Travelling and conveyance	6.12	6.38
Sundry balance written off	-	0.61
Rent	7.96	9.48
	<b>218.12</b>	157.59
<b>27 Security clause, maturity profile &amp; rate of interest in respect of Secured Non-Convertible Debentures</b>		
(a) Listed Secured Redeemable Non-Convertible Debentures ("Secured NCDs") amounting to ₹ 6,216 crore are secured by way of first pari-passu legal mortgage and charge over the premises situated at Bharuch and additional pari-passu charge by way of hypothecation on the present and future book debts / receivables, outstanding money (loan book), receivable claims of the Company with other secured lenders for an amount of ₹ 5,509 crore, except those book debts and receivables charged / to be charged in favour of National Housing Bank for refinance availed / to be availed from them, of Home Finance Business subject to maintenance of minimum asset coverage of 100% of issue amount and security amounting to ₹ 707 crore is provided by way of first pari-passu hypothecation charge on all present and future book debts and business receivables of Company's holding company viz. Reliance Capital Limited (except security created / to be created towards securing term loans and cash credit limits). Business receivables include current assets and investments.		
(b) Unsecured NCDs amounting to ₹ 773.71 crore (Previous year ₹ 773.71 crore) are in respect of Tier II Subordinate Debts.		

## Notes to the Financial Statement for the year ended March 31, 2018

(c) Maturity profile of Non-Convertible Debentures are as set out below:

											(₹ in crore)
Interest Rate	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2031-32	Total
MLD	59.82	79.16	15.74			23.68			41.14		219.54
0.00%	-	120.00	39.00	-	-	-	-	-	-	-	159.00
8.25%	-	20.00	-	-	-	-	-	-	-	-	20.00
8.35%	130.00	-	-	-	-	-	-	-	-	-	130.00
8.50%	-	-	-	-	-	-	-	-	20.00	-	20.00
8.60%	-	-	-	30.00	-	-	-	-	-	-	30.00
8.64%	-	100.00	-	-	-	-	-	-	-	-	100.00
8.65%	-	-	-	-	-	25.00	-	-	-	-	25.00
8.70%	812.00	-	-	-	-	-	-	-	-	-	812.00
8.75%	-	-	20.00	-	-	-	-	5.00	-	-	25.00
8.80%	-	25.00	-	-	10.00	-	-	-	-	-	35.00
8.81%	20.00	-	25.00	-	70.00	-	-	-	-	-	115.00
8.82%	-	-	-	20.00	-	-	-	-	-	-	20.00
8.83%	-	-	-	-	40.00	-	-	-	-	-	40.00
8.85%	-	-	-	-	20.00	-	-	-	-	-	20.00
8.88%	-	-	-	-	-	500.00	-	-	-	-	500.00
8.90%	1,129.64	-	215.91	-	-	-	-	-	-	-	1 345.55
8.93%	-	-	-	-	-	-	-	-	800.00	-	800.00
8.95%	-	-	-	-	-	-	25.00	-	-	-	25.00
8.98%	-	-	-	-	-	-	-	-	500.00	-	500.00
9.00%	-	60.00	-	-	-	-	18.00	72.82	-	-	150.82
9.05%	15.00	-	333.54	-	-	-	-	-	-	-	348.54
9.10%	400.00	-	-	-	-	-	-	-	-	-	400.00
9.15%	-	-	20.00	-	-	-	15.00	239.30	-	-	274.30
9.25%	-	-	-	-	-	-	27.00	-	-	250.03	277.03
9.35%	-	-	-	-	30.00	-	-	-	-	-	30.00
9.40%	-	-	-	-	-	-	-	-	-	185.68	185.68
9.45%	-	-	-	10.00	-	-	-	-	-	-	10.00
9.48%	-	-	-	-	-	-	1.00	-	-	-	1.00
9.50%	-	-	-	-	25.00	-	70.00	-	-	-	95.00
9.52%	-	-	-	-	15.00	-	-	-	-	-	15.00
9.75%	10.00	-	-	-	-	-	-	-	-	-	10.00
9.80%	15.00	-	-	-	-	15.00	-	-	-	-	30.00
9.90%	-	-	-	-	1.70	-	-	-	-	-	1.70
10.00%	-	-	-	16.00	-	-	-	-	-	-	16.00
10.33%	-	-	-	45.00	-	-	-	-	-	-	45.00
10.40%	-	-	-	50.00	-	-	-	-	-	-	50.00
10.60%	-	-	-	8.00	-	-	-	-	-	-	8.00
<b>Total</b>	<b>2 591.46</b>	<b>404.16</b>	<b>669.19</b>	<b>179.00</b>	<b>211.70</b>	<b>563.68</b>	<b>156.00</b>	<b>317.12</b>	<b>1 361.14</b>	<b>435.71</b>	<b>6 889.16</b>

# Zero Coupon Deep Discount Non - Convertible Debentures

MLD = Market Linked Debentures

## 28 Security clause &amp; Maturity profile in respect to secured loans from banks

- a Term loans from banks includes ₹ 5,077.57 crore (Previous year ₹ 4,067.11 crore) secured by pari-passu first charge by hypothecation of all the standard book debts and receivables of the Company, both present and future, except for those book debts and receivables charged / to be charged in favour of National Housing Bank for refinance availed / to be availed, if any, from them, against security not exceeding ₹ 5,585.33 crore (Previous year ₹ 4,492.36 crore).
- b Maturity profile of secured term loans from banks are as set out below:

								(₹ in crore)
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	Total	
Term loan from banks	1 336.47	913.62	636.05	529.84	100.00	100.00	3 615.98	

### 29 Auditor's Remuneration

	(₹ in crore)	
	2017-18	2016-17
Statutory audit fees	0.08	0.06
Tax audit fees	-	0.02
Certification fees and work relating to public issue of NCD	0.05	0.25
Limited review fees	0.03	0.03
<b>Total</b>	<b>0.16</b>	<b>0.36</b>

### 30 Disclosures pursuant to Para 5 (II) of the Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016 vide National Housing Bank ('NHB') Notification No. NHB.HFC.CG-DIR.1/ MD&CEO/ 2016, as applicable to the Company

(i) The Company is a Housing Finance Company (HFC) registered with National Housing Bank. The Company has not obtained registration from any other financial sector regulators.

#### (ii) Ratings assigned by rating agencies and migration of ratings during the year

Rating agency	Borrowings type	Rating
<b>A. NCDs issued on Private Placement basis:</b>		
Brickwork Ratings India Private Limited	Long-term NCDs ₹ 3,000 crore	BWR AA+, Outlook: Stable
Brickwork Ratings India Private Limited	Tier II Unsecured Debt ₹ 400 crore	BWR AA+, Outlook: Stable
Brickwork Ratings India Private Limited	Long-term Upper Tier II NCD Private Placement ₹ 100 crore	BWR AA, Outlook: Stable
Brickwork Ratings India Private Limited	Market linked Debentures ₹ 100 crore	BWR PP-MLD AA+, Outlook: Stable
CARE Ratings Limited	Long-term Debt ₹ 9,000 crore	CARE AA+ Credit watch with developing implications
CARE Ratings Limited	Tier II Unsecured Debt ₹ 400 crore	CARE AA+ Credit watch with developing implications
CARE Ratings Limited	Market linked Debentures ₹ 300 crore	CARE PP-MLD AA+ Credit watch with developing implications
CARE Ratings Limited	Long-term Upper Tier II NCD Private Placement ₹ 100 crore	CARE AA Credit watch with developing implications
<b>B. NCDs issued through Public Issue:</b>		
Brickwork Ratings India Private Limited	Long-term NCDs for Public issue ₹ 3,000 crore	BWR AA+, Outlook: Stable
Brickwork Ratings India Private Limited	Long-term Upper Tier II NCD Public Issue ₹ 500 crore	BWR AA, Outlook: Stable
CARE Ratings Limited	Long-term NCDs for Public issue ₹ 3,000 crore	CARE AA+ Credit watch with developing implications
CARE Ratings Limited	Long-term Upper Tier II NCD Public Issue ₹ 500 crore	CARE AA Credit watch with developing implications
<b>C. Commercial Paper:</b>		
ICRA Limited	Short-term Debt CP ₹ 3,000 crore	[ICRA] A1+
Brickwork Ratings India Private Limited	Short-term Debt CP ₹ 3,000 crore	BWR A1+

(iii) No penalties were levied upon the Company by NHB or any other regulator.

Notes to the Financial Statement for the year ended March 31, 2018

(iv) Joint ventures and overseas subsidiaries

(₹ in crore)		
Items	As at March 31, 2018	As at March 31, 2017
Area, country of operation	India	India
Joint venture partners with regard to Joint ventures and Overseas subsidiaries	None	None

(v) Related Party Transactions

Details of all material transactions with related parties has been given in Note No. 36 of the financial statements.

31 Disclosures pursuant to Annexure IV of Para 5 (II) of the Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016 vide National Housing Bank ('NHB') Notification No. NHB.HFC.CG-DIR.1/ MD&CEO/ 2016, as applicable to the Company

1 Capital to Risk Assets Ratio (CRAR)

(₹ in crore)		
Particulars	As at March 31, 2018	As at March 31, 2017
i) CRAR (%)	19.83	19.24
ii) CRAR – Tier I capital (%)	12.76	9.62
iii) CRAR – Tier II capital (%)*	7.07	9.62
iv) Amount of Subordinated Debt raised as Tier II Capital*	743.11	773.71
v) Amount raised by issue of Perpetual Debts Instruments	-	-

\* Includes Upper Tier II Capital as per NHB circular No. NHB(ND)/DRS/Pol-No.-23/2008 dated April 24, 2008.

Note:

Unsecured Non-Convertible Debentures Subordinate Tier II Series of ₹ 773.71 crore, for which discounted value is ₹ 743.11 crore.

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

(₹ in crore)		
Particulars	As at March 31, 2018	As at March 31, 2017
<b>Balance at the beginning of the year</b>		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	54.44	19.92
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	40.01	40.01
<b>Total</b>	<b>94.45</b>	<b>59.93</b>
<b>Addition / Appropriation / Withdrawal during the year</b>		
<b>Add :</b>		
a) Amount transferred u/s 29C of the NHB Act, 1987	36.11	34.52
b) Amount of Special Reserve u/s 36(1)(viii) of the Income Tax Act, 1961 taken into account for the purpose of Statutory Reserve u/s. 29C of the NHB Act, 1987	-	-
<b>Less :</b>		
a) Amount appropriated from Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
b) Amount withdrawn from Special Reserve u/s 36(1)(viii) of the Income Tax Act, 1961 which has been taken into account for the purpose of provision u/s 29C of the NHB Act, 1987	-	-

(₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Balance at the end of the year</b>		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	<b>90.55</b>	54.44
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	<b>40.01</b>	40.01
<b>Total</b>	<b>130.56</b>	94.45

### 3 Investments

(₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>1) Value of Investments</b>		
i) Gross Value of Investments		
a) In India	<b>97.05</b>	507.76
b) Outside India	-	-
ii) Provisions for Depreciation		
a) In India	-	0.01
b) Outside India	-	-
iii) Net Value of Investments		
a) In India	<b>97.05</b>	507.75
b) Outside India	-	-
<b>2) Movement of provisions held towards depreciation on investments</b>		
i) Opening Balance	<b>0.01</b>	-
ii) Add: Provisions made during the year/ Transfer pursuant to Scheme of Arrangement	-	240.55
iii) Less: Write-off / Written back of excess provisions during the year	<b>0.01</b>	240.54
iv) Closing balance	-	0.01

### 4 Derivatives

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

(₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017
i) The notional principal of swap agreements	-	-
ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	-	-
iii) Collateral required by the HFC upon entering into swaps	-	-
iv) Concentration of credit risk arising from the swaps	-	-
v) The fair value of the swap book	-	-

Notes to the Financial Statement for the year ended March 31, 2018

ii) Exchange Traded Interest Rate (IR) Derivatives

		(₹ in crore)
Particulars		As at March 31, 2018
(I)	Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument- wise)*	
	IRF759GS2026 27/04/2017	1.60
	IRF759GS2026 25/05/2017	3.20
	IRF759GS2026 29/06/2017	3.20
	IRF697GS2026 29/06/2017	3.20
	IRF697GS2026 27/07/2017	3.20
	<b>Total</b>	<b>14.40</b>
(II)	Notional principal amount of exchange traded IR derivatives outstanding as on March 31, 2018	Nil
(III)	Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective"	Nil
(IV)	Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective"	Nil

\* Intra-day transaction considered on gross basis and not net derivatives expiring considered as being traded to arrive at notional principal traded.

iii) Disclosures on Risk Exposure in Derivatives

A. Qualitative Disclosure

The Company has Board approved risk management policy for capital market exposure including derivatives contract trading. Trading in derivative are primarily for the Market Linked Debentures (MLD) portfolio. Risk Management Team independently calculate sensitivities and revalues portfolio on daily basis and ensures that risk limits are adhered on daily basis. Market risk limits have been established at portfolio level.

The Company has a process whereby periodically all long-term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law / accounting standards has been made in the books of accounts and there are no foreseeable losses on such long-term contracts (including derivative contracts) (Refer "Significant Accounting Policy" point 2(o)).

B. Quantitative Disclosure

			(₹ in crore)
Particulars	Currency Derivatives	Interest Rate Derivatives	
(i) Derivatives (Notional Principal Amount)			
(a) Traded during the year	-	14.40	
(b) Outstanding as on March 31, 2018	-	-	
(ii) Marked to Market Positions			
(a) Assets (+)*	-	-	
(b) Liability (-)	-	-	
(iii) Credit Exposure	-	-	
(iv) Unhedged Exposures	-	-	

\* Long Position in Derivatives considered under Assets



## Notes to the Financial Statement for the year ended March 31, 2018

### 5(a) Disclosures relating to Securitisation

		(₹ in crore)	
Sr. No.	Particulars	2017-18	2016-17
1)	No. of SPVs sponsored by the Company for Securitisation Transactions (Nos.)	5	5
2)	Total amount of securitised assets as per books of the SPVs sponsored by the Company	220.20	300.61
3)	Total amount of exposures retained by the Company to comply with Minimum Retention Requirement (MRR) as on the date of balance sheet		
a)	Off-balance sheet exposures towards credit enhancements		
•	First loss	-	-
•	Others	-	-
b)	On-balance sheet exposures towards credit enhancements		
•	First loss	36.58	36.58
•	Others	1.61	2.22
4)	Amount of exposures to securitisation transactions other than Minimum Retention Requirement (MRR)		
a)	Off-balance sheet exposures towards credit enhancements		
i)	Exposure to own securitisations		
•	First loss	-	-
•	Others	-	-
ii)	Exposure to third party securitisations		
•	First loss	-	-
•	Others	-	13.36
b)	On-balance sheet exposures towards credit enhancements		
i)	Exposure to own securitisations		
•	First loss	-	-
•	Others	-	-
ii)	Exposure to third party securitisations		
•	First loss	-	-
•	Others	-	-

### 5(b) Disclosures relating to Assignment

		(₹ in crore)	
Sr. No.	Particulars	2017-18	2016-17
1)	No. of Direct Assignments (Nos.)	23	19
2)	Total amount of assigned assets as per books of the Assignor	1 717.07	1 067.20
3)	Total amount of exposures retained by the Company to comply with Minimum Retention Requirement (MRR) as on the date of balance sheet		
a)	Off-balance sheet exposures towards credit enhancements		
•	First loss	-	-
•	Others	-	-

Notes to the Financial Statement for the year ended March 31, 2018

		(₹ in crore)	
Sr. No.	Particulars	2017-18	2016-17
b)	On-balance sheet exposures towards credit enhancements		
	• First loss	-	-
	• Others	172.17	100.01
4)	Amount of exposures to securitisation transactions other than Minimum Retention Requirement (MRR)		
a)	Off-balance sheet exposures towards credit enhancements		
i)	Exposure to own securitisations		
	• First loss	-	-
	• Others	-	-
ii)	Exposure to third party securitisations		
	• First loss	-	-
	• Others	-	-
b)	On-balance sheet exposures towards credit enhancements		
i)	Exposure to own securitisations		
	• First loss	19.17	28.10
	• Others	-	-
ii)	Exposure to third party securitisations		
	• First loss	-	-
	• Others	-	-

6 Details of Financial Assets Sold to Securitisation / Reconstruction Company for Assets Reconstruction

		(₹ in crore)	
Particulars		2017-18	2016-17
(i) No. of accounts		1	4
(ii) Aggregate value [net of provisions ₹ 0.37 crore (Previous year figure ₹ 0.59 crore)] of accounts sold to SC / RC		49.03	1.17
(iii) Aggregate consideration		47.24	1.50
(iv) Additional consideration realised in respect of accounts transferred in earlier years		-	-
(v) Aggregate gain / (loss) over net book value		(1.79)	0.33

7 Details of Assignment transactions undertaken by the Company

		(₹ in crore)	
Particulars		2017-18	2016-17
i) No. of accounts		6,309	2,926
ii) Aggregate value (net of provisions) of accounts sold		1 471.76	861.31
iii) Aggregate consideration (Including MRR)		1 471.76	861.31
iv) Additional consideration realised in respect of accounts transferred in earlier years		-	-
v) Aggregate gain / (loss) over net book value		-	-

Notes to the Financial Statement for the year ended March 31, 2018

8 (a) Details of Non-Performing Financial Assets Purchased

(₹ in crore)		
Particulars	2017-18	2016-17
1) (i) No. of accounts Purchased during the year	-	-
(ii) Aggregate Outstanding	-	-
2) (i) Of these, number of accounts restructured during the year	-	-
(ii) Aggregate Outstanding	-	-

(b) Details of Non-Performing Financial Assets Sold

(₹ in crore)		
Particulars	2017-18	2016-17
(i) No. of accounts sold during the year	-	-
(ii) Aggregate outstanding	-	-
(iii) Aggregate consideration received	-	-

9 Assets Liabilities Management Maturity pattern of certain items of asset and liabilities (At Book Value)

(₹ in crore)				
	Liabilities		Assets	
	As at March 31, 2018		As at March 31, 2018	
	Borrowings from Bank	Market Borrowings	Loans & Advances	Investments
Upto 30 / 31 days	567.62	10.00	385.05	0.01
	(50.00)	(52.27)	(76.14)	(453.91)
Over 1 month to 2 months	355.04	339.97	263.50	0.01
	(66.66)	(173.69)	(79.04)	(0.09)
Over 2 months to 3 months	-	143.78	100.71	0.01
	(216.66)	(261.20)	(79.44)	(0.32)
Over 3 months to 6 months	221.62	136.95	503.51	0.02
	(256.70)	(491.47)	(246.31)	(0.02)
Over 6 months to 1 Year	883.49	6.25	1 341.90	0.04
	(726.66)	(97.18)	(462.10)	(0.04)
Over 1 year to 3 Years	2 251.54	2 980.39	1 978.08	4.70
	(2 057.10)	(2 298.48)	(1 336.16)	(0.19)
Over 3 years to 5 Years	1 165.88	848.46	1 447.40	50.20
	(653.32)	(902.45)	(490.66)	(50.22)
Over 5 Years to 7 years	200.00	775.00	1 310.55	0.22
	(90.00)	(360.70)	(1 540.51)	(0.25)
Over 7 Years to 10 years	-	1 835.67	2 059.21	0.35
	-	(488.12)	(1 462.84)	(0.43)
Over 10 years	-	435.71	5 205.38	41.52
	-	(435.71)	(4 195.26)	(2.27)
<b>Total</b>	<b>5 645.19</b>	<b>7 512.17</b>	<b>14 595.29</b>	<b>97.07</b>
	(4 117.10)	(5 561.27)	(9 968.46)	(507.74)

Notes:

- (a) All unquoted equity shares have been included in 'Over 10 years'. The maturity pattern has been prepared in line with various regulations issued by NHB from time to time, best practices and based upon best estimate of the management with regard to the timing of various cash flows.

**Notes to the Financial Statement for the year ended March 31, 2018**

(b) The classification of Assets and Liabilities into current and non-current is carried out based on their residual maturity profile as per requirement of Schedule III to the Act. The above maturity pattern of assets and liabilities has been prepared by the Company after taking into consideration guidelines for assets-liabilities management (ALM) system in housing finance companies issued by NHB, best practices and best estimate of the Assets-Liability Committee / Management with regard to the timing of various cash flows and estimate of foreclosure of the loans expected in next one year, which has been relied upon by the auditors.

(c) Figures in bracket indicate previous year figures.

**10 Exposures**
**(a) Exposure to Real Estate**

(₹ in crore)		
Category	As at March 31, 2018	As at March 31, 2017
a) Direct Exposure		
i) Residential Mortgage		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented		
(a) Individual Housing loans upto ₹ 15 lakhs	1 099.68	709.59
(b) Individual Housing loans More than ₹ 15 lakhs	4 726.30	4 109.08
ii) Commercial Real Estate		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure shall also include non-fund based limits	3 551.24	3 412.15
iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures –		
(a) Residential	42.53	3.49
(b) Commercial Real Estate	-	-
b) Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-
<b>Total Exposure to Real Estate Sector</b>	<b>9 419.75</b>	<b>8 234.31</b>

**Notes :**

- For the exposure to real estate only loans secured by way of mortgage / hypothecation of housing properties, commercial properties and land are considered.
- In computing the above information, certain estimates, assumptions and adjustments have been made by the Management which have been relied upon by the auditors.

**(b) Exposure to Capital Market**

(₹ in crore)		
Category	As at March 31, 2018	As at March 31, 2017
i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	-	-
ii) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds;	-	-
iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-

		(₹ in crore)	
Category		As at March 31, 2018	As at March 31, 2017
iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	-	-
v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
vi)	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
vii)	Bridge loans to companies against expected equity flows / issues;	-	-
viii)	All exposures to Venture Capital Funds (both registered and unregistered)	-	-
<b>Total Exposure to Capital Market</b>		-	-

### 11 Details of Financing of the Parent Company Product

There are no parent company products which are financed by the Company during the year.

### 12 Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the Company

During the year, pursuant to the Scheme of Arrangement between the Company and Reliance Capital Limited (RCap), sanctioned by the National Company Law Tribunal, vide its order dated August 10, 2017, the real estate lending portfolio of RCap had been transferred into the Company with effect from the Appointed Date of the Scheme i.e. April 1, 2017 and after taking into consideration the demerged lending portfolio, the single party exposure limit prescribed by NHB was exceeded in two loan accounts.

As on March 31, 2018, the Company is in compliance with the Directions as prescribed by NHB regarding the exposure limits.

### 13 Unsecured Advances

		(₹ in crore)	
		As at March 31, 2018	As at March 31, 2017
Advances against Securities of Intangible Assets		-	-
<b>Total Advances against Securities of Intangible Assets</b>		-	-

### 14 Remuneration of Directors

Details of remuneration of directors are disclosed as part of the Directors' Report.

### 15 Net Profit or Loss for the period, prior period items and changes in accounting policies

During the year there is no change in the accounting policies and there is no prior period item.

## 32 Additional Disclosures

Disclosures pursuant to Para 5 of Annex 4 of the Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016 vide National Housing Bank ('NHB') Notification No. NHB.HFC.CG-DIR.1/ MD&CEO/ 2016, as applicable to the Company

### 1. Provisions and Contingencies

		(₹ in crore)	
		As at March 31, 2018	As at March 31, 2017
a)	Provision for depreciation on Investments	-	-
b)	Provision made towards Income tax	(17.31)	(9.57)
c)	Provision for NPA & Doubtful Debts	2.21	10.69

Notes to the Financial Statement for the year ended March 31, 2018

(₹ in crore)

	As at March 31, 2018	As at March 31, 2017
d) Provision for Standard Assets	25.85	21.37
– Teaser Loan	(0.02)	(0.05)
– Commercial Real Estate	20.12	10.63
– Commercial Real Estate-Residential Housing	5.91	3.83
– Other Standard Assets	(0.16)	6.96
e) Other Provisions and Contingencies (with details)		
– Provision for Repossessed assets	9.29	15.75
– Other provisions	3.05	-

2. Break up of Loans & Advances and Provision Thereon

(₹ in crore)

	Housing		Non-Housing	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
<b>Standard Assets</b>				
a) Total Outstanding Amount	8 315.60	6 707.36	6 245.06	3 203.20
b) Provisions made	38.95	33.42	43.52	23.21
<b>Sub-Standard Assets</b>				
a) Total Outstanding Amount	69.49	31.96	43.24	15.09
b) Provisions made	11.10	4.79	9.33	2.36
<b>Doubtful Assets – Category-I</b>				
a) Total Outstanding Amount	5.53	11.81	4.15	6.51
b) Provisions made	2.00	2.95	1.60	1.63
<b>Doubtful Assets – Category-II</b>				
a) Total Outstanding Amount	2.35	4.75	0.62	0.40
b) Provisions made	2.35	1.90	0.62	0.16
<b>Doubtful Assets – Category-III</b>				
a) Total Outstanding Amount	2.13	1.55	0.40	0.43
b) Provisions made	2.13	0.62	0.40	0.17
<b>Loss Assets</b>				
a) Total Outstanding Amount	-	-	-	11.35
b) Provisions made	-	-	-	11.35
<b>TOTAL</b>				
a) Total Outstanding Amount	8 395.10	6 757.43	6 293.47	3 236.98
b) Provisions made	56.52	43.68	55.46	38.88

3. Exposure

a) Concentration of Loans & Advances

(₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017
Total Advances to twenty largest borrowers	2 062.50	861.35
Percentage of Advances to twenty largest borrowers to Total Advances of the Company	14.04%	8.62%



## Notes to the Financial Statement for the year ended March 31, 2018

### b) Concentration of all Exposures

(₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017
Total Exposure to twenty largest borrowers	2 062.50	861.35
Percentage of Exposures to twenty largest borrowers to Total Exposure of the Company on borrowers	12.91%	8.64%

### c) Concentration of NPAs

(₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017
Total Exposure to top ten NPA accounts	69.88	46.87

### d) Sector-wise NPAs

Particulars	Percentage of NPAs to Total Advances in that sector	
	2017-18	2016-17
<b>Housing</b>		
Individual	0.58%	0.84%
Builder Loans – Residential projects	1.67%	0.47%
Loans to Corporates – Residential projects #	3.85%	0.94%
<b>Non-Housing</b>		
For mortgage / property / home equity loans	0.63%	1.18%
Loans to Corporates – Non-Residential projects #	1.67%	0.10%
Loans to Corporates – Others #	0.08%	3.20%

# Corporate loans means all other loans other than loan to Individual

### e) Movement of NPAs

(₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017
Net NPAs to Net Advances (%)	0.68	0.58
Movement of NPAs (Gross)		
(a) Opening Balance	83.84	65.61
(b) Additions during the year / Pursuant to Scheme of Arrangement	111.58	58.12
(c) Reductions during the year	67.54	39.89
(d) Closing balance	127.88	83.84
Movement of Net NPAs		
(a) Opening Balance	57.90	50.10
(b) Additions during the year / Pursuant to Scheme of Arrangement	91.57	39.01
(c) Reductions during the year	51.11	31.21
(d) Closing balance	98.36	57.90
Movement of provisions for NPAs		
(a) Opening Balance	25.94	15.51
(b) Additions during the year / Pursuant to Scheme of Arrangement	20.01	19.11
(c) Write-off / write-back of excess provisions	16.43	8.68
(d) Closing balance	29.52	25.94

Gross Non-Performing Assets and Net Non-Performing Assets given above excluding bonds & debentures.

### 4. Overseas Assets (for those with joint Ventures and Subsidiaries abroad)

There are no overseas assets.

Notes to the Financial Statement for the year ended March 31, 2018

**5. Off-balance Sheet SPVs sponsored (which are required to be consolidated as per accounting norms)**

There are no off-balance sheet SPVs sponsored by the Company which are required to be consolidated as per accounting norms.

**6. Customer Complaints** (as certified by the management)

Particulars	(₹ in crore)	
	As at March 31, 2018	As at March 31, 2017
(a) No. of complaints pending at the beginning of the year	23	14
(b) No. of complaints received during the year	2 741	1 926
(c) No. of complaints redressed during the year	2 696	1 917
(d) No. of complaints pending at the end of the year	68	23

**33 Employees Stock Option Scheme ("ESOS / Scheme")**

The Company had formulated 'Reliance Home Finance Limited - Employee Stock Option Scheme' ("ESOS" / "Scheme") which covers eligible employees of the Company, its subsidiaries and holding company. The vesting of the options is from expiry of one year till four years as per Scheme. Each Option entitles the holder thereof to apply for and be allotted / transferred one Equity Share of the Company upon payment of the exercise price during the exercise period.

Details of ESOS are as under:

Date of Grant	July 24, 2017	February 7, 2018
Price of Underlying Stock (₹)	N.A.	N.A.
Exercise / Strike Price (₹)	101	67

The equity shares of the Company got listed with BSE Limited and the National Stock Exchange of India Limited ("Stock Exchanges") with effect from September 22, 2017 and accordingly, number of Options and Exercise Price of Options under ESOS granted on July 24, 2017 had been adjusted.

The fair value of the options granted was estimated on the date of grant using the Black Scholes Model with the following assumptions:

Date of Grant	July 24, 2017	February 7, 2018
Risk Free Interest Rate	6.59% - 6.79%	7.58% - 7.82%
Expected Dividend Yield	0.50%	0.75%
Expected Life (years)	6.01 to 9.01	6.01 to 9.01
Expected Volatility	0.00%	51.48%
Weighted Average Fair Value (₹)	36.57	40.28

The information covering stock options granted, exercised, forfeited and outstanding at the year end is as follows:  
(As certified by the management)

	No. of Stock Options as on March 31, 2018
Outstanding at the beginning of the year	-
Granted	16 38 659
Exercised	Nil
Lapsed / Forfeited / Surrendered	Nil
Outstanding at the end of the year	16 38 659
Exercisable at end of the year	-

The Company has chosen to account for the Scheme by the Intrinsic Value Method. The total expense recognised for the period arising from Scheme as per Intrinsic Value Method is ₹ Nil (Previous year ₹ Nil). Had the Company adopted fair value method the net results for the year would have been lower by ₹ 1.46 crore (Previous year ₹ Nil) [net of tax saving ₹ 0.97 crore (Previous year ₹ Nil)] and accordingly EPS (Both Basic and Diluted) would have been lower by ₹ 0.03 (Previous year ₹ Nil).

Notes to the Financial Statement for the year ended March 31, 2018

34 Employee benefits

a) Defined contribution plan

Contribution to defined contribution plans, recognised as expense for the year is as under: (₹ in crore)

Particulars	2017-18	2016-17
Employer's contribution to provident fund	2.48	1.94
Employer's contribution to superannuation fund [* ₹ 20 000 (Previous year ₹ 10 000)]	*	*
Employer's contribution to pension scheme	1.25	1.06
	3.73	3.00

b) Defined benefit plans

The following table summarise the components of the net employee benefit expenses recognised in the Statement of Profit and Loss, the fund status and amount recognised in the balance sheet for the gratuity benefit plan and leave encashment plan. The said information is based on certificates provided by the actuary.

(₹ in crore)

Particulars	Gratuity benefit (funded)		Leave Encashment Benefit (Unfunded)	
	2017-18	2016-17	2017-18	2016-17
<b>I. Table showing change in Benefit Obligation:</b>				
Liability at the beginning of the period	3.81	2.96	0.55	0.53
Interest Cost	0.29	0.24	0.03	0.04
Current Service Cost	0.84	0.74	0.08	0.08
Benefit Paid	(1.72)	(1.05)	(0.30)	(0.06)
Liability Transferred in / Acquisitions	-	0.73	-	-
Actuarial (gain) / loss on obligations	-	-	(0.01)	(0.04)
Actuarial (gain) / loss on obligations – Due to change in Financial Assumptions	(0.11)	0.18	-	-
Actuarial (gain) / loss on obligations – Due to change in Demographic Assumptions	-	-	-	-
Actuarial (gain) / loss on obligations – Due to Experience	0.59	0.02	-	-
Liability at the end of the period	3.70	3.81	0.35	0.55
<b>II. Changes in the fair Value of Plan Assets and the reconciliation thereof:</b>				
Fair Value of Plan Assets at the beginning of the period	3.83	0.93	-	-
Expected return on Plan Assets	0.29	0.07	-	-
Contributions	0.08	2.27	0.30	0.06
Assets Transferred in / Acquisitions	-	1.46	-	-
Benefit paid	(1.72)	(1.05)	(0.30)	(0.06)
Actuarial gain / (loss) on Plan Assets	(0.12)	0.15	-	-
Fair value of Plan Assets at the end of the period	2.35	3.83	-	-
Total Actuarial gain / (loss) to be recognised	(0.60)	0.05	-	-
Funded Status	-	-	(0.35)	(0.55)
<b>III. Actual return on Plan Assets</b>				
Expected return on Plan Assets	0.29	0.07	-	-
Actuarial gain / (loss) on Plan Assets	(0.12)	0.15	-	-
Actual return on Plan Assets	0.17	0.23	-	-
<b>IV. Amount recognised in the Balance Sheet</b>				
Liability at the end of the period	(3.70)	(3.81)	0.35	0.55
Fair Value of Plan Assets at the end of the period	2.36	3.83	-	-

Notes to the Financial Statement for the year ended March 31, 2018

(₹ in crore)

Particulars	Gratuity benefit (funded)		Leave Encashment Benefit (Unfunded)		
	2017-18	2016-17	2017-18	2016-17	
Difference Funded status	(1.33)	0.02	(0.35)	(0.55)	
Unrecognised Actual Gain / (Loss)	-	-	-	-	
Amount recognised in the Balance Sheet (liability)	(1.33)	0.02	(0.35)	(0.55)	
<b>V. Expenses recognised in the Statement of Profit and Loss</b>					
Current Service Cost	0.84	0.74	0.08	0.08	
Interest Cost (* ₹ 16 583)	*	0.16	0.03	0.04	
Expected return on Plan Assets	-	-	-	-	
Net Actuarial (gain) / loss to be recognised (** ₹ 62 450)	0.60	0.05	**	(0.04)	
Expense recognised in the Statement of Profit and Loss	1.44	0.95	0.11	0.08	
<b>VI. Amount recognised in the Balance Sheet</b>					
Opening Net Liability	(0.02)	2.03	0.55	0.53	
Expense as above	1.44	0.95	0.11	0.08	
Net Liability / (Asset)	-	(0.74)	-	-	
Employers Contribution paid	(0.08)	(2.27)	(0.30)	(0.06)	
Closing Net Liability / (Assets)	1.33	(0.02)	0.35	0.55	
<b>VII. Assumptions</b>					
Discount Rate	7.87%	7.66%	7.74%	7.45%	
Rate of return on Plan Assets	7.87%	7.66%	-	-	
Salary Escalation Rate	6.00%	6.00%	6.00%	6.00%	
<b>VIII. Experience Adjustment</b>					
Plan Assets at the end of year	-	-	-	-	
Defined benefit obligations at the end of year	-	-	0.35	0.55	
Amount not recognised as an Asset (limit in para 59(b))	-	-	-	-	
Surplus / (Deficit)	-	-	(0.35)	(0.55)	
Experience adjustment on Plan Assets gain / (loss)	(0.59)	0.15	-	-	
Experience adjustment on Plan Liabilities (gain) / loss (# ₹ 62 450)	0.12	0.02	#	(0.04)	
<b>IX. Particulars of the amounts for the year and Previous years</b>					
	Gratuity for the year ended March 31				
	2018	2017	2016	2015	2014
Present value of benefit obligation	3.69	3.81	2.96	1.36	0.71
Fair value of Plan Assets	2.36	3.83	0.93	1.36	0.72
Excess of obligation over Plan Assets	1.33	(0.02)	2.03	0.00	(0.01)
<b>X. Experience Adjustment</b>					
Experience adjustment on Plan Assets Gain / (Loss)	(0.59)	0.15	(0.09)	0.05	(0.02)
Experience adjustment on Plan Liabilities (Gain) / Loss	0.12	0.02	0.85	0.30	(0.02)

**Notes:**

- The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.
- General Descriptions of significant defined plans:
  - Gratuity plan  
Gratuity is payable to all eligible employees of the Company on superannuation, death and permanent disablement, in terms of the provisions of the Payment of Gratuity Act 1972 or as per the Company's Scheme whichever is more beneficial.

b) Leave plan

Encashment of leave can be availed by the employee for balance in the earned account as on January 1, 2009. All carry forward earned leaves with a maximum limit of 10 days, are available for availment but not for encashment.

### Other Employee Benefits – Phantom Stock Option Scheme

#### I. Details of Option granted, forfeited and exercised

Particulars	2017-18 (Options)	2016-17 (Options)
Outstanding as at April 1, 2017	4 38 400	5 79 400
Granted	-	-
Exercised	-	-
Lapsed/ Forfeited/ Surrendered	1 64 780	1 41 000
Outstanding as at March 31, 2018	2 73 620	4 38 400
Exercisable as at March 31, 2018	85 280	-

#### II. Terms and conditions of the Scheme

##### Date of grant

Details of vesting schedule and condition	Phantom stock granted under the scheme would vest within not less than 1 year and not more than 5 years from the date of grant of such Phantom stock option. Vesting of Phantom stock option would be subject to continued employment with the Company and the Phantom stock option would vest on passage of time
Appreciation as per Phantom Stock Option Scheme	Excess of fair market of share on the date of exercise determined in terms of Phantom stock option scheme over the base price.
Exercise Period	<p><b>In case of continuation of employment :</b></p> <p>Vested Phantom stock option can be exercised any time Upto 3 years from the date of last vesting of Phantom stock options and</p> <p><b>In case of cessation of employment :</b></p> <p>Different periods depending on kind of cessation as per provision of the Phantom stock option scheme</p>
Settlement of Phantom Stock Option	Within 90 days from the date of exercise by cash

#### III. Fair value of the Option granted was estimated on the date of grant based on the following assumptions:

Discount rate	7.35%
Expected life	4 Years

#### IV. The Company's liability toward the Phantom stock option is accounted for on the basis of an independent actuarial valuation done at the year end. As per the valuation the liability for the year is ₹ 0.27 crore (Previous year ₹ 0.21 crore) which is debited to Statement of Profit and Loss and the liability is shown in the Balance sheet under the head Other current liabilities and clubbed under Other payables.

### 35 Segment reporting

The Company is mainly engaged in the housing finance business, all other activities revolve around the main business of the Company, as such there is no separate reportable segment and Company's all operations are conducted within India, hence there is no separate reportable geographical segment, under Accounting Standard -17 (AS-17), on "Segment Reporting" notified by the Companies (Accounts) Rules, 2014.

### 36 Related party disclosures

#### A. List of Related Parties and their relationship:

##### i) Holding Company

Reliance Capital Limited

##### ii) Major Investing Party

Reliance Inceptum Private Limited (w.e.f. September 7, 2017)

Notes to the Financial Statement for the year ended March 31, 2018

iii) **Subsidiaries of Holding Company / Fellow Subsidiaries**

1	Reliance Capital Trustee Co. Limited	13	Reliance Money Precious Metals Private Limited
2	Reliance Nippon Life Insurance Company Limited	14	Reliance Exchangenext Limited
3	Reliance Capital Pension Fund Limited	15	Reliance Corporate Advisory Services Limited
4	Reliance Capital AIF Trustee Company Private Limited	16	Quant Capital Private Limited
5	Reliance General Insurance Company Limited	17	Quant Broking Private Limited
6	Reliance Health Insurance Limited (w.e.f. May 4, 2017)	18	Quant Securities Private Limited
7	Reliance Commercial Finance Limited	19	Quant Investment Services Private Limited
8	Reliance Securities Limited	20	Reliance Nippon Life Asset Management Limited*
9	Reliance Commodities Limited	21	Reliance Asset Management (Singapore) Pte. Limited*
10	Reliance Financial Limited	22	Reliance Asset Management (Mauritius) Limited*
11	Reliance Wealth Management Limited	23	Reliance AIF Management Company Limited*
12	Reliance Money Solutions Private Limited		

\* ceased w.e.f. July 3, 2017

iv) **Key Managerial Personnel**

Mr. Ravindra Sudhalkar	Executive Director & CEO (w.e.f. October 1, 2016)
Mr. Amit Bapna	Director & CFO (w.e.f. April 24, 2017)
Ms. Parul Jain	Company Secretary & Compliance Officer (w.e.f. December 6, 2016)
Mr. Sandip Parikh	Chief Financial Officer (ceased w.e.f. September 8, 2017)
Mr. Amrsh Shah	Chief Financial Officer (ceased w.e.f. December 6, 2016)
Ms. Ekta Thakurel	Company Secretary (ceased w.e.f. December 6, 2016)

**B. List of other related parties under common control from April 1, 2017 to October 3, 2017 with whom transactions have taken place during the period:**

Reliance Communications Limited

**C. Transactions during the year and balance outstanding with related parties:**

(₹ in crore)				
Particulars	Holding Company	Fellow Subsidiary	Parties under common control	Total
<b>Equity Share Capital</b>				
a) Issued during the year	*	-	-	-
	(50.00)	(-)	(-)	(50.00)
b) Balance as at March 31, 2018	<b>485.06</b>	-	-	<b>485.06</b>
	(115.82)	(-)	(-)	(115.82)
<b>Security Premium Received on Issue of Equity Share</b>				
a) Received during the year	<b>256.41</b>	-	-	<b>256.41</b>
	(150.00)	(-)	(-)	(150.00)
b) Balance as at March 31, 2018	<b>661.59</b>	-	-	<b>661.59</b>
	(405.18)	(-)	(-)	(405.18)
<b>Trade Payables</b>				
Sundry Payables as on March 31, 2018	-	-	-	-
	(0.15)	(-)	(-)	(0.15)
<b>Income</b>				
Infrastructure Cost	-	-	-	-
	(4.52)	(-)	(-)	(4.52)
Interest & Other Income transferred under Business Transfer Agreement (BTA)	-	-	-	-
	(0.52)	(-)	(-)	(0.52)
Brokerage Commission on Property Solution	<b>0.02</b>	-	-	<b>0.02</b>
	(0.20)	(-)	(-)	(0.20)
<b>Expenses</b>				
Infrastructure Cost	-	-	-	-
	(22.63)	(-)	(-)	(22.63)



## Reliance Home Finance Limited

### Notes to the Financial Statement for the year ended March 31, 2018

	(₹ in crore)			
Particulars	Holding Company	Fellow Subsidiary	Parties under common control	Total
Management Fees	6.00	-	-	6.00
	(3.00)	(-)	(-)	(3.00)
Other Expenses transferred under BTA	-	-	-	-
	(0.19)	(-)	(-)	(0.19)
Finance Cost transferred under BTA	-	-	-	-
	(0.39)	(-)	(-)	(0.39)
Reimbursement of Expenses	1.51	-	-	1.51
	(0.15)	(-)	(-)	(-)
Purchase of Asset * [₹ 5 950]	*	-	-	*
	(-)	(-)	(-)	(-)
Interest on Inter Corporate Deposits	11.98	-	-	11.98
	(-)	(-)	(-)	-
<b>Security Issue for Non-Convertible Debentures</b>				
Security Issue for Non-Convertible Debentures	707.10	-	-	707.10
	(707.10)	(-)	(-)	(707.10)
<b>With Reliance Commercial Finance Limited</b>				
<b>Income</b>				
Reimbursement of Expenses-Infrastructure Cost	-	-	-	-
	(-)	(0.21)	(-)	(0.21)
Valuation Charges Received	-	0.01	-	0.01
	(-)	(0.02)	(-)	(0.02)
<b>Expenses</b>				
Reimbursement of Expenses-Infrastructure Cost	-	-	-	-
	(-)	(4.78)	(-)	(4.78)
Other Reimbursements	-	0.01	-	0.01
	(-)	(-)	(-)	-
<b>With Reliance General Insurance Company Limited</b>				
<b>Non-Convertible Debentures - Secured</b>				
Issued during the year	-	25.00	-	25.00
	(-)	(40.00)	(-)	(40.00)
Balance as at March 31, 2018	-	65.00	-	65.00
	(-)	(40.00)	(-)	(40.00)
<b>Expenses</b>				
Insurance Premium paid	-	3.05	-	3.05
	(-)	(0.65)	(-)	(0.65)
Interest Accrued on Non-Convertible Debentures	-	4.89	-	4.89
	(-)	(0.87)	(-)	(0.87)
<b>With Reliance Nippon Life Insurance Company Limited</b>				
<b>Non-Convertible Debentures - Unsecured</b>				
Issued during the year	-	-	-	-
	(-)	(37.00)	(-)	(37.00)
Redeemed during the year	-	37.00	-	37.00
	(-)	(-)	(-)	(-)
Balance as at March 31, 2018	-	-	-	-
	(-)	(37.00)	(-)	(37.00)
<b>Expenses</b>				
Term Insurance Premium paid	-	0.36	-	0.36
	(-)	(0.29)	(-)	(0.29)
Interest Accrued on Non-Convertible Debentures	-	-	-	-
	(-)	(0.84)	(-)	(0.84)
<b>With Reliance Securities Limited</b>				
<b>Non-Convertible Debentures - Secured</b>				
Issued during the year	-	1.50	-	1.50
	(-)	(0.25)	(-)	(0.25)
Balance as at March 31, 2018	-	1.75	-	1.75
	(-)	(0.25)	(-)	(0.25)

Notes to the Financial Statement for the year ended March 31, 2018

				(₹ in crore)
Particulars	Holding Company	Fellow Subsidiary	Parties under common control	Total
<b>Expenses</b>				
Brokerage Paid	-	1.26	-	1.26
	(-)	(0.26)	(-)	(0.26)
<b>With Reliance Financial Limited</b>				
<b>Non-Convertible Debentures - Secured</b>				
Issued during the year	-	0.50	-	0.50
	(-)	(0.25)	(-)	(0.25)
Balance as at March 31, 2018	-	0.70	-	0.70
	(-)	(0.25)	(-)	(0.25)
<b>With Reliance Communications Limited</b>				
<b>Expenses</b>				
Rent & Maintenance	-	-	0.09	0.09
	(-)	(-)	(-)	(-)
<b>With Reliance Communications Infrastructure Limited</b>				
<b>Buildings Purchased</b>				
Building Purchase	-	-	-	-
	(-)	(-)	(2.14)	(2.14)
<b>Income</b>				
Brokerage Commission on Property Solution	-	-	-	-
	(-)	(-)	(1.90)	(1.90)

							(₹ in crore)
Key Managerial Personnel	Mr. Ravindra Sudhalkar	Mr. Amit Bapna	Ms. Parul Jain	Mr. Sandip Parikh	Mr. Amrish Shah	Ms. Ekta Thakurel	
a) <b>Employee Benefit Expenses</b>	4.54	-	0.26	1.96	-	-	
	(1.81)	(-)	(0.04)	(1.41)	(0.50)	(0.10)	
<b>Housing Loan</b>							
a) Given during the year	-	-	-	-	-	-	
	(3.00)	(-)	(-)	(-)	(-)	(-)	
b) Repaid during the year	-	0.22	-	0.02	-	-	
	(3.00)	(-)	(-)	(0.23)	(0.22)	(-)	
c) Balance as at March 31, 2018	-	0.28	-	0.14	-	-	
	(-)	(-)	(-)	(0.16)	(0.77)	(-)	
<b>Income</b>							
a) Interest Income on Loans (# ₹ 44 290)	-	0.03	-	#	-	-	
	(0.05)	(-)	(-)	(0.02)	(0.05)	(-)	
b) Processing Fees	-	-	-	-	-	-	
* ₹ 3 000	(*)	(-)	(-)	(-)	(-)	(-)	

Notes:

- Figures in bracket indicate Previous year figures.
- The current year and Previous year figures are excluding GST / service tax.
- Expenses incurred towards public utilities services such as telephone and electricity charges have not been considered for related party transaction.
- The above disclosed transactions entered during the period of existence of related party relationship. The balances and transactions are not disclosed before existence of related party relationship and after cessation of related party relationship.
- \*For transactions pursuant to the Scheme of Arrangement, please Refer Note No. 41 of the Financial Statements.

## Notes to the Financial Statement for the year ended March 31, 2018

### 37 Basic and diluted earnings per share

The computation of earnings per share is set out below:

(₹ in crore)		
Particulars	2017-18	2016-17
Amounts used as the numerators		
Net Profit after tax	180.58	172.59
Net Profit attributable to equity shareholders	180.58	172.59
Weighted average number of equity shares (for Basic earnings per share)	32 41 58 645	8 43 81 644
Weighted average number of equity shares (for Diluted earnings per share)	32 52 54 296	-
Basic earnings per share, face value of ₹ 10 each (₹)	5.57	20.45
Diluted earnings per share, face value of ₹ 10 each (₹)	5.55	20.45

### 38 Contingent Liabilities and Commitments (As Certified by the Management)

(₹ in crore)		
Particulars	As at March 31, 2018	As at March 31, 2017
<b>a) Contingent Liabilities</b>		
i) Guarantees to Banks and Financial Institutions on behalf of third parties	0.25	-
ii) Claims against the Company not acknowledged as debt	1.45	0.64
iii) Second loss credit enhancement for securitisation of standard asset transactions provided by third party	-	13.36
<b>b) Commitments</b>		
i) Estimated amount of contracts remaining to be executed on capital account (net of advances)	0.08	0.36
ii) Undrawn Committed Credit lines (Undisbursed amount of housing loans / other loans sanctioned)	1 287.13	1 208.90

### 39 Details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016

(₹ in crore)			
Particulars	Specified Bank Notes	Other Notes	Total
Closing cash in hand as on 08.11.2016 (* ₹ 3 271)	0.03	*	0.03
Add : Permitted Receipts	-	0.49	0.49
Less : Permitted Payments	-	-	-
Less : Amount deposited in Bank	0.03	0.48	0.51
Closing cash in hand as on 30.12.2016	-	0.01	0.01

During the current year the company had no specified bank notes or no other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 30, 2017.

### 40 Scheme of Arrangement between the Company and India Debt Management Private Limited

The Board of Directors of the Company at their meeting held on June 20, 2016 had considered and approved a Scheme of Arrangement between the Company and India Debt Management Private Limited ("the Demerged Company" or "IDMPL") and their Shareholders. The Scheme of Arrangement under Sections 391 to 394 of the Companies Act, 1956 ("the Scheme") for demerger of Credit Business of IDMPL into the Company has been sanctioned by the National Company Law Tribunal, Mumbai Bench vide Order dated April 5, 2017. The Scheme has become effective on April 21, 2017 upon filing with the Registrar of Companies, Maharashtra at Mumbai with effect from March 31, 2016 i.e. Appointed Date. Pursuant to the Scheme, the Company has issued and allotted 3,10,35,980 8% Cumulative Non-Convertible Redeemable Preference Shares to the equity shareholders of IDMPL on August 9, 2017.

### 41 Scheme of Arrangement between the Company and Reliance Capital Limited

The Board of Directors of the Company at their meeting held on October 28, 2016 had considered and approved a Scheme of Arrangement between the Company and its holding company viz. Reliance Capital Limited ("the Demerged Company" or "RCap") and their respective Shareholders and Creditors. The Scheme of Arrangement under Sections 391 to 394 of the Companies Act, 1956 (the 'Scheme') for demerger of Real Estate Lending Business of RCap into the Company has been sanctioned by the National Company Law Tribunal, Mumbai Bench vide Order dated August 10, 2017. The Scheme has become effective on September 5, 2017 upon filing with the Registrar of Companies, Maharashtra at Mumbai with effect from April 1, 2017 i.e. Appointed Date.

Notes to the Financial Statement for the year ended March 31, 2018

Pursuant to the Scheme, the Real Estate Lending Business of RCap has been transferred to the Company. Hence in accordance with the Scheme:

- (i) On Scheme becoming effective with effect from Appointed Date, the Company has recorded all the assets and liabilities as appearing in the books of the Demerged Undertaking of RCap related to Real Estate Lending Business at their respective book value as on Appointed Date. The following assets and liabilities pertaining to the Demerged Undertaking of RCap were transferred to RHFL and shares of the Company were issued to the shareholders of RCap:

Particulars	(₹ in crore)
<b>Assets</b>	
Fixed assets	8.17
Loans and advances including accrued interest (Net of provision ₹ 1.36 crore)	654.82
Assets repossessed under SARFAESI Act (Net of provision ₹ 0.69 crore)	0.84
<b>Total Assets</b>	<b>663.83</b>
<b>Liabilities</b>	
Share capital (Issue of 25,26,89,630 equity shares @ ₹ 10)	252.69
Short-term borrowings	590.12
<b>Total Liabilities</b>	<b>842.81</b>
<b>Goodwill on Merger</b>	<b>178.98</b>

- (ii) The Company has issued and allotted 11,65,49,188 equity shares of ₹ 10 each at a premium of ₹ 22 per equity share to its holding company viz. RCap on September 4, 2017 on rights basis.
- (iii) The Company has issued and allotted 25,26,89,630 equity shares of ₹ 10 each to the shareholders of RCap in the ratio of 1:1 on September 7, 2017.
- (iv) The Assets and Liabilities of ₹ 663 crore and ₹ 590 crore, respectively, were transferred as on the Appointed Date and have been recorded at their respective book values. The excess of consideration paid by the Company over the net assets acquired by the Company has been accounted as Goodwill, which is being amortised over a period of ten years.

42 Outstanding Future & Option as on March 31, 2018

Name of Option	No. of contracts	Units	
		Long	Short
Futures	1 075 (493)	16 05 479 (1 90 975)	3 300 (-)
Put option	1 756 (1 272)	- (12 525)	1 31 700 (82 875)
Call option	52 (1 654)	3 900 (1 08 000)	- (16 050)

Figures in bracket indicate previous year figures.

43 Corporate Social Responsibility Expenditure

As per Section 135 of the Act the Company is under obligation to incur ₹ 2.75 crore (Previous year ₹ 2.04 crore) and has incurred the same in cash, being 2% of the average net profit during the three immediately preceding financial years, calculated in the manner as stated in the Act towards Corporate Social Responsibility through the non-profit centre(s) engaged in the provision of health care and education for the purpose other than construction / acquisition of asset.

As per our report of even date attached

For **Price Waterhouse & Co**  
**Chartered Accountants LLP**  
 Firm Registration No.: 304026E/E-300009  
 Chartered Accountants

**Vivek Prasad**  
 Partner  
 Membership No.: 104941

Mumbai  
 Dated: April 24, 2018

For and on behalf of the Board

Non-Executive Chairman **Padmanabh Vora**  
 Director **Lt Gen Syed Ata Hasnain (Retd)**  
 Executive Director & CEO **Ravindra Sudhalkar**  
 Director & CFO **Amit Bapna**  
 Company Secretary & Compliance Officer **Parul Jain**

Mumbai  
 Dated: April 24, 2018



PLEASE SIGN AND SEND THIS TO KARVY COMPUTERSHARE PRIVATE LIMITED

## FORM FOR UPDATION OF RECORDS

Reliance Home Finance Limited  
Reliance Centre, 6<sup>th</sup> Floor  
South Wing, Off Western Express Highway  
Santacruz (East), Mumbai 400 055

Dear Sir(s),

**Sub.: Updation of Permanent Account Number (PAN) and bank account details**

This has reference to circular no. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018 issued by the Securities and Exchange Board of India (SEBI), regarding mandatory updation of Permanent Account Number (PAN) and bank account details.

I / We furnish the following information for your reference and record:

Folio Number

**A. Bank account details**

Mobile no. of the sole / first holder

E-mail ID.

Name of bank

Branch name

Branch address with PIN code

Account Number (as appearing in the cheque leaf)

Account type

Please place a tick mark (✓) in the appropriate box

9 Digit Code No. of Bank / Branch as appearing on MICR cheque issued by the bank

(9 Digit Code Number appearing on the MICR Bank of the Cheque supplied by the bank)

**Please attach original cancelled cheque leaf with names of shareholders / bank passbook showing names of shareholders, duly attested by an authorised bank official.**

11 Digit Indian Financial System Code (IFSC)

**B. Permanent Account Number (PAN) details**

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<div></div> <div><b>(Sole / First Holder)</b></div>	<div></div> <div><b>(Second Holder)</b></div>	<div></div> <div><b>(Third Holder)</b></div>
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I / We confirm that whatever stated hereinabove is true and correct and that the documents being furnished by me / us are valid and in force and may be used by Karvy Computershare Private Limited to update records of all companies as mentioned in this letter and for all communication and disbursement of any dividend in future.

<div></div> <div><b>(Sole / First Holder)</b> <b>Signature</b></div>	<div></div> <div><b>(Second Holder)</b> <b>Signature</b></div>	<div></div> <div><b>(Third Holder)</b> <b>Signature</b></div>
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Encl. : as above  
Date :  
Place :



**RELIANCE****HOME  
FINANCE****Reliance Home Finance Limited**

Registered Office: Reliance Centre, 6<sup>th</sup> Floor, South Wing, Off Western Express Highway  
Santacruz (East), Mumbai 400 055, CIN: L67190MH2008PLC183216  
Website: www.reliancehomefinance.com, E-mail: rhfl.investor@relianceada.com  
Tel.: +91 22 3303 6000, Fax: +91 22 2610 3299

**ATTENDANCE SLIP  
ANNUAL GENERAL MEETING**

*DP Id. / Client Id.		Name and address of the Registered Shareholder
Regd. Folio No.		
No. of Share(s) held		

(\* Applicable for Members holding share(s) in electronic form)

I / We hereby record my / our presence at the **10<sup>th</sup> Annual General Meeting** of the Members of Reliance Home Finance Limited held on Tuesday, September 18, 2018, at 2:30 P.M., or soon after the conclusion of the Annual General Meeting of Reliance Capital Limited convened on the same day, whichever is later, at Birla Matushri Sabhagar, 19, New Marine Lines, Mumbai 400 020.

Member's / Proxy's Signature

Note: Please complete this and hand it over at the entrance of the hall.

TEAR HERE

**PROXY FORM****RELIANCE****HOME  
FINANCE****Reliance Home Finance Limited**

Registered Office: Reliance Centre, 6<sup>th</sup> Floor, South Wing, Off Western Express Highway  
Santacruz (East), Mumbai 400 055, CIN: L67190MH2008PLC183216  
Website: www.reliancehomefinance.com, E-mail: rhfl.investor@relianceada.com  
Tel.: +91 22 3303 6000, Fax: +91 22 2610 3299

**FORM NO. MGT-11**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s)	
Registered Address	
E-mail Id:	
*DP Id. / Client Id.	Regd. Folio No.

(\* Applicable for Members holding share(s) in electronic form)

I / We, being the member(s) of ..... shares above named company, hereby appoint:

- (1) Name: ..... Address: .....  
E-mail Id: ..... Signature..... or failing him
- (2) Name: ..... Address: .....  
E-mail Id: ..... Signature..... or failing him
- (3) Name: ..... Address: .....  
E-mail Id: ..... Signature.....

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the **10<sup>th</sup> Annual General Meeting** of the Company to be held on Tuesday, September 18, 2018, at 2:30 P.M., or soon after the conclusion of the Annual General Meeting of Reliance Capital Limited convened on the same day, whichever is later, at Birla Matushri Sabhagar, 19, New Marine Lines, Mumbai 400 020, and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution no. and Matter of Resolution	For	Against
1. To consider and adopt the audited financial statement of the Company for the financial year ended March 31, 2018 and the reports of the Board of Directors and Auditors thereon		
2. To declare dividend on equity shares and preference shares.		
3. To appoint a Director in place of Mr. Ravindra Sudhalkar (DIN: 07787205), who retires by rotation and being eligible, offers himself for re-appointment.		
4. To appoint Lt Gen Syed Ata Hasnain (Retd) (DIN: 07257757) as an Independent Director of the Company.		
5. To appoint Mr. Jai Anmol Ambani (DIN: 07591624) as a Director of the Company.		
6. To approve appointment of Mr. Amit Bapna (DIN: 00008443) as a Whole-time Director of the Company from September 8, 2017 to August 7, 2018		
7. To approve continuation of Mr. Padmanabh Vora (DIN: 00003192) as an Independent Director of the Company.		
8. To approve Private Placement of Non-Convertible Debentures and/or other Debt Securities.		
9. To consider issue of securities through qualified institutions placement on a private placement basis to qualified institutional buyers ("QIBs").		

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2018.

Signature of the Shareholder(s) \_\_\_\_\_ Signature of Proxy holder(s) \_\_\_\_\_

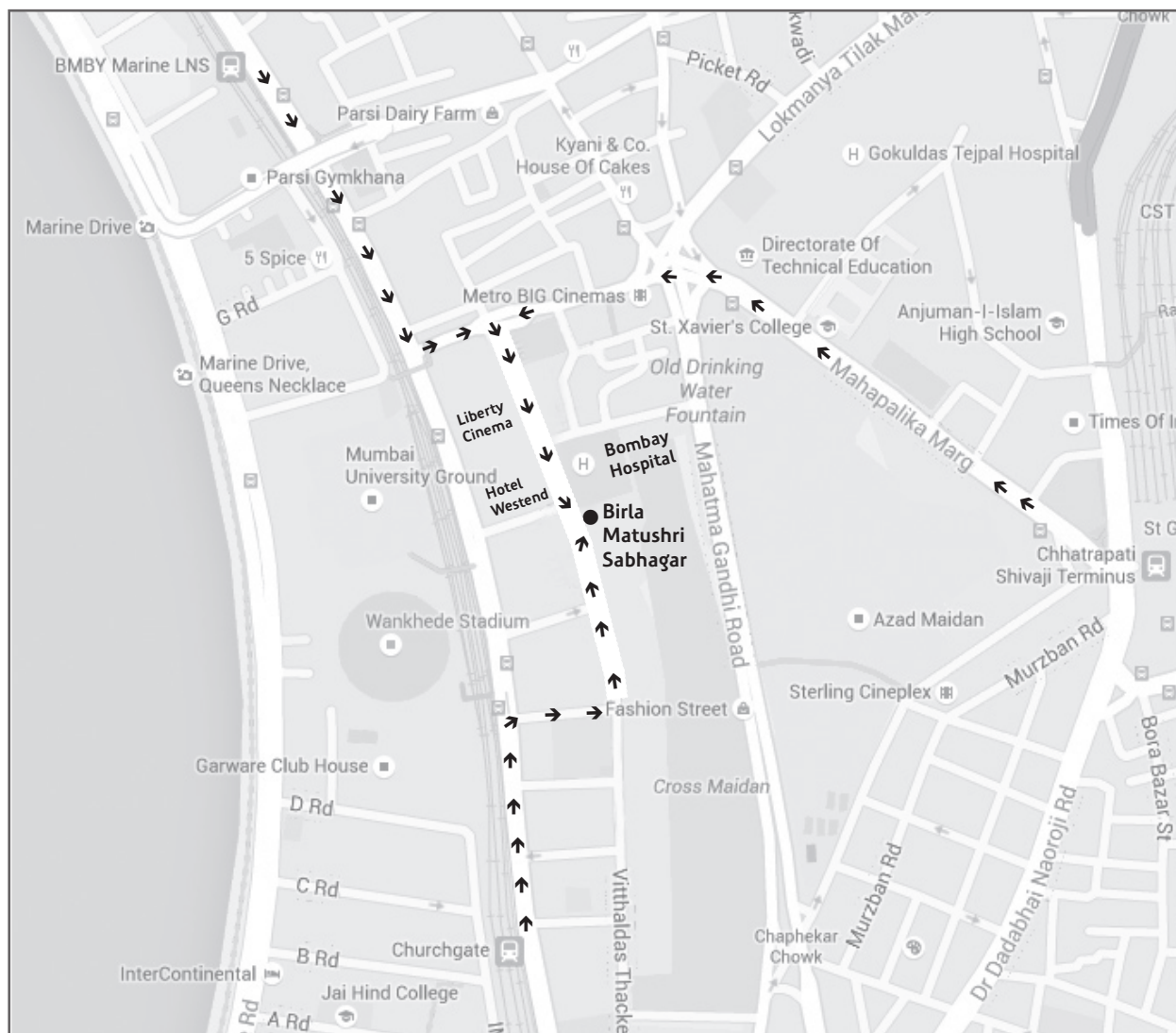
Affix  
Revenue  
Stamp

**Note:** This form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



## Route Map to the AGM Venue

Venue : Birla Matushri Sabhagar, 19, New Marine Lines, Mumbai 400 020



**Landmark : Next to Bombay Hospital**

**Distance from Churchgate Station : 1 km**

**Distance from Chhatrapati Shivaji Terminus : 1.2 km**

**Distance from Marine Lines Station : 0.8 km**



## This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

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If undelivered please return to :

**Karvy Computershare Private Limited**  
**(Unit: Reliance Home Finance Limited)**

Karvy Selenium Tower – B, Plot No. 31 & 32

Survey No. 116/22, 115/24, 115/25

Financial District, Nanakramguda, Hyderabad 500 032

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