

Financial Statement
2016-17
Reliance Home Finance Limited

Reliance Home Finance Limited

Independent Auditors' Report on the Financial Statement

**To,
The Members,
Reliance Home Finance Limited
Report on the Financial Statements**

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

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial

statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. Further to our comments in the Annexure A, and 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, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the

Independent Auditors' Report on the Financial Statement

Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i) the Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note No. 39 (ii) to the financial statements.
- ii) The Company has made adequate provision for the year ended March 31, 2017, as required under the applicable law or accounting standards, for material foreseeable losses, if any on long-term contracts including derivative contracts Refer Note No. 33(4) (iii) to the financial statements;
- iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and

- iv) The Company had provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note No.40 to the financial statements.

For **Chaturvedi & Shah**
Chartered Accountants
Firm's Registration No:101720W

Lalit R. Mhalsekar
Partner
Membership No: 103418
Mumbai
Dated : April 24, 2017

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

(Referred to in our report of even date)

- (i) In respect of its fixed assets:
 - a. The Company has maintained proper records, showing full particulars including quantitative details and situation of its fixed assets.
 - b. The Company has a program of physical verification of its fixed assets by which all fixed assets has been verified during the year and no discrepancies were noticed on such verification.
 - c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of Company.
- (ii) In our opinion and according to the information and explanations given to us, the Company is registered as a housing finance company with the National Housing Bank. Accordingly, it does not hold any physical inventories. Thus, paragraph 3 (ii) of the Order is not applicable to the Company.
- (iii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, provisions of clauses (iii)(a), (iii)(b) and (iii)(c) of paragraph 3 of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, during the year under audit, neither the Company has given any loan nor provides any guarantee or security to its director or any other person, in whom director is interested. Therefore, the provisions of the Clause 3 (iv) of the said order are not applicable to the Company. As the Company is registered as a housing finance company with the National Housing Bank, thus the provision of Section 186 except sub-section (1) of the Companies Act, 2013 is not applicable to the Company. In our opinion and according to the information and explanations given to us, during the year, the Company has not made any investments through more than two layers of investment companies as mentioned in of subsection 1 of section 186 of the Companies Act, 2013.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public and hence directives issued by the National Housing Bank under the Housing Finance Companies (NHB) Directions, 2010 and the provisions of Sections 73 to 76 and any other relevant provisions of the Companies Act, 2013 and the rules framed there under are not applicable. During the year under audit, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or National Housing Bank or any Court or any other Tribunal for whether the same has been complied with or not.
- (vi) According to the information and explanations given to us, the Central Government has not specified for maintenance of cost records under sub section (1) of Section 148 of the Companies Act, 2013 in respect of activities carried on by the Company. Hence the provisions of clause 3 (vi) of the Order is not applicable to the Company.
- (vii) In respect of statutory dues:
 - a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues, as applicable, except in case of and professional tax in which case there are few delays in payment of said dues. Further, there are no undisputed amounts payable outstanding as at March 31, 2017 for a period of more than six months from the date they became payable.
 - b) According to the information and explanations given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise and value added tax which have not been deposited on account of any dispute.
- (viii) Based on our audit procedures and the information and explanations given by management, we are of the opinion the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders as at March 31, 2017.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer during the year under audit. The Company has raised moneys through debt instruments and term loans during the year. Fund raised through debentures and term loans by the Company have been applied for the purpose for which they were raised except in case where term loans amounting to ₹110 crore have been taken which were lying in bank accounts at the year end, and were subsequently utilized for the purpose for which loans have been taken.
- (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, no fraud on or by the Company or any fraud on the Company by its officers or employees was noticed or reported during the year, except in case of a fraud on the Company for housing loans amounting to ₹ 1.95 crore, which was identified by management and reported to the NHB. As at March 31, 2017, ₹ 1.95 crore was written off by the Company in the statement of profit and loss.
- (xi) In our opinion and according to the information and explanations given to us, during the year the Company has paid managerial remuneration in accordance with the requisite approvals mandate by the provisions of Section 197 read with Schedule V of the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company, accordingly, paragraph 3 (xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions with related parties are in accordance with the provisions of Section 177 & Section 188 of the Companies Act, 2013. The details of related party transactions have been disclosed in the financial statements as required under Accounting Standard 18, Related Party Disclosures specified under section 133 of the Act, read with Rule 7 of Companies (Accounts) Rules, 2014.
- (xiv) In our opinion and according to the information and explanations given to us, during the year under audit, the Company has not made any preferential allotment or private placement of fully or partly convertible debentures. During the year the Company has issued equity shares on preferential basis to its holding company

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

as per the requirements of Section 42 of the Companies Act, 2013 and other applicable provisions of the Act and the amount raised have been used for the purposes for which the funds were raised.

- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered any non-cash transactions with directors and persons connected with them. Hence the provisions of clause 3 (xv) of the Order is not applicable to the Company.
- (xvi) In our opinion and according to the information and explanations given to us the Company is required to be registered under Section 45-IA of the Reserve Bank of

India Act, 1934. The Company has registered as a housing finance company with the National Housing Bank.

For **Chaturvedi & Shah**
Chartered Accountants
Firm's Registration No:101720W

Lalit R. Mhalsekar
Partner
Membership No: 103418
Mumbai
Dated : April 24, 2017

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

(Referred to in our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Reliance Home Finance Limited** ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Chaturvedi & Shah**
Chartered Accountants
Firm's Registration No:101720W

Lalit R. Mhalsekar
Partner
Membership No: 103418
Mumbai
Dated : April 24, 2017

Reliance Home Finance Limited

Balance Sheet as at March 31, 2017

(₹ in crore)

Particulars	Note No.	As at March 31, 2017	As at March 31, 2016
I EQUITY AND LIABILITIES:			
(1) Shareholders' funds			
(a) Share capital	3	115.82	65.82
(b) Share capital suspense [Refer Note No. 42 (ii)]		31.04	-
(c) Reserves and Surplus	4	982.73	554.30
(2) Non-current liabilities			
(a) Long-term borrowings	5	7,285.88	4,619.00
(b) Deferred tax liabilities (net)	6	-	8.03
(c) Other non-current liabilities	7	5.79	2.83
(d) Long-term provisions	8	51.22	31.09
(3) Current liabilities			
(a) Short-term borrowings	9	1,003.68	768.30
(b) Trade payables	10		
- Micro, Medium and Small enterprises		-	-
- Due to Others		4.79	1.92
(c) Other current liabilities	11	1,818.00	1,636.12
(d) Short-term provisions	12	5.94	6.18
TOTAL		11,304.89	7,693.59
II ASSETS:			
(1) Non-current assets			
(a) Property, Plant & Equipment	13		
(i) Tangible assets		41.94	44.28
(ii) Intangible assets		25.74	0.03
(b) Non-current investments	14	53.37	6.94
(c) Deferred tax Asset (Net)	6	123.03	-
(d) Long-term loans and advances	15	9,081.95	5,954.31
(e) Other non-current assets	16	211.66	57.11
(2) Current assets			
(a) Current investments	17	454.38	73.48
(b) Trade receivables	18	30.59	-
(c) Cash and bank balances	19	252.49	720.12
(d) Short-term loans and advances	20	947.05	785.17
(e) Other current assets	21	82.69	52.15
TOTAL		11,304.89	7,693.59

See accompanying notes to the financial statements '1-49'

As per our report of even date attached

For **Chaturvedi & Shah**
Chartered Accountants
Firm Registration No. : 101720W

Lalit R. Mhalsekar
Partner
Membership No: 103418
Mumbai
Dated: April 24, 2017

For and on behalf of the Board

Directors

Executive Director & CEO
Chief Financial Officer
Company Secretary & Compliance Officer
Mumbai
Dated: April 24, 2017

Padmanabh Vora
Deena Mehta
Gautam Doshi
Amit Bapna

Ravindra Sudhalkar
Sandip Parikh
Parul Jain

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

		(₹ in crore)	
Particulars	Note No.	2016-17	2015-16
REVENUE			
I Revenue from operations	22	1,078.57	796.04
II Other income	23	66.11	18.99
III TOTAL REVENUE (I+II)		1,144.68	815.03
EXPENSES			
Employee benefits expense	24	93.70	71.02
Finance cost	25	748.53	535.93
Depreciation and amortisation	13	7.06	0.72
Other expenses	26	157.59	70.66
IV TOTAL EXPENSES		1,006.88	678.33
V PROFIT BEFORE TAX (III-IV)		137.80	136.70
VI TAX EXPENSE			
Current Tax (Refer Note No. 45)		-	51.67
(Reversal)/ Income tax for Earlier Year		(9.57)	-
Deferred Tax /(Credit)		(25.22)	(1.72)
VII PROFIT AFTER TAX (V-VI)		172.59	86.75
VIII EARNINGS PER EQUITY SHARE	39		
(Face value of ₹ 10 each fully paid-up)			
Basic & Diluted		20.45	13.18

See accompanying notes to the financial statements '1-49'

As per our report of even date attached

For **Chaturvedi & Shah**
Chartered Accountants
Firm Registration No. : 101720W

Lalit R. Mhalsekar
Partner
Membership No: 103418
Mumbai
Dated: April 24, 2017

For and on behalf of the Board

Directors

Executive Director & CEO
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Company Secretary & Compliance Officer
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Dated: April 24, 2017

{ **Padmanabh Vora**
Deena Mehta
Gautam Doshi
Amit Bapna
Ravindra Sudhalkar
Sandip Parikh
Parul Jain

Reliance Home Finance Limited

Cash Flow Statement for the year ended March 31, 2017

	(₹ in crore)	
Paticulars	2016-17	2015-16
A. <u>Cash flows from operating activities</u>		
Net Profit Before Tax	137.80	136.70
Adjusted for		
Depreciation and Amortisation	7.06	0.72
Provision for Standard Debts	21.37	7.71
Provision for NPA & Doubtful Debts	10.69	4.40
Provision for Repossessed Asset	15.75	-
Bad Debts Written Off	6.04	3.76
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	0.18	-
(Profit)/Loss on Sale of Investments	(33.86)	(18.95)
Discount on Commercial Papers	103.36	59.87
Amortised DSA Commission	13.37	10.60
Amortised Brokerage Commission	1.94	1.47
Amortised Guarantee Commission	1.33	1.10
Amortised Public Issue Expenses	1.70	-
Interest Expenses & Processing Charges	643.23	474.59
Provision for Leave encashment	0.02	0.24
Provision for Gratuity	0.95	1.30
Brokerage Commission on Property Solution	(2.14)	(5.58)
Operating Profit/(Loss) before Working Capital Changes	898.80	677.93
Adjusted for		
Proceeds/(Repayments) from issue of Commercial Papers (Net)	356.50	(285.49)
Repayments of Long term Borrowing	(1,668.57)	(796.31)
Proceeds from Long term Borrowing	4,563.27	2,969.93
Proceeds/(Repayments) from Short Term Borrowing (Net)	(224.47)	178.40
Trade Receivable & Loans and advances	(3,444.05)	(1,711.04)
Trade Payables and Liabilities	(135.71)	(100.26)
Other Liabilities and Provisions	(2.25)	-
Cash generated from operations	343.52	933.16
Interest & Processing Charges Paid	(547.84)	(468.86)
Taxes Paid (Net off Income Tax Refund)	(25.20)	(30.87)
Net cash from / (used in) operating activities	(229.52)	433.43

Cash Flow Statement for the year ended March 31, 2017

(₹ in crore)

Paticulars	2016-17	2015-16
B. <u>Cash flows from investing activities</u>		
Proceed from /(Investments) in Fixed Deposits	(34.73)	(10.03)
Purchase of Fixed Asset	(1.03)	-
Sale of Fixed Asset	3.56	-
Sale/(Purchase) of Current Investments (Net)	(416.14)	18.95
Purchase of Non Current Investments	(53.49)	-
Sale of Non Current Investments	106.76	(80.42)
Net Cash from / (used in) investing activities	(395.07)	(71.50)
C. <u>Cash flows from financing activities</u>		
Issue of Equity Share Capital including Securities Premium	200.00	-
Net Cash from / (used in) Financing Activities	200.00	-
Net increase / (decrease) in Cash and Cash Equivalents (A + B + C)	(424.59)	361.93
Opening Balance of Cash and Cash Equivalents	677.08	315.15
Closing Balance of Cash and Cash Equivalents	252.49	677.08

Notes:

- The Previous year's figures have been regrouped and reclassified wherever necessary.
The figures for current year includes figures of Credit Business of India Debt Management Private Limited (IDMPL) which is demerged with the Company with effect from March 31, 2016 i.e. the Appointed Date and therefore to that extent not strictly comparable to that of previous year's figures.
- The cash flow statement has been prepared in accordance with "Indirect Method" as prescribed in Accounting Standard- 3 (AS-3) on "Cash Flow Statements" notified by the Companies (Accounts) Rules, 2014.

As per our report of even date attached

For **Chaturvedi & Shah**
Chartered Accountants
Firm Registration No. : 101720W

Lalit R. Mhalsekar
Partner
Membership No: 103418
Mumbai
Dated: April 24, 2017

For and on behalf of the Board

Directors

Executive Director & CEO
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Company Secretary & Compliance Officer
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Deena Mehta
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Amit Bapna
Ravindra Sudhalkar
Sandip Parikh
Parul Jain

Reliance Home Finance Limited

Notes to the Financial Statement as at March 31, 2017

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 Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and relevant provisions of the Companies Act, 2013 (the "Act"). These financial statements are presented in Indian rupees rounded in crore 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 of 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 the National Housing Bank ('NHB') in terms of "Master Circular - The Housing Finance Companies (NHB) Directions, 2010" vide National Housing Bank ('NHB') Notification No. NHB(ND)/DRS/REG/MC-01/2016 dated July 1, 2016 and 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.

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 recognized 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 Installments (EMI) 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 recognized on accrual basis and on non-performing assets on realization basis as per guidelines prescribed by the National Housing Bank.

Fees, charges and additional interest income on delayed EMI/Pre-EMI are recognized 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 / securitization

In case of assignment / securitization of loans, the assets are derecognized 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 / securitization.

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 recognized when there is no significant uncertainty as to determination and realization.

vi) Income from Investments

Profit / (Loss) earned from sale of securities is recognised on trade date basis.

vii) Dividend Income

Dividend Income is recognised when the right to receive payment is established.

Notes to the Financial Statement as at March 31, 2017

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 Property, Plant and Equipment

Property, Plant and Equipment are stated at cost of acquisition less accumulated depreciation and Impairment loss, if any. The Company has used the cost model as measurement bases 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 Property, Plant and Equipment is provided in accordance with the provisions of Schedule II to the Companies Act, 2013. 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 Companies Act, 2013.

The estimated useful lives for the different types of assets are :

Tangible Assets

- (i) Buildings – 60 years
- (ii) Office Equipments – 5 years
- (iii) Data Processing Machineries – 3 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 is first installed or utilised.
- (ii) Goodwill pursuant to the scheme of arrangement, which is amortised on straight line basis over the tenure of 5 years

g Loan origination / acquisition 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 long-term investments. In accordance with the Guidelines issued by National Housing Bank (NHB), current investments are carried at lower of cost and fair value and long term investments are carried at cost. However, provision is made to recognize 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 recognized as discount expense.

j Asset Repossessed under SARFAESI Act

Asset Repossessed under 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 & Cash Equivalents

In the cashflow statements, cash and cash equivalents includes cash in hand, balance in banks and fixed deposits without lien with original maturities of three months or less.

l Provision for Standard Assets, Non Performing Assets (NPA) & Doubtful Debts

Provisions on Standard Assets, Non Performing Assets (NPA) & Doubtful Debts are made in accordance with the Prudential Norms as per 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

The Company has issued certain market linked non-convertible debentures ('MLD'), the rate of interest which is linked to performance of specified indices over the period of the debentures. The Company hedges its interest rate risk on MLD by taking positions in future & options based on specified indices. Any gain/loss on these hedge positions are netted against with interest expense on MLD and resultant 'net loss' is recognised in Statement of Profit and Loss immediately, however 'net gain' if any, is ignored.

p Employee Benefits

i) Provident fund

Contributions payable to the recognized 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.

q Borrowing costs

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 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.

s Expenses related to Public issue of Non Convertible Debenture (NCD)

Expenses related to Public issue of NCD, which are directly attributable to the particular series of NCD are expensed based on tenure of respective series. The expenses which are not directly attributable to the particular series of NCD are expensed based on weighted average tenure of NCD issued.

Notes to the Financial Statement as at March 31, 2017

t 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.

u 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 recognized 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.

v 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.

w 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 not recognised nor disclosed in the financial statements.

(₹ in crore)

	As at March 31, 2017	As at March 31, 2016
3 Share capital		
(a) Authorised:		
55,00,00,000 Equity Shares of ₹ 10 each	550.00	75.00
(March 31, 2016: 7,50,00,000 Equity Shares of ₹ 10 each)		
5,00,00,000 Preference Shares of ₹ 10 each	50.00	50.00
(March 31, 2016: 5,00,00,000 Preference Shares of ₹ 10 each)		
	600.00	125.00

Notes :

- In terms of the approval of the shareholders obtained at the Extra Ordinary General Meeting of the Company held on October 26, 2016 the Company has reclassified its Authorised Share Capital from ₹ 125 crore (7,50,00,000 Equity Shares of ₹ 10 each and 5,00,00,000 Preference Share of ₹ 10 each) to ₹ 125 crore (9,30,00,000 Equity Shares of ₹ 10 each and 3,20,00,000 Preference Share of ₹ 10 each).
- In terms of the approval of the shareholders obtained at the Extra Ordinary General Meeting of the Company held on December 6, 2016 the Company has further reclassified its Authorised Share Capital from ₹ 125 crore (9,30,00,000 Equity Shares of ₹ 10 each and 3,20,00,000 Preference Share of ₹ 10 each) to ₹ 125 crore (12,50,00,000 Equity Shares of ₹ 10 each).
- In terms of the approval of the shareholders obtained at the Extra Ordinary General Meeting of the Company held on January 20, 2017 the Company has increased its Authorised Share Capital from ₹ 125 crore (12,50,00,000 Equity Shares of ₹ 10 each) to ₹ 600 crore (55,00,00,000 Equity Shares of ₹ 10 each and 5,00,00,000 Preference Shares of ₹ 10 each).

Reliance Home Finance Limited

Notes to the Financial Statement as at March 31, 2017

(₹ in crore)

	As at March 31, 2017	As at March 31, 2016
(b) Issued, subscribed & Fully paid-up		
11,58,20,000 Equity Shares of ₹ 10 each	115.82	65.82
(March 31, 2016: 6,58,20,000 Equity Shares of ₹ 10 each)		
	115.82	65.82
(c) Par Value per Share	Amount in ₹	Amount in ₹
Equity	10	10

(d) Reconciliation of issued, subscribed and fully paid-up Share Capital

	As at March 31, 2017		As at March 31, 2016	
	No. of Shares	Amount (₹ in crore)	No. of Shares	Amount (₹ in crore)
Equity Shares				
Opening Balance	6,58,20,000	65.82	6,58,20,000	65.82
Addition during the year	5,00,00,000	50.00	-	-
Reduction during the year	-	-	-	-
Closing Balance	11,58,20,000	115.82	6,58,20,000	65.82

(e) Rights, Preferences and Restrictions:

1 Voting Rights :

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 holders of equity shares will be entitled to receive any of the 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 shareholders.

For the year ended March 31, 2017, the dividend proposed by the Board of Directors is ₹ 0.50 (March 31, 2016 ₹ Nil), which is subject to the approval of the shareholders in the ensuing Annual General Meeting. (Refer Note No. 46).

(f) Shares held by holding company i.e. Reliance Capital Limited including shares jointly held

	As at March 31, 2017			As at March 31, 2016	
	%	No. of Shares	Amount (₹ in crore)	No. of Shares	Amount (₹ in crore)
Equity shares					
Reliance Capital Limited	100%	11,58,20,000	115.82	6,58,20,000	65.82
Total	100%	11,58,20,000	115.82	6,58,20,000	65.82

(Out of the above equity shares, 20 equity shares (Previous year 20 equity shares) are jointly held by Reliance Capital Limited and its nominees.)

(g) Out of the above equity shares 3,29,10,000 equity shares (Previous Year 3,29,10,000 equity shares) were allotted as fully paid-up bonus shares to its existing equity shareholders in the financial year 2012-13.

(₹ in crore)

Particulars	As at March 31, 2017	As at March 31, 2016
4 Reserves and surplus		
a) Statutory Reserve		
(As per Section 29C of the National Housing Bank Act, 1987)		
Special Reserve Fund #		
As per Last Balance sheet	59.93	42.58
Add: Transfer from Surplus in Statement of Profit & Loss	34.52	17.35
	94.45	59.93

Notes to the Financial Statement as at March 31, 2017

(₹ in crore)

Particulars	As at March 31, 2017	As at March 31, 2016
b) Securities Premium Account		
As Per Last Balance Sheet	255.18	255.18
Add: Premium on Equity Shares	150.00	-
	405.18	255.18
c) Debenture Redemption Reserve##		
As Per Last Balance Sheet	-	-
Add: Transfer from Surplus in Statement of Profit & Loss	48.52	-
	48.52	-
d) Surplus in Statement of Profit & Loss		
As Per Last Balance Sheet	239.19	169.78
Add: Deferred Tax Asset created pursuant to Scheme of Arrangement with India Debt Management Private Limited (Refer Note No. 42 (iv) & (vi))	105.85	-
Add: Transfer from Statement of Profit & Loss	172.59	86.76
Less : Transfer to Debenture Redemption Reserve	48.52	-
Less : Transfer to Special Reserve Fund	34.52	17.35
	434.59	239.19
	982.73	554.30
# The special reserve created as per Section 29 C 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 transfers. (Refer Note No. 33 (2))		
## Created pursuant to Companies (Share Capital and Debentures) Rules, 2014		
5 Long-term borrowings		
Non convertible debentures		
Secured - (Refer Note No. 29 & 37)		
Others	3,671.75	491.56
Related party	40.00	-
	3,711.75	491.56
Unsecured (Subordinated Tier II Series)		
Others	736.71	273.00
Related party	37.00	-
	773.71	273.00
Term loans from banks / financial institutions		
Secured (Refer Note No. 30)	2,800.42	3,854.44
	7,285.88	4,619.00
6 Deferred Tax Assets/ (Liabilities)		
Deferred tax Assets/(Liability) disclosed in the Balance Sheet comprises the following :		
(a) Deferred Tax Asset		
Disallowance under the Income Tax Act, 1961	3.71	0.61
Carried forward Losses under the Income Tax Act, 1961 (Refer Note No. 42 & 45)	114.84	-
Provision for NPA/Diminution in the value of Assets	34.05	17.61
Total (a)	152.60	18.22

Reliance Home Finance Limited

Notes to the Financial Statement as at March 31, 2017

(₹ in crore)		
Particulars	As at March 31, 2017	As at March 31, 2016
(b) Deferred Tax Liability		
Related to Fixed Assets	2.76	1.79
Unamortised Expenditure	12.96	9.27
Special Reserve Fund	13.85	15.19
Total (b)	29.57	26.25
Net Deferred Tax Asset/(Liabilities) (a) - (b)	123.03	(8.03)
7 Other non-current liabilities		
a) Collateral deposit from customers	0.05	-
b) Interest accrued and not due on borrowings	5.74	2.83
	5.79	2.83
8 Long-term provisions		
a) Provision for Employees Benefits (Refer Note No. 35)		
-Leave encashment	0.53	0.52
b) Provision for Standard Assets	50.69	30.57
	51.22	31.09
9 Short-term borrowings		
a) From Banks		
Cash Credit facilities - Secured (Refer Note 1 below)	50.00	274.48
b) From Others		
Commercial Papers - Unsecured (Refer Note 2 below)	953.68	493.82
	1,003.68	768.30

Notes:

- Cash credit facilities from banks referred above are secured as follows :
 - Cash Credit facility of ₹ Nil (Previous year ₹ 125 crore), secured by pari passu first charge in favor of the lender on all the book debts, outstanding moneys, receivable claims of the Company, except for those book debts/receivables to be charged in favor of National Housing Bank for refinance to be availed, if any, from them, against security not exceeding ₹ Nil (Previous year ₹ 137.75 crore).
 - Cash Credit facility of ₹ 50 crore (Previous year ₹ 49.97 crore), secured by pari passu first charge in favor of the lender on all the standard book debts, outstanding moneys, receivable claims of the Company, except for those book debts/receivables to be charged in favor of National Housing Bank for refinance to be availed, if any, from them, against security not exceeding ₹ 55.02 crore (Previous year ₹ 54.97 crore).
 - Cash Credit facility of ₹ Nil (Previous year ₹ 99.50 crore), secured by hypothecation of book-debts/receivables (standard only) of the Company on pari-passu basis with other secured lenders, against security not exceeding ₹ Nil (Previous year ₹ 110 crore).
- In respect of Commercial Papers referred above, maximum face value amount outstanding during the year was ₹ 2,225 crore (Previous year ₹ 1,170 crore).

(₹ in crore)		
Particulars	As at March 31, 2017	As at March 31, 2016
10 Trade payables		
Due to Micro, Medium & Small Enterprises	-	-
Due to Others	4.64	1.92
Due to Related Party (Refer Note No.37)	0.15	-
	4.79	1.92

Notes to the Financial Statement as at March 31, 2017

(₹ in crore)

Particulars	As at March 31, 2017	As at March 31, 2016
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 years.		
11 Other current liabilities		
a) Current maturities of long term debts		
(i) Non convertible Debentures (Refer Note No. 29 & 37)		
– Secured		
Others	121.63	44.72
Related Party	0.50	-
	122.13	44.72
(ii) Term Loans from Banks/Financial Institutions		
– Secured (Refer Note No. 30)	1,266.68	1,116.27
b) Interest accrued and not due on borrowings	121.61	29.12
c) Advance from Customers	30.68	34.40
d) Payable under Securitisation / Assignment (Net)	48.30	19.48
e) Temporary Book Overdraft *	187.52	355.40
f) Other Payables **	41.08	36.19
g) Collateral Deposit from Customers	-	0.54
	<u>1,818.00</u>	<u>1,636.12</u>

Notes:

* 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 ₹ 353.94 crore) and cheques issued for payment of expenses of ₹ 0.02 crore (Previous Year ₹ 1.46 crore), but not encashed as at March 31, 2017.

** Other Payables includes TDS, statutory payments and other liabilities.

12 Short-term provisions

a) Provision for Employees Benefits (Refer Note No. 35)		
Leave encashment	0.01	0.01
Gratuity	-	1.30
b) Provision for Standard Assets	5.93	4.67
c) Income Tax Provision [Net Off TDS & Advance Tax ₹ Nil (Previous Year ₹ 132.62 crore)]	-	0.20
	<u>5.94</u>	<u>6.18</u>

13 Property, Plant & Equipment

Description	Gross Carrying Amount			Accumulated Depreciation / Amortisation			Net Carrying Amount	
	As at April 1, 2016	Additions	Deletion/ Adjustments	As at April 1, 2016	Depreciation	Deletion/ Adjustments	As at March 31, 2017	As at March 31, 2016
i) Tangible Assets								
1 Buildings	44.98	2.14	3.79	0.70	0.76	0.04	41.92	44.28
2 Office Equipments	0.02	0.02	-	0.02	#	-	0.02	-
3 Data Processing Machineries	0.01	0.00	@	0.01	*	-	**	-
Total	45.01	2.16	3.79	0.73	0.76	0.04	41.94	44.28
Previous Year	39.44	5.58	-	0.04	0.70	-	44.28	
ii) Intangible Assets								
1 Computer Software	0.85	1.01	-	0.82	0.10	-	0.95	0.03
2 Goodwill on Scheme of Arrangement [Refer Note No. 42(v)]	-	30.99	-	-	6.20	-	24.79	-
Total	0.85	32.00	-	0.82	6.30	-	25.74	0.03
Previous Year	0.85	-	-	0.80	0.02	-	0.03	

Notes:

- In respect of Intangible Assets:
 - It is other than internally generated.
 - Balance useful life is:
 - 4 years (Previous year Nil) for additions during the financial year 2016-17
 - 3 years (Previous year 4 years) for additions during the financial year 2015-16
 - 2 years (Previous year 3 years) for additions during the financial year 2014-15
 - 1 year (Previous year 2 years) for additions during the financial year 2013-14
- Buildings acquired during the year includes, ₹ 2.14 crore (Previous year ₹ 5.58 crore) against settlement of Income from Brokerage Commission on Property Solution.
 - @ ₹ 14,999
 - # ₹ 9,583
 - * ₹ 1,986
 - ** ₹ 13,013

Notes to the Financial Statement as at March 31, 2017

(₹ in crore)

	Face Value / Issue Price ₹	Quantity		Value	
		As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
14. Non-current investments					
Trade Investments					
(a) Equity Shares valued at cost unless stated otherwise					
Unquoted, fully paid-up					
S Kumars Nationwide Limited	10	1 000	-	*	-
Meta Copper & Alloys Ltd.	10	10 000	-	0.01	-
				0.01	-
Less: Provision for diminution in value of investments				0.01	-
				-	-
* ₹ 10,000					
(b) Pass Through Certificates ('PTC') valued at cost unless stated otherwise					
Unquoted, fully paid-up					
Cabaletta IFMR Capital 2015 -Series -A2 PTC 18 Dec.15		-	1 84 008	-	1.12
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	-	1.12
IFMR Capital Mosec Vulcan 2015 - Series A2 PTC 30 Sep.15		-	5 93 180	-	1.23
Libertas IFMR Capital 2015 - Series A2 PTC 30 Nov. 15		-	1 52 39 096	-	1.53
Lucina IFMR Capital 2015 - Series -A2 PTC 30 Nov.15		-	2 37 936	-	0.95
Manto IFMR Capital 2015 - Series -A2 PTC 19 Nov. 15		-	31 98 234	-	0.32
Sol IFMR Capital 2015 -Series -A2 PTC 30 Oct. 15		-	10 430	-	0.27
				-	6.94
(c) Security Receipts valued at cost unless stated otherwise					
Unquoted, fully paid-up					
Suraksha ARC - 004 Trust -22 Dec. 2016		5 100	-	0.51	-
Suraksha ARC - 005 Trust -22 Dec. 2016		7 650	-	0.77	-
RHF Indian Receivable Trust- I - 30 Sep.2016		1	-	0.88	-
RHF Indian Receivable Trust II - 24 Mar. 2017		1	-	1.21	-
				3.37	-
(d) Others -Unit of Venture Fund valued at cost unless stated otherwise					
Quoted *, fully paid-up					
IFMR Impact Long Term Multi Asset Class Fund	100,000	5 000		50.00	-
				50.00	-
				53.37	6.94

Notes:

	As at March 31, 2017		As at March 31, 2016	
	Book Value	Market value	Book Value	Market value
1. The aggregate value of investments:				
Quoted	50.00	51.52	-	-
Unquoted	3.37	-	6.94	-
Total	53.37	51.52	6.94	-
2. The aggregate Provision for diminution in the value of investments:				
Quoted		-		-
Unquoted		0.01		-
Total		0.01		-
3. Basis of Valuation	at cost less provision for diminution in the value of Investments		at cost less provision for diminution in the value of Investments	
4. *for units of Fund net assets value (NAV) is taken as Market Value.				

Reliance Home Finance Limited

Notes to the Financial Statement as at March 31, 2017

(₹ in crore)

	As at March 31, 2017	As at March 31, 2016
15 Long-term loans and advances		
(a) Capital advances (Unsecured, Considered Good)	16.28	-
(b) Security deposits (Unsecured, Considered Good)	0.03	0.05
(c) Loans		
i) (Secured, Considered Good)		
Housing loans :		
Individuals	4,558.29	3,312.98
Others	1,446.85	942.58
Officer of the Company (Refer Note No.37)	0.11	1.27
Commercial loans	6,005.25	4,256.83
- Secured, considered good	2,902.30	1,646.80
- Unsecured, considered good	60.00	-
(ii) (Secured, Considered Doubtful)		
Housing loans :		
Individuals	38.55	41.01
Others	3.06	1.13
Less: Provision for NPA & Doubtful Debts	41.61	42.14
Commercial loans	8.55	10.25
Less: Provision for NPA & Doubtful Debts	33.06	31.89
Commercial loans	20.08	17.78
Less: Provision for NPA & Doubtful Debts	13.32	3.54
Installments Due (Secured, Considered Doubtful)	6.76	14.24
Principal Overdue	22.14	5.69
Less: Provision for NPA & Doubtful Debts	4.07	1.72
Balance with Service Tax Authorities	18.07	3.97
Taxes Paid [Net off Income Tax Provision ₹ 42.68 crore (Previous Year ₹ Nil)]	1.28	0.53
	38.92	-
	9,081.95	5,954.31
16 Other non-current assets		
(a) Receivable from Trustee under Securitisation	7.27	6.18
(b) Fixed Deposits with banks		
- Credit Enhancement towards securitisation	64.69	-
- Kept as deposits for Issuing Bank Guarantee	3.20	-
- Margin money deposits for Market Linked Debentures	16.85	6.97
Unamortised expenditures	84.74	6.97
i) Unamortised DSA commission	34.79	24.70
Add: Incurred during the Year	29.27	20.69
Less: Amortised during the year	13.37	10.60
Less: to be amortised over the next one year (Refer Note No. 21 (b))	50.69	34.79
Less: to be amortised over the next one year (Refer Note No. 21 (b))	4.85	3.34
ii) Unamortised Brokerage on Borrowing	9.41	6.57
Add: Incurred during the Year	3.05	4.31
Less: Amortised during the year	1.94	1.47
Less: to be amortised over the next one year (Refer Note No. 21 (b))	10.52	9.41
Less: to be amortised over the next one year (Refer Note No. 21 (b))	2.20	1.66
iii) Unamortised Mortgage guarantee fees	5.65	3.83
Add: Incurred during the Year	-	2.92
Less: Amortised during the year	1.33	1.10
	4.32	5.65

Notes to the Financial Statement as at March 31, 2017

(₹ in crore)

	As at March 31, 2017	As at March 31, 2016
Less: to be amortised over the next one year (Refer Note No. 21 (b))	<u>0.71</u>	<u>1.45</u>
	3.61	4.20
iv) Unamortised Public Issue NCD Expenses	-	-
Add: Incurred during the Year	33.31	-
Less: Amortised during the year	<u>1.70</u>	-
	31.61	-
Less: to be amortised over the next one year (Refer Note No. 21 (b))	<u>6.81</u>	-
	24.80	-
(d) Asset Repossessed under SARFAESI Act	51.98	-
Less : Provision for Asset repossessed	<u>15.81</u>	-
	36.17	-
(e) Prepaid Expenses	<u>0.91</u>	0.56
	211.66	<u>57.11</u>

(₹ in crore)

	Face Value/ Issue Price ₹	Quantity	Value
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017
			As at March 31, 2016
17 Current investments			
Current portion of Long-term investments			
a) Pass Through Certificates ('PTC') valued at cost unless stated otherwise			
Unquoted, fully paid-up			
Aergia IFMR Capital 2015 - Series-A2 PTC 30 Nov.15	-	10 910	- 0.81
Alcibie IFMR Capital 2015 - Series-A2 PTC 27 Nov.15	-	50 88 847	- 1.57
Arcas IFMR Capital 2015 - Series-A2 PTC 30 Sep.15	-	29 59 786	- 2.41
Brizo IFMR Capital 2015 - Series-A2 PTC 17 Aug.15	-	11 996	- 1.37
Cabaletta IFMR Capital 2015 -Series -A2 PTC 18 Dec.15	1 84 008	1 84 008	0.54 0.96
Cadmus IFMR Capital 2015 - Series-A2 PTC 05 Nov.15	-	84 107	- 2.21
Caerus IFMR Capital 2015-Series-A2 PTC 20 May 15	-	1 15 00 550	- 1.16
Comus IFMR Capital 2015 - Series-A3 PTC 18 Sep.15	-	43 59 442	- 0.45
Delphin IFMR Capital 2015 - Series-A3 PTC 28 Oct.15	-	13 17 492	- 0.14
Geloos IFMR Capital 2015 - Series-A2 PTC 29 May.15	-	37 10 714	- 0.38
Hysminai IFMR Capital 2015 - Series -A2 PTC 30 Oct.15	9 93 370	9 93 370	0.40 0.01
IFMR Capital Mosec Aethon 2015 - Series-A2 PTC 28 Feb.15	-	8 77 31 640	- 10.47
IFMR Capital Mosec Agon 2015 - Series-A2 PTC 28 Feb.15	-	2 11 82 283	- 2.78
IFMR Capital Mosec Atlas 2014 -Series-A2 PTC 30 Dec.14	-	1 10 43 440	- 1.47
IFMR Capital Mosec Boreas 2015-Series-A3 PTC 04 March 15	-	19 28 565	- 7.12

Reliance Home Finance Limited

Notes to the Financial Statement as at March 31, 2017

(₹ in crore)

	Face Value/ Issue Price ₹	Quantity		Value	
		As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
IFMR Capital Mosec Glaucus 2015 – Series A2 PTC 01 Sep.15		18 54 181	18 54 181	0.82	8.19
IFMR Capital Mosec Hercules 2015– Series–A2 PTC 27 March 15		-	4 20 577	-	1.86
IFMR Capital Mosec Maia 2014 – Series–A2 PTC 29 Nov.14		-	2 66 412	-	3.42
IFMR Capital Mosec Muse 2014 –Series–A2 PTC 31 Dec.14		-	46 202	-	7.41
IFMR Capital Mosec Rhea 2014– Series–A3 PTC 26 Nov.14		-	1 32 301	-	1.60
IFMR Capital Mosec Vulcan 2015 – Series A2 PTC 30 Sep.15		5 93 180	5 93 180	0.55	1.39
IFMR Capital Mosec Zephyrus 2015– Series–A2 PTC 30 Jan.15		-	1 80 310	-	5.56
Karpo IFMR Capital 2015– Series–A2 PTC 31 July 15		1 05 137	1 05 137	0.42	1.46
Libertas IFMR Capital 2015 – Series A2 PTC 30 Nov. 15		1 52 39 096	1 52 39 096	1.53	0.03
Lucina IFMR Capital 2015 – Series –A2 PTC 30 Nov.15		-	2 37 936	-	1.07
Manto IFMR Capital 2015 – Series –A2 PTC 19 Nov. 15		-	31 98 234	-	1.33
Maximus SBL IFMR Capital 2015– Series–A2 PTC 25 March 15		-	2 30 687	-	0.54
Oread IFMR Capital 2015– Series–A2 PTC 04 Dec.15		-	26 19 627	-	0.79
Plutus IFMR Capital 2015– Series–A2 PTC 29 July 15		-	26 345	-	1.12
Sol IFMR Capital 2015 –Series –A2 PTC 30 Oct. 15		-	10 430	-	0.18
Soter IFMR Capital 2015– Series–A2 PTC 29 July 15		-	1 72 31 619	-	1.75
Thrasos IFMR Capital 2015– Series–A2 PTC 15 May 15		-	1 14 58 746	-	1.16
Vesta IFMR Capital 2015– Series–A2 PTC 07 Aug.15		-	9 825	-	1.31
				4.26	73.48
b) Security Receipts valued at cost unless stated otherwise					
Unquoted, fully paid-up					
RHF Indian Receivable Trust– I – 30 Sep.2016		1	-	0.06	-
RHF Indian Receivable Trust II – 24 Mar. 2017		1	-	0.06	-
				0.12	-
Current Investments					
a) Unit of Mutual Fund valued at cost unless stated otherwise					
Quoted, fully paid-up					
Reliance Liquidity Fund–Direct Growth Plan Growth Option	1 000	16 34 434	-	400.00	-
SBI Magnum InstaCash –Direct Growth Plan	1 000	1 39 028	-	50.00	-
				450.00	-
				454.38	73.48

Notes to the Financial Statement as at March 31, 2017

(₹ in crore)

	As at March 31, 2017		As at March 31, 2016	
	Book Value	Market Value	Book Value	Market Value
Notes:				
1 The aggregate value of investments:				
Quoted Investments	450.00	450.64	-	-
Unquoted Investments	4.38	-	73.48	-
	<u>454.38</u>	<u>450.64</u>	<u>73.48</u>	<u>-</u>
2 The aggregate Provision for diminution in the value of investments:				
Quoted Investments		-		-
Unquoted Investments		-		-
		<u>-</u>		<u>-</u>
3 Basis of Valuation	As at March 31, 2017 at cost less provision for diminution in the value of Investments		As at March 31, 2016 at cost less provision for diminution in the value of Investments	

* for units of Fund net assets value (NAV) is taken as Market Value

(₹ in crore)

	As at March 31, 2017	As at March 31, 2016
18 Trade receivables		
Outstanding for a period exceeding Six months from the due date of payment		
Unsecured, Considered Good	30.59	-
Unsecured, Considered Doubtful	-	-
	<u>30.59</u>	<u>-</u>
19 Cash and bank balances		
Cash and cash equivalents		
Balance with Banks in Current Accounts	252.39	676.80
Cash on hand	0.10	0.28
	<u>252.49</u>	<u>677.08</u>
Other bank balances		
Fixed Deposits with banks # (Less than 3 Months)	-	43.04
	<u>-</u>	<u>43.04</u>
	<u>252.49</u>	<u>720.12</u>
# In respect of Fixed Deposits with Banks ₹ Nil (Previous Year ₹ 40.04 crore) is kept as credit enhancement towards securitisation/assignment transactions, ₹ Nil (Previous Year ₹ 3.00 crore) is kept as margin money deposits for Market Linked Debentures.		
20 Short-term loans and advances		
Unsecured, considered good;		
(a) Loans repayments within next 12 months (Secured, Considered Good)		
Housing loans :		
Individuals	162.55	153.14
Others	514.58	398.55
Officer of the Company (Refer Note No.37)	0.04	0.11
	<u>677.17</u>	<u>551.80</u>
Commercial loans	230.30	197.74

Reliance Home Finance Limited

Notes to the Financial Statement as at March 31, 2017

	(₹ in crore)	
	As at March 31, 2017	As at March 31, 2016
(b) Installments Due		
–Secured, considered good	35.35	33.87
–Unsecured, considered good	0.20	-
(c) Prepaid expenses	0.65	0.33
(d) Sundry advances	3.38	1.43
	<u>947.05</u>	<u>785.17</u>
21 Other current assets		
(a) Interest Accrued on		
Loans	65.15	43.30
Fixed Deposits	0.09	0.28
Investments	2.87	0.02
	<u>68.11</u>	<u>43.60</u>
(b) Unamortised Expenditure		
DSA Commission	4.86	3.34
Brokerage on Borrowing	2.20	1.66
Mortgage guarantee fees	0.71	1.45
Unamortised Public Issue NCD Expenses	6.81	-
	<u>14.58</u>	<u>6.45</u>
(c) Mark-to-Market Margin		
Equity Index Futures & Options	-	2.10
	<u>82.69</u>	<u>52.15</u>
		(₹ in crore)
	2016-2017	2015-2016
22 Revenue from operations		
a) Interest income		
Interest on:		
Housing and Other Loans	937.75	726.90
Fixed Deposits	8.53	3.80
Investments	36.58	6.69
	<u>982.86</u>	<u>737.39</u>
b) Other Financial income		
Processing Fee	81.98	40.13
Foreclosure & Other Operating Income	19.49	15.95
Brokerage Commission on Property Solution	6.26	9.19
	<u>107.73</u>	<u>65.27</u>
Less : Service Tax Recovered	14.05	8.12
	<u>93.68</u>	<u>57.16</u>
c) Bad Debts Recovered	2.03	1.49
	<u>1,078.57</u>	<u>796.04</u>
23 Other income		
a) Profit on Sale of		
– Current Investments (Net)	33.86	18.95
– Long Term Investments (Net)	-	-
	<u>33.86</u>	<u>18.95</u>
b) Interest on income tax refund	1.64	-
c) Miscellaneous income	0.01	0.04
d) Reversal of Provision for Diminution in the value of Debentures	240.54	-
Less: Loss on Sale of Debentures	209.94	-
	<u>30.60</u>	<u>-</u>
	<u>66.11</u>	<u>18.99</u>

Notes to the Financial Statement as at March 31, 2017

(₹ in crore)

	2016-2017	2015-2016
24 Employee benefit expense		
Payments to and Provision for Employees (Including Managerial Remuneration)		
- Salary & Bonus etc.	84.64	66.52
- Contribution to Provident fund and other Funds	3.95	3.50
- Staff Welfare & other amenities	5.11	1.00
	<u>93.70</u>	<u>71.02</u>
25 Finance cost		
a) Interest expense		
Term Loan From Banks	470.18	411.33
Cash Credit From Banks	1.46	1.01
Non Convertible Debentures	171.47	62.12
Body Corporates (Refer Note No. 31)	0.09	0.11
	<u>643.20</u>	<u>474.57</u>
b) Other borrowing costs		
Amortised Brokerage (Refer Note No. 16 (c)(ii))	1.94	1.47
Discount on Commercial Papers	103.36	59.86
Processing Charges	0.03	0.03
	<u>105.33</u>	<u>61.36</u>
	<u>748.53</u>	<u>535.93</u>
26 Other expenses		
Auditor's Remuneration (Refer Note No. 28)	0.36	0.16
Bad Debts Written Off	6.04	3.76
Bank Charges	0.48	0.31
Rent	9.48	-
Repairs & Maintenance-Others	15.32	0.50
Insurance	0.03	-
Rates and Taxes	3.90	0.98
Amortised DSA Commission (Refer Note No. 16 (c)(i))	13.37	10.60
Amortised Guarantee Commission (Refer Note No. 16 (c)(iii))	1.33	1.10
Amortised Public Issue NCD Expenses (Refer Note No. 16 (c)(iv))	1.70	-
Credit Cost	0.18	0.38
Collection Cost	1.07	1.27
Corporate Social Responsibility Expenditures (Refer Note No. 44)	2.05	1.39
Directors' Sitting Fees	0.23	0.16
Infrastructure Cost (Net) *	2.75	3.85
Legal & Professional Fees	20.54	9.91
Loss on Sale of Fixed Asset	0.18	-
Marketing Expenses	10.92	13.66
Management Expenses	3.23	3.22
Miscellaneous Expenses	5.72	2.29
Printing and Stationary	1.90	0.27
Postage, Telegram & Telephone	2.01	0.30
Provision for Standard Asset	21.37	7.71
Provision for NPA & Doubtful Debts	10.69	4.40
Provision for Asset Repossessed	15.75	-
Sundry Balances Written Off	0.61	-
Travelling & Conveyance	6.38	4.43
	<u>157.59</u>	<u>70.66</u>

Reliance Home Finance Limited

Notes to the Financial Statement as at March 31, 2017

(₹ in crore)

2016-2017

2015-2016

Notes:

According to the agreement entered into by the Company with its holding company i.e. Reliance Capital Limited for utilizing their office premises including all other amenities, infrastructure and employees at various locations of the Company. (Refer Note No.37 on Related Party Transactions)

27 In the opinion of management, all the Assets other than Non-Current Investments are approximately of the value stated if realised in the ordinary course of business.

28 Auditor's Remuneration :

Statutory Audit Fees	0.06	0.06
Tax Audit Fees	0.02	0.02
Certification Fees & Work relating to Public Issue of NCD	0.25	0.03
Limited Review Fees	0.03	0.05
	0.36	0.16

29 Security clause, Maturity profile & Rate of interest in respect of Non convertible Debentures

(a) Listed Secured Redeemable Non-Convertible Debentures ("Secured NCDs") amounting to ₹ 3,834.87 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 ₹ 3,127.77 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 ₹ 707.10 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 includes current assets and investments.

(b) Maturity profile of Non-Convertible Debentures are as set out below:

(₹ in crore)

Interest Rate	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2031-32	Total
MLD	62.13	20.84	51.81	2.93	-	-	-	-	-	-	-	137.71
#	-	9.20	-	100.00	-	-	-	-	-	-	-	109.20
8.35%	-	-	130.00	-	-	-	-	-	-	-	-	130.00
8.64%	-	-	-	100.00	-	-	-	-	-	-	-	100.00
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
8.90%	-	-	1,129.64	-	215.91	-	-	-	-	-	-	1,345.55
8.95%	-	-	-	-	-	-	-	-	25.00	-	-	25.00
9.00%	-	-	-	60.00	-	-	-	-	18.00	72.82	-	150.82
9.05%	-	-	15.00	-	333.60	-	-	-	-	-	-	348.60
9.09%	-	5.00	-	-	-	-	-	-	-	-	-	5.00
9.15%	-	-	-	-	20.00	-	-	-	15.00	239.30	-	274.30
9.25%	-	65.00	-	-	-	-	-	-	27.00	-	250.03	342.03
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%	-	5.00	-	-	-	-	25.00	-	70.00	-	-	100.00
9.52%	-	-	-	-	-	-	15.00	-	-	-	-	15.00
9.70%	-	10.00	-	-	-	-	-	-	-	-	-	10.00
9.75%	-	-	10.00	-	-	-	-	-	-	-	-	10.00

Notes to the Financial Statement as at March 31, 2017

(₹ in crore)

Interest Rate	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2031-32	Total
9.80%	-	-	15.00	-	-	-	-	15.00	-	-	-	30.00
9.90%	-	-	-	-	-	-	1.70	-	-	-	-	1.70
10.00%	40.00	-	-	-	-	16.00	-	-	-	-	-	56.00
10.10%	20.00	-	-	-	-	-	-	-	-	-	-	20.00
10.33%	-	-	-	-	-	45.00	-	-	-	-	-	45.00
10.40%	-	-	-	-	-	50.00	-	-	-	-	-	50.00
10.60%	-	-	-	-	-	8.00	-	-	-	-	-	8.00
Total	122.13	115.04	2,183.45	287.93	614.51	149.00	211.70	15.00	156.00	317.12	435.71	4,607.59

Zero Coupon Deep Discount Non- Convertible Debentures

MLD = Market Linked Non- Convertible Debentures

30 Security clause & Maturity profile in respect to secured loans from banks

Term loans from Banks [Referred in Note No. 5] and current maturity of long term debts [Refer Note No. 11 (a)(ii)] includes :

- Term loans ₹ 3,405.66 crore (Previous year ₹ 3,412.45 crore) secured by pari passu first charge in favor of the lender on all the book debts, outstanding moneys, receivable claims of the Company, except for those book debts/receivables to be charged in favor of National Housing Bank for refinance to be availed, if any, from them, against security not exceeding ₹ 3,759.49 crore (Previous year ₹ 3,765.42 crore).
- Term loans ₹ 551.59 crore (Previous year ₹ 1,344.89 crore) secured by *pari passu* first charge in favor of the lender on all the standard book debts, outstanding moneys, receivable claims of the Company, except for those book debts/receivables to be charged in favor of National Housing Bank for refinance to be availed, if any, from them, against security not exceeding ₹ 611.46 crore (Previous year ₹ 1,489.83 crore).
- Term loans ₹ Nil (Previous year ₹ 179.96 crore) secured by hypothecation of book-debts/receivables (standard only) of the Company on pari-passu basis with other secured lenders, against security not exceeding ₹ Nil (Previous year ₹ 199.07 crore).
- Term loans ₹ 109.86 crore (Previous year ₹ 33.41 crore) secured by pari passu first charge in favor of the lender on all the book debts, outstanding moneys, receivable claims of the Company, against security not exceeding ₹ 121.41 crore (Previous year ₹ 40.09 crore).
- Maturity profile of Secured Term Loans from banks are as set out below;

(₹ in crore)

	2017-18	2018-19	2019-20	2020-21	2021-22	2022- 23	Total
Term Loan from Banks	1,266.68	1,112.09	945.01	436.67	216.66	90.00	4,067.11

- 31** As on April 26, 2010 the Company had entered into Business Transfer Agreements ('BTA') with its holding company i.e. Reliance Capital Limited ('RCL') to transfer the RCL's home finance business to the Company at book value, such that the entire economic risk and reward of the RCL's home finance business passes to the Company from the commencement of business on the value date i.e. April 1, 2010. As on January 31, 2011 the BTA further amended between the Company and Reliance Capital Limited and as per the amended BTA with RCL:

- The RCL holds loan assets of ₹ 2.82 crore (Previous year ₹ 4.41 crore) of the Company in the capacity of trust as on March 31, 2017.
- During the year the Company has taken the following assets, income and expenses from RCL :
 - Interest & other income of ₹ 0.52 crore (Previous year ₹ 0.62 crore)
 - Interest & other expenses of ₹ 0.57 crore (Previous year ₹ 1.46 crore)

32 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) Registration obtained from other financial sector regulators

Items	Type	Number reference
a) National Housing Bank	Registration No.	07.0101.12
b) Ministry of Corporate Affairs	Ministry of Corporate Affairs	U67190MH2008PLC183216

Reliance Home Finance Limited

Notes to the Financial Statement as at March 31, 2017

(ii) Ratings assigned by rating agencies and migration of ratings during the year

Rating agency	Borrowings type	Rating
A. NCDs issued on Private Placement basis:		
Credit Analysis & Research Limited	Long Term Debt Programme ₹ 8,000 crore	CARE AA+
Brickwork Ratings India Private Limited	Long Term Secured NCD ₹ 2,000 crore	BWR AA+
Brickwork Ratings India Private Limited	Long Term Unsecured Upper Tier II NCD ₹ 100 crore	BWR AA
Credit Analysis & Research Limited	Subordinated Debt ₹ 400 crore	CARE AA+*
Brickwork Ratings India Private Limited	Long Term Unsecured Subordinated Tier II NCD ₹ 400 crore	BWR AA+
Credit Analysis & Research Limited	Upper Tier II Bond ₹ 100 crore	CARE AA
Credit Analysis & Research Limited	Principal Projected Market Linked Debentures ₹ 300 crore	CARE PP-MLD AA+
B. NCDs issued through Public Issue:		
Credit Analysis & Research Limited	Non-Convertible Debentures Public Issue ₹ 3,000 crore	CARE AA+
Brickwork Ratings India Private Limited	Long Term Secured NCD Public Issue ₹ 3,000 crore	BWR AA+
Credit Analysis & Research Limited	Upper Tier II bond - Public Issue ₹ 500 crore	CARE AA
Brickwork Ratings India Private Limited	Public Issue of Long Term Unsecured Upper Tier II NCD ₹ 500 crore	BWR AA
C. Commercial Paper:		
ICRA Limited	Short Term Debt CP ₹ 3,000 crore	[ICRA] A1+

* the rating has been upgraded to CARE AA+ from CARE AA.

(iii) No penalties were levied upon the Company by any of the regulator.

(iv) Joint ventures and overseas subsidiaries

Items	As at March 31, 2017		As at March 31, 2016	
	India	India	India	India
Area, country of operation	India	India	India	India
Joint venture partners with regard to Joint ventures and Overseas subsidiaries	None	None	None	None

(v) Related Party Transactions

a) Details of all material transactions with related parties has been given in Notes No 37 of the financial statements.

b) Policy on dealing with Related Party Transactions

The transactions between the Company and related parties shall be entered with prior approval of the Audit Committee of the Board of Directors into, in compliance with the applicable provisions of the Companies Act, 2013 and other applicable laws.

33 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)

Particulars	As at March 31, 2017	As at March 31, 2016
i) CRAR (%)	19.24	16.34
ii) CRAR - Tier I capital (%)	9.62	10.51
iii) CRAR - Tier II capital (%)*	9.62	5.83
iv) Amount of Subordinated Debt raised as Tier II Capital*	773.71	273.00
v) Amount raised by issue of Perpetual Debts Instruments	-	-

* Includes Upper Tier II Capital amounting to ₹ 435.71 crore (Previous year ₹ Nil) as per NHB circular No. NHB(ND)/ DRS/Pol-No-23/2008 dated April 24, 2008.

Notes to the Financial Statement as at March 31, 2017

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

Particulars	(₹ in crore)	
	As at March 31, 2017	As at March 31, 2016
Balance at the beginning of the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	19.92	13.03
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	29.55
c) Total	59.93	42.58
Addition / Appropriation / Withdrawal during the year		
Add :		
a) Amount transferred u/s 29C of the NHB Act, 1987	34.52	6.89
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	-	10.46
Less :		
a) Amount appropriated from Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
b) Amount withdrawn from Special Reserve u/s 36(1)(viii) of the Income Tax Act, 1961 which has been taken into account for the purpose of provision u/s 29C of the NHB Act, 1987	-	-
Balance at the end of the year		
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
c) Total	94.45	59.93

3 Investments

Particulars	(₹ in crore)	
	As at March 31, 2017	As at March 31, 2016
1) Value of Investments		
i) Gross Value of Investments		
a) In India	507.75	80.42
b) Outside India	-	-
ii) Provisions for Depreciation		
a) In India	0.01	-
b) Outside India	-	-
iii) Net Value of Investments		
a) In India	507.74	80.42
b) Outside India	-	-
2) Movement of provisions held towards depreciation of investments		
i) Opening Balance	-	-
ii) Add: Provisions made during the year/ Transfer pursuant to Scheme of Arrangement	240.55	-
iii) Less: Write-off / write-back of excess provisions during the year	240.54	-
iv) Closing balance	0.01	-

Reliance Home Finance Limited

Notes to the Financial Statement as at March 31, 2017

4 Derivatives

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

Particulars	(₹ in crore)	
	As at March 31, 2017	As at March 31, 2016
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	-	-

ii) Exchange Traded Interest Rate (IR) Derivative

Particulars	(₹ in crore)	
	As at March 31, 2017	
(I) Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument- wise)*		
IRF 759GS2026 28/04/2016		1.62
IRF 759GS2026 26/05/2016		3.24
IRF 759GS2026 30/06/2016		3.24
IRF 759GS2026 28/07/2016		3.24
IRF 759GS2026 25/08/2016		3.24
IRF 759GS2026 29/09/2016		3.24
IRF 759GS2026 27/10/2016		3.24
IRF 759GS2026 24/11/2016		3.24
IRF 759GS2026 29/12/2016		3.24
IRF 759GS2026 25/01/2017		3.24
IRF 697GS2026 23/02/2017		71.12
IRF 759GS2026 23/02/2017		69.68
IRF 697GS2026 30/03/2017		37.88
IRF 759GS2026 30/03/2017		38.44
IRF 759GS2026 27/04/2017		1.60
Total		249.50
(II) Notional principal amount of exchange traded IR derivatives outstanding as on March 31, 2017		
IRF 759GS2026 27/04/2017		1.60
Total		1.60
(III) Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective"		
(IV) Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective"		
* 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 derivatives 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 there are no foreseeable losses on such long term contracts (including derivative contracts) has been made in the books of accounts

Notes to the Financial Statement as at March 31, 2017

B. Quantitative Disclosure

(₹ in crore)		
Particulars	Currency Derivatives	Interest Rate Derivatives
(i) Derivatives (Notional Principal Amount)		
(a) Traded during the year	-	249.50
(b) Outstanding as on 31 st March 2017	-	1.60
(ii) Marked to Market Positions		
(a) Assets (+)^	-	*
(b) Liability (-)	-	-
(iii) Credit Exposure	-	-
(iv) Unhedged Exposures	-	-

*₹ 47,600

^ Long Position in Derivatives considered under Assets

5 Disclosures relating to Securitisation

(₹ in crore)			
Sr. No.	Particulars	2016-17	2015-16
1)	No. of SPVs sponsored by the Company for Securitisation Transactions	5	2
2)	Total amount of securitised assets as per books of the SPVs sponsored by the Company	300.61	53.93
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		
•	First loss	-	-
•	Others	-	-
b)	On-balance sheet exposures		
•	First loss	36.58	11.94
•	Others	2.22	-
4)	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		
i)	Exposure to own securitizations		
•	First loss	-	-
•	Others	-	-
ii)	Exposure to third party securitizations		
•	First loss	-	-
•	Others	13.36	22.09
b)	On-balance sheet exposures		
i)	Exposure to own securitizations		
•	First loss	-	-
•	Others	-	-
ii)	Exposure to third party securitizations		
•	First loss	-	-
•	Others	-	-

Reliance Home Finance Limited

Notes to the Financial Statement as at March 31, 2017

6 Disclosures relating to Assignment

		(₹ in crore)	
Sr. No.	Particulars	2016-17	2015-16
1)	No. of Direct Assignments (Nos.)	19	15
2)	Total amount of assigned assets as per books of the Assignor	1,067.20	629.24
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		
•	First loss	-	-
•	Others	-	-
b)	On-balance sheet exposures		
•	First loss	-	-
•	Others	100.01	53.83
4)	Amount of exposures to securitisation transactions other than Minimum Retention Requirement (MRR)		
a)	Off-balance sheet exposures		
i)	Exposure to own securitizations		
•	First loss	-	-
•	Others	-	-
ii)	Exposure to third party securitizations		
•	First loss	-	-
•	Others	-	-
b)	On-balance sheet exposures		
i)	Exposure to own securitizations		
•	First loss	28.10	28.10
•	Others	-	-
ii)	Exposure to third party securitizations		
•	First loss	-	-
•	Others	-	-

7 Details of Financial Assets Sold to Securitisation/ Reconstruction Company for Assets Reconstruction

		(₹ in crore)	
Particulars	2016-17	2015-16	
i) No. of accounts	4	-	
ii) Aggregate value of accounts sold to SC / RC (net of provisions ₹ 0.59 crore)	1.17	-	
iii) Aggregate consideration	1.50	-	
iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-	
v) Aggregate gain / loss over net book value	0.33	-	

8 Details of Assignment transactions undertaken by the Company

		(₹ in crore)	
Particulars	2016-17	2015-16	
i) No. of accounts	2,926	1,361	
ii) Aggregate value (net of provisions) of accounts sold	861.31	198.73	
iii) Aggregate consideration (Including MRR)	861.31	198.73	
iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-	
v) Aggregate gain / loss over net book value	-	-	

Notes to the Financial Statement as at March 31, 2017
9 (a) Details of Non Performing Financial Assets Purchased

(₹ in crore)		
Particulars	2016-17	2015-16
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	2016-17	2015-16
(i) No. of accounts Sold During the year	-	-
(ii) Aggregate Outstanding	-	-
(iii) Aggregate consideration received	-	-

10 Assets Liabilities Management Maturity pattern of certain items of asset and liabilities (At Book Values)

	Liabilities		Assets	
	As at March 31, 2017		As at March 31, 2017	
	Borrowings from Bank	Market Borrowings	Loans & Advances	Investments
Upto 30/31 day	50.00 (274.48)	52.27 (104.30)	76.14 (61.97)	453.91 (3.63)
Over 1 month to 2 months	66.66 (66.67)	173.69 (346.03)	79.04 (63.46)	0.09 (5.32)
Over 2 month to 3 months	216.66 (142.71)	261.20 (0.00)	79.44 (66.77)	0.32 (10.19)
Over 3 month to 6 months	256.70 (275.42)	491.47 (52.45)	246.31 (238.24)	0.02 (24.44)
Over 6 month to 1 Year	726.66 (631.47)	97.18 (35.76)	462.10 (352.96)	0.04 (29.90)
Over 1 year to 3 Years	2,057.10 (2,346.10)	2,298.48 (201.46)	1,336.16 (722.24)	0.19 (6.94)
Over 3 year to 5 Years	653.32 (1,268.34)	902.45 (166.41)	490.66 (647.97)	50.22 (0.00)
Over 5 Year to 7 years	90.00 (240.00)	360.70 (169.00)	1,540.51 (675.98)	0.25 (0.00)
Over 7 Year to 10 years	- (0.00)	488.12 (227.70)	1,462.84 (949.64)	0.43 (0.00)
Over 10 years	- (0.00)	435.71 0.00	4,195.26 (2,957.90)	2.27 (0.00)
Total	4,117.10 (5,245.19)	5,561.27 (1,303.11)	9,968.46 (6,737.13)	507.74 (80.42)

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 cashflows.
- (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 Companies Act, 2013. 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.

Reliance Home Finance Limited

Notes to the Financial Statement as at March 31, 2017

11 Exposures

(a) Exposure to Real Estate

		(₹ in crore)	
Category	As at March 31, 2017	As at March 31, 2016	
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	709.59	567.25	
(b) Individual Housing loans More than ₹ 15 lakhs	4,109.08	2,927.66	
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	3,412.15	2,747.99	
iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -			
a) Residential	3.49	-	
b) Commercial Real Estate	-	-	
Total Exposure to Real Estate Sector	8,234.31	6,242.90	

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, 2017	As at March 31, 2016	
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;	-	-	
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)	-	-	
Total Exposure to Capital Market	-	-	

Notes to the Financial Statement as at March 31, 2017

12 Details of Financing of the Parent Company Product

(₹ in crore)

	2016-17	2015-16
There are no parent Company products which are financed by the Company during the year.	-	-

13 Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the Company

There are no Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the Company.

14 Unsecured Advances

(₹ in crore)

	As at March 31, 2017	As at March 31, 2016
Advances against Securities of Intangible Assets	-	-
Total Advances against Securities of Intangible Assets	-	-

15 Remuneration of Directors

(₹ in crore)

	2016-17	2015-16
Directors' Sitting Fees	0.23	0.16
	0.23	0.16

16 Net Profit or Loss for the period, prior period items and changes in accounting policies

(₹ in crore)

	2016-17	2015-16
During the year there is no changes in the accounting policies and no prior period items	-	-

34 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, 2017	As at March 31, 2016
a) Provision for depreciation on Investments	-	-
b) Provision made towards Income tax	(9.57)	51.67
c) Provision for NPA & Doubtful Debts	10.69	4.40
d) Provision for Standard Assets	21.37	7.71
- Teaser Loan	(0.05)	(0.09)
- Commercial Real Estate	10.63	0.51
- Commercial Real Estate –Residential Housing	3.83	1.91
- Other Standard Assets	6.96	5.38
e) Other Provisions and Contingencies (with details)		
- Provision for Repossessed assets	15.75	-

2. Break up of Loans & Advances and Provision Thereon

(₹ in crore)

	Housing		Non Housing	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
Standard Assets				
a) Total Outstanding Amount	6,707.36	4,984.31	3,203.20	1,702.72
b) Provisions made	33.42	24.67	23.21	10.58
Sub-Standard Assets				
a) Total Outstanding Amount	31.96	18.69	15.09	15.69
b) Provisions made	4.79	2.80	2.36	2.10

Reliance Home Finance Limited

Notes to the Financial Statement as at March 31, 2017

(₹ in crore)

	Housing		Non Housing	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
Doubtful Assets – Category-I				
a) Total Outstanding Amount	11.81	11.61	6.51	1.10
b) Provisions made	2.95	2.90	1.63	0.28
Doubtful Assets – Category-II				
a) Total Outstanding Amount	4.75	10.91	0.40	3.78
b) Provisions made	1.90	4.37	0.16	1.51
Doubtful Assets – Category-III				
a) Total Outstanding Amount	1.55	3.79	0.43	0.04
b) Provisions made	0.62	1.52	0.17	0.02
Loss Assets				
a) Total Outstanding Amount	-	-	11.35	-
b) Provisions made	-	-	11.35	-
TOTAL				
a) Total Outstanding Amount	6,757.43	5,029.31	3,236.98	1,723.33
b) Provisions made	43.68	36.26	38.88	14.49

3. Exposure

a) Concentration of Loans & Advances

(₹ in crore)

Particulars	As at March 31, 2017	As at March 31, 2016
Total Advances to twenty largest borrowers	861.35	574.31
Percentage of Advances to twenty largest borrowers to Total Advances of the Company	8.62%	8.52%

b) Concentration of all Exposures

(₹ in crore)

Particulars	As at March 31, 2017	As at March 31, 2016
Total Exposure to twenty largest borrowers	861.35	574.31
Percentage of Exposures to twenty largest borrowers to Total Exposure of the Company	8.64%	8.52%

c) Concentration of NPAs

(₹ in crore)

Particulars	As at March 31, 2017	As at March 31, 2016
Total Exposure to top ten NPA accounts	46.87	21.73

d) Sector-wise NPAs

(₹ in crore)

Particulars	Percentage of NPAs to total advances in that sector	
	2016-17	2015-16
Housing		
Individual	0.84%	1.20%
Builder Loans – Residential projects	0.47%	0.11%
Loans to Corporates – Residential projects #	0.94%	0.80%
Non Housing		
For mortgage/property/home equity loans	1.18%	1.66%
Loans to Corporates – Non Residential projects #	0.10%	0.24%
Loans to Corporates – Others #	3.20%	0.00%

Corporate means all other loans other than Individual

Notes to the Financial Statement as at March 31, 2017
e) Movement of NPAs

(₹ in crore)		
Particulars	As at March 31, 2017	As at March 31, 2016
Net NPAs to Net Advances (%)	0.58	0.74
Movement of NPAs (Gross)		
(a) Opening Balance	65.61	53.15
(b) Additions during the year/ Pursuant to Scheme of Arrangement	58.12	32.44
(c) Reductions during the year	39.89	19.98
(d) Closing balance	83.84	65.61
Movement of Net NPAs		
(a) Opening Balance	50.10	41.05
(b) Additions during the year/ Pursuant to Scheme of Arrangement	39.01	24.09
(c) Reductions during the year	31.21	15.04
(d) Closing balance	57.90	50.10
Movement of provisions for NPAs		
(a) Opening Balance	15.51	12.10
(b) Additions during the year/ Pursuant to Scheme of Arrangement	19.11	8.35
(c) Write-off/write-back of excess provisions	8.68	4.94
(d) Closing balance	25.94	15.51

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.

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)

(₹ in crore)		
Particulars	As at March 31, 2017	As at March 31, 2016
(a) No. of complaints pending at the beginning of the year	14	20
(b) No. of complaints received during the year/ Pursuant to Scheme of Arrangement	1 926	1 117
(c) No. of complaints redressed during the year	1 917	1 123
(d) No. of complaints pending at the end of the year	23	14

35 Employee benefits
a) Defined contribution plan

Contribution to defined contribution plans, recognised as expense for the year is as under: (₹ in crore)

Particulars	2016-17	2015-16
Employer's contribution to provident fund	1.94	1.42
Employer's contribution to superannuation fund [* ₹ 10,000 (Previous Year ₹ 20,000)]	*	*
Employer's contribution to pension scheme	1.06	0.77
	3.00	2.20

Reliance Home Finance Limited

Notes to the Financial Statement as at March 31, 2017

b) Defined benefit plans

The following table summarise the components of the net employee benefit expenses recognized 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.

Particulars	(₹ in crore)			
	Gratuity benefit (funded)		Leave Encashment Benefit (Unfunded)	
	2016-17	2015-16	2016-17	2015-16
I. Table showing change in Benefit Obligation:				
Liability at the beginning of the period	2.96	1.36	0.53	0.28
Interest Cost	0.24	0.11	0.04	0.02
Current Service Cost	0.74	0.22	0.08	0.08
Benefit Paid	(1.05)	(0.45)	(0.06)	(0.08)
Liability Transferred in / Acquisitions	0.73	0.74	-	-
Actuarial (gain)/loss on obligations	-	-	(0.04)	0.22
Actuarial (gain)/loss on obligations –Due to change in Financial Assumptions	0.18	(0.02)	-	-
Actuarial (gain)/loss on obligations –Due to change in Demographic Assumptions	-	0.15	-	-
Actuarial (gain)/loss on obligations –Due to Experience	0.02	0.85	-	-
Liability at the end of the period	3.81	2.96	0.55	0.53
II. Changes in the fair Value of Plan Assets and the reconciliation thereof:				
Fair Value of Plan Assets at the beginning of the period	0.93	1.36	-	-
Expected return on Plan Assets	0.07	0.11	-	-
Contributions	2.27	-	0.06	0.08
Assets Transferred in/Acquisitions	1.46	-	-	-
Benefit paid	(1.05)	(0.45)	(0.06)	(0.08)
Actuarial gain/(loss) on Plan Assets	0.15	(0.09)	-	-
Fair value of Plan Assets at the end of the period	3.83	0.93	-	-
Total Actuarial gain/(loss) to be recognized	0.05	1.08	-	-
Funded Status	-	-	(0.55)	(0.53)
III. Actual return on Plan Assets				
Expected return on Plan Assets	0.07	0.11	-	-
Actuarial gain/(loss) on Plan Assets	0.15	(0.09)	-	-
Actual return on Plan Assets	0.23	0.02	-	-
IV. Amount recognised in the Balance Sheet				
Liability at the end of the period	(3.81)	(2.96)	0.55	0.53
Fair Value of Plan Assets at the end of the period	3.83	0.93	-	-
Difference Funded status	0.02	(2.03)	(0.55)	(0.53)
Unrecognised Actual Gain / (Loss)	-	-	-	-
Amount recognised in the Balance Sheet (liability)	0.02	(2.03)	(0.55)	(0.53)
V. Expenses recognised in the Profit and Loss Account				
Current Service Cost	0.74	0.22	0.08	0.08
Interest Cost *[Previous Year ₹ (4110)]	0.16	0*	0.04	0.02
Expected return on Plan Assets	-	-	-	-
Net Actuarial (gain)/loss to be recognized	0.05	1.08	(0.04)	0.22
Expense recognised in Profit and Loss Account	0.95	1.30	0.08	0.32

Notes to the Financial Statement as at March 31, 2017

(₹ in crore)

Particulars	Gratuity benefit (funded)		Leave Encashment Benefit (Unfunded)		
	2016-17	2015-16	2016-17	2015-16	
VI. Amount recognised in the Balance Sheet					
Opening Net Liability	2.03	(0.01)	0.53	0.28	
Expense as above	0.95	1.30	0.08	0.32	
Net Liability / (Asset) Transfer In	(0.74)	0.74	-	-	
Employers Contribution paid	(2.27)	-	(0.06)	(0.08)	
Closing Net Liability/(Assets)	(0.02)	2.03	0.55	0.53	
VII. Assumptions					
Discount Rate	7.66%	8.01%	7.45%	7.57%	
Rate of return on Plan Assets	7.66%	8.01%	-	-	
Salary Escalation Rate	6.00%	6.00%	6.00%	6.00%	
VIII. Experience Adjustment					
Plan Assets at the end of year	-	-	-	-	
Defined benefit obligations at the end of year	-	-	0.55	0.53	
Amount not recognised as an Asset (limit in para 59(b))	-	-	-	-	
Surplus / (Deficit)	-	-	(0.55)	(0.53)	
Experience adjustment on Plan Assets gain/(loss)	0.15	(0.09)	-	-	
Experience adjustment on Plan Liabilities (gain)/loss	0.02	0.85	(0.04)	0.22	
IX. Particulars of the amounts for the year and previous years					
	Gratuity for the year ended March 31				
	2 017	2 016	2 015	2 014	2 013
Present value of benefit obligation	3.81	2.96	1.36	0.71	0.72
Fair value of plan assets	3.83	0.93	1.36	0.72	0.69
Excess of obligation over plan assets	0.02	2.03	0.01	(0.01)	0.03
X. Experience Adjustment					
Experience adjustment on Plan Assets Gain/(Loss)	0.15	(0.09)	0.05	(0.02)	-
Experience adjustment on Plan Liabilities (Gain)/Loss	0.02	0.85	0.30	(0.02)	0.11

Notes:

- i) The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.
- iii) General Descriptions of significant defined plans:
 - a) 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

I. Details of Option granted, forfeited and exercised

Particulars	2016-17 (Options)	2015-16 (Options)
Outstanding as at April 1, 2016	579,400	-
Granted	-	579,400
Exercised	-	-
Lapsed/ Forfeited/ Surrendered	141,000	-
Outstanding as at March 31, 2017	438,400	579,400
Exercisable as at March 31, 2017	-	-

Reliance Home Finance Limited

Notes to the Financial Statement as at March 31, 2017

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 last date of vesting 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	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	In case of continuation of employment : Vested Phantom stock option can be exercised any time Upto 3 years from the date of last vesting of Phantom stock options and In case of cessation of employment : Different periods depending on kind of cessation as per provision of the Phantom stock option scheme
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	6.77%
Expected life	5 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 ₹ 0.21 crore (Previous year ₹ 0.11 crore) which is debited to Statement of profit and loss account and the liability is shown in the Balance sheet under the head Other current liabilities and clubbed under Other payables.

36 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.

37 Related party disclosures

A. List of Related Parties and their relationship:

i) Holding Company

Reliance Capital Limited

ii) Subsidiaries of Holding Company / Fellow Subsidiaries

1 Reliance Nippon Life Asset Management Limited (formerly Reliance Capital Asset Management Limited)	14 Reliance Securities Limited
2 Reliance Asset Management (Singapore) Pte. Limited	15 Reliance Commodities Limited
3 Reliance Asset Management (Mauritius) Limited	16 Reliance Financial Limited
4 Reliance Capital Asset Management (UK) Limited (dissolved w.e.f. June 14, 2016)	17 Reliance Money Express Limited (ceased w.e.f. February 7, 2017)
5 Reliance Capital Pension Fund Limited	18 Reliance Money Precious Metals Private Limited
6 Reliance AIF Management Company Limited	19 Reliance Money Solutions Private Limited
7 Reliance Capital AIF Trustee Company Private Limited	20 Reliance Wealth Management Limited
8 Reliance Capital Trustee Co. Limited	21 Quant Capital Private Limited
9 Reliance General Insurance Company Limited	22 Quant Broking Private Limited
10 Reliance Nippon Life Insurance Company Limited (formerly Reliance Life Insurance Company Limited)	23 Quant Securities Private Limited
11 Reliance Commercial Finance Limited (formerly Reliance Gilts Limited)	24 Quant Commodity Broking Private Limited (ceased from August 18, 2016)
12 Reliance Exchangenext Limited	25 Quant Capital Finance and Investments Private Limited (ceased from July 7, 2016)
13 Reliance Corporate Advisory Services Limited (formerly Reliance Spot Exchange Infrastructure Limited)	26 Quant Investment Services Private Limited

Notes to the Financial Statement as at March 31, 2017

iii) **Key Managerial Personnel**

Shri Ravindra Sudhalkar	Chief Executive Officer (w.e.f. October 1, 2016)
Shri Sandip Parikh	Manager (upto September 30, 2016)
Shri Sandip Parikh	Chief Financial Officer (w.e.f. December 6, 2016)
Shri Amrish Shah	Chief Financial Officer (upto December 6, 2016)
Kum. Roopa Joshi	Chief Financial Officer (Till May 7, 2015)
Ms. Parul Jain	Company Secretary & Compliance Officer (w.e.f. December 6, 2016)
Ms. Ekta Thakurel	Company Secretary (upto December 6, 2016)
Kum. Deepali Bhatt	Company Secretary (From May 7, 2015 till July 30, 2015)

B. List of other related parties under common control with whom transactions have taken place during the year:

Enterprise over which individual described in clause A (ii) above has control or significant influence.

- 1 Reliance Communications Infrastructure Limited 2 Reliance Infocomm Infrastructure Limited

C. Transactions during the year with related parties:

					(₹ in crore)
Particulars	Holding Company	Fellow Subsidiary	Parties under common control	Key Management Personnel	Total
Equity Share Capital					
a) Issued during the year	50.00	-	-	-	50.00
	(-)	(-)	(-)	(-)	(-)
b) Matured /Redeemed during the year	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)
c) Balance as at March 31, 2017	115.82	-	-	-	115.82
	(65.82)	(-)	(-)	(-)	(65.82)
Security Premium Received on Issue of Equity Share					
a) Received during the year	150.00	-	-	-	150.00
	(-)	(-)	(-)	(-)	(-)
b) Balance as at March 31, 2017	405.18	-	-	-	405.18
	(255.18)	(-)	(-)	(-)	(255.18)
Trade Payables					
a) Sundry Payables as on March 31, 2017	0.15	-	-	-	0.15
	(-)	(-)	(-)	(-)	(-)
Sundry Receivables					
a) Sundry Receivable as on March 31, 2017	-	-	-	-	-
	(0.03)	(-)	(-)	(-)	(0.03)
Income					
a) Infrastructure Cost	4.52	-	-	-	4.52
	(-)	(-)	(-)	(-)	(-)
b) Interest & Other Income transferred under BTA	0.52	-	-	-	0.52
	(0.62)	(-)	(-)	(-)	(0.62)
c) Brokerage Commission on Property Solution	0.20	-	-	-	0.20
	(0.39)	(-)	(-)	(-)	(0.39)
Expenses					
a) Infrastructure Cost	22.63	-	-	-	22.63
	(3.60)	(-)	(-)	(-)	(3.60)
b) Salary Cost	-	-	-	-	-
	(4.40)	(-)	(-)	(-)	(4.40)
c) Management Fees	3.00	-	-	-	3.00
	(3.00)	(-)	(-)	(-)	(3.00)
d) Other Expenses transferred under BTA	0.19	-	-	-	0.19
	(0.99)	(-)	(-)	(-)	(0.99)

Reliance Home Finance Limited

Notes to the Financial Statement as at March 31, 2017

(₹ in crore)

Particulars	Holding Company	Fellow Subsidiary	Parties under common control	Key Management Personnel	Total
e) Finance Cost transferred under BTA	0.39 (0.47)	- (-)	- (-)	- (-)	0.39 (0.47)
f) Reimbursement of Expenses	0.15 (-)	- (-)	- (-)	- (-)	0.15 (-)
Security Issue for Non Convertible Debentures					
a) Security Issue for Non Convertible Debentures	707.10 (-)	- (-)	- (-)	- (-)	707.10 (-)
With Reliance Commercial Finance Limited					
Income					
Reimbursement of Expenses Received -Infrastructure Cost	- (-)	0.21 (-)	- (-)	- (-)	0.21 (-)
Valuation Charges Received	- (-)	0.02 (-)	- (-)	- (-)	0.02 (-)
Expenses					
Reimbursement of Expenses Paid -Infrastructure Cost	- (-)	4.78 (-)	- (-)	- (-)	4.78 (-)
With Reliance General Insurance Company Limited					
Non Convertible Debentures -Secured					
Balance as at March 31, 2017	- (-)	40.00 (-)	- (-)	- (-)	40.00 (-)
Expenses					
Insurance Premium paid	- (-)	0.65 (0.72)	- (-)	- (-)	0.65 (0.72)
Interest Accrued on Non Convertible Debentures	- (-)	0.87 (-)	- (-)	- (-)	0.87 (-)
With Reliance Nippon Life Insurance Company Limited					
Non Convertible Debentures -Unsecured					
Balance as at March 31, 2017	- (-)	37.00 (-)	- (-)	- (-)	37.00 (-)
Expenses					
Term Insurance Premium paid	- (-)	0.29 (-)	- (-)	- (-)	0.29 (-)
Interest Accrued on Non Convertible Debentures	- (-)	0.84 (-)	- (-)	- (-)	0.84 (-)
With Reliance Securities Limited					
Non Convertible Debentures -Secured					
Balance as at March 31, 2017	- (-)	0.25 (-)	- (-)	- (-)	0.25 (-)
Income					
Brokerage Commission on Property Solution * ₹ 9,000	- (-)	- (*)	- (-)	- (-)	- (*)
Expenses					
Brokerage Paid	- (-)	0.26 (0.06)	- (-)	- (-)	0.26 (0.06)
With Reliance Financial Limited					
Non Convertible Debentures -Secured					
Balance as at March 31, 2017	- (-)	0.25 (-)	- (-)	- (-)	0.25 (-)
With Reliance Infocomm Infrastructure Limited					
Expenses					
Employee ID card printing charges paid * ₹ 14,390	- (-)	- (-)	- (*)	- (-)	- (*)

Notes to the Financial Statement as at March 31, 2017

(₹ in crore)

Particulars	Holding Company	Fellow Subsidiary	Parties under common control	Key Management Personnel	Total
With Reliance Communications Infrastructure Limited					
Trade Payable as on March 31, 2017					
Trade Payable as on March 31, 2017	-	-	-	-	-
	(-)	(-)	(0.07)	(-)	(0.07)
Buildings Purchased					
Building Purchase	-	-	2.14	-	2.14
	(-)	(-)	(5.58)	(-)	(5.58)
Income					
Brokerage Commission on Property Solution	-	-	1.90	-	1.90
	(-)	(-)	(4.44)	(-)	(4.44)
With Shri Ravindra Sudhalkar					
Housing Loan					
a) Given during the year	-	-	-	3.00	3.00
	(-)	(-)	(-)	(-)	(-)
b) Repaid during the year	-	-	-	3.00	3.00
	(-)	(-)	(-)	(-)	(-)
c) Balance as at March 31, 2017	-	-	-	-	-
	(-)	(-)	(-)	(-)	-
Income					
Interest Income on Loans	-	-	-	0.05	0.05
	(-)	(-)	(-)	(-)	(-)
Processing Fees * ₹ 3,000	-	-	-	*	*
	(-)	(-)	(-)	(-)	(-)
Expenses					
Employee Benefits Expense	-	-	-	1.81	1.81
	(-)	(-)	(-)	(-)	(-)
With Shri Sandip Parikh					
Housing Loan					
a) Repaid during the year	-	-	-	0.23	0.23
	(-)	(-)	(-)	(0.01)	(0.01)
b) Balance as at March 31, 2017	-	-	-	0.16	0.16
	(-)	(-)	(-)	(0.39)	(0.39)
Income					
Interest Income on Loans	-	-	-	0.02	0.02
	(-)	(-)	(-)	(0.04)	(0.04)
Expenses					
Employee Benefits Expense	-	-	-	1.41	1.41
	(-)	(-)	(-)	(1.41)	(1.41)
With Shri Amrish Shah					
Housing Loan					
a) Repaid during the year	-	-	-	0.22	0.22
	(-)	(-)	(-)	(0.25)	(0.25)
b) Balance as at December 6, 2016	-	-	-	0.77	0.77
	(-)	(-)	(-)	(0.99)	(0.99)
Income					
Interest Income on Loans	-	-	-	0.05	0.05
	(-)	(-)	(-)	(0.10)	(0.10)
Expenses					
Employee Benefits Expense	-	-	-	0.50	0.50
	(-)	(-)	(-)	(0.52)	(0.52)

Reliance Home Finance Limited

Notes to the Financial Statement as at March 31, 2017

(₹ in crore)					
Particulars	Holding Company	Fellow Subsidiary	Parties under common control	Key Management Personnel	Total
With Kum. Roopa Joshi Expenses					
Employee Benefits Expense	-	-	-	-	-
	(-)	(-)	(-)	(0.02)	(0.02)
With Ms. Parul Jain Expenses					
Employee Benefits Expense	-	-	-	0.04	0.04
	(-)	(-)	(-)	(-)	(-)
With Ms. Ekta Thakurel Expenses					
Employee Benefits Expense	-	-	-	0.10	0.10
	(-)	(-)	(-)	(0.09)	(0.09)
With Kum. Deepali Bhatt Expenses					
Employee Benefits Expense	-	-	-	-	-
	(-)	(-)	(-)	(0.02)	(0.02)

Notes :

- 1 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.
- 2 The current year figures are excluding service tax.
- 3 Expenses incurred towards public utilities services such as telephone and electricity charges have not been considered for related party transaction.

38 Basic and diluted earnings per share:

The computation of earnings per share is set out below

(₹ in crore)		
Particulars	2016-17	2015-16
Amounts used as the numerators		
Net Profit after tax	172.59	86.75
Net Profit attributable to equity shareholders	172.59	86.75
Weighted average number of equity shares (Nos.)	8 43 81 644	6 58 20 000
Basic earnings per share of face value ₹ 10 each (In Rupees)	20.45	13.18
Diluted earnings per share of face value ₹ 10 each (In Rupees)	20.45	13.18

39 Contingent Liabilities and Commitments (As Certified by the Management)

(₹ in crore)		
Particulars	As at March 31, 2017	As at March 31, 2016
Contingent Liabilities		
i) Guarantees to Banks and Financial Institutions on behalf of third parties	-	-
ii) Claims against the Company not acknowledge as debt	0.64	0.48
iii) Second loss credit enhancement for securitization of standard asset transactions provided by third party	13.36	22.09
Commitments		
iv) Estimated amount of contracts remaining to be executed on capital account (net of advances)	0.36	-
v) Undrawn Committed Credit lines (Undisbursed amount of housing loans/ other loans sanctioned)	1,208.90	736.85

Notes to the Financial Statement as at March 31, 2017

40 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	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

* ₹ 3,271

41 Scheme of Arrangement between Company and Reliance Capital Limited (RCL)

The Board of Directors of the Company at their meeting held on October 28, 2016 has approved a Scheme of Arrangement for demerger of Real Estate Lending Business of Reliance Capital Limited (RCL) into the Company with effect from April 1, 2017, the Appointed Date, subject to requisite approvals, including the sanction of National Company Law Tribunal. Upon the demerger getting approved, the Company shall issue and allot, at par, to all equity shareholders of RCL, 1 (One) fully paid Equity Share of the Company for every 1 (One) equity share of ₹ 10 each fully paid-up held in RCL. The Company will list its equity shares on the Stock Exchanges.

For the year ended March 31, 2017 there is no impact on the financial statements of the Company on account of above Scheme.

42 Scheme of Arrangement between Company and India Debt Management Private Limited (IDMPL)

The Scheme of Arrangement under Sections 391 to 394 of the Companies Act, 1956 between India Debt Management Private Limited ('the Demerged Company') and Reliance Home Finance Limited ('the Company') has been sanctioned by the National Company Law Tribunal, Mumbai Bench vide Order dated April 5, 2017 to acquire the "entire credit business" ('Demerged Undertaking') of the Demerged Company. 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 entire credit business of India Debt Management Private Limited (IDMPL) has been transferred to the Company.

Hence, in accordance with the Scheme:-

- On Scheme becoming effective with effect from Appointed Date, the Company has recorded all the assets i.e. Investment and Cash & Bank Balance aggregating to ₹ 240.60 crore and liabilities i.e. Provision for Diminution in the Value of Long Term Investments aggregating to ₹ 240.55 crore as appearing in the books of IDMPL's related to credit business at their respective book value as on Appointed Date. The net assets taken over include:

Assets / Liabilities Taken Over	(₹ in crore)
Assets	
Investments	240.55
Less: Provision for Diminution in the Value of Long Term Investments	240.55
Cash on Hand & Bank Balance with Banks	0.05
Total Assets	0.05
Liabilities	
Total	-

- Upon the Scheme becoming effective and in consideration of transfer and vesting of the undertaking of the IDMPL's entire credit business, the Company will issue and allot, at par, to all equity shareholders of the IDMPL, whose name appears in the register of members of IDMPL as on the effective date, 94 ('Ninety Four') 8% Cumulative Non Convertible Redeemable Preference Shares of ₹ 10 each fully paid-up for every one equity share of ₹ 10 each fully paid-up held by the equity shareholders of IDMPL.

Accordingly 3,10,35,980, 8% Cumulative Non Convertible Redeemable Preference Shares of ₹ 10 each fully paid-up at par are to be allotted to the equity share holders of IDMPL. Pending issue and allotment of shares as at the balance sheet date ₹ 31.04 crore has been credited to Share Suspense Account.

- There are no inter-company balances and transactions between the Company and IDMPL on appointed date.
- The Company has recognised deferred tax asset amounting to ₹ 105.85 crore on the unabsorbed business losses pertaining to demerged undertaking.
- Pursuant to the Scheme approved by National Company Law Tribunal, the difference between value of assets and liabilities of IDMPL's entire credit business and the value of the shares allotted to the shareholders of IDMPL, amounting to ₹ 30.99 crore has been recorded as goodwill.

Reliance Home Finance Limited

Notes to the Financial Statement as at March 31, 2017

- vi As the financial statements for previous year ended March 31, 2016 have been already approved by the shareholders of the Company, the previous year accounts have not been reopened and all the relevant accounting entries with respect to the Scheme have been accounted during the current financial year.

43 Outstanding Future & Option as on March 31, 2017

Name of Option	No. of contracts	Units	
		Long	Short
Futures	493 (2 859)	1 90 975 (2 16 225)	- (-)
Put option	1 272 (241)	12 525 (-)	82 875 (18 075)
Call option	1 654 (-)	1 08 000 (-)	16 050 (-)

Figures in bracket indicate previous year figures.

44 Corporate Social Responsibility Expenditure

As per Section 135 of the Companies Act, 2013 (the 'Act'), the Company is under obligation to incur ₹ 2.04 crore (Previous Year ₹ 1.39 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.

- 45 After considering the losses suffered by the credit business of IDMP, being the business acquired on demerger of IDMP, and the accounting of such losses and of corresponding provisions made by IDMP for the year ended March 31, 2017, the Company is advised that no income tax is payable both as per normal computation of income, and the MAT computation. Hence, no provision is considered in the books of accounts for the year ended March 31, 2017.
- 46 The Board of Directors have recommended a dividend of 5 per cent (₹ 0.50 per equity share) for the year subject to the approval of the members of the Company at the ensuing Annual General Meeting. In terms of 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, Company has not accounted for proposed dividend as a liabilities as at March 31, 2017. Accordingly, the proposed dividend of ₹ 5.79 crore and tax thereon ₹ 1.18 crore are not recognised as liability in the financial statements for the year ended March 31, 2017.
- 47 During the year, the Company has received debenture application money of ₹ 2,987.62 crore directly and ₹ 66.36 crore through ASBA process in terms of Shelf Prospectus and Tranche 1 Prospectus both dated December 15, 2016 ("Prospectus") of public issue of "Secured and Unsecured Redeemable Non-Convertible Debentures" (NCD). The NCD issue was open from December 22, 2016 to December 23, 2016 and the Company has allotted NCD amounting to ₹ 3,053.98 crore on January 3, 2017. NCDs were listed on BSE Limited and National Stock Exchange of India Limited on January 6, 2017. As on March 31, 2017 the proceeds have been utilised as per the Objects of the Issue as under:

Sr. No.	Objects of the Issue	Amount utilised
i)	For the purpose of onward lending, financing, and for repayment/pre payment of interest and principal of existing borrowings of the Company	₹ 3,053.98 crore i.e. 100%
ii)	General corporate purpose	-

- 48 During the year, the Company had reported to National Housing Bank (NHB) a fraud in disbursement of housing loans amounting to ₹ 1.95 crore. As on March 31, 2017, the entire amount has been written off by the Company.

- 49 Previous year figures has been regrouped /reclassified wherever necessary.

The figures for current year includes figures of Credit Business of India Debt Management Private Limited (IDMP) which is demerged with the Company with effect from March 31, 2016 i.e. the Appointed Date and therefore to that extent not strictly comparable to that of previous year's figures.

As per our report of even date attached

For and on behalf of the Board

For **Chaturvedi & Shah**
Chartered Accountants
Firm Registration No. : 101720W

Directors

Padmanabh Vora
Deena Mehta
Gautam Doshi
Amit Bapna

Lalit R. Mhalsekar
Partner
Membership No: 103418
Mumbai
Dated: April 24, 2017

Executive Director & CEO
Chief Financial Officer
Company Secretary & Compliance Officer
Mumbai
Dated: April 24, 2017

Ravindra Sudhalkar
Sandip Parikh
Parul Jain

Financial Statement
2015-16
Reliance Home Finance Limited

Independent Auditor's Report

**To,
The Members,
Reliance Home Finance Limited**

Report on the Financial Statements

We have audited the accompanying financial statements of Reliance Home Finance Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016 and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the

Independent Auditor's Report (Continued)**Reliance Home Finance Limited**

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A " a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. Further to our comments in the Annexure A, and 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.

Independent Auditor's Report (Continued)**Reliance Home Finance Limited**

- e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements- Refer Note No. 39(a) to the financial statements.
 - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Chaturvedi & Shah

Chartered Accountants

Firm's Registration No:101720W

Vijay Napawaliya

Partner

Membership No: 109859

Mumbai

Dated : April 21, 2016

Reliance Home Finance Limited

Annexure A to the Independent Auditor's Report (*Continued*)

(Referred to in our report of even date)

- (i) In respect of its fixed assets :
 - a. The Company has maintained proper records, showing full particulars including quantitative details and situation of its fixed assets.
 - b. The Company has a program of physical verification of its fixed assets by which all fixed assets has been verified during the year and no discrepancies were noticed on such verification.
 - c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of Company.
- (ii) In our opinion and according to the information and explanations given to us, the Company is registered as a housing finance company with the National Housing Bank. Accordingly, it does not hold any physical inventories. Thus, paragraph 3 (ii) of the Order is not applicable to the Company.
- (iii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, provisions of clauses (iii)(a), (iii)(b) and (iii)(c) of paragraph 3 of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, during the year under audit, neither the Company has given any loan nor provides any guarantee or security to its director or any other person, in whom director is interested. Therefore, the provisions of the Clause 3 (iv) of the said order are not applicable to the Company. As the Company is registered as a housing finance company with the National Housing Bank, thus the provision of Section 186 except sub-section (1) of the Companies Act, 2013 is not applicable to the Company. In our opinion and according to the information and explanations given to us, during the year, the Company has not made any investments through more than two layers of investment companies as mentioned in of subsection 1 of section 186 of the Companies Act, 2013.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public and hence directives issued by the National Housing Bank under the Housing Finance Companies (NHB) Directions, 2010 and the provisions of Sections 73 to 76 and any other relevant provisions of the Companies Act, 2013 and the rules framed there under are not applicable. During the year under audit, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal for whether the same has been complied with or not.

Reliance Home Finance Limited

Annexure A to the Independent Auditor's Report (*Continued*)

(Referred to in our report of even date)

- (vi) According to the information and explanations given to us, the Central Government has not specified for maintenance of cost records under sub section (1) of Section 148 of the Companies Act, 2013 in respect of activities carried on by the Company. Hence the provisions of clause 3 (vi) of the Order is not applicable to the Company.
- (vii) In respect of statutory dues:
 - a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues, as applicable, except in case of income tax, and professional tax in which case there are few delays in payment of said dues. Further, there are no undisputed amounts payable outstanding as at March 31, 2016 for a period of more than six months from the date they became payable.
 - b) According to the information and explanations given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise and value added tax which have not been deposited on account of any dispute.
- (viii) Based on our audit procedures and the information and explanations given by management, we are of the opinion the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders as at March 31, 2016.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer during the year under audit. The Company has raised moneys through debt instruments and term loans during the year. Fund raised through debentures and term loans by the Company have been applied for the purpose for which they were raised except in case where term loans amounting to Rs.3,00,00,00,000 have been taken which were lying in bank accounts at the year end, and were subsequently utilized for the purpose for which loans have been taken.
- (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 fraud by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of such case by the Management.
- (xi) In our opinion and according to the information and explanations given to us, during the year the Company has paid managerial remuneration in accordance

Reliance Home Finance Limited

Annexure A to the Independent Auditor's Report (*Continued*)

(Referred to in our report of even date)

with the requisite approvals mandate by the provisions of Section 197 read with Schedule V of the Companies Act, 2013.

- (xii) The Company is not a Nidhi Company, accordingly, paragraph 3 (xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions with related parties are in accordance with the provisions of Section 177 & Section 188 of the Companies Act, 2013. The details of related party transactions have been disclosed in the financial statements as required under Accounting Standard 18, Related Party Disclosures specified under section 133 of the Act, read with Rule 7 of Companies (Accounts) Rules, 2014.
- (xiv) In our opinion and according to the information and explanations given to us, during the year under audit, the Company has not made any preferential allotment or private placement of shares and fully or partly convertible debentures. Hence the provisions of clause 3 (xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered any non-cash transactions with directors and persons connected with him. Hence the provisions of clause 3 (xv) of the Order is not applicable to the Company.
- (xvi) In our opinion and according to the information and explanations given to us the Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. The Company has registered as a housing finance company with the National Housing Bank.

For Chaturvedi & Shah

Chartered Accountants

Firm's Registration No:101720W

Vijay Napawaliya

Partner

Membership No: 109859

Mumbai

Dated : April 21, 2016

Annexure B to the Independent Auditor's Report

(Referred to in our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Reliance Home Finance Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Chaturvedi & Shah

Chartered Accountants

Firm's Registration No:101720W

Vijay Napawaliya

Partner

Membership No: 109859

Mumbai

Dated : April 21, 2016

RELIANCE HOME FINANCE LIMITED
BALANCE SHEET AS AT MARCH 31, 2016

			(Rupees)
Particulars	Note No.	As at March 31, 2016	As at March 31, 2015
I. EQUITY AND LIABILITIES :			
1 Shareholders' Funds			
(a) Share Capital	3	658,200,000	658,200,000
(b) Reserves and Surplus	4	5,542,997,446	4,675,428,500
2 Non-current liabilities			
(a) Long-term borrowings	5	46,190,059,983	28,239,802,004
(b) Deferred tax liabilities (Net)	6	80,266,000	97,500,000
(c) Other non-current liabilities	7	28,366,409	33,636,336
(d) Long-term provisions	8	310,908,883	234,615,054
3 Current liabilities			
(a) Short-term borrowings	9	7,682,956,487	8,155,173,002
(b) Trade payables	10	19,200,343	23,182,745
(c) Other current liabilities	11	16,361,179,348	13,412,742,804
(d) Short-term provisions	12	61,788,064	43,647,015
TOTAL		76,935,922,963	55,573,927,460
II. ASSETS :			
1 Non-current assets			
(a) Fixed assets	13		
(i) Tangible assets		442,822,356	394,011,439
(ii) Intangible assets		317,871	518,082
(b) Non current investments	14	69,410,945	-
(c) Long-term loans and advances	15	59,543,120,612	43,707,161,335
(d) Other non-current assets	16	571,083,473	360,491,283
2 Current assets			
(a) Current investments	17	734,765,461	-
(b) Cash & bank balance	18	7,201,233,046	3,551,321,707
(c) Short-term loans and advances	19	7,851,724,300	7,143,489,412
(d) Other current assets	20	521,444,899	416,934,202
TOTAL		76,935,922,963	55,573,927,460

See accompanying notes to the financial statements 1-43

As per our report of even date

For Chaturvedi & Shah

Chartered Accountants

Firm Registration No. : 101720W

Vijay Napawaliya

Partner

Membership No. 101859

Mumbai

Date: April 21, 2016

For and on behalf of the Board

Padmanabh Vora

(Director)

(DIN: 00003192)

Deena Mehta

(Director)

(DIN: 00168992)

Gautam Doshi

(Director)

(DIN: 00004612)

Soumen Ghosh

(Director)

(DIN: 01262099)

K.V.Srinivasan

(Director)

(DIN: 01827316)

Sandip Parikh

(Manager)

Amrisha Shah

(Chief Financial Officer)

Ektta Thakurel

(Company Secretary)

Mumbai

Date: April 21, 2016

RELIANCE HOME FINANCE LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016

		(Rupees)	
Particulars	Note No.	2015-16	2014-15
REVENUE			
(I) Revenue from operation	21	7,960,396,691	5,009,492,739
(II) Other Income	22	189,899,970	116,549,352
(III) TOTAL REVENUE (I+II)		<u>8,150,296,661</u>	<u>5,126,042,091</u>
EXPENSES			
Employee Benefits expense	23	710,194,661	348,374,046
Finance Cost	24	5,359,283,991	3,166,988,367
Depreciation and Amortisation	13	7,159,275	312,567
Other expenses	25	706,613,788	551,279,831
(IV) TOTAL EXPENSES		<u>6,783,251,715</u>	<u>4,066,954,811</u>
(V) PROFIT BEFORE TAX (III-IV)		1,367,044,946	1,059,087,280
(VI) TAX EXPENSE :			
Current Tax		516,710,000	325,250,000
Deferred Tax		(17,234,000)	43,205,000
(VII) PROFIT AFTER TAX (V-VI)		<u>867,568,946</u>	<u>690,632,280</u>
(VIII) EARNING PER EQUITY SHARE	35		
(Face value of Rs. 10 each fully paid up)			
Basic & Diluted		13.18	10.49

See accompanying notes to the financial statements '1-43

As per our report of even date

For Chaturvedi & Shah
Chartered Accountants
Firm Registration No. : 101720W

Vijay Napawaliya
Partner
Membership No. 109859

Mumbai
Date: April 21, 2016

For and on behalf of the Board

Padmanabh Vora
(Director)
(DIN: 00003192)

Deena Mehta
(Director)
(DIN: 00168992)

Gautam Doshi
(Director)
(DIN: 00004612)

Soumen Ghosh
(Director)
(DIN: 01262099)

K.V. Srinivasan
(Director)
(DIN: 01827316)

Sandip Parikh
(Manager)

Amrisha Shah
(Chief Financial Officer)

Ekta Thakurel
(Company Secretary)

Mumbai
Date: April 21, 2016

RELIANCE HOME FINANCE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

(Rupees)

Particulars	2015-2016	2014-2015
A. Cash Flow from Operating Activities		
Net Profit Before Tax	1,367,044,946	1,059,087,280
Adjusted for		
Depreciation and Amortisation	7,159,275	312,567
Provision for Standard Debts	77,053,293	77,841,181
Provision for NPA & Doubtful Debts	44,040,170	11,252,675
Bad Debts Written Off	37,555,656	45,905,071
(Profit)/ Loss on Sale of Investments	(189,509,617)	(115,454,143)
Discount on Commercial Papers	598,651,978	176,329,213
Amortised DSA Commission	106,027,271	72,676,935
Amortised Brokerage Commission	14,654,656	11,967,080
Amortised Guarantee Commission	10,992,233	1,998,000
Interest Expenses & Processing Charges	4,745,977,357	2,978,692,074
Credit Balance / Excess Provision Written Back	-	(861,880)
Provision for Leave encashment	2,414,283	503,979
Provision for Gratuity	12,995,611	-
Brokerage Commission on Property Solution	(55,769,981)	-
Operating Profit/(Loss) before Working Capital Changes	6,779,287,131	4,320,250,033
Adjusted for		
Proceeds/(Repayments) from issue of Commercial Papers (Net)	(2,854,884,142)	4,942,503,201
Repayments of Long term Borrowing	(7,963,112,056)	(6,424,919,815)
Proceeds from Long term Borrowing	29,699,255,857	14,360,000,000
Proceeds/(Repayments) from Short Term Borrowing (Net)	1,784,015,649	960,028,693
Trade Receivable & Loans and advances	(17,110,341,979)	(20,012,064,531)
Trade Payables and Liabilities	(1,002,648,672)	3,212,568,910
Cash Generated from Operation	9,331,571,789	1,358,366,490
Interest & Processing Charges Paid	(4,688,635,581)	(2,938,203,661)
Taxes Paid (Net off Income Tax Refund)	(308,658,080)	(212,881,636)
Net Cash from / (used in) Operating Activities	4,334,278,128	(1,792,718,807)
B. Cash Flow from Investing Activities		
Proceed from / (Investments) in Fixed Deposits	(100,277,095)	10,000,000
Purchase of Fixed Asset	-	(393,982,200)
Sale/(Purchase) of Current Investments (Net)	189,509,617	3,315,454,144
Purchase of Long Term Investments	(804,176,406)	-
Net Cash from / (used in) Investing Activities	(714,943,884)	2,931,471,944
C. Cash Flow from Financing Activities		
Net Cash from / (used in) Financing Activities	-	-
Net increase / (decrease) in Cash and Cash Equivalents (A + B + C)	3,619,334,244	1,138,753,137
Opening Balance of Cash and Cash Equivalents	3,151,471,211	2,012,718,074
Closing Balance of Cash and Cash Equivalents	6,770,805,455	3,151,471,211

Notes :

1. The Previous year's figures have been regrouped and reclassified wherever necessary.
2. The cash flow statement has been prepared in accordance with "Indirect Method" as prescribed in Accounting Standard- 3 (AS-3) on "Cash Flow Statements" notified by the Companies (Accounting Standards) Rules, 2006.

As per our report of even date

For Chaturvedi & Shah
Chartered Accountants
Firm Registration No. : 101720W

Vijay Napawaliya
Partner
Membership .No. 109859

Mumbai
Date: April 21, 2016

For and on behalf of the Board

Padmanabh Vora
(Director)
(DIN: 00003192)

Dheena Mehta
(Director)
(DIN: 00168992)

Gautam Doshi
(Director)
(DIN: 00004612)

Soumen Ghosh
(Director)
(DIN: 01262099)

K.V. Anivasan
(Director)
(DIN: 01827316)

Sandeep Parikh
(Manager)

Amrish Shah
(Chief Financial Officer)
Mumbai
Date: April 21, 2016

Ekta Thakurel
(Company Secretary)

1 Background

Reliance Home Finance Limited ('the Company') was incorporated on June 5, 2008 with Registrar of Companies, Maharashtra. The Company is principally engaged in housing finance business and registered with National Housing Bank ('NHB') as 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, specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and relevant provisions of the Companies Act, 2013 (the "Act"), the National Housing Bank Act, 1987 and the Housing Finance Companies (NHB) Directions, 2010 as amended from time to time.

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 recognized 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 Installments (EMI) 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 recognized on accrual basis and on non-performing assets on realization basis as per guidelines prescribed by the National Housing Bank.

Fees, charges and additional interest income on delayed EMI/Pre-EMI are recognized 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 / securitization

In case of assignment / securitization of loans, the assets are derecognized 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/secured 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 / securitization on a monthly basis.

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 recognized when there is no significant uncertainty as to determination and realization.

vi) Income from Investments

Profit / (Loss) earned from sale of securities is recognised on trade date basis.

vii) Dividend Income

Dividend Income is recognised when the right to receive payment is established.

d Fixed Asset

Fixed Assets are stated at cost of acquisition less accumulated depreciation and Impairment loss, if any. Cost includes all expenses incidental to the acquisition of the fixed assets.

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 tangible assets is provided in accordance with the provisions of Schedule II of the Companies Act, 2013. Tangible assets are depreciated on straight line basis method over the useful life of assets, as prescribed in Part C of Schedule II of the Companies Act, 2013. Intangible assets comprise, computer software are amortised on straight line basis over the useful life of the software up to a maximum of five years commencing from the month in which such software is first installed.

g Loan origination / acquisition 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 long-term investments. In accordance with the Guidelines issued by National Housing Bank (NHB), current investments are carried at lower of cost and fair value and long term investments are carried at cost. However, provision is made to recognize 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 recognized as discount expense.

j Provision for Standard Assets, Non Performing Assets (NPA) & Doubtful Debts

Provisions on Standard Assets, Non Performing Assets (NPA) & Doubtful Debts are made in accordance with the Prudential Norms as per Housing Finance Companies (NHB) Directions, 2010.

k 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.

l Market Link Debentures

The Company has issued certain market link non-convertible debentures ('MLD'), the rate of interest which is linked to performance of specified indices over the period of the debentures.

The Company hedges its interest rate risk on MLD by taking positions in future & options based on specified indices. Any gain/loss on these hedge positions are netted against with interest expense on MLD and resultant 'net loss' is recognised in Statement of Profit and Loss immediately, however 'net gain' if any, is ignored.

m Employee Benefits**i) Provident fund**

Contributions payable to the recognized 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 Shares 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.

n Borrowing costs

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.

o 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.

p 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.

q Provision for Current Tax and Deferred Tax

Income tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period).

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized 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.

r 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.

s 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 not recognised nor disclosed in the financial statements.

t Cash & Cash Equivalents

In the cashflow statements, cash and cash equivalents includes cash in hand, balance in banks and fixed deposits without lien with original maturities of three months or less

3. Share Capital		(Rupees)	
	As at March 31, 2016	As at March 31, 2015	
a) Authorised:			
7,50,00,000 Equity Shares of Rs. 10 each (March 31, 2015: 7,50,00,000 Equity Shares of Rs. 10 each)	750,000,000	750,000,000	
5,00,00,000 Preference Shares of Rs. 10 each (March 31, 2015: 5,00,00,000 Preference Shares of Rs. 10 each)	500,000,000	500,000,000	
	<u>1,250,000,000</u>	<u>1,250,000,000</u>	
b) Issued, subscribed & Fully paid up			
6,58,20,000 Equity Shares of Rs. 10 each (March 31, 2015: 6,58,20,000 Equity Shares of Rs. 10 each)	658,200,000	658,200,000	
	<u>658,200,000</u>	<u>658,200,000</u>	
c) Par Value per Share	Amount in Rs.	Amount in Rs.	
Equity	10	10	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

	As at March 31, 2016		As at March 31, 2015	
	No of Shares	Amount in Rs.	No of Shares	Amount in Rs.
d) Reconciliation of issued, subscribed and fully paid up Share Capital				
<u>Equity Shares</u>				
Opening Balance	65,820,000	658,200,000	65,820,000	658,200,000
Addition during the year	-	-	-	-
Reduction during the year	-	-	-	-
Closing Balance	65,820,000	658,200,000	65,820,000	658,200,000

e) Rights, Preferences and Restrictions :

1 Voting Rights :

The equity share holders of the Company have voting rights only and no rights toward dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the 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 shareholders.

2 Dividends :

The Company shall not declare and /or pay dividend on any of its Share Capital.

f) Shares held by holding company i.e. Reliance Capital Limited including jointly Held

		As at March 31, 2016		As at March 31, 2015	
		No of Shares	Amount in Rs.	No of Shares	Amount in Rs.
Equity Shares	%				
Reliance Capital Limited	100%	65,819,980	658,199,800	65,819,980	658,199,800
Reliance Capital Limited and its nominees	0%	20	200	20	200
Total	100%	65,820,000	658,200,000	65,820,000	658,200,000

g) Out of the above equity shares 3,29,10,000 equity shares (Previous Year 3,29,10,000 equity shares) were allotted as fully paid-up bonus shares to its existing equity share holders in the financial year 2012-13.

4. Reserves and Surplus

(Rupees)

	As at March 31, 2016		As at March 31, 2015	
a) <u>Statutory Reserve</u> (As per Section 29C of the National Housing Bank Act, 1987) <u>Special Reserve Fund #</u>				
Opening Balance as per Last Balance sheet	425,797,466		287,671,010	
Add: Transfer from Surplus in Statement of Profit & Loss	173,513,789		138,126,456	
		599,311,255		425,797,466
b) <u>Securities Premium Account</u> As Per Last Balance Sheet		2,551,800,000		2,551,800,000
c) <u>Surplus in Statement of Profit & Loss</u> As Per Last Balance Sheet	1,697,831,034		1,145,325,210	
Add: Transfer from Statement of Profit & Loss	867,568,946		690,632,280	
Less : Transfer to Special Reserve Fund	173,513,789		138,126,456	
		2,391,886,191		1,697,831,034
		5,542,997,446		4,675,428,500

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

Particulars	As at March 31, 2016	As at March 31, 2015
Balance at the beginning of the year		
a) Statutory reserve u/s. 29C of the NHB Act, 1987	425,797,466	287,671,010
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	-	-
	<u>425,797,466</u>	<u>287,671,010</u>
Addition / Appropriation / Withdrawal during the year		
Add :		
a) Amount transferred u/s 29C of the NHB Act, 1987	173,513,789	138,126,456
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	-	-
	<u>173,513,789</u>	<u>138,126,456</u>
Less :		
a) Amount appropriated from Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
b) Amount withdrawn from Special Reserve u/s 36(1)(viii) of the Income Tax Act, 1961 which has been taken into account for the purpose of provision u/s 29C of the NHB Act, 1987	-	-
	<u>173,513,789</u>	<u>138,126,456</u>
Balance at the end of the year		
a) Statutory Reserve u/s 29C of the NHB Act, 1987	599,311,255	425,797,466
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	-	-
	<u>599,311,255</u>	<u>425,797,466</u>

Note : The special reserve created as per Section 29 C 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 transfers.

5. Long-term borrowings	As at March 31, 2016	As at March 31, 2015
		(Rupees)
Non convertible Debentures (Refer Note 26)		
Secured	4,915,701,524	3,000,204,880
Unsecured (Subordinated Tier II Series)	2,730,000,000	1,480,000,000
Term Loans from Banks (Refer Note 27)		
Secured	38,544,358,459	23,759,597,124
	<u>46,190,059,983</u>	<u>28,239,802,004</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

6. Deferred Tax Liabilities		(Rupees)	
Particulars	As at March 31, 2016	As at March 31, 2015	
Deferred tax Liability disclosed in the Balance Sheet comprises the following :			
a) Deferred Tax Liability			
Related to Fixed Assets	17,891,873	6,833,338	
Unamortised Expenditure	92,707,856	121,620,090	
Special Reserve Fund	151,899,640	107,201,940	
Total	<u>262,499,369</u>	<u>235,655,368</u>	
b) Deferred Tax Asset			
Disallowance under the Income Tax Act, 1961	(6,124,930)	(983,392)	
Provision for NPA/ diminution in the value of Assets	(176,108,439)	(137,171,976)	
Total	<u>(182,233,369)</u>	<u>(138,155,368)</u>	
Net Deferred Tax Liabilities/(Asset) (a) - (b)	<u>80,266,000</u>	<u>97,500,000</u>	
7. Other non-current liabilities		(Rupees)	
Particulars	As at March 31, 2016	As at March 31, 2015	
a) Collateral deposit from customers	-	33,453,548	
b) Interest accrued and not due on borrowings	28,366,409	182,788	
	<u>28,366,409</u>	<u>33,636,336</u>	
8. Long Term Provisions		(Rupees)	
Particulars	As at March 31, 2016	As at March 31, 2015	
a) Provision for Employees Benefits (Refer Note 32)			
Leave Encashment	5,154,310	2,770,371	
b) Provision for Standard Assets	305,754,573	231,844,683	
	<u>310,908,883</u>	<u>234,615,054</u>	
9. Short-term borrowings		(Rupees)	
Particulars	As at March 31, 2016	As at March 31, 2015	
a) From Banks			
Cash Credit facilities - Secured (Refer Note 1 below)	2,744,780,509	960,764,860	
b) From Others			
Commercial Papers - Unsecured (Refer Note 2 below)	4,938,175,978	7,194,408,142	
	<u>7,682,956,487</u>	<u>8,155,173,002</u>	

Notes :

1 Cash credit from banks referred above are secured as follows :

- Cash Credit of Rs.1,250,032,544 (Previous year Rs.Nil), secured by pari passu first charge in favor of the lender on all the book debts, outstanding moneys, receivable claims of the Company, except for those book debts/receivables to be charged in favor of National Housing Bank for refinance to be availed, if any, from them, against security not exceeding Rs.1,377,454,867(Previous year Rs.Nil).
 - Cash Credit Rs.499,710,200 (Previous year Rs.Nil), secured by pari passu first charge in favor of the lender on all the standard book debts, outstanding moneys, receivable claims of the Company, except for those book debts/receivables to be charged in favor of National Housing Bank for refinance to be availed, if any, from them, against security not exceeding Rs.549,681,220 (Previous year Rs.Nil).
 - Cash Credit Rs. 995,037,765 (Previous year Rs. 960,764,860), secured by hypothecation of book-debts/receivables (standard only) of the Company on pari-passu basis with other secured lenders, against security not exceeding Rs. 1,099,972,500(Previous year Rs.1,100,000,000).
- 2 In respect of Commercial Papers referred above, maximum face value amount outstanding during the year was Rs.11,700,000,000 (Previous year Rs.8,800,000,000).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

10. Trade Payables		(Rupees)
	As at March 31, 2016	As at March 31, 2015
Due to Micro, Medium & Small	-	-
Due to Others	19,200,343	23,182,745
Due to Related Party	-	-
	<u>19,200,343</u>	<u>23,182,745</u>

Note:

This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. At any point of time during the year there is no liability due for payment to such micro, small and medium enterprises.

11. Other Current Liabilities		(Rupees)
	As at March 31, 2016	As at March 31, 2015
a) Current maturities of long term debts - Secured (Refer Note 26 & 27)		
(i) Non convertible Debentures	447,245,822	1,263,000,000
(ii) Term Loans from Banks	11,162,740,000	6,561,100,000
b) Interest accrued and not due on borrowings	291,217,928	262,059,774
c) Advance from Customers	344,035,012	96,871,547
d) Payable under Securitisation / Assignment (Net)	194,787,210	284,892,457
e) Temporary Book Overdraft (Refer Note 1 below)	3,553,877,995	4,876,238,001
f) Other Payables (Refer Note 2 below)	361,835,381	68,581,025
g) Collateral Deposit from Customers	5,440,000	-
	<u>16,361,179,348</u>	<u>13,412,742,804</u>

Notes:

- 1 Temporary Book Overdraft of Rs. 3,553,877,995 (Previous Year Rs. 4,876,238,001) represents cheques issued towards disbursements to borrowers for Rs. 3,539,328,730 (Previous Year Rs. 4,865,490,284) and cheques issued for payment of expenses of Rs. 14,549,265 (Previous Year Rs. 10,747,717), but not encashed as at March 31, 2016.
- 2 Other Payables includes TDS, statutory payments and other liabilities.

12. Short Term Provisions		(Rupees)
	As at March 31, 2016	As at March 31, 2015
a) Provision for Employees Benefits (Refer Note 32)		
Leave Encashment	101,487	71,143
Gratuity	12,995,611	-
b) Provision for Standard Assets	46,719,274	43,575,872
c) Income Tax Provision [Net off TDS & Advance Tax Rs. 1,32,61,88,308 (Previous Year Rs. Nil)]	1,971,692	-
	<u>61,788,064</u>	<u>43,647,015</u>

RELIANCE HOME FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

Note "13"

Fixed Assets

Sr. No.		Gross Block				Depreciation			Net Block		
		As at April, 1 2015	Addition	Deletion/ Adjustments	As at March 31, 2016	As at April, 1 2015	Depreciation	Deletion/ Adjustments	Upto March 31, 2016	As at March 31, 2016	As at March 31, 2015
(i)	Tangible Assets										
1	Office Equipments	244,300	-	-	244,300	244,300	-	-	244,300	-	-
2	Buildings	394,047,400	55,769,981	-	449,817,381	59,640	6,935,385	-	6,995,025	442,822,356	393,987,760
3	Data Processing Machineries	109,708	-	-	109,708	86,029	23,679	-	109,708	-	23,679
	Total	394,401,408	55,769,981	-	450,171,389	389,969	6,959,064	-	7,349,033	442,822,356	394,011,439
	Previous Year	1,019,208	393,382,200	-	394,401,408	373,427	16,542	-	389,969	394,011,439	

(ii)	Intangible Assets										
	Computer Software	8,509,647	-	-	8,509,647	7,991,565	200,211	-	8,191,776	317,871	518,082
	Total	8,509,647	-	-	8,509,647	7,991,565	200,211	-	8,191,776	317,871	518,082
	Previous Year	7,909,647	600,000	-	8,509,647	7,695,540	296,025	-	7,991,565	518,082	

Note :

1 In respect of Intangible Assets :

- It is other than internally generated.
 - Balance useful life is 2 years (Previous year 3 years) for additions during the financial year 2014-15.
- 2 Buildings acquired during the year is against settlement of Income from Brokerage Commission on Property Solution.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

14.	Non current investments	(Rupees)			
		Quantity		Value	
	Face Value / Issue Price	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Other investments - Unquoted, fully paid-up					
Pass Through Certificates ('PTC')					
	Cabaletta IFMR Capital 2015 -Series -A2 PTC 18 Dec.15	1 84 008	-	1 11 68 559	-
	Hysminai IFMR Capital 2015 - Series -A2 PTC 30 Oct.15	9 93 370	-	40 03 465	-
	IFMR Capital Mosec Glaucus 2015 - Series -A2 PTC 01 Sep.15	18 54 181	-	1 11 58 220	-
	IFMR Capital Mosec Vulcan 2015 - Series A2 PTC 30 Sep.15	5 93 180	-	1 23 80 198	-
	Libertas IFMR Capital 2015 - Series A2 PTC 30 Nov. 15	1 52 39 096	-	1 52 58 195	-
	Lucina IFMR Capital 2015 - Series -A2 PTC 30 Nov.15	2 37 936	-	95 08 966	-
	Manto IFMR Capital 2015 - Series -A2 PTC 19 Nov. 15	31 98 234	-	32 35 611	-
	Sol IFMR Capital 2015 -Series -A2 PTC 30 Oct. 15	10 430	-	26 97 731	-
				6 94 10 945	-

Notes :

1 The aggregate value of investments:	As at March 31, 2016		As at March 31, 2015	
	Book Value	Market Value	Book Value	Market Value
Quoted	-	-	-	-
Unquoted	6 94 10 945	-	-	-
TOTAL	6 94 10 945	-	-	-
2 The aggregate Provision for diminution in the value of investments:	March 31, 2016		March 31, 2015	
Quoted	-	-	-	-
Unquoted	-	-	-	-
TOTAL	-	-	-	-
3 Basis of Valuation	March 31, 2016		March 31, 2015	
	at cost	at cost		

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

15. Long Term Loans and Advances		(Rupees)	
	As at March 31, 2016	As at March 31, 2015	
a) Security Deposits (Unsecured)	500,000		600,042
b) Loans (Secured)			
(i) Considered Good			
Housing loans :			
Individuals	33,129,718,751	21,463,582,819	
Others	9,425,799,775	8,041,212,409	
Officer of the Company	12,682,410	-	
	42,568,200,936		29,504,795,228
Commercial loans	16,468,021,300		13,785,040,629
(ii) Considered Doubtful			
Housing loans :			
Individuals	410,056,100	420,245,435	
Others	11,257,049	25,303,620	
	421,313,149	445,549,055	
Less: Provision for NPA & Doubtful Debts	102,484,191	99,232,346	
	318,828,958		346,316,709
Commercial loans	177,836,778	53,260,844	
Less: Provision for NPA & Doubtful Debts	35,384,000	11,959,929	
	142,452,778		41,300,915
c) Installments Due (Secured) Considered doubtful			
Principal Overdue	56,928,615	32,688,429	
Less: Provision for NPA & Doubtful Debts	17,183,734	9,746,326	
	39,744,881		22,942,103
d) Balance with Service Tax Authorities	5,371,759		4,401,622
e) Taxes Paid [Net off Income Tax Provision Rs. Nil (Previous Year Rs. 81,14,50,000)]	-		1,764,087
	<u>59,543,120,612</u>		<u>43,707,161,335</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

16. Other Non Current Assets		(Rupees)	
	As at March 31, 2016	As at March 31, 2015	
a) Receivable from Trustee under Securitisation (Secured)	61,790,864	46,794,023	
b) Fixed Deposits with banks (Having maturity period more than 12 months and kept as margin money for Market Link Debentures)	69,700,000	-	
c) Unamortised Expenditure (Unsecured)			
(i) Unamortised DSA Commission	246,969,432	184,770,698	
Add: Incurred during the Year	206,850,719	134,875,669	
Less: Amortised during the year	106,027,271	72,676,935	
	347,792,880	246,969,432	
Less: to be amortised over the next one year (Refer Note 20 (b))	33,361,002	26,606,117	
	314,431,878	220,363,315	
(ii) Unamortised Brokerage on Borrowing	65,667,712	68,887,445	
Add: Incurred during the Year	4 30 70 648	87 47 347	
Less: Amortised during the year	14,654,656	11,967,080	
	94,083,704	65,667,712	
Less: to be amortised over the next one year (Refer Note 20 (b))	16,632,294	11,375,751	
	77,451,410	54,291,961	
(iii) Unamortised Mortgage guarantee fees	38,323,927	-	
Add: Incurred during the Year	29,214,897	40,321,927	
Less: Amortised during the year	10,992,233	1,998,000	
	56,546,591	38,323,927	
Less: to be amortised over the next one year (Refer Note 20 (b))	14,473,781	1,618,100	
	42,072,810	36,705,827	
d) Prepaid Expenses (Unsecured)	5,636,511	2,336,157	
	<u>571,083,473</u>	<u>360,491,283</u>	

17.	Current investments	(Rupees)			
		Quantity		Value	
	Face Value / Issue Price	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Current portion of Long-term investments					
Other Investments - Unquoted fully paid up					
Pass Through Certificates (PTC)					
Aergia IFMR Capital 2015 - Series-A2 PTC 30 Nov.15		10 910	-	80 85 184	-
Alcibie IFMR Capital 2015 - Series-A2 PTC 27 Nov.15		50 88 847	-	1 56 66 073	-
Arcas IFMR Capital 2015 - Series-A2 PTC 30 Sep.15		29 59 786	-	2 41 16 990	-
Brizo IFMR Capital 2015 - Series-A2 PTC 17 Aug.15		11 996	-	1 37 04 384	-
Cabaletta IFMR Capital 2015 -Series -A2 PTC 18 Dec.15		1 84 008	-	96 03 212	-
Cadmus IFMR Capital 2015 - Series-A2 PTC 05 Nov.15		84 107	-	2 21 47 534	-
Caerus IFMR Capital 2015- Series-A2 PTC 20 May 15		1 15 00 550	-	1 16 05 651	-
Comus IFMR Capital 2015 - Series-A3 PTC 18 Sep.15		43 59 442	-	44 92 297	-
Delphin IFMR Capital 2015 - Series-A3 PTC 28 Oct.15		13 17 492	-	13 60 213	-
Geloos IFMR Capital 2015 - Series-A2 PTC 29 May.15		37 10 714	-	37 63 726	-
Hysminai IFMR Capital 2015 - Series -A2 PTC 30 Oct.15		9 93 370	-	1 28 242	-
IFMR Capital Mosec Aethon 2015 - Series-A2 PTC 28 Feb.15		8 77 31 640	-	10 46 66 738	-
IFMR Capital Mosec Agon 2015 - Series-A2 PTC 28 Feb.15		2 11 82 283	-	2 78 01 758	-
IFMR Capital Mosec Atlas 2014 -Series-A2 PTC 30 Dec.14		1 10 43 440	-	1 47 33 862	-
IFMR Capital Mosec Boreas 2015- Series-A3 PTC 04 March 15		19 28 565	-	7 12 42 427	-
IFMR Capital Mosec Glaucus 2015 - Series A2 PTC 01 Sep.15		18 54 181	-	8 19 41 587	-
IFMR Capital Mosec Hercules 2015- Series-A2 PTC 27 March 15		4 20 577	-	1 85 55 456	-
IFMR Capital Mosec Maia 2014 - Series-A2 PTC 29 Nov.14		2 66 412	-	3 42 33 786	-
IFMR Capital Mosec Muse 2014 -Series-A2 PTC 31 Dec.14		46 202	-	7 41 14 496	-
IFMR Capital Mosec Rhea 2014- Series-A3 PTC 26 Nov.14		1 32 301	-	1 59 50 718	-
IFMR Capital Mosec Vulcan 2015 - Series A2 PTC 30 Sep.15		5 93 180	-	1 38 80 396	-
IFMR Capital Mosec Zephyrus 2015- Series-A2 PTC 30 Jan.15		1 80 310	-	5 56 24 044	-
Karpo IFMR Capital 2015- Series-A2 PTC 31 July 15		1 05 137	-	1 45 54 175	-
Libertas IFMR Capital 2015 - Series A2 PTC 30 Nov. 15		1 52 39 096	-	2 84 492	-
Lucina IFMR Capital 2015 - Series -A2 PTC 30 Nov.15		2 37 936	-	1 07 00 828	-
Manto IFMR Capital 2015 - Series -A2 PTC 19 Nov. 15		31 98 234	-	1 32 59 653	-
Maximus SBL IFMR Capital 2015- Series-A2 PTC 25 March 15		2 30 687	-	54 53 744	-
Oread IFMR Capital 2015- Series-A2 PTC 04 Dec.15		26 19 627	-	79 32 481	-
Piutus IFMR Capital 2015 Series-A2 PTC 29 July 15		26 345	-	1 11 87 819	-
Sol IFMR Capital 2015 -Series -A2 PTC 30 Oct. 15		10 430	-	18 01 779	-
Soter IFMR Capital 2015- Series-A2 PTC 29 July 15		1 72 31 619	-	1 74 79 619	-
Thrasos IFMR Capital 2015- Series-A2 PTC 15 May 15		1 14 58 746	-	1 16 28 520	-
Vesta IFMR Capital 2015- Series-A2 PTC 07 Aug.15		9 825	-	1 30 63 577	-
				73 47 65 461	

Notes :

1 The aggregate value of investments:

	As at March 31, 2016		As at March 31, 2015	
	Book Value	Market Value	Book Value	Market Value
Quoted	-	-	-	-
Unquoted	73 47 65 461	-	-	-
TOTAL	73 47 65 461	-	-	-

2 The aggregate Provision for diminution in the value of investments:

	As at March 31, 2016	As at March 31, 2015
Quoted	-	-
Unquoted	-	-
TOTAL	-	-

3 Basis of Valuation

As at March 31, 2016	As at March 31, 2015
at cost	at cost

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

18. Cash & Bank Balance	(Rupees)	
	As at March 31, 2016	As at March 31, 2015
Cash & Cash equivalents		
Balance with Banks in Current Accounts	6,768,032,111	3,151,253,423
Cash on hand	2,773,344	217,788
	<u>6,770,805,455</u>	<u>3,151,471,211</u>
Other Bank Balances		
Fixed Deposits with banks # (Having maturity period more than 3 months but less than 12 Months)	430,427,591	399,850,496
	<u>430,427,591</u>	<u>399,850,496</u>
	<u>7,201,233,046</u>	<u>3,551,321,707</u>

In respect of Fixed Deposits with Banks Rs.400,427,591 (Previous Year Rs. 399,850,496) is kept as credit enhancement towards securitisation/assignment transactions, and Rs. 30,000,000 (Previous Year Rs. Nil) is kept as margin money deposits for Market Link Debentures.

19. Short-term loans and advances	(Rupees)	
	As at March 31, 2016	As at March 31, 2015
a) Loans repayments within next 12 months (Secured)		
Considered Good		
Housing loans :		
Individuals	1,531,432,334	728,182,171
Others	3,985,490,294	3,869,771,663
Officer of the Company	<u>1,076,815</u>	<u>-</u>
	551,79,99,443	459,79,53,834
Commercial loans	1,977,388,332	2,452,856,690
b) Installments Due (Secured) Considered good	338,681,339	88,326,171
c) Prepaid expenses (Unsecured)	3,275,705	1,137,669
d) Sundry Advances (Unsecured)	14,379,481	3,215,048
	<u>7,851,724,300</u>	<u>7,143,489,412</u>

20. Other Current Assets	(Rupees)	
	As at March 31, 2016	As at March 31, 2015
a) Interest Accrued on		
Fixed Deposits	2,830,279	987,480
Long term Investments	203,694	-
Loans and advances	<u>432,937,805</u>	<u>372,984,345</u>
	435,971,778	373,971,825
b) Unamortised Expenditure		
DSA Commission	33,361,002	26,606,117
Brokerage on Borrowing	16,632,294	11,375,751
Mortgage guarantee fees	<u>14,473,781</u>	<u>1,618,100</u>
	64,467,077	39,599,968
c) Mark-to-Market Margin		
Equity Index Futures & Options	21,006,044	3,362,409
	<u>521,444,899</u>	<u>416,934,202</u>

21. Revenue from operation		(Rupees)	
	2015-16	2014-15	
a) Interest income			
Interest on:			
Housing and Other Loans	7,269,019,672	4,379,146,732	
Fixed Deposits	38,031,937	38,872,510	
Investments	66,885,504	-	
	7,373,937,113	4,418,019,242	
b) Other Financial income			
Processing Fee income	401,297,355	434,206,830	
Foreclosure & Other Operating Charges	159,534,875	161,813,993	
Brokerage Commission on Property Solution	91,944,697	67,525,615	
	652,776,927	663,546,438	
Less : Service Tax Recovered	81,173,288	72,992,470	
	571,603,639	590,553,968	
c) Bad Debts Recovered	14,855,939	919,529	
	7,960,396,691	5,009,492,739	
22. Other Income			(Rupees)
	2015-16	2014-15	
a) Profit on Sale of Current Investments (Net)	189,509,617	115,454,143	
b) Miscellaneous income	390,353	233,329	
c) Credit Balance / Excess Provision Written Back	-	861,880	
	189,899,970	116,549,352	
23. Employee Benefits Expense			(Rupees)
	2015-16	2014-15	
Payments to and Provision for Employees (Including Managerial Remuneration)			
- Salary & Bonus etc # [Refer Note 34 (b)]	665,187,214	323,977,491	
- Contribution to Provident fund and other Funds	35,036,176	18,706,198	
- Staff Welfare & other amenities	9,971,271	5,690,357	
	710,194,661	348,374,046	

24. Finance Cost		(Rupees)	
	2015-16	2014-15	
a) Interest Expense			
Term Loan From Banks	4,113,269,675	2,485,974,942	
Cash Credit From Banks	10,113,651	11,812,172	
Non Convertible Debentures	621,214,005	479,421,682	
Body Corporates	1,099,694	1,274,478	
	4,745,697,025		2,978,483,274
b) Other Borrowing Cost			
Amortised Brokerage [Refer Note 16 (c)(ii)]	14,654,656	11,967,080	
Discount on Commercial Papers	598,651,978	176,329,213	
Processing Charges	280,332	208,800	
	613,586,966		188,505,093
	5,359,283,991		3,166,988,367
25. Administration & Other Charges		(Rupees)	
	2015-16	2014-15	
Auditor's Remuneration [Refer Note 31]	1,600,000	800,000	
Bad Debts Written Off	37,555,656	45,905,071	
Bank Charges	3,139,044	2,987,322	
Credit Cost	3,794,121	9,599,276	
Collection Cost	12,691,815	9,120,609	
Corporate Social Responsibility Expenditures [Refer Note 41]	13,900,000	9,800,000	
Directors' Sitting Fees	1,625,376	1,231,688	
Amortised DSA Commission [Refer Note 16 (c)(i)]	106,027,271	72,676,935	
Amortised Guarantee Commission [Refer Note 16 (c)(iii)]	10,992,233	1,998,000	
Infrastructure Cost #	38,545,800	38,224,800	
Legal & Professional Fees	99,139,937	62,976,298	
Marketing Expenses	136,564,648	117,783,162	
Management Expenses	32,175,000	31,854,000	
Miscellaneous Expenses	22,921,743	20,920,875	
Postage, Telegram & Telephone	2,954,835	695,672	
Provision for Standard Asset	77,053,293	77,841,181	
Provision for NPA & Doubtful Debts	44,040,170	11,252,675	
Printing and Stationary	2,667,447	2,527,307	
Rates and Taxes	9,818,758	5,831,913	
Repairs & Maintenance-Others	5,034,359	2,502,683	
Travelling & Conveyance	44,372,282	24,750,364	
	706,613,788	551,279,831	

Note:

- # According to the agreement entered into by the Company with its holding company i.e. Reliance Capital Limited for utilizing their office premises including all other amenities, infrastructure and employees at various locations of the Company.[Refer Note 34(b) on Related Party Transactions]

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

26. Security clause, Maturity profile & Rate of interest in respect of Non convertible Debentures

a Secured Non convertible Debentures referred above 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 books debts/receivables, outstanding money (loan book), receivable claims of the Company with other secured lenders, 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.

b Maturity profile of Non convertible Debentures are as set out below:

Interest Rate	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-26	Total
#	69,747,346	-	84,744,500	-	-	-	-	-	-	154,491,846
MLD	70,000,000	459,236,000	120,662,500	414,057,000	-	-	-	-	-	1,063,955,500
8.80%	-	-	-	-	250,000,000	-	-	-	-	250,000,000
8.82%	-	-	-	-	-	-	200,000,000	-	-	200,000,000
8.85%	75,000,000	-	-	-	-	-	-	-	-	75,000,000
9.00%	-	-	-	-	600,000,000	-	-	-	180,000,000	780,000,000
9.05%	32,500,000	-	-	150,000,000	-	-	-	-	-	182,500,000
9.09%	-	-	50,000,000	-	-	-	-	-	-	50,000,000
9.15%	-	-	-	-	-	200,000,000	-	-	150,000,000	350,000,000
9.25%	-	-	550,000,000	-	-	-	-	100,000,000	270,000,000	920,000,000
9.35%	-	-	-	-	-	-	-	300,000,000	-	300,000,000
9.45%	-	-	-	-	-	-	100,000,000	-	-	100,000,000
9.48%	-	-	-	-	-	-	-	-	10,000,000	10,000,000
9.50%	-	-	50,000,000	-	-	-	-	250,000,000	700,000,000	1,000,000,000
9.52%	-	-	-	-	-	-	-	150,000,000	-	150,000,000
9.70%	-	-	100,000,000	-	-	-	-	-	-	100,000,000
9.75%	50,000,000	-	-	100,000,000	-	-	-	-	-	150,000,000
9.80%	-	-	-	150,000,000	-	-	-	-	150,000,000	300,000,000
9.90%	150,000,000	-	-	-	-	-	-	17,000,000	-	167,000,000
10.00%	-	400,000,000	-	-	-	-	160,000,000	-	-	560,000,000
10.10%	-	200,000,000	-	-	-	-	-	-	-	200,000,000
10.33%	-	-	-	-	-	-	450,000,000	-	-	450,000,000
10.40%	-	-	-	-	-	-	500,000,000	-	-	500,000,000
10.60%	-	-	-	-	-	-	80,000,000	-	-	80,000,000
Total	447,247,346	1,059,236,000	955,407,000	814,057,000	850,000,000	200,000,000	1,490,000,000	817,000,000	1,460,000,000	8,092,947,346

Zero Coupon Deep Discount Non- Convertible Debentures

MLD = Market Link Non- Convertible Debentures

27. Security clause & Maturity profile in respect to secured loans from banks

Term loans from Banks [Referred in Note 5] and current maturity of long term debts [Refer Note 11 (a)(ii)] includes :

- Term loans Rs.34,124,531,294 (Previous year Rs. 25,95,43,50,152) secured by pari passu first charge in favor of the lender on all the book debts, outstanding moneys, receivable claims of the Company, except for those book debts/receivables to be charged in favor of National Housing Bank for refinance to be availed, if any, from them, against security not exceeding Rs.37,654,155,033 (Previous year Rs. 28,63,79,58,913).
- Term loans Rs 13,448,886,375 (Previous year Rs. 1,00,00,00,000) secured by pari passu first charge in favor of the lender on all the standard book debts, outstanding moneys, receivable claims of the Company, except for those book debts/receivables to be charged in favor of National Housing Bank for refinance to be availed, if any, from them, against security not exceeding Rs.14,898,263,413 (Previous year Rs. 1,11,00,00,000).
- Term loans Rs. 1,799,630,298 (Previous year Rs. 2,49,95,15,795) secured by hypothecation of book-debts/receivables (standard only) of the Company on pari-passu basis with other secured lenders, against security not exceeding Rs. 1,990,689,638 (Previous year Rs. 2,76,61,12,013).
- Term loans Rs. 334,050,492 (Previous year Rs. 86,68,31,177) secured secured by pari passu first charge in favor of the lender on all the book debts, outstanding moneys, receivable claims of the Company, against security not exceeding Rs. 400,860,590 (Previous year Rs. 1,04,01,97,413).

e Maturity profile of Secured Term Loans from banks are as set out below:

(Amount in Rs)	
Year	Principal Repayment
2016-17	11,162,740,000
2017-18	12,528,328,459
2018-19	10,932,630,000
2019-20	8,783,400,000
2020-21	3,900,000,000
2021-22	1,500,000,000
2022-23	900,000,000
Total	49,707,098,459

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

28. As on April 26, 2010 the Company had entered into Business Transfer Agreements ('BTA') with its holding company i.e. Reliance Capital Limited ('RCL') to transfer the RCL's home finance business to the Company at book value, such that the entire economic risk and reward of the RCL's home finance business passes to the Company from the commencement of business on the value date i.e. April 1, 2010. As on January 31, 2011 the BTA further amended between the Company and Reliance Capital Limited, as per the amended BTA with RCL:
- The RCL holds loan assets of Rs. 4,41,10,823 (Previous year Rs. 4,62,46,178) of the Company in the capacity of trust as on March 31, 2016.
 - During the year the Company has taken the following assets, income and expenses from the RCL :
 - Interest & other income of Rs. 61,95,062 (Previous year Rs. 90,27,789)
 - Interest & other expenses of Rs. 1,46,31,394 (Previous year Rs. 1,54,86,531)
29. The information related to securitisation and assignment made by the Company, as an originator is given below:

Particulars	Unit	Securitisation Outside	Assignment Outside	Total Outside
Total number of loan assets Securitized / Assigned	Nos.	- (-)	1,361 (672)	1,361 (672)
Total book value of loan assets Securitized / Assigned (Including MRR)	Rs.	- (-)	1,987,345,908 (2,841,828,628)	1,987,345,908 (2,841,828,628)
Sale consideration received for the Securitized / Assigned assets (Including MRR)	Rs.	- (-)	1,987,345,908 (2,841,828,628)	1,987,345,908 (2,841,828,628)
Net gain on account of Securitization / Assigned	Rs.	- (-)	- (-)	- (-)
Outstanding Credit Enhancement (Funded)	Rs.	119,403,600 (119,403,600)	281,023,991 (280,446,896)	400,427,591 (399,850,496)
Outstanding Liquidity Facility	Rs.	- (-)	- (-)	- (-)
Net Outstanding Servicing Liability	Rs.	10,665,135 (16,353,140)	184,122,075 (268,539,317)	194,787,210 (284,892,457)

Notes :

- Figures in bracket represent previous year's figures.
- MRR means minimum retention requirements.

a) Disclosures for Securitisation Transactions :

(i) Securitisation :

Sr. No.	Particulars	As at March 31, 2016 (No. / Amount in Rs.)	As at March 2015 (No. / Amount in Rs.)
1	No. of SPVs sponsored by the Company for Securitisation Transactions (Nos.)	2	2
2	As on March 31, 2016, total amount of securitised assets as per books of the SPVs sponsored by the Company (Rupees)	539,276,130	685,781,366
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		
	• First loss	-	-
	• Others	-	-
	b) On-balance sheet exposures		
	• First loss	119,403,600	119,403,600
	• Others	-	-
4	Amount of exposures to securitisation transactions other than Minimum Retention Requirement (MRR)		
	a) Off-balance sheet exposures		
	i) Exposure to own securitizations		
	• First loss	-	-
	• Others	-	-
	ii) Exposure to third party securitizations		

Sr. No.	Particulars	As at March 31, 2016 (No. / Amount in Rs.)	As at March 2015 (No. / Amount in Rs.)
	• First loss	-	-
	• Others	-	-
	b) On-balance sheet exposures		
	i) Exposure to own securitizations		
	• First loss	-	-
	• Others	-	-
	ii) Exposure to third party securitizations		
	• First loss	-	-
	• Others	-	-

(ii) Direct Assignments :

Sr. No.	Particulars	As at March 31, 2016 (No. / Amount in Rs.)	As at March 2015 (No. / Amount in Rs.)
1	No of Direct Assignments (Nos.)	15	13
2	Total amount of assigned assets as per books of the Assignor (Rupees)	6,292,417,514	6,887,597,935
3	Total amount of exposures retained by the Assignor to comply with Minimum Retention Requirement (MRR) as on the date of balance sheet		
	a) Off-balance sheet exposures		
	• First loss	-	-
	• Others	-	-
	b) On-balance sheet exposures		
	• First loss	-	-
	• Others	538,321,704	582,113,088
4	Amount of exposures to Assignment transactions other than Minimum Retention Requirement (MRR)		
	a) Off-balance sheet exposures		
	i) Exposure to own Assignments		
	• First loss	-	-
	• Others	-	-
	ii) Exposure to third party Assignments		
	• First loss	-	-
	• Others	-	-
	b) On-balance sheet exposures		
	i) Exposure to own Assignments		
	• First loss	281,023,991	280,446,896
	• Others	-	-
	ii) Exposure to third party Assignments		
	• First loss	-	-
	• Others	220,910,973	-

30. In the opinion of management, all assets other than fixed asset and non-current investments are approximately of the value stated if realised in the ordinary course of business.

31. Auditors' Remuneration :

Particulars	2015-16	2014-15
i) Audit Fees	600,000	600,000
ii) Tax Audit Fees	200,000	200,000
iii) Certification Fees	300,000	-
iv) Limited Review Fees (includes Rs. 200,000 for 2014-15)	500,000	-
Total	16,00,000	800,000

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

32. Employee Benefits :

a) Defined contribution plan

Contribution to Defined Contribution Plans, recognised as expense for the year is as under:

(In Rupees)

Particulars	2015-16	2014-15
i) Employer's Contribution to Provident Fund and LWF	14,269,471	8,603,918
ii) Employer's Contribution to Pension Scheme	7,719,464	3,001,012
Total	21,988,935	11,604,930

b) Defined Benefit plans

The following table summarise the components of the net employee benefit expenses recognized 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.

Gratuity (Funded)

(In Rupees)

PARTICULARS	2015-16	2014-15
I. Assumptions :		
Discount Rate	8.01 %	7.96 %
Rate of Return on Plan Assets	8.01 %	7.96 %
Salary Escalation	6.00 %	6.00 %
II. Table Showing Change in Benefit Obligation :		
Liability at the beginning of the year	13,592,214	7,149,076
Interest Cost	1,081,940	672,728
Current Service Cost	2,235,159	1,247,911
Liability Transferred in / Acquisitions	7,360,847	-
Benefit Paid	(4,531,625)	(1,814,660)
Actuarial (gain)/loss on obligations -Due to change in Financial Assumptions	(199,306)	3,373,046
Actuarial (gain)/loss on obligations -Due to change in Demographic Assumptions	1,527,223	-
Actuarial (gain)/loss on obligations -Due to Experience	8,525,347	2,964,113
Liability at the end of the Year	29,591,799	13,592,214
III. Tables of Fair value of Plan Assets :		
Fair Value of Plan Assets at the beginning of the Year	13,643,843	7,206,009
Expected Return on Plan Assets	1,086,050	678,085
Contributions	-	7,095,963
Benefit Paid	(4,531,625)	(1,814,660)
Actuarial gain/(loss) on Plan Assets	(911,298)	478,446
Fair Value of Plan Assets at the end of the Year	9,286,970	13,643,843
Total Actuarial Gain/(Loss) To Be Recognised	10,764,562	5,858,713
IV. Actual Return on Plan Assets :		
Expected Return on Plan Assets	1,086,050	678,085
Actuarial gain/(loss) on Plan Assets	(911,298)	478,446
Actual Return on Plan Assets	174,752	1,156,531
V. Amount Recognised in the Balance Sheet :		
Liability at the end of the Year	(29,591,799)	(13,592,214)
Fair Value of Plan Assets at the end of the Year	9,286,970	13,643,843
Difference	(20,304,829)	51,629
Amount Recognised in the Balance Sheet #	(20,304,829)	51,629
VI. Expenses Recognised in the Statement of Profit & Loss :		
Current Service Cost	2,235,159	1,247,911
Interest Cost	(4,110)	(5,357)
Actuarial (Gain)/Loss	10,764,562	5,858,713
Expense Recognised in Statement of Profit & Loss	12,995,611	7,101,267
VII. Amount Recognised in the Balance Sheet :		
Opening net liability	(51,629)	(56,933)
Expense as above	12,995,611	7,101,267
Net Liability / (Asset) Transfer In #	7,360,847	-
Employers Contribution	-	(7,095,963)
Net Liabilities/(Assets) Recognised in Balance Sheet #	20,304,829	(51,629)
VIII. Experience Adjustment		

PARTICULARS	2015-16	2014-15
Plan Assets	-	-
Defined benefit obligations	-	-
Amount not recognised as an Asset	-	-
Surplus / (Deficit)	-	-
Experience adjustment on Plan Assets	(911,298)	478,446
Experience adjustment on Plan Liabilities	8,525,347	2,964,113

IX. Particulars of the amounts for the year and previous years

	Gratuity for the year ended March 31				
	2016	2015	2014	2013	2012
Present value of benefit obligation	29,591,799	13,592,214	7,149,076	7,202,203	4,402,671
Fair value of plan assets	9,286,970	13,643,843	7,206,009	6,928,004	4,415,140
Excess of obligation over plan assets	20,304,829	(51,629)	(56,933)	274,199	(12,469)

X. Experience adjustment

Experience adjustment on plan assets gain/ (loss)	(911,298)	478,446	(171,587)	(39,568)	(89,934)
Experience adjustment on plan liabilities gain/ (loss)	8,525,347	2,964,113	(207,165)	1,134,484	212,254

Note # : This amount includes the amount of Rs. 7,360,847 to be transferred for the employees transferred during the year and the amount receivable from their Gratuity trust.

Leave Encashment (Unfunded)

(In Rupees)

PARTICULARS	2015-2016	2014-2015
I. Assumptions :		
Discount Rate	7.57%	8.00%
Salary Escalation Current Year	6.00%	6.00%
II. Table Showing Changes in present value of Obligation :		
PVO at the beginning of the Year	2,841,514	2,337,535
Interest Cost	195,833	177,188
Current Service Cost	834,593	744,167
Benefit Paid	(787,193)	(737,567)
Actuarial (gain)/loss on obligations	2,171,050	320,191
PVO at the end of the Year	5,255,797	2,841,514
III. Table of Changes in fair value of Plan Assets :		
Fair Value of Plan Assets at the beginning of the Year	-	-
Expected Return on Plan Assets	-	-
Contributions	787,193	737,567
Benefit Paid	(787,193)	(737,567)
Actuarial gain/(loss) on Plan Assets	-	-
Fair Value of Plan Assets at end of year	-	-
IV. Fair Value of Planned Assets:		
Fair Value of Plan Assets at the beginning of the Year	-	-
Actual Return on Plan Assets	-	-
Contributions	787,193	737,567
Benefit Paid	(787,193)	(737,567)
Fair Value of plan Assets at end of year	-	-
Funded Status	(5,255,797)	(2,841,514)
Excess of actual over estimated return on Plan Asset	-	-
V Actuarial Gain/(Loss) Recognized		
Actuarial Gain/(Loss) for the year (obligation)	(2,171,050)	(320,191)
Actuarial Gain/(Loss) for the year (Plan Asset)	-	-
Total Gain/(Loss) for the year	(2,171,050)	(320,191)

PARTICULARS	2015-2016	2014-2015
Actuarial gain/(Loss) recognized for the year	(2,171,050)	(320,191)
Unrecognised Actuarial Gain/(Loss) at the end of the Year	-	-
VI. Expenses Recognised in the Statement of Profit & Loss:		
Current Service Cost	834,593	744,167
Interest Cost	195,833	177,188
Expected Return on Plan Assets	-	-
Net Actuarial (Gain)/Loss Recognised	2,171,050	320,191
Expense Recognised in Statement of Profit & Loss	3,201,476	1,241,546
VII. Amount Recognised in the Balance Sheet :		
PVO at the end of Year	5,255,797	2,841,514
Fair Value of Plan Assets at end of Year	-	-
Funded Status	(5,255,797)	(2,841,514)
Unrecognized Actuarial Gain/(Loss)	-	-
Net Asset/(Liability) recognized in balance sheet	(5,255,797)	(2,841,514)
VIII. Movement in the Liability recognized in Balance Sheet		
Opening net Liability	2,841,514	2,337,535
Expenses as above	3,201,476	1,241,546
Contribution paid	(787,193)	(737,567)
Closing Net Liability	5,255,797	2,841,514
IX. Experience Adjustment		
Plan Assets at the end of year	-	-
Defined benefit obligations at the end of year	5,255,797	2,841,514
Amount not recognised as an Asset	-	-
Surplus / (Deficit)	(5,255,797)	(2,851,414)
Experience adjustment on Plan Assets	-	-
Experience adjustment on Plan Liabilities	2,171,050	320,191

Notes :

- (i) The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.
- (ii) General Descriptions of significant defined plans:
 - a) 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.

c) Other Employee Benefits - Phantom Stock

I. Details of Option granted, forfeited and exercised

Particulars	No of Options
Outstanding as at April 1, 2015	-
Granted	579,400
Exercised	-
Lapsed/ Forfeited/ Surrendered	-
Outstanding as at March 31, 2016	579,400
Exercisable as at March 31, 2016	-

II. Terms and conditions of the scheme

Date of grant	October 27, 2015
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 last date of vesting 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	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	In case of continuation of employment : Vested Phantom stock option can be exercised any time upto 3 years from the date of last vesting of Phantom stock options and In case of cessation of employment : Different periods depending on kind of cessation as per provision of the Phantom stock option scheme
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

Particulars	Phantom Stock option
Discount rate	7.72%
Expected life	5 years

VI. 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 Rupees 1,142,000 which is debited to Statement of profit and loss account and the liability is shown in the Balance sheet under the head Other current liabilities and clubbed under Other payables.

33. Segment Reporting:

The Company is mainly engaged in the housing finance business, all other activities revolve around the main business of the Company and as such there is no separate reportable segment as specified in Accounting Standard (AS-17) on "Segment Reporting", notified by the Companies (Accounting Standards) Rules, 2006.

34. Related Party Disclosures:

a) List of the Related Parties and their relationship:

i. **Holding Company**
Reliance Capital Limited

ii. **Subsidiaries of Holding Company / Fellow Subsidiaries**

1	Reliance Capital Asset Management Limited	14	Reliance Financial Limited
2	Reliance Asset Management (Singapore) Pte Limited	15	Reliance Wealth Management Limited
3	Reliance Asset Management (Mauritius) Limited	16	Reliance Money Solutions Private Limited
4	Reliance Capital Asset Management (UK) Limited (formerly Reliance Capital Asset Management (UK) Plc)	17	Reliance Exchangenext Limited
5	Reliance Capital Pension Fund Limited	18	Reliance Spot Exchange Infrastructure Limited
6	Reliance AIF Management Company Limited	19	Reliance Capital AIF Trustee Company Private Limited
7	Reliance Capital Trustee Co. Limited	20	Reliance Life Insurance Company Limited (w.e.f. March 30, 2016)
8	Reliance General Insurance Company Limited	21	Quant Capital Private Limited
9	Reliance Gilts Limited	22	Quant Broking Private Limited
10	Reliance Money Express Limited	23	Quant Securities Private Limited
11	Reliance Money Precious Metals Private Limited	24	Quant Commodity Broking Private Limited
12	Reliance Securities Limited	25	Quant Capital Finance and Investments Private Limited
13	Reliance Commodities Limited	26	Quant Investments Services Private Limited

iii. **Other Related Parties under common control with whom transactions have taken place during the year**

1	Reliance Communications Infrastructure Limited	2	Reliance Infocomm Infrastructure Private Limited
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iv. **Key Managerial Personnel (KMP)**

Manager	Shri Sandip Parikh (w.e.f. May 7, 2015)	Shri K. Suresh Kumar (Till March 28, 2015)
Chief Financial Officer	Shri Amrish Shah (w.e.f. May 7, 2015)	Kum. Roopa Joshi (Till May 7, 2015)
Company Secretary	Smt. Ekta Thakurel (w.e.f. July 30, 2015)	Smt. Neena Parelkar Singarpure (Till December 28, 2014) Kum. Deepali Bhatt (w.e.f. May 7, 2015 till July 30, 2015)

b) Transactions during the year with related parties

(In Rupees)

Particulars	2015-16	2014-15
i) With Holding Company:		
Share Capital		
Balance as on March 31, 2016	658,200,000	658,200,000
Sundry Receivable as on March 31, 2016	274,825	-
Fixed Asset Purchased during the year	-	374,621,000
Expenses		
Infrastructure Cost	36,000,000	38,224,800
Salary Cost	44,000,000	30,969,167
Management Fees	30,000,000	31,854,000
Other Expenses transferred under BTA	9,926,845	8,144,985
Finance Cost transferred under BTA	4,704,549	7,341,546
Income		
Interest & Other Income transferred under BTA	6,195,062	9,027,789
Brokerage & Valuation charges Received	3,857,923	3,437,448
ii) With Fellow Subsidiary:		
Expenses		
Employee Mediclaim Premium Paid to Reliance General Insurance Company Limited	7,156,953	1,213,548
Brokerage paid to Reliance Securities Limited	579,797	-

DSA Commission paid to Reliance Money Solutions Private Limited	-	136,300
Income		
Brokerage & Valuation charges Received from Reliance Securities Limited	9,000	-
iii) With Other Related Parties under common control		
Expenses		
Employee ID card printing charges paid to Reliance Infocomm Infrastructure Private Limited	14,390	-
Fixed Asset Purchased during the year from Reliance Communications Infrastructure Limited	55,769,981	-
Income		
Brokerage & Valuation charges Received from Reliance Communications Infrastructure Limited	44,383,969	-
Sundry Payables as on March 31, 2016		
Sundry payable to Reliance Communications Infrastructure Limited	668,567	-
iv) With Key Managerial Personnel :		
Expenses		
Managerial Remuneration paid during the year		
1) Shri Sandip Parikh	14,051,350	-
2) Shri Amrish Shah	5,227,778	-
3) Ms. Ekta Thakurel	911,600	-
4) Shri K. Suresh Kumar	-	9,861,158
5) Ms. Roopa Joshi	176,973	2,276,860
6) Ms. Neena Parelkar Singarpure	-	827,664
7) Ms. Deepali Bhatt	190,097	-
Housing Loans Given		
Shri Sandip Parikh		
Housing Loan outstanding as on March 31, 2016	3,863,100	-
Housing Loan repaid during the year	145,592	-
Interest Income on Housing Loan	350,081	-
Shri Amrish Shah		
Housing Loan outstanding as on March 31, 2016	9,896,125	-
Housing Loan repaid during the year	2,471,877	-
Interest Income on Housing Loan	1,009,869	-

Note:

- 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.
- The current year figures are excluding service tax.
- Expenses incurred towards public utilities services such as telephone and electricity charges have not been considered for related party transaction.

35. Basic and Diluted Earnings Per Share:

For the purpose of calculation of Basic & Diluted Earnings per Share the following amounts have been considered:

		(In Rupees)	
	Particular	2015-16	2014-15
a)	Amount used as the numerators		
	Net Profit/(Loss) available for Equity shareholder	867,568,946	690,632,278
b)	Weighted average number of equity shares (nos.)	65,820,000	65,820,000
c)	Basic & Diluted Earnings Per Share (Rs.)	13.18	10.49

36. Disclosure of details as required by Para 29 of the Housing Finance Companies (NHB) Directions, 2010. (As certified by the management).

- a) The total provisions made for substandard, doubtful and loss assets and depreciation in investments carried by the Company in terms of paragraph 29(2) and (3) of the Housing Finance Companies (NHB) Directions, 2010 and NHB Circular NHB.HFC.DIR-3/CMD/2011 dated August 5, 2011 in respect of Housing and Non Housing Loans is as follows:
(In Rupees)

Particulars	Housing Finance		Non-Housing Finance	
	Outstanding Balance as at March 31, 2016	Provision as at March 31, 2016	Outstanding Balance as at March 31, 2016	Provision as at March 31, 2016
Standard Asset	49,84,31,04,161 (34,177,013,821)	246,660,743 (176,626,872)	17,02,71,87,189 (16,251,958,732)	105,813,105 (98,793,683)
Sub-Standard Assets [Refer Note (ii) below]	209,798,980 (170,583,725)	28,670,707 (25,587,558)	13,38,26,844 (16,419,718)	20,468,596 (2,503,478)
Doubtful Asset s	263,165,096 (301,315,500)	87,853,804 (81,816,414)	49,287,621 (43,179,385)	18,058,818 (11,031,150)
Loss Assets	- (-)	- (-)	- (-)	- (-)
Provision for Depreciation in Investments	- (-)	- (-)	- (-)	- (-)

Notes:

- Figures in bracket represent previous year's figures.
- Substandard provision on non housing finance includes Rs. 371,265 (Previous Year Rs. 40,521) related to Minimum Retention Requirement (MRR) pools related to Securitization for which loans outstanding not in the books.
- Loan outstanding balance and provision as at March 31, 2016 for Sub-standard, Doubtful & Loss assets given above, includes NPA classification and provision made as per observations, in the NHB Inspection Report dated August 6, 2015 vide NHB (ND)/HFC/DRS/ Sup./7637 /2015.

- b) Disclosure regarding penalty or adverse comments in terms of paragraph 29(5) of the Housing Finance Companies (NHB) Directions, 2010 is as follows :

- During the year there is no penalty imposed by National Housing Bank.
- The Company has received the inspection report under Section 34 of the National Housing Bank Act, 1987 from National Housing Bank (NHB) with reference to its position as on March 31, 2014, vide NHB letter No. NHB (ND)/HFC/DRS/SUP/ 7637/2015 dated August 6, 2015 in which NHB has drawn certain contraventions to the provisions and Directions/Guidelines issued by the NHB under the National Housing Bank Act, 1987 from time to time and also other deficiencies in the functioning of the Company. The Company placed the replies before the board meeting and the same has been sent to NHB.
- The inspection of the Company with reference to its position as on March 31, 2015, as per provision of the National Housing Bank Act, 1987 has been conduct by the National Housing Bank (NHB) during the month of March 2016. The Company has not yet received any inspection report on the same.

37. Disclosure of loans / advances and investments in its own shares by the listed companies, in its subsidiaries, associate etc. (as certified by the management) in terms of Regulation 34(3) and 53(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. (As certified by the management)

Particulars	Outstanding Balances		Maximum Balance Outstanding	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
i) Loans and advances in the nature of loans to subsidiaries	-	-	-	-
ii) Loans and advances in the nature of loans to associates	-	-	-	-
iii) Loans and advances in nature of loans to firms/companies in which directors are interest	-	-	-	-
iv) Investments by the loanee (borrower) in the shares of parent company and subsidiary company, when the Company has made a loan or advance in the nature of loan.	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

38. Disclosure regarding provision made for Asset Liability Management (ALM) system for the Housing Finance Companies as per NHB Circular NHB/ND/DRS/Pol-No.35/2010-11 dated October 11, 2010.

(I) Capital to Risk Asset Ratio (CRAR)

Items	As at March 31, 2016	As at March 31, 2015
CRAR (%)	16.34%	15.17%
CRAR - Tier I capital (%)	10.51%	11.10%
CRAR - Tier II capital (%)	5.83%	4.07%

(II) Exposure to real estate sector, both direct and indirect:

		(In Rupees)	
a)	Direct Exposure	As at March 31, 2016	As at March 31, 2015
(i)	Residential Mortgage		
	Individual Housing Loan up to 15 lakhs	5,672,490,737	3,60,61,29,907
	Individual Housing Loan More than 15 lakhs	29,276,577,541	19,00,76,91,560
	Commercial Real Estate	14,494,419,047	11,58,97,04,018
(iii)	Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
	(a) Residential	-	-
	(b) Commercial	-	-
b)	Indirect Exposure Fund Based and Non Fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	-	-

Notes:

- (i) The direct exposure given in (i) & (ii) represents loans & advances outstanding at the year end, without netting off the Provision for NPA & Doubtful Debts.
- (ii) The bifurcation of investments in Mortgage Backed Securities (MBS) and other securitised exposures between residential and commercial is based on nature of underlying loan assets. The same has been relied upon by auditors.

(III) Maturity Patterns of Items of Assets & Liabilities

Year	Liabilities As at March 31, 2016		Assets As at March 31, 2016	
	Borrowings from Bank	Market Borrowings	Loans & Advances	Investments
1 day to 30/31 day	2,744,780,509 (960,764,860)	1,042,966,182 (1,493,441,405)	619,688,939 (638,378,026)	36,315,361 (-)
Over 1 month to 2 months	666,700,000 (-)	3,460,262,156 (3,453,646,074)	634,614,388 (700,214,107)	53,171,561 (-)
Over 2 month to 3 months	1,427,100,000 (377,100,000)	- (2,458,527,703)	667,682,799 (594,876,732)	101,887,662 (-)
Over 3 month to 6 months	2,754,200,000 (2,469,400,000)	524,479,989 (288,792,960)	2,382,448,201 (2,021,950,077)	244,407,055 (-)
Over 6 month to 1 Year	6,314,740,000 (3,714,600,000)	357,713,473 (763,000,000)	3,529,634,786 (3,18,37,17,753)	298,983,822 (-)
Over 1 year to 3 Year	23,460,958,459 (14,260,197,124)	2,014,644,524 (885,775,964)	7,222,392,153 (5,799,174,072)	69,410,945 (-)
Over 3 year to 5 Year	12,683,400,000 (8,299,400,000)	1,664,057,000 (1,227,428,917)	6,479,710,396 (4,65,55,80,559)	- (-)
Over 5 Year to 7 years	2,400,000,000 (1,200,000,000)	1,690,000,000 (200,000,000)	6,759,816,654 (5,141,944,250)	- (-)
Over 7 Year to 10 years	- (-)	2,277,000,000 (2,157,000,000)	9,496,427,170 (7,119,505,995)	- (-)
Over 10 years	- (-)	- (10,000,000)	29,578,902,480 (20,98,41,90,709)	- (-)
Total	52,451,878,969 (31,281,461,984)	13,031,123,324 (12,937,613,023)	67,371,317,966 (50,839,532,280)	804,176,406 (-)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

Notes:

- i) In computing the above information, certain estimates, assumptions and adjustments have been made by the Management which have been relied upon by the auditors.
- ii) 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 for 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, which has been relied upon by the auditors. 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 Companies Act, 2013.
- iii) Figures in bracket represent previous year's figures.

39. Contingent Liabilities/Commitments: (As certified by the management)

		(In Rupees)	
	Particulars	As at March 31, 2016	As at March 31, 2015
Contingent Liabilities :			
a.	Case against the Company not acknowledge as Debts	4,844,118	2,631,536
b.	Second loss credit enhancement for securitization of standard asset transactions provided by third party	220,910,973	-
Commitments :			
a.	Estimated amount of contracts remaining to be executed on capital account (net of advances).	-	-
b.	Undisbursed amount of housing loans/ other loans sanctioned	7,368,528,904	6,37,39,87,011

40. Outstanding Derivatives (Future & Options) are as under:

Nature of Derivative	No of Contracts	Units	
		Long	Short
Futures	2,859 (70)	216,225 (3500)	- (-)
Options	241 (-)	- (-)	18,075 (-)

Figures in bracket indicate previous year figures.

41. As per Section 135 of the Companies Act, 2013 the Company is under obligation to incur Corporate Social Expenditures (CSR) amounting to 13,900,000 (Previous Year Rs. 9,730,000), being 2% of the average net profit during the three immediately preceding financial years towards CSR, calculated in the manner as stated in the Act. Accordingly during the year, the Company has made a contribution of 13,300,000 (Previous Year Rs. 98,00,000) by contributing for Rural outreach initiative to provide cancer care to the communities of interior parts of Maharashtra and Rs. 600,000 (Previous Year Rs. Nil) by contributing for promotion of educational facilities in villages in Maharashtra.
42. During the year, the Company has changed the basis of calculation of Days Past Due (DPD) for the purpose of Non Performing Assets (NPA) identification and Provision for NPA & Doubtful Debt. DPD will be counted from the first date, on which borrower becomes NPA and will continue as Non Performing Assets, till the borrower becomes standard and regular in payment of EMI, as per observations, in the NHB Inspection report dated August 6, 2015 vide NHB (ND)/HFC/DRS/Sup./7637/2015.

The Company has classified the loans in Sub-standard, Doubtful & Loss categories and calculated provision for NPA & doubtful debts based on the NHB Inspection Report. Accordingly an additional Provision for NPA & Doubtful Debts amounting to Rs. 3,547,052 and additional Bad Debts Written Off amounting to Rs. 9,412,844 has been charged off to profit & loss account by the Company during the current year. Had the Company continued to use the earlier basis for calculation of Days Past Due (DPD) for the purpose of Non Performing Assets (NPA) identification and Provision for NPA & Doubtful Debt, the profit after tax for the current year and its Net Owned Fund (NOF) as on March 31, 2016 would have been higher by Rs. 12,959,896.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

43. Previous year's figures have been regrouped / restated where necessary, to confirm to the presentation of current year's financial statements.

As per our report of even date

For and on behalf of the Board

For Chaturvedi & Shah
Chartered Accountants
Firm's Registration No:101720W

Vijay Napawaliya
Partner
Membership No: 109859

Padmanabh Vora
(Director)
(DIN: 00003192)

Deena Mehta
(Director)
(DIN: 00168992)

Gautam Doshi
(Director)
(DIN: 00004612)

Soumen Ghosh
(Director)
(DIN: 01262099)

K.V.Srinivasan
(Director)
(DIN: 01827316)

Sandip Parikh
(Manager)

Mumbai
Date: April 21, 2016

Amrisha Shah
(Chief Financial Officer)

Ekta Thakurel
(Company Secretary)

Mumbai
Date: April 21, 2016

Financial Statement
2014-15
Reliance Home Finance Limited

Independent Auditor's Report

**To,
The Members,
Reliance Home Finance Limited**

Report on the Financial Statements

We have audited the accompanying financial statements of **Reliance Home Finance Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

Reliance Home Finance Limited

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - 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.

Independent Auditor's Report (Continued)
Reliance Home Finance Limited

CHATURVEDI & SHAH
Chartered Accountants

- 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, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 38 to the financial statements;
 - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Chaturvedi & Shah
Chartered Accountants
Firm's Registration No:101720W

Vijay Napawaliya
Partner
Membership No: 109859

Mumbai
Dated : May 7, 2015

(Referred to in our report of even date)

- (i) In respect of its fixed assets: -
 - a. The Company has maintained proper records, showing full particulars including quantitative details and situation of its fixed assets.
 - b. The Company has a program of physical verification of its fixed assets by which all fixed assets has been verified during the year and no discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (ii) The Company is primarily engaged in the housing finance business. Accordingly, it does not hold any physical inventories. Thus, paragraph 3 (ii) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loan secured/unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, provisions of clauses (iii) (a) and (iii)(b) of paragraph 3 of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and sale of services. During the year the Company did not undertake any activities of purchase of inventories and sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public and hence directives issued by the National Housing Bank under the Housing Finance Companies (NHB) Directions, 2010 and the provisions of Sections 73 to 76 and any other relevant provisions of the Companies Act, 2013 and the rules framed there under are not applicable. During the year under audit, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal for whether the same has been complied with or not.
- (vi) According to the information and explanations given to us, the Central Government has not specified for maintenance of cost records under sub section (1) of Section 148 of the Companies Act, 2013 in respect of activities carried on by the Company. Hence the provisions of clause 3 (vi) of the Order is not applicable to the Company.

Annexure to the Independent Auditor's Report (Continued)

(Referred to in our report of even date)

(vii) In respect of statutory dues:

- a) According to the records of the Company, the Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues, as applicable, except in case of provident fund and professional tax in which case there are few delays in payment of said dues. Further, there are no undisputed amounts payable outstanding as at March 31, 2015 for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us, there are no dues of income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess which have not been deposited on account of any dispute.
- c) According to the information and explanations given to us, there is no outstanding amount, which is required to be transferred to investor education and protection fund in accordance with the relevant provision of the Companies Act, 1956 and rules made there under.

(viii) The Company neither has accumulated losses nor it has incurred any cash losses during the current financial year and in the immediate preceding financial year.

(ix) Based on our audit procedures and the information and explanations given by management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institutions, banks or debenture holders.

(x) The Company has not given any guarantees for loans taken by others from banks or financial institutions.

(xi) According to the information and explanations given to us, the term loans availed by the Company, were prima facie applied by the Company during the year for the purpose for which loans were obtained other than Rs.255 crore which as at balance sheet date were temporary deployed in banks current accounts, pending utilization and was subsequently utilized for the purpose for which loan has been taken.

(Referred to in our report of even date)

- (xii) 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 fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.

For **Chaturvedi & Shah**

Chartered Accountants

Firm's Registration No:101720W

Vijay Napawaliya

Partner

Membership No: 109859

Mumbai

Dated : May 7, 2015

RELIANCE HOME FINANCE LIMITED
BALANCE SHEET AS AT MARCH 31, 2015

			(Rupees)
Particulars	Note No.	As at March 31, 2015	As at March 31, 2014
I. EQUITY AND LIABILITIES :			
1 Shareholders' Funds			
(a) Share Capital	3	65,82,00,000	65,82,00,000
(b) Reserves and Surplus	4	4,67,54,28,500	3,98,47,96,220
2 Non-current liabilities			
(a) Long-term borrowings	5	28,23,98,02,004	21,69,22,85,975
(b) Deferred tax liabilities (Net)	6	9,75,00,000	5,42,95,000
(c) Other non-current liabilities	7	3,36,36,336	-
(d) Long-term provisions	8	23,46,15,054	16,51,21,236
3 Current liabilities			
(a) Short-term borrowings	9	8,15,51,73,002	2,07,63,11,896
(b) Trade payables	10	2,31,82,745	1,46,79,108
(c) Other current liabilities	11	13,41,27,42,804	8,75,15,94,238
(d) Short-term provisions	12	4,36,47,015	5,17,19,310
TOTAL		55,57,39,27,460	37,44,90,02,983
II. ASSETS :			
1 Non-current assets			
(a) Fixed assets	13		
(i) Tangible assets		39,40,11,439	6,45,781
(ii) Intangible assets		5,18,082	2,14,107
(b) Long-term loans and advances	14	43,70,71,61,335	26,44,08,63,789
(c) Other non-current assets	15	36,04,91,283	66,79,26,958
2 Current assets			
(a) Current investments	16	-	3,20,00,00,000
(b) Cash & bank balance	17	3,55,13,21,707	2,01,27,18,074
(c) Short-term loans and advances	18	7,14,34,89,412	4,80,69,73,451
(d) Other current assets	19	41,69,34,202	31,96,60,823
TOTAL		55,57,39,27,460	37,44,90,02,983

See accompanying notes to the financial statements '1-43

As per our report of even date

For Chaturvedi & Shah
Chartered Accountants
 Firm Registration No. : 101720W

Vijay Napawaliya
Partner
 Membership .No. 109859

Mumbai
Date: May 7, 2015

For and on behalf of the Board

Padmanabh Vora
(Director)
(DIN: 00003192)

Deena Mehta
(Director)
(DIN: 00168992)

Gautam Doshi
(Director)
(DIN: 00004612)

Soumen Ghosh
(Director)
(DIN: 01262099)

K.V.Srinivasan
(Director)
(DIN: 01827316)

Sandip Parikh
(Manager)

Amrish Shah
(Chief Financial Officer)

Deepali Bhatt
(Company Secretary)

Mumbai
Date: May 7, 2015

RELIANCE HOME FINANCE LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015

		(Rupees)	
Particulars	Note No.	2014-15	2013-14
REVENUE			
(I) Revenue from operation	20	5,00,94,92,739	4,22,82,48,244
(II) Other Income	21	11,65,49,352	6,88,64,304
(III) TOTAL REVENUE (I+II)		5,12,60,42,091	4,29,71,12,548
EXPENSES			
Employee Benefits expense	22	34,83,74,046	33,41,60,606
Finance Cost	23	3,16,69,88,367	2,76,97,73,348
Depreciation and Amortisation	13	3,12,567	18,77,598
Other expenses	24	55,12,79,831	53,08,50,298
(IV) TOTAL EXPENSES		4,06,69,54,811	3,63,66,61,850
(V) PROFIT BEFORE TAX (III-IV)		1,05,90,87,280	66,04,50,698
(VI) TAX EXPENSE :			
Current Tax		32,52,50,000	22,69,00,000
Income tax for Earlier Year		-	(55,84,077)
Deferred Tax		4,32,05,000	52,45,000
(VII) PROFIT AFTER TAX (V-VI)		69,06,32,280	43,38,89,775
(VIII) EARNING PER EQUITY SHARE	35		
(Face value of Rs. 10 each fully paid up)			
Basic & Diluted		10.49	6.59

See accompanying notes to the financial statements '1-43

As per our report of even date

For and on behalf of the Board

For Chaturvedi & Shah

Chartered Accountants

Firm Registration No. : 101720W

Sd/-

Vijay Napawaliya

Partner

Membership .No. 109859

Padmanabh Vora
(Director)
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(Director)
(DIN: 01827316)

Sandip Parikh
(Manager)

Mumbai

Date: May 7, 2015

Amrish Shah
(Chief Financial Officer)

Deepali Bhatt
(Company Secretary)

Mumbai

Date: May 7, 2015

RELIANCE HOME FINANCE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

(Rupees)

Particulars	2014-2015	2013-2014
A. Cash Flow from Operating Activities		
Net Profit Before Tax	1,05,90,87,280	66,04,50,698
Adjusted for		
Depreciation and Amortisation	3,12,567	18,77,598
Provision for Standard Debts	7,78,41,181	5,72,20,793
Provision for NPA & Doubtful debts	1,12,52,675	3,95,45,798
Bad Debts Written Off	4,59,05,071	4,21,21,408
(Profit)/Loss on Sale of Investments	(11,54,54,143)	(5,35,30,458)
Discount on Commercial Papers	17,63,29,213	6,66,27,510
Amortised DSA Commission	7,26,76,935	6,41,65,396
Amortised Brokerage Commission	1,19,67,080	1,11,06,741
Amortised Guarantee Commission	19,98,000	-
Interest Expenses & Processing Charges	2,97,86,92,074	2,68,64,56,180
Credit Balance / Excess Provision Written Back	(8,61,880)	(87,77,010)
Provision for Leave encashment	5,03,979	-
Operating Profit/(Loss) before Working Capital Changes	4,32,02,50,032	3,56,72,64,654
Adjusted for		
Proceeds/(Repayments) from issue of Commercial Papers (Net)	4,94,25,03,201	1,76,47,81,150
Repayments of Long term Borrowing	(6,42,49,19,815)	(5,31,24,00,000)
Proceeds from Long term Borrowing	14,36,00,00,000	9,97,67,30,023
Proceeds/(Repayments) from Short Term Borrowing (Net)	96,00,28,693	7,36,168
Trade Receivable & Loans and advances	(20,01,20,64,531)	(3,87,85,12,679)
Trade Payables and Liabilities	3,21,25,68,910	59,39,58,124
Cash Generated from Operation	1,35,83,66,490	6,71,25,57,440
Interest & Processing Charges Paid	(2,93,82,03,661)	(2,54,02,00,813)
Taxes Paid (Net off Income Tax Refund)	(21,28,81,636)	(5,18,81,356)
Net Cash from / (used in) Operating Activities	(1,79,27,18,807)	4,12,04,75,271
B. Cash Flow from Investing Activities		
Procced from /(Investments) in Fixed Deposits	1,00,00,000	19,20,10,000
Purchase of Fixed Asset	(39,39,82,200)	(2,85,708)
Sale/(Purchase) of Current Investments (Net)	3,31,54,54,144	(3,14,64,69,542)
Sale of Long Term Investments	-	13,75,71,973
Net Cash from / (used in) Investing Activities	2,93,14,71,944	(2,81,71,73,277)
C. Cash Flow from Financing Activities		
Dividend Paid	-	-
Net Cash from / (used in) Financing Activities	-	-
Net increase / (decrease) in Cash and Cash Equivalents (A + B + C)	1,13,87,53,137	1,30,33,01,994
Opening Balance of Cash and Cash Equivalents	2,01,27,18,074	70,94,16,080
Closing Balance of Cash and Cash Equivalents	3,15,14,71,211	2,01,27,18,074

Note :

1. The Previous year's figures have been regrouped and reclassified wherever necessary.

As per our report of even date

For and on behalf of the Board

For Chaturvedi & Shah

Chartered Accountants

Firm Registration No. : 101720W

Padmanabh Vora
(Director)
(DIN: 00003192)

Deena Mehta
(Director)
(DIN: 00168992)

Gautam Doshi
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Vijay Napawaliya

Partner

Membership .No. 109859

Soumen Ghosh
(Director)
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Sandip Parikh
(Manager)

Mumbai

Date: May 7, 2015

Amrish Shah
(Chief Financial Officer)
Mumbai F - 96
Date: May 7, 2015

Deepali Bhatt
(Company Secretary)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

1 Background

Reliance Home Finance Limited ('the Company') is registered with National Housing Bank as housing finance company (HFC), without accepting public deposits, as defined under section 29A of the National Housing Bank Act, 1987. The Company is principally engaged in housing finance business.

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, specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and relevant provisions of the Companies Act, 2013 (the "Act"), the National Housing Bank Act, 1987 and the Housing Finance Companies (NHB) Directions, 2010 as amended from time to time.

The Company has followed the same set of accounting policies as similar to those followed in financial year ending March 31, 2014 except in case of depreciation where the Company has revised its policy of providing depreciation on tangible assets, effective from April 1, 2014 depreciation on tangible assets is now provided on a straight line basis as against the policy of providing on written down value basis.

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 recognized 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 Installments (EMI) 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 recognized on accrual basis and on non-performing assets on realization basis as per guidelines prescribed by the National Housing Bank.

Fees, charges and additional interest income on delayed EMI/Pre-EMI are recognized on receipt basis.

ii) Dividend Income

Dividend Income is recognised when the right to receive payment is established.

iii) Loan Processing Fee Income

Loan processing fee income is accounted for upfront as and when it becomes due.

iv) Income from assignment / securitization

In case of assignment / securitization of loans, the assets are derecognized 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/secured 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 / securitization on a monthly basis.

v) Other Income

In other cases, income is recognized when there is no significant uncertainty as to determination and realization.

d Fixed Asset

Fixed Assets are stated at cost of acquisition less accumulated depreciation and Impairment loss, if any. Cost includes all expenses incidental to the acquisition of the fixed assets.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

f Depreciation/Amortisation

Depreciation on tangible assets is provided in accordance with the provisions of Schedule II of the Companies Act, 2013. Tangible assets are depreciated on straight line basis method over the useful life of assets, as prescribed in Part C of Schedule II of the Companies Act, 2013.

Intangible assets comprise, computer software are amortised on straight line basis over the useful life of the software up to a maximum of five years commencing from the month in which such software is first installed.

g Loan origination / acquisition 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 long-term investments. In accordance with the Guidelines issued by National Housing Bank (NHB), current investments are carried at lower of cost and fair value and long term investments are carried at cost. However, provision is made to recognize 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 recognized as discount expense.

j Provision for Standard Assets, Non Performing Assets (NPA) & Doubtful Debts

Provisions on Standard Assets, Non Performing Assets (NPA) & Doubtful Debts are made in accordance with the Prudential Norms as per Housing Finance Companies (NHB) Directions, 2010.

k 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.

l Market Link Debentures

The Company has issued certain market link non-convertible debentures ('MLD'), the rate of interest which is linked to performance of specified indices over the period of the debentures.

The Company hedges its interest rate risk on MLD by taking positions in future & options based on specified indices. Any gain/loss on these hedge positions are netted against with interest expense on MLD and resultant 'net loss' is recognised in Statement of Profit and Loss immediately, however 'net gain' if any, is ignored.

m Employee Benefits

i) Provident fund

Contributions payable to the recognized 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

n Borrowing costs

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.

o 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.

p 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.

q Provision for Current Tax and Deferred Tax

Income tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period).

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized 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.

r 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.

s Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

3. Share Capital

(Rupees)

	As at March 31, 2015	As at March 31, 2014
a) Authorised:		
7,50,00,000 Equity Shares of Rs. 10 each (March 31, 2014: 7,50,00,000 Equity Shares of Rs. 10 each)	75,00,00,000	75,00,00,000
5,00,00,000 Preference Shares of Rs. 10 each (March 31, 2014: 5,00,00,000 Preference Shares of Rs. 10 each)	50,00,00,000	50,00,00,000
	<u>1,25,00,00,000</u>	<u>1,25,00,00,000</u>
b) Issued, subscribed & Fully paid up		
6,58,20,000 Equity Shares of Rs. 10 each (March 31, 2014: 6,58,20,000 Equity Shares of Rs. 10 each)	65,82,00,000	65,82,00,000
	<u>65,82,00,000</u>	<u>65,82,00,000</u>
c) Par Value per Share	Amount in Rs.	Amount in Rs.
Equity	10	10

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	As at March 31, 2015		As at March 31, 2014	
	No of Shares	Amount in Rs.	No of Shares	Amount in Rs.
d) Reconciliation of issued, subscribed and fully paid up Share Capital				
<u>Equity Shares</u>				
Opening Balance	6,58,20,000	65,82,00,000	6,58,20,000	65,82,00,000
Addition during the year	-	-	-	-
Reduction during the year	-	-	-	-
Closing Balance	6,58,20,000	65,82,00,000	6,58,20,000	65,82,00,000

e) **Rights, Preferences and Restrictions :**

1 **Voting Rights :**

In case of equity Shares

w.e.f. April 1, 2011, all the equity share holders of the Company have voting rights only and no rights toward dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the 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 shareholders.

2 **Dividends :**

The Company has amended its Articles of Association effective from April 1, 2011 to insert a new Article 5A to the effect that the Company shall not declare and /or pay dividend on any of its Share Capital.

f) **Shares held by holding company i.e. Reliance Capital Limited including jointly Held**

		As at March 31, 2015		As at March 31, 2014	
		No of Shares	Amount in Rs.	No of Shares	Amount in Rs.
Equity Shares	%				
Reliance Capital Limited	100%	6,58,19,980	65,81,99,800	6,58,19,980	65,81,99,800
Reliance Capital Ltd. and its nominees	0%	20	200	20	200
Total	100%	6,58,20,000	65,82,00,000	6,58,20,000	65,82,00,000

g) Out of the above equity shares 3,29,10,000 equity shares (Previous Year 3,29,10,000 equity shares) were allotted as fully paid-up bonus shares to its existing equity share holders in the financial year 2012-13.

4. **Reserves and Surplus**

(Rupees)

	As at March 31, 2015		As at March 31, 2014	
a) <u>Statutory Reserve</u> (As per Section 29C of the National Housing Bank Act, 1987) <u>Special Reserve Fund #</u>				
Opening Balance as per Last Balance sheet	28,76,71,010		20,08,93,055	
Add: Transfer from Surplus in Statement of Profit & Loss	13,81,26,456		8,67,77,955	
		42,57,97,466		28,76,71,010
b) <u>Securities Premium Account</u> As Per Last Balance Sheet		2,55,18,00,000		2,55,18,00,000
c) <u>Surplus in Statement of Profit & Loss</u> As Per Last Balance Sheet	1,14,53,25,210		79,82,13,390	
Add: Transfer from Statement of Profit & Loss	69,06,32,280		43,38,89,775	
Less : Transfer to Special Reserve Fund	13,81,26,456		8,67,77,955	
		1,69,78,31,034		1,14,53,25,210
		4,67,54,28,500		3,98,47,96,220

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

#In terms of requirement of NHB's Circular No. NHB(ND)/DRS/Pol.Circular.61/2013-14 dated April 17,2014 following information on Reserve Fund under section 29C of the National Housing Bank Act, 1987 is provided.

Particulars	As at March 31, 2015	As at March 31, 2014
Balance at the beginning of the year		
a) Statutory reserve u/s. 29C of the NHB Act, 1987	28,76,71,010	20,08,93,055
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	-	-
	<u>28,76,71,010</u>	<u>20,08,93,055</u>
Addition / Appropriation / Withdrawal during the year		
Add :		
a) Amount transferred u/s 29C of the NHB Act, 1987	13,81,26,456	8,67,77,955
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	-	-
Less :		
a) Amount appropriated from Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
b) Amount withdrawn from Special Reserve u/s 36(1)(viii) of the Income Tax Act, 1961 which has been taken into account for the purpose of provision u/s 29C of the NHB Act, 1987	-	-
	<u>13,81,26,456</u>	<u>8,67,77,955</u>
Balance at the end of the year		
a) Statutory Reserve u/s 29C of the NHB Act, 1987	42,57,97,466	28,76,71,010
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	-	-
	<u>42,57,97,466</u>	<u>28,76,71,010</u>

Note : The special reserve created as per Section 29 C 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 transfers.

5. Long-term borrowings		(Rupees)
	As at March 31, 2015	As at March 31, 2014
Non convertible Debentures		
Secured (Refer Note 25)	3,00,02,04,880	2,88,91,61,644
Unsecured (Subordinated Tier II Series)	1,48,00,00,000	1,48,00,00,000
Term Loans from Banks		
Secured (Refer Note 26)	23,75,95,97,124	17,32,31,24,331
	<u>28,23,98,02,004</u>	<u>21,69,22,85,975</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

6. Deferred Tax Liabilities		(Rupees)
Particulars	As at March 31, 2015	As at March 31, 2014
Deferred tax Liability disclosed in the Balance Sheet comprises the following :		
a) Deferred Tax Liability		
Related to Fixed Assets	68,33,338	20,772
Unamortised Expenditure	12,16,20,090	8,62,18,403
Special Reserve Fund	10,72,01,940	7,61,97,910
Total	23,56,55,368	16,24,37,085
b) Deferred Tax Asset		
Disallowance under the Income Tax Act, 1961	(9,83,392)	(7,94,528)
Provision for NPA/diminution in the value of Assets	(13,71,71,976)	(10,73,47,557)
Total	(13,81,55,368)	(10,81,42,085)
Net Deferred Tax Liabilities/(Asset) (a) - (b)	9,75,00,000	5,42,95,000
7. Other non-current liabilities		(Rupees)
	As at March 31, 2015	As at March 31, 2014
a) Collateral deposit from customers	3,34,53,548	-
b) Interest accrued and not due on borrowings	1,82,788	-
	3,36,36,336	-
8. Long Term Provisions		(Rupees)
	As at March 31, 2015	As at March 31, 2014
a) Provision for Employees Benefits (Refer Note 31) Leave Encashment	27,70,371	22,68,781
b) Provision for Standard Assets	23,18,44,683	16,28,52,455
	23,46,15,054	16,51,21,236
9. Short-term borrowings		(Rupees)
	As at March 31, 2015	As at March 31, 2014
a) From Banks		
Cash Credit facilities - Secured (Refer Note 1 below)	96,07,64,860	7,36,168
b) From Others		
Commercial Papers - Unsecured	7,19,44,08,142	2,07,55,75,728
	8,15,51,73,002	2,07,63,11,896

Notes :

- Cash credit referred above are secured by pari passu first charge on all standard assets portfolio of present and future book debts, receivable, bills, claims and loan assets of the Company against security not exceeding Rs. 1,100,000,000 (Previous year Rs.1,100,000,000).
- In respect of Commercial Papers referred above, maximum face value amount outstanding during the year was Rs.8,80,00,00,000 (Previous year Rs.2,85,00,00,000).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

10. Trade Payables		(Rupees)
	As at March 31, 2015	As at March 31, 2014
Due to Micro, Medium & Small	-	-
Due to Others	2,31,82,745	1,46,79,108
Due to Related Party		
	<u>2,31,82,745</u>	<u>1,46,79,108</u>

Note:

The management has identified enterprises which has provided goods and services to the Company and which qualify under the definition of Medium, Micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. At any point of time during the year there is no liability due for payment to such micro, small and medium enterprises.

11. Other Current Liabilities		(Rupees)
	As at March 31, 2015	As at March 31, 2014
a) Current maturities of long term debts - Secured (Refer Note 25 & 26)		
(i) Non convertible Debentures	1,26,30,00,000	14,93,35,845
(ii) Term Loans from Banks	6,56,11,00,000	6,28,72,00,000
b) Interest accrued and not due on borrowings	26,20,59,774	22,17,54,148
c) Advance from Customers	9,68,71,547	6,66,59,710
d) Payable under Securitisation / Assignment (Net)	28,48,92,457	22,73,52,181
e) Temporary Book Overdraft (Refer Note 1 below)	4,87,62,38,001	1,71,87,39,613
f) Other Payables (Refer Note 2 below)	6,85,81,025	8,05,52,741
	<u>13,41,27,42,804</u>	<u>8,75,15,94,238</u>

Notes:

- 1 Temporary Book Overdraft of Rs. 4,876,238,001 (Previous Year Rs. 1,718,739,613) represents cheques issued towards disbursements to borrowers for Rs. 4,865,490,284 (Previous Year Rs.1,661,319,195) and cheques issued for payment of expenses of Rs. 10,747,717 (Previous Year Rs.7,301,073), but not encashed as at March 31, 2015.
- 2 Other Payables includes TDS, statutory payments and other liabilities.

12. Short Term Provisions		(Rupees)
	As at March 31, 2015	As at March 31, 2014
a) Provision for Employees Benefits (Refer Note 31)		
Leave Encashment	71,143	68,754
b) Provision for Standard Assets	4,35,75,872	3,47,26,918
c) Income tax provision [Net off Taxes Paid Rs. Nil (Previous Year Rs. 469,276,362)]	-	1,69,23,638
	<u>4,36,47,015</u>	<u>5,17,19,310</u>

RELIANCE HOME FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Note "13"

Fixed Assets

(Rupees)

Sr. No.		Gross Block			Depreciation			Net Block		
		As at April,1 2014	Addition	Deletion	As at March 31, 2015	As at April,1 2014	Depreciation	Upto March 31, 2015	As at March 31, 2015	As at March 31, 2014
(i)	Tangible Assets									
1	Office Equipments	2,44,300	-	-	2,44,300	2,35,075	9,225	2,44,300	-	9,225
2	Office Buildings #	6,65,200	39,33,82,200	-	39,40,47,400	85,115	(25,475)	59,640	39,39,87,760	5,80,085
3	Data Processing Machineries	1,09,708	-	-	1,09,708	53,237	32,792	86,029	23,679	56,471
	Total	10,19,208	39,33,82,200	-	39,44,01,408	3,73,427	16,542	3,89,969	39,40,11,439	6,45,781
	Previous Year	7,33,500	2,85,708	-	10,19,208	77,758	2,95,669	3,73,427	6,45,781	

(ii)	Intangible Assets									
	Computer Software	79,09,647	6,00,000	-	85,09,647	76,95,540	2,96,025	79,91,565	5,18,082	2,14,107
	Total	79,09,647	6,00,000	-	85,09,647	76,95,540	2,96,025	79,91,565	5,18,082	2,14,107
	Previous Year	79,09,647	-	-	79,09,647	61,13,611	15,81,929	76,95,540	2,14,107	

Note :

1 In respect of Intangible Assets :

a) It is other than internally generated.

b) In case of addition, balance useful life of 3 yerars (Previous year Nil).

Refer Note 39 of the Financial Statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

14. Long Term Loans and Advances		(Rupees)	
	As at March 31, 2015	As at March 31, 2014	
a) Security Deposits (Unsecured)	6,00,042		6,00,042
b) Loans (Secured)			
(i) Considered Good			
Housing loans :			
Individuals	21,46,35,82,819	14,20,43,62,933	
Others	8,04,12,12,409	5,51,23,33,166	
	29,50,47,95,228		19,71,66,96,099
Commercial loans	13,78,50,40,629		6,31,63,48,511
(ii) Considered Doubtful			
Housing loans :			
Individuals	42,02,45,435	41,40,42,138	
Others	2,53,03,620	1,04,56,195	
	44,55,49,055	42,44,98,333	
Less: Provision for NPA & Doubtful Debts	9,92,32,346	9,93,38,687	
	34,63,16,709		32,51,59,646
Commercial loans	5,32,60,844	7,18,96,901	
Less: Provision for NPA & Doubtful Debts	1,19,59,929	1,13,72,432	
	4,13,00,915		6,05,24,469
c) Installments Due (Secured) Considered doubtful			
Principal Overdue	3,26,88,429	2,44,75,869	
Less: Provision for NPA & Doubtful Debts	97,46,326	71,19,790	
	2,29,42,103		1,73,56,079
d) Balance with Service Tax Authorities	44,01,622		41,78,943
e) Taxes paid [Net off Income Tax Provision Rs. 81,14,50,000 (Previous Year Rs. Nil)]	17,64,087		-
	43,70,71,61,335		26,44,08,63,789

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

15.	Other Non Current Assets	(Rupees)	
		As at March 31, 2015	As at March 31, 2014
a)	Receivable from Trustee under Securitisation (Secured)	4,67,94,023	3,13,68,179
b)	Fixed Deposits with banks (Maturity > 12 Months) (kept as credit enhancement towards Securitisation/ direct Assignment)	-	40,98,50,496
c)	Unamortised Expenditure (Unsecured)		
	(i) Unamortised DSA Commission	18,47,70,698	16,12,78,150
	Add: Incurred during the Year	13,48,75,669	8,76,57,943
	Less: Amortised during the year	7,26,76,935	6,41,65,396
		<u>24,69,69,432</u>	<u>18,47,70,698</u>
	Less: to be amortised over the next one year (Refer Note 19 (b))	<u>2,66,06,117</u>	<u>1,53,44,538</u>
		22,03,63,315	16,94,26,160
	(ii) Unamortised Brokerage on Borrowing	6,88,87,445	5,74,82,744
	Add: Incurred during the Year	87 47 347	2 25 11 442
	Less: Amortised during the year	1,19,67,080	1,11,06,741
		<u>6,56,67,712</u>	<u>6,88,87,445</u>
	Less: to be amortised over the next one year (Refer Note 19(b))	<u>1,13,75,751</u>	<u>1,16,05,322</u>
		5,42,91,961	5,72,82,123
	(iii) Unamortised Mortgage guarantee fees	-	-
	Add: Incurred during the Year	4,03,21,927	-
	Less: Amortised during the year	19,98,000	-
		<u>3,83,23,927</u>	<u>-</u>
	Less: to be amortised over the next one year (Refer Note 19(b))	<u>16,18,100</u>	<u>-</u>
		3,67,05,827	-
d)	Prepaid Expenses (Unsecured)	23,36,157	-
		<u>36,04,91,283</u>	<u>66,79,26,958</u>

16.	Current investments	(Rupees)			
		Quantity		Value	
	Face Value / Issue Price	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
Other investments - Unquoted, fully paid-up					
Units of Mutual Funds					
Reliance Liquid Fund - Treasury Plan - Direct Growth Plan	1 000	-	3 84 164	-	1,20,00,00,000
Peerless Liquid Fund - Direct Plan Growth	10	-	14 22 72 808	-	2,00,00,00,000
				-	3,20,00,00,000

Notes :

1	The aggregate value of investments:	As at March 31, 2015		As at March 31, 2014	
		Book Value	Market Value	Book Value	Market Value
	Quoted	-	-	-	-
	Unquoted	-	-	320 00 00 000	320 38 16 796
	TOTAL	-	-	320 00 00 000	320 38 16 796

2	The aggregate Provision for diminution in the value of investments:		
		As at March 31, 2015	As at March 31, 2014
	Quoted	-	-
	Unquoted	-	-
	TOTAL	-	-

		As at March 31, 2015	As at March 31, 2014
3	Basis of Valuation	at cost	at cost

4 The market value mentioned above is based on the NAV provided by the respective mutual funds

(Rupees)

(Rupees)(Rupees)F - 107

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

20. Revenue from operation		(Rupees)	
	2014-15	2013-14	
a) Interest income			
Interest on:			
Housing and Other Loans	4,37,91,46,732	3,82,40,81,369	
Fixed Deposit	3,88,72,510	5,84,60,007	
Long term investments	-	93,14,009	
	4,41,80,19,242		3,89,18,55,385
b) Other Financial income			
Processing Fee income	43,42,06,830	22,63,60,956	
Foreclosure & Other Operating Charges	16,18,13,993	10,08,47,584	
Brokerage Commission on property solution	6,75,25,615	4,92,80,017	
	66,35,46,438	37,64,88,557	
Less : Service Tax Recovered	7,29,92,470	4,01,01,670	
	59,05,53,968		33,63,86,887
c) Bad Debts Recovered	9,19,529		5,972
	5,00,94,92,739		4,22,82,48,244
21. Other Income			(Rupees)
	2014-15	2013-14	
a) Profit on Sale of Current Investments (Net)	11,54,54,143		5,35,30,458
b) Interest on income tax refund	-		60,10,383
c) Miscellaneous income	2,33,329		5,46,453
d) Credit Balance / Excess Provision Written Back	8,61,880		87,77,010
	11,65,49,352		6,88,64,304
22. Employee Benefits Expense			(Rupees)
	2014-15	2013-14	
Payments to and Provision for Employees			
- Salary & Bonus etc # (Refer Note "33 (b)")	32,39,77,491		31,80,84,457
- Contrfbution to Provident fund and other Funds	1,87,06,198		97,84,589
- Staff Welfare & other amenities	56,90,357		62,91,560
	34,83,74,046		33,41,60,606

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

23. Finance Cost		(Rupees)	
	2014-15	2013-14	
a) Interest Expense			
Term Loan From Banks	2,48,59,74,942	2,24,39,17,035	
Cash credit from Banks	1,18,12,172	3,08,97,888	
Non Convertible Debentures	47,94,21,682	39,87,11,025	
Body Corporates	12,74,478	1,29,19,726	
	2,97,84,83,274	2,68,64,45,674	
b) Other Borrowing Cost			
Amortised Brokerage (Refer Note"15 (c)(ii)")	1,19,67,080	1,11,06,741	
Discount on Commercial Paper	17,63,29,213	6,66,27,510	
Processing Charges	2,08,800	10,507	
	18,85,05,093	7,77,44,758	
c) Interest on Income Tax	-	55,82,916	
	3,16,69,88,367	2,76,97,73,348	
24. Administration & Other Charges		(Rupees)	
	2014-15	2013-14	
Auditor's Remuneration (Refer Note 30)	8,00,000	8,00,000	
Bad Debts Written Off	4,59,05,071	4,21,21,408	
Bank Charges	29,87,322	22,95,732	
Credit Cost	95,99,276	1,33,89,914	
Collection Cost	91,20,609	22,27,017	
Corporate Social Responsibility Expenditures	98,00,000	-	
Directors' Sitting Fees	12,31,688	3,39,776	
Amortised DSA Commission (Refer Note"15 (c)(i)")	7,26,76,935	6,41,65,396	
Amortised Guarantee Commission (Refer Note"15 (c)(iii)")	19,98,000	-	
Infrastructure Cost #	3,82,24,800	3,82,24,800	
Legal & Professional Fees	6,29,76,298	6,05,77,832	
Marketing Expenses	11,77,83,162	12,00,78,458	
Management Expenses	3,18,54,000	3,18,54,000	
Miscellaneous Expenses	2,09,20,875	1,93,51,267	
Postage,Telegram & Telephone	6,95,672	13,06,061	
Provision for Standard Asset	7,78,41,181	5,72,20,793	
Provision for NPA & Doubtful Debts	1,12,52,675	3,95,45,798	
Printing and Stationary	25,27,307	24,81,345	
Rates and Taxes	58,31,913	36,02,712	
Repairs & Maintenance-Others	25,02,683	94,20,905	
Travel & Conveyance	2,47,50,364	2,18,47,083	
	55,12,79,831	53,08,50,298	

Note:

- # According to the agreement entered into by the Company with its holding company i.e. Reliance Capital Limited for utilizing their office premises including all other amenities, infrastructure and employees at various locations of the Company. (Refer Note "33(b) on Related Party Transactions")

RELIANCE HOME FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

25. Security clause, Maturity profile & Rate of interest in respect of Non convertible Debentures

- a Secured Non convertible Debentures referred above 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 books debts/receivables, outstanding money (loan book), receivable claims of the Company with other secured lenders, 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.

- b Maturity profile of Non convertible Debentures are as set out below:

Interest Rate	2015-16	2016-17	2017-18	2018-19	2019-2020	2021-22	2022-23	2023-24	2024-26	Total
#	-	3,57,75,964	-	7,74,28,916	-	-	-	-	-	11,32,04,880
MLD	-	5,00,00,000	-	-	-	-	-	-	-	5,00,00,000
9.05%	-	-	-	-	15,00,00,000	-	-	-	-	15,00,00,000
9.09%	-	-	-	5,00,00,000	-	-	-	-	-	5,00,00,000
9.15%	-	-	-	-	-	200000000	-	-	-	20,00,00,000
9.17%	56,30,00,000	-	-	-	-	-	-	-	-	56,30,00,000
9.25%	-	-	-	55,00,00,000	-	-	-	10,00,00,000	-	65,00,00,000
9.35%	-	-	-	-	-	-	-	30,00,00,000	-	30,00,00,000
9.48%	-	-	-	-	-	-	-	-	1,00,00,000	1,00,00,000
9.50%	-	-	-	5,00,00,000	-	-	-	25,00,00,000	-	30,00,00,000
9.52%	-	-	-	-	-	-	-	15,00,00,000	-	15,00,00,000
9.70%	-	-	-	10,00,00,000	-	-	-	-	-	10,00,00,000
9.75%	50,00,00,000	5,00,00,000	-	-	10,00,00,000	-	-	-	-	65,00,00,000
9.80%	-	-	-	-	15,00,00,000	-	-	-	15,00,00,000	30,00,00,000
9.90%	-	15,00,00,000	-	-	-	-	-	1,70,00,000	-	16,70,00,000
10.00%	15,00,00,000	-	40,00,00,000	-	-	-	16,00,00,000	-	-	71,00,00,000
10.10%	-	-	20,00,00,000	-	-	-	-	-	-	20,00,00,000
10.15%	5,00,00,000	-	-	-	-	-	-	-	-	5,00,00,000
10.33%	-	-	-	-	-	-	45,00,00,000	-	-	45,00,00,000
10.40%	-	-	-	-	-	-	50,00,00,000	-	-	50,00,00,000
10.60%	-	-	-	-	-	-	8,00,00,000	-	-	8,00,00,000
Total	1,26,30,00,000	28,57,75,964	60,00,00,000	82,74,28,916	40,00,00,000	20,00,00,000	1,19,00,00,000	81,70,00,000	16,00,00,000	5,74,32,04,880

Zero Coupon Deep Discount Non-Convertible Debentures

MLD = Market Link Non-Convertible Debentures

26. Security clause & Maturity profile in respect to secured loans from banks

Term loans from Banks referred in Note "5" and current maturity of long term debts (Refer Note "11 (a)(ii)) includes :

- a Term loans Rs.25,954,350,152 (Previous year Rs. 18,586,085,053) secured by pari passu first charge in favor of the lender on all the book debts, outstanding moneys, receivable claims of the Company, except for those book debts/receivables to be charged in favor of National Housing Bank for refinance to be availed, if any, from them, against security not exceeding Rs.28,637,958,913 (Previous year Rs. 20,569,887,703).
- b Term loans Rs.1,000,000,000 (Previous year Rs. 1,500,000,000) secured by pari passu first charge in favor of the lender on all the standard book debts, outstanding moneys, receivable claims of the Company, except for those book debts/receivables to be charged in favor of National Housing Bank for refinance to be availed, if any, from them, against security not exceeding Rs.1,110,000,000 (Previous year Rs. 1,665,000,000).
- c Term loans Rs. 2,499,515,795 (Previous year Rs. 2,124,573,410) secured by hypothecation of book-debts/receivables (standard only) of the Company on pari-passu basis with other secured lenders, against security not exceeding Rs. 2,766,112,013 (Previous year Rs. 2,353,676,016).
- d Term loans Rs. 866,831,177 (Previous year Rs. 1,399,665,868) secured secured by pari passu first charge in favor of the lender on all the book debts, outstanding moneys, receivable claims of the Company, against security not exceeding Rs. 1,040,197,413 (Previous year Rs. 1,679,599,042).

- e Maturity profile of Secured Term Loans from banks are as set out below:

(Amount in Rs)	
Year	Principal Repayment
2015-16	6,56,11,00,000
2016-17	7,35,99,97,124
2017-18	6,90,02,00,000
2018-19	4,89,94,00,000
2019-20	3,40,00,00,000
2020-21	60,00,00,000
2021-22	60,00,00,000
Total	30,32,06,97,124

RELIANCE HOME FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

27. As on April 26, 2010 the Company had entered into Business Transfer Agreements ('BTA') with its holding company i.e. Reliance Capital Limited ('RCL') to transfer the RCL's home finance business to the Company at book value, such that the entire economic risk and reward of the RCL's home finance business passes to the Company from the commencement of business on the value date i.e. April 1, 2010. As on January 31, 2011 the BTA further amended between the Company and Reliance Capital Limited, as per the amended BTA with RCL:
- The RCL holds loan assets of Rs. 46,246,178 (Previous year Rs. 84,167,495) of the Company in the capacity of trust as on March 31, 2015.
 - During the year the Company has taken the following assets, income and expenses from the RCL :
 - Interest & other income of Rs. 9,027,789 (Previous year Rs. 11,980,612)
 - Interest & other expenses of Rs. 15,486,531 (Previous year Rs. 19,176,242)
28. The information related to securitisation and assignment made by the Company, as an originator is given below:

Particulars	Unit	Securitisation	Assignment	Total
		Outside	Outside	Outside
Total number of loan assets Securitized / Assigned	Nos.	- (399)	672 (1300)	672 (1699)
Total book value of loan assets Securitized / Assigned (Including MRR)	Rs.	- (500,819,503)	2,841,828,628 (4,427,728,574)	2,841,828,628 (4,928,548,077)
Sale consideration received for the Securitized / Assigned assets (Including MRR)	Rs.	- (500,819,503)	2,841,828,628 (4,427,728,574)	2,841,828,628 (4,928,548,077)
Net gain on account of Securitization / Assigned	Rs.	- (-)	- (-)	- (-)
Outstanding Credit Enhancement (Funded)	Rs.	119,403,600 (119,403,600)	280,446,896 (280,446,896)	399,850,496 (399,850,496)
Outstanding Liquidity Facility	Rs.	- (-)	- (-)	- (-)
Net Outstanding Servicing Liability	Rs.	16,353,140 (30,502,045)	268,539,317 (196,850,136)	28,48,92,457 (227,352,181)

Note :

- Figures in bracket represent previous year's figures.
- MRR means minimum retention requirements.

- Disclosures for Securitisation Transactions :

(i) **Securitisation :**

Sr. No.	Particulars	As at March 31, 2015 (No. / Amount in Rs.)	As at March 2014 (No. / Amount in Rs.)
1	No. of SPVs sponsored by the Company for Securitisation Transactions	2	2
2	As on March 31, 2015, total amount of securitised assets as per books of the SPVs sponsored by the Company	685,781,366	897,200,165
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		
	• First loss	-	-
	• Others	-	-
	b) On-balance sheet exposures		
	• First loss	119,403,600	119,403,600
	• Others	-	-
4	Amount of exposures to securitisation transactions other than Minimum Retention Requirement (MRR)		
	a) Off-balance sheet exposures		
	i) Exposure to own securitizations		
	• First loss	-	-
	• Others	-	-
	ii) Exposure to third party securitizations		
	• First loss	-	-

RELIANCE HOME FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Sr. No.	Particulars	As at March 31, 2015 (No. / Amount in Rs.)	As at March 2014 (No. / Amount in Rs.)
	• Others	-	-
	b) On-balance sheet exposures		
	i) Exposure to own securitizations		
	• First loss	-	-
	• Others	-	-
	ii) Exposure to third party securitizations		
	• First loss	-	-
	• Others	-	-

(ii) Direct Assignments :

Sr. No.	Particulars	As at March 31, 2015 (No. / Amount in Rs.)	As at March 2014 (No. / Amount in Rs.)
1	No of Direct Assignments	13	11
2	Total amount of assigned assets as per books of the Assignor	6,887,597,935	6,467,924,452
3	Total amount of exposures retained by the Assignor to comply with Minimum Retention Requirement (MRR) as on the date of balance sheet		
	a) Off-balance sheet exposures		
	• First loss	-	-
	• Others	-	-
	b) On-balance sheet exposures		
	• First loss	-	-
	• Others	582,113,088	453,887,521
4	Amount of exposures to Assignment transactions other than Minimum Retention Requirement (MRR)		
	a) Off-balance sheet exposures		
	i) Exposure to own Assignments		
	• First loss	-	-
	• Others	-	-
	ii) Exposure to third party Assignments		
	• First loss	-	-
	• Others	-	-
	b) On-balance sheet exposures		
	i) Exposure to own Assignments		
	• First loss	280,446,896	280,446,896
	• Others	-	-
	ii) Exposure to third party Assignments		
	• First loss	-	-
	• Others	-	-

29. In the opinion of management, all assets other than fixed asset and non-current investments are approximately of the value stated if realised in the ordinary course of business.

30. **Auditors' Remuneration :**

(In Rupees)

Particulars	2014-15	2013-14
i) Audit Fees	600,000	600,000
ii) Tax Audit Fees	200,000	200,000
Total	800,000	800,000

31. Employee Benefits :

a) Defined contribution plan

Contribution to Defined Contribution Plans, recognised as expense for the year is as under:

(In Rupees)

Particulars	2014-15	2013-14
i) Employer's Contribution to Provident Fund and LWF	8,603,918	7,254,930
ii) Employer's Contribution to Pension Scheme	3,001,012	1,592,765
Total	11,604,930	8,847,695

b) Defined Benefit plans

The following table summarise the components of the net employee benefit expenses recognized 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.

Gratuity (Funded)

(In Rupees)

PARTICULARS	2014-15	2013-14
I. Assumptions :		
Discount Rate	7.96%	9.41 %
Rate of Return on Plan Assets	7.96%	9.41 %
Salary Escalation	6.00%	5.00 %
II. Table Showing Change in Benefit Obligation :		
Liability at the beginning of the year	7,149,076	7,202,203
Interest Cost	672,728	576,176
Current Service Cost	1,247,911	1,737,228
Benefit Paid	(1,814,660)	(1,372,674)
Actuarial (gain)/loss on obligations –Due to change in Financial Assumptions	3,373,046	(993,857)
Actuarial (gain)/loss on obligations –Due to Experience	2,964,113	-
Liability at the end of the Year	13,592,214	7,149,076
III. Tables of Fair value of Plan Assets :		
Fair Value of Plan Assets at the beginning of the Year	7,206,009	6,928,004
Expected Return on Plan Assets	678,085	554,240
Contributions	7,095,963	1,268,026
Benefit Paid	(1,814,660)	(1,372,674)
Actuarial gain/(loss) on Plan Assets	478,446	(171,587)
Fair Value of Plan Assets at the end of the Year	13,643,843	7,206,009
Total Actuarial Gain/(Loss) To Be Recognised		822,270
IV. Actual Return on Plan Assets :		
Expected Return on Plan Assets	678,085	554,240
Actuarial gain/(loss) on Plan Assets	478,446	(171,587)
Actual Return on Plan Assets	1,156,531	382,653
V. Amount Recognised in the Balance Sheet :		
Liability at the end of the Year	(13,592,214)	7,206,009
Fair Value of Plan Assets at the end of the Year	13,643,843	(7,149,076)
Difference	51,629	56,933
Amount Recognised in the Balance Sheet	51,629	56,933
VI. Expenses Recognised in the Statement of Profit & Loss :		
Current Service Cost	1,247,911	1,737,228
Interest Cost	(5,357)	576,176
Expected Return on Plan Assets	(678,085)	(554,240)
Actuarial (Gain)/Loss	5,858,713	(822,270)
Expense Recognised in Statement of Profit & Loss	7,101,267	936,894
VII. Amount Recognised in the Balance Sheet :		
Opening net liability	(56,933)	274,199
Expense as above	7,101,267	936,894
Employers Contribution	(7,095,963)	(1,268,026)
Net Liabilities/(Assets) Recognised in Balance Sheet	(51,629)	(56,933)
VIII. Experience Adjustment		
Plan Assets	-	-
Defined benefit obligations	-	-
Amount not recognised as an Asset (limit in para 59(b))	-	-
Surplus / (Deficit)	-	-

RELIANCE HOME FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

PARTICULARS	2014-15	2013-14
Experience adjustment on Plan Assets	478,446	(171,587)
Experience adjustment on Plan Liabilities	2,964,113	(207,165)

Leave Encashment (Unfunded)

(In Rupees)

PARTICULARS	2014-2015	2013-14
I. Assumptions :		
Discount Rate	8.00%	8.00%
Salary Escalation Current Year	6.00%	5.00%
II. Table Showing Changes in present value of Obligation :		
PVO at the beginning of the Year	2,337,535	2,826,766
Interest Cost	177,188	203,361
Current Service Cost	744,167	734,915
Benefit Paid	(737,567)	(569,506)
Actuarial (gain)/loss on obligations	320,191	(858,001)
PVO at the end of the Year	2,841,514	2,337,535
III. Tables of Changes in fair value of Plan Assets :		
Fair Value of Plan Assets at the beginning of the Year	-	-
Expected Return on Plan Assets	-	-
Contributions	737,567	569,506
Benefit Paid	(737,567)	(569,506)
Actuarial gain/(loss) on Plan Assets	-	-
Fair Value of Plan Assets at end of year	-	-
IV. Expenses Recognised in the Statement of Profit & Loss:		
Fair Value of Plan Assets at the beginning of the Year	-	-
Actual Return on Plan Assets	-	-
Contributions	737,567	569,506
Benefit Paid	(737,567)	(569,506)
Fair Value of plan Assets at end of year	-	-
Funded Status	(2,841,514)	(2,337,535)
Excess of actual over estimated return on Plan Asset	-	-
V Actuarial Gain/(Loss) Recognized		
Actuarial Gain/(Loss) for the year (obligation)	(320,191)	858,001
Actuarial Gain/(Loss) for the year (Plan Asset)	-	-
Total Gain/(Loss) for the year	(320,191)	858,001
Actuarial gain/(Loss) recognized for the year	(320,191)	858,001
Unrecognized Actuarial Gain/(Loss) at the end of the Year	-	-
VI. Expenses Recognised in the Statement of Profit & Loss:		
Current Service Cost	744,167	734,915
Interest Cost	177,188	203,361
Expected Return on Plan Assets	-	-
Net Actuarial (Gain)/Loss Recognised	320,191	(858,001)
Expense Recognised in Statement of Profit & Loss	1,241,546	80,275
VII. Amount Recognised in the Balance Sheet :		
PVO at the end of Year	2,841,514	2,337,535
Fair Value of Plan Assets at end of Year	-	-
Funded Status	(2,841,514)	(2,337,535)
Unrecognized Actuarial Gain/(Loss)	-	-
Net Asset/(Liability) recognized in balance sheet	(2,841,514)	(2,337,535)
VIII. Movement in the Liability recognized in Balance Sheet		
Opening net Liability	2,337,535	28,26,766
Expenses as above	1,241,546	80,275
Contribution paid	(737,567)	(569,506)
Closing Net Liability	2,841,514	2,337,535
IX. Experience Adjustment		
Plan Assets at the end of year	-	-
Defined benefit obligations at the end of year	2,841,514	2,337,535
Amount not recognised as an Asset (limit in para 59(b))	-	-
Surplus / (Deficit)	(2,851,414)	(2,337,535)
Experience adjustment on Plan Assets	-	-
Experience adjustment on Plan Liabilities	320,191	(858,001)

RELIANCE HOME FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.

32. Segment Reporting:

The Company is mainly engaged in the housing finance business, all other activities revolve around the main business of the Company and as such there is no separate reportable segment as specified in Accounting Standard (AS-17) on "Segment Reporting", notified by the Companies (Accounting Standards) Rules, 2006.

33. Related Party Disclosures:

a) List of the Related Parties and their relationship:

Name of the Party	Relationship
Reliance Innoventures Private Limited	Ultimate Holding Company
Reliance Capital Limited	Holding company
Reliance General Insurance Company Limited	Fellow Subsidiary
Reliance Money Solutions Private Limited	Fellow Subsidiary
Reliance Securities Limited	Fellow Subsidiary
Shri K. Suresh Kumar	Key Managerial Personnel (Manager) up to March 28, 2015
Kum. Roopa Ravinath Joshi	Key Managerial Personnel (Chief Financial Officer)
Ms. Neena Parekar Singarpure	Key Managerial Personnel (Company Secretary) up to December 28, 2014.

b) Transactions during the year with related parties

Particulars	(In Rupees)	
	2014-2015	2013-14
i) With Holding Company:		
Share Capital		
Balance as at the end of year	658,200,000	658,200,000
Loans		
ICD Taken during the year	-	1,700,000,000
ICD Repaid during the year	-	1,700,000,000
Fixed Asset Purchased during the year	374,621,000	-
Expenses		
Infrastructure Cost	38,224,800	38,224,800
Salary Cost	26,545,000	53,090,000
Interest on ICD	-	11,854,795
Management Fees	31,854,000	31,854,000
Other Expenses transferred under BTA	7,341,546	9,057,897
Interest Expense transferred under BTA	8,144,985	10,118,345
Income		
Interest & Other Income transferred under BTA	9,027,789	11,980,612
Brokerage Commission on property solution	3,437,448	2,591,716
ii) With Fellow Subsidiary:		
Expenses		
Employee Medclaim premium paid to Reliance General Insurance Company Limited	1,213,548	14,36,375
Brokerage Paid to Reliance Financial Limited	-	353,934
Brokerage Paid to Reliance Securities Limited		-
DSA Commission paid to Reliance Money Solutions Private Limited	136,300	-
Income		
Brokerage Received from Reliance Capital Asset Management Limited	-	43,259
iii) With Key Managerial Personnel :		
Loans Repayments during the year	-	10,626,543
Income		
Interest Income during the year	-	140,549

RELIANCE HOME FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Expenses		
Managerial Remuneration		
1) Mr. K. Suresh Kumar	9,861,158	7,459,412
2) Ms. Roopa Joshi	2,276,860	1,929,323
3) Ms. Neena Parelkar Singarpure	827,664	970,413

Note:

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.

34. Basic and Diluted Earnings Per Share:

For the purpose of calculation of Basic & Diluted Earnings per Share the following amounts have been considered:

(In Rupees)		
	2014-15	2013-14
a) Amount used as the numerators		
Net Profit/(Loss) available for Equity shareholder	690,632,278	433,889,775
b) Weighted average number of equity shares (nos.)	65,820,000	65,820,000
c) Basic & Diluted Earnings Per Share (Rs.)	10.49	6.59

35. Disclosure of details as required by Para 29 of the Housing Finance Companies (NHB) Directions, 2010. (As certified by the management).

- a) The total provisions made for substandard, doubtful and loss assets and depreciation in investments carried by the Company in terms of paragraph 29(2) and (3) of the Housing Finance Companies (NHB) Directions, 2010 and NHB Circular NHB.HFC.DIR-3/CMD/2011 dated August 5, 2011 in respect of Housing and Non Housing Loans is as follows:

(In Rupees)				
Particulars	Housing Finance		Non-Housing Finance	
	Outstanding Balance as at March 31, 2015	Provision as at March 31, 2015	Outstanding Balance as at March 31, 2015	Provision as at March 31, 2015
Standard Asset	34,177,013,821 (23,530,055,380)	176,626,872 (124,545,288)	16,251,958,732 (7,302,292,010)	98,793,683 (72,961,950)
Sub-Standard Assets [Refer Note (ii) below]	170,583,725 (218,775,898)	25,587,558 (32,820,935)	16,419,718 (69,840,417)	2,503,478 (10,476,063)
Doubtful Assets	301,315,500 (226,424,214)	81,816,414 (73,004,493)	43,179,385 (5,830,574)	11,031,150 (1,529,419)
Loss Assets	-	-	-	-
	(-)	(-)	(-)	(-)
Provision for Depreciation in Investments	-	-	-	-
	(-)	(-)	(-)	(-)

Note:

- Figures in bracket represent previous year's figures.
 - Substandard provision on non housing finance includes Rs. 40,521 (previous year Rs. Nil) related to Minimum Retention Requirement (MRR) pools related to Securitization for which loans outstanding not in the books.
- b) Disclosure regarding penalty or adverse comments in terms of paragraph 29(5) of the Housing Finance Companies (NHB) Directions, 2010 is as follows :
- During the year there is no penalty imposed by National Housing Bank.
 - During the year no inspection has been conduct by the National Housing Bank under section 34 of the National Housing Bank Act, 1987

36. Disclosure regarding provision made for Asset Liability Management (ALM) system for the Housing Finance Companies as per NHB Circular NHB/ND/DRS/Pol-No.35/2010-11 dated October 11, 2010.

(I) Capital to Risk Asset Ratio (CRAR)

Items	As at March 31, 2015	As at March 31, 2014
CRAR (%)	15.17%	20.40%
CRAR - Tier I capital (%)	11.10%	14.56%
CRAR - Tier II capital (%)	4.07%	5.84%

RELIANCE HOME FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(II) Exposure to real estate sector, both direct and indirect:

(In Rupees)

a)	Direct Exposure		As at March 31, 2015	As at March 31, 2014
(i)	Residential Mortgage			
	Individual Housing Loan up to 15 lakhs		3,60,61,29,907	2,101,336,178
	Individual Housing Loan More than 15 lakhs		19,00,76,91,560	13,961,589,593
(ii)	Commercial Real Estate		11,58,97,04,018	8,724,915,950
(iii)	Investments in Mortgage Backed Securities (MBS) and other securitised exposures –			
	(a)	Residential	-	
	(b)	Commercial	-	
b)	Indirect Exposure Fund Based and Non Fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).		-	-

Notes:

- The direct exposure given in (i) & (ii) represents loans & advances outstanding at the year end, without netting off the Provision for NPA & Doubtful Debts.
- The bifurcation of investments in Mortgage Backed Securities (MBS) and other securitised exposures between residential and commercial is based on nature of underlying loan assets. The same has been relied upon by auditors.

(III) Maturity Patterns of Items of Assets & Liabilities

(In Rupees)

Year	Liabilities As at March 31, 2015		Assets As at March 31, 2015	
	Borrowings from Bank	Market Borrowings	Loans & Advances	Investments
1 day to 30/31 day	960,764,860 (736,168)	1,493,441,405 (647,574,602)	638,378,026 (518,230,174)	- (3,200,000,000)
Over 1 month to 2 months	- (-)	3,453,646,074 (1,087,346,802)	700,214,107 (566,276,236)	- (-)
Over 2 month to 3 months	377,100,000 (606,200,000)	2,458,527,703 (489,990,170)	594,876,732 (533,268,270)	- (-)
Over 3 month to 6 months	2,469,400,000 (2,333,300,000)	288,792,960 (-)	2,021,950,077 (1,299,301,834)	- (-)
Over 6 month to 1 Year	3,714,600,000 (3,347,700,000)	763,000,000 (-)	3,18,37,17,753 (1,882,226,267)	- (-)
Over 1 year to 3 Year	14,260,197,124 (12,490,124,331)	885,775,964 (932,029,842)	5,799,174,072 (3,449,339,439)	- (-)
Over 3 year to 5 Year	8,299,400,000 (4,833,000,000)	1,227,428,917 (1,420,131,801)	4,65,55,80,559 (2,731,002,045)	- (-)
Over 5 Year to 7 years	1,200,000,000 (-)	200,000,000 (-)	5,141,944,250 (2,937,035,364)	- (-)
Over 7 Year to 10 years	- (-)	2,157,000,000 (2,007,000,000)	7,119,505,995 (4,136,626,904)	- (-)
Over 10 years	- (-)	10,000,000 (10,000,000)	20,98,41,90,709 (13,182,081,051)	- (-)
Total	31,281,461,984 (23,611,060,499)	12,937,613,023 (6,594,073,217)	50,839,532,280 (31,235,387,584)	- (3,200,000,000)

Notes:

- In computing the above information, certain estimates, assumptions and adjustments have been made by the Management which have been relied upon by the auditors.
- 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 for 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, which has been relied upon by the auditors. 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 Companies Act, 2013.
- Figures in bracket represent previous year's figures.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

37. Disclosure of loans/advances and investments in its subsidiaries, associates etc. in terms of the Listing Agreement of Debt Securities with the Stock Exchanges. (As certified by the management)

Particulars	Outstanding Balances		Maximum Balance Outstanding	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
i) Loans and advances in the nature of loans to subsidiaries	-	-	-	-
ii) Loans and advances in the nature of loans to associates	-	-	-	-
iii) Loans and advances in the nature of loans where there is : a) No repayment schedule or repayment beyond seven years b) No interest or interest below section 186 of the Companies Act, 2013	- - -	- - -	- - -	- - -
iv) Loans and advances in nature of loans to firms/companies in which directors are interest	-	-	-	-
v) Investments by the loanee (borrower) in the shares of parent company and subsidiary company, when the Company has made a loan or advance in the nature of loan.	-	-	-	-

38. Contingent Liabilities/Commitments: (As certified by the management)

(In Rupees)

Particulars	As at March 31, 2015	As at March 31, 2014
Contingent Liabilities :		
a. Case against the Company not acknowledge as Debts	2,631,536	5,006,339
Commitments :		
a. Estimated amount of contracts remaining to be executed on capital account (net of advances).	-	-
b. Undisbursed amount of Housing loan sanctioned.	6,37,39,87,011	2,889,398,321

39. Till March 31, 2014 all the tangible assets are depreciated as per written down value basis at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956. Pursuant to the provisions of the Companies Act, 2013 ("the Act"), with effect from April 1, 2014 the Company has provided depreciation on all tangible assets as per straight line method as per the provision of Schedule II of the Act. Accordingly, the current year depreciation is short by Rs. 4,950 for the year and effect relating to the period prior to April 1, 2014 is a net credit of Rs. 52,505 is included in the current year depreciation.

Had the Company continued to use the earlier method of depreciation, the profit after tax for the current year would have been lower by Rs. 57,455.

40. Outstanding Derivatives (Future & Options) are as under:

Name of Option	No of Contracts	Units	
		Long	Short
Futures	70 (-)	3500 (-)	- (-)

Figures in bracket indicate previous year figures.

41. As per the provision of Section 203 of the Companies Act, 2013, as on March 31, 2015, the Company was in the process of appointing a manager and company secretary.
42. During the year, gross amount required to be spent by the company was Rs. 97,30,000 and the company has spent Rs.98,00,000 towards Corporate Social Responsibility (CSR) activities under section 135 of the Companies Act, 2013 by contributing towards corpus of Mandke Foundation, for Rural outreach initiative to provide cancer care to the communities of interior parts of Maharashtra.

RELIANCE HOME FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

43. Previous year's figures have been regrouped / restated where necessary, to confirm to the presentation of current year's financial statements.

As per our report of even date

For **Chaturvedi & Shah**
Chartered Accountants
Firm's Registration No:101720W

Vijay Napawaliya
Partner
Membership No: 109859

Mumbai
Date: May 7, 2015

For and on behalf of the Board

Padmanabh Vora
(Director)
(DIN: 00003192)

Soumen Ghosh
(Director)
(DIN: 01262099)

Amrisha Shah
(Chief Financial Officer)

Mumbai
Date: May 7, 2015

Deena Mehta
(Director)
(DIN: 00168992)

K.V.Srinivasan
(Director)
(DIN: 01827316)

Deepali Bhatt
(Company Secretary)

Gautam Doshi
(Director)
(DIN: 00004612)

Sandip Parikh
(Manager)