

Aadhar Housing Finance Ltd.
6th Annual Report
2015-16





Fast Actions | **I**mpeccable Approach | **R**obust Processes | **E**mpowered Team



BOARD OF DIRECTORS



Shri. Kapil Wadhawan
Chairman



Shri. Bikram Sen
Director



Shri. V. Sridar
Independent Director



Shri. M.K.Chouhan
Nominee Director - IFC



Shri. G. P. Kohli
Independent Director



Mrs. Aruna Wadhawan
Woman Director

Chief Executive Officer

Shri. Deo Shankar Tripathi

Chief Financial Officer

Shri. Yogesh Udhoji

Company Secretary

Shri. Sreekanth V. N.

Auditors

Chaturvedi & Shah

Bankers

Bank of India
IDBI Bank Ltd.
HDFC Bank Ltd
Yes Bank Ltd.
Axis Bank Ltd.
Syndicate Bank Ltd.
Bank of Baroda
Andhra Bank
State Bank of Bikaner and Jaipur
Central Bank of India
South Indian Bank Ltd.
Lakshmi Vilas Bank Ltd.
Bank of Maharashtra
United Bank Of India
State Bank of Patiala
Punjab National Bank
Maharashtra Gramin Bank
State Bank of Travancore

Debenture Trustees

Catalyst Trusteeship Ltd
(Formerly known as GDA Trusteeship Ltd)

Foreign Partner

International Finance Corporation

Registrar & Transfer Agents

Link Intime India Private Ltd.

Registered Office

2nd Floor, No. 3, JVT Towers,
8th A Main Road, Sampangi Rama Nagar,
Hudson Circle, Bengaluru,
Karnataka, India- 560027,
Tel : 08022217637

Corporate Office

201, Raheja Point -1,
Nr. Shamrao Vitthal Bank,
Nehru Road, Vakola,
Santacruz (E), Mumbai - 400055
Phone: 022-39509900
Fax: 022-39509934
Website: www.aadharhousing.com

**INDEX**

Content	Page No.
Message from the Chairman	3
Message from the CEO	4
Our Reach	6
Branches and Locations	7
Board's Report	8
Independent Auditor's Report	28
Balance Sheet	34
Statement of Profit and Loss	35
Cash Flow Statement	36
Financial Statements	37
Aadhar @ Market	59



Dear Shareholders,

Aadhar completes its 5th year of successful operation, registering yet another year of consistent growth and creating favourable impact in the segment it operates. The theme the Company chose to propel itself forward, **'Wings of Fire'** could be seen in galvanising the team into action, leading to a landmark disbursement during the financial year of Rs.1000 crores of home loans to the lower and middle income segment of India. The loan book as at the end of March 2016 stood at Rs. 1810 crores. The sustained robust growth in the loan book along with a strong asset quality affirms the sound process guidelines and compliance models, which have cornerstones of Aadhar's work culture.

Demand for home ownership by lower and middle income segments across tier II to tier IV segments as well as new suburbs of major metros are on a strong growth path. This is driven by rising disposable income, individual income tax benefits, increasing penetration of financial services and changing demographic profile. A huge market is waiting to be explored for players who develop

innovative business models in extending credit to different tiers within the LMI segment with varied needs and capabilities. This market has therefore in the recent time attracted new lenders including micro finance companies, NBFCs and Small Finance Banks getting ready to launch.

Aadhar has already set out on its path to become a company to reckon with and to create maximum impact in the lives of families in the segment it operates in. Its current reach in 13 states with 500 locations will be further increased to bolster the ambitious growth plan to gain its rightful share in the growing pie.

Aadhar, with its strong parentage of DHFL, follow a Group Strategy to remain future ready through innovation, anticipating emerging consumer expectations and maintaining technological advancements. We remain committed to better customer experience at all times. This year, Aadhar will undergo a major technological advancement with the launch of Tech 2.0 initiative. The new technology platform will not only help Aadhar to make faster decisions but also help customers the enhanced convenience to access our services.

Aadhar will remain thankful to NHB our Regulator, our bankers and stakeholders for their continuous support and cooperation in enabling Aadhar to pursue a mission to help home ownership for people in the LMI segment in the most underpenetrated markets of the country. As thrust to promote affordable homes gains momentum with significant policy initiatives coming from the Government, Aadhar with its distinct focus on this segment will stand out as a company with cause among HFCs.

Sincerely,

Kapil Wadhawan

Chairman of the Board



MESSAGE FROM THE CEO



Dear All,

The financial year 2015-16 has been an important one for Aadhar for its noteworthy performance in all parametres. The company has not only crossed landmark disbursement of 1000 crores adding 15500 new accounts during the year clocking close to 100% YoY growth but also managed to do it with a strong hold on compliance and maintaining a low level NPA of 0.49%. Aadhar's loan book has also grown at the rate of 86% (from 973 Cr in March 15 to 1810 Cr in March 16) with an average ticket size of 6.6 lakhs. This is a very important achievement which reinforces our faith on the growth opportunity in the lower income segment of India.

This year, Aadhar entered 4 new states, marking its footprint in 13 states (Rajasthan, Maharashtra West Bengal, Odisha, Bihar, Chhattisgarh, MP, UP, Punjab, Haryana, Uttarakhand, Gujarat and Jharkhand) of India with an impressive network of 101 branches serving more than 500 locations from 62 branches serving 270 locations last year. With this expansion, Aadhar now covers parts of

India which houses 72% of total Indian population. Out of top 15 states consisting 89% of housing shortage in low income segment, Aadhar now operates in 11 of them (consisting 67% of housing shortage). This widespread network is an important achievement which comes at a time when Govt. policies like 'Housing for all by 2022' and '**Pradhan Mantri Awaas Yojana**' have started taking shape and Aadhar is empowered and in sync to reach the next level of growth.

Considering the huge demand for housing units and housing finance in the informal segment, Aadhar has launched a special product to fulfill the dreams of home ownership of large sections of low income group who are generally not able to provide proper proof of income.

Connecting with people have been a key aspect in Aadhar's growth story and apart from launching segment specific products, Aadhar has created strong awareness amongst its segment on housing finance and related topics through its ground level awareness drives and have reached around 2,00,000 people through more than 4600 ground level awareness activities conducted in different parts of India during the year. Seeing the growth in smartphone penetration and rising internet users, Aadhar has initiated out of the box, cost effective, digital and mobile based campaigns to reach more and more people with its offerings. Innovative customer referral and loyalty based initiatives have also been launched and will be improvised upon with new learnings as we move ahead.

The company has put in place robust policies and processes to cover the entire lifecycle of the customer, right from on-boarding to final settlement of the loan account. The performance review of each product in various geographies is also done from risk point of view and periodic fine tuning is done in the policy and control measures



based on the findings. Independent review of the branches are also done by independent internal audit as well as cross branch snap audit on the total generated portfolio.

On the collections front, the team has shown immense potential in keeping the NPA levels low and this has been possible through their strong focus and connect with the customers at the ground level.

Customer service is given utmost importance in Aadhar and the most important part of ensuring good customer experience is to take regular customer feedback and strong grievance redressal mechanism. Aadhar ensures that all customer feedback and grievances are considered/resolved in shortest possible time.

Aadhar's loan book is expected to reach 3500 crores by March 2017. This will be befitting this year's theme '**Udaan**' which I feel each Aadhar member is poised to achieve through his/her true potential.

Team Aadhar is now a strong family of more than 500 on roll employees and they have undergone 168 mandays of training this financial year which will increase considerably as Aadhar adds more and more to the family. 28 management trainees have been inducted in the system in various

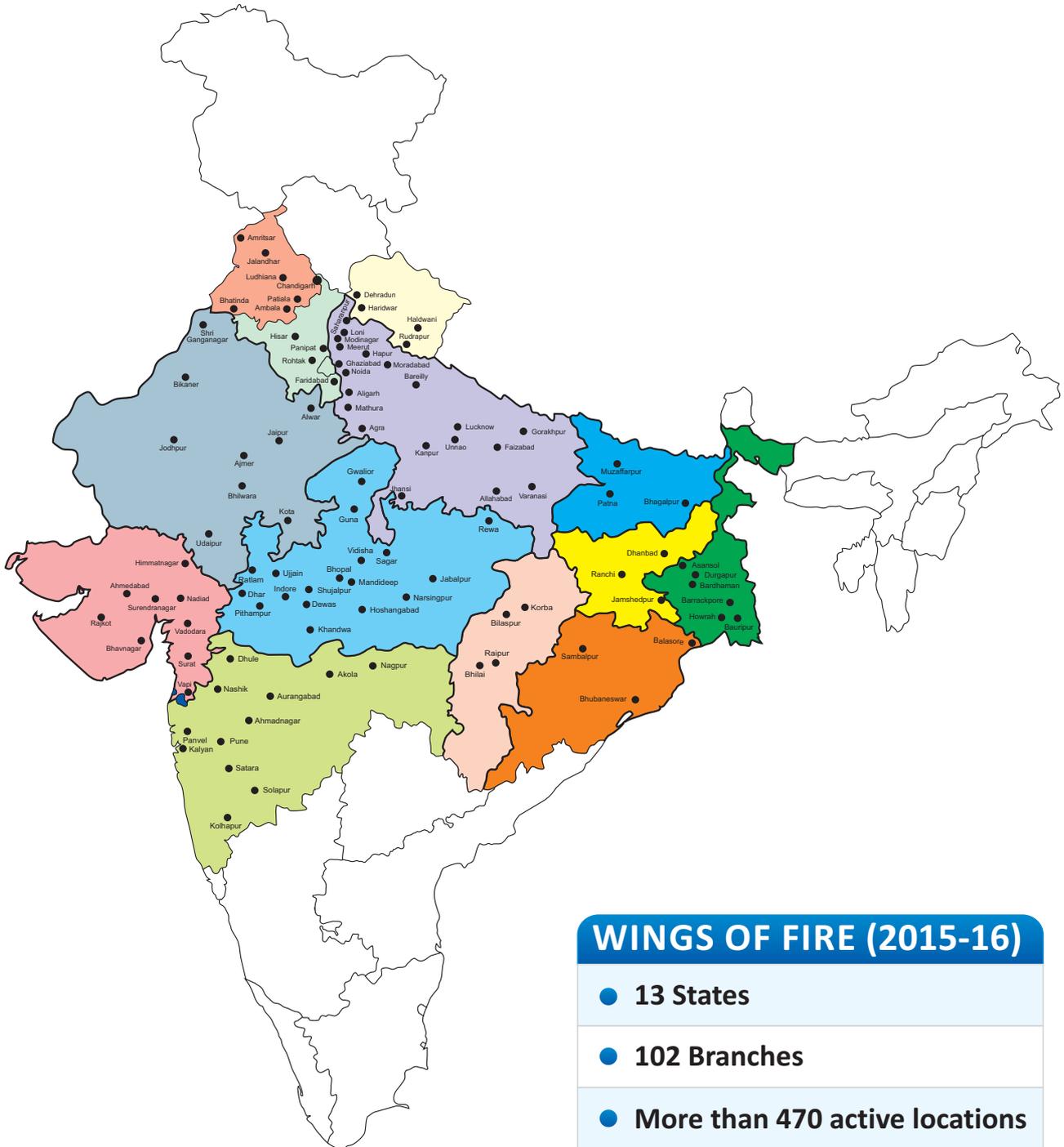
functions and are being groomed to take on managerial roles in near future. Aadhar has also launched exclusive talent retention schemes to cater to the growth needs of its staff. There are few other milestones that Aadhar has set out to achieve this year:

- Opening 37 new branches in Chattisgarh(2), West Bengal(1), Gujarat(5), Maharashtra(6), MP(10), Rajasthan(4), UP(7) and Himachal Pradesh(2).
- Increasing no. of locations served to 700+.
- Increasing disbursement from 1000 crores to 2000 crores.
- Adding 28000 new customers.
- Increasing the loan book size to 3500 Cr.

We express our sincere thanks and gratitude to our regulators, National Housing Bank, Members of the Board, DHFL, IFC, our bankers, stakeholders, NCD holders and all Aadhar employees for their continued support and cooperation.

Sincerely,

Deo Shankar Tripathi
Chief Executive Officer





BRANCHES AND LOCATIONS

STATE	BRANCH	LOCATIONS
Madhya Pradesh	INDORE	BADWAH, SANAWAD
	PITHAMPUR	MHOW, SENDHWA, BETMA, DHAMNOD
	DHAR	KUKSHI, MANAWAR, RAJGARH, DEPALPUR, GHATABILLOD
	UJJAIN	NAGDA, BADNAWAR, BRANAGAR, AGAR & SUSNER, MAHIDPUR, TARANA
	DEWAS	BAGLI, SONKATCH, CAPDA, HATPIPLIYA, MAXI
	BHOPAL	ASHTA, SEHORE, RAISEN
	MANDIDEEP	UDAIPURA, NASRULLAGANJ
	JABALPUR	KATNI
	GWALIOR	TEKANPUR, DABRA, DATIA
	KHANDWA	KHARGON, BURHANPUR, MAHESHWAR/KASRAWAD/BHIKANGAON
	RATLAM	MANDSAUR, NEEMUCH, JAORA
	SHUJALPUR	SHAJAPUR, KALA PIPAL, AKODIYA, SARANGPUR, PACHOR
	SAGAR	CHATARPUR, BINA, RAHATGARH, DAMOH
	VIDISHA	GANJBASODA
	HOSHANGABAD	ITARSI, BETUL, PIPARIYA, BUDNI
	NARSINGPUR	GADARWADA, KARELI
REWA	SATNA	
GUNA	SHIVPURI, BIORA, RAJGARH, ASHOK NAGAR	
Uttar Pradesh	LUCKNOW	SITAPUR, BARABANKI, HARDOI
	KANPUR	KANPUR DEHAT, RANIA+SACHENDI, DIBYAPUR+AURIYA
	VARANASI	MUGHALSARAI, AZAMGARH, JAUNPUR, BHADHOHI
	ALLAHABAD	MIRZAPUR, SULTANPUR
	MEERUT	MUZAFFARNAGAR, KHATAULI, MAWANA
	GHAZIABAD	GHAZIABAD
	BAREILLY	SHAHAJAHANPUR, PILIBHIT, BADAYUN
	GORAKHPUR	GORAKHPUR
	FAIZABAD	BASTI, GONDA, RAEBARELI
	UNNAO	UNNAO
	HAPUR	HAPUR
	SAHARANPUR	SARSAWAN, NAKUR, GANGOH
	ALIGARH	HATHRAS, KHURJA/SIKANDRA, BULANDSHAHR
	NOIDA	NOIDA
	MODINAGAR	MODINAGAR
	LONI	LONI
	MORADABAD	RAMPUR, GAJRAULA, CHANDAUSI, AMROHA
	AGRA	DHOLPUR, TUNDLA
	JHANSI	LALITPUR
MATHURA	VRINDAWAN, KOSIKALAN	
RANCHI	RAMGARH, HAZARIBAGH	
Jharkhand	JAMSHEDPUR	GHATSILA
	DHANBAD	BOKARO, CHAS
	HOWRAH	KHARAGPUR, MIDNAPUR, BIRATI, NAIHATI, BAGNAN, CHANDANNAGAR, TARAKESWAR
West Bengal	ASANSOL	KULTI, RANIGANJ, PURULIA
	BARRACKPORE	KRISHNANAGAR, RANAGHAT, HABRA
	BARUIPUR	HALDIA, LAKSHMIKANTAPUR, SONARPUR, JAYNAGAR
	DURGAPUR	BANKURA
	BURDWAN	SURI, KATWA, BOLPUR
	PATNA	HAJIPUR/SONEPUR, GAYA
Bihar	BHAGALPUR	NAOGACHIA
	MUZAFFARPUR	MUZAFFARPUR
	RAIPUR	DHAMTARI, MAHASAMUND, TILDA, BHATAPARA, ABHANPUR, BALODA BAZAR
Chhattisgarh	BHILAI	DURG, RAJNANDGAON, KAWARDHA, BEMETRA, BALOD
	BILASPUR	MUNGELI, AKALTARA, RAIGARH, AMBIKAPUR
	KORBA	CHAMPA
	BHUBANESWAR	PURI, CUTTACK, DHENKANAL, KHURDA/JATNI, BERHAMPUR, PARADEEP, ANGUL
Odisha	BALASORE	BHADRAK, JAJPUR RD.
	SAMBALPUR	ROURKELA, SUNDERGARH, RAJGANGPUR, BIRMITRAPUR, BARGARH, BOLANGIR, JHARSUGUDA
Gujarat	AHMEDABAD	MEHSANA, GODHAVI, GANDHINAGAR/MANSA, VIRAMAGM, KADI/kalol, KALOL, SNANAND, BAVLA, BAGODRA, DHANDUKA
	SURAT	NAVSARI, BARDOLI
	RAJKOT	JAMNAGAR, JUNAGADH, AMRELI, PORBANDAR, MORBI, VERAVAL
	BARODA	HALOL, KALOL, BHARUCH, ANKELSHWAR, GODHRA
	HIMMATNAGAR	PALANPUR, VISNAGAR, VIJAPUR, PATAN, MODASA, IDER, PRATI, KHIEDBRAHMA
	SURENDRANAGAR	LIMBDI, CHOTILA, DHRANGDHRA, PATDI, HADWAD
	VAPI	VALSAD, UMBERGAON
	BHAVNAGAR	PALITANA, TALAJA, MAHUVA
	NADIAD	ANAND/BORSAD, MEHMDAVAD, THASRA, DAKOR



STATE	BRANCH	LOCATIONS
Rajasthan	JAIPUR	SIKAR, JHUNJHUNU, CHURU, RINGAS/SRI MADHOPUR, PHULERA/CHAKSU, CHOMU, DAUSA, BASSI
	JODHPUR	BARMER/SIROHI, NAGPUR, BALOTRA, JALOR, PALI, SHRIGANGANAGAR
	KOTA	BUNDI, TALERA, BARAN, KHANPUR, JHALAWAR- JAHLRAPATAN, BHAWANI MANDI, RAMGNAJMANDI, SANGOD, KANWAS, KETHUN-KESHURAI PATAN
	UDAIPUR	DUNGARPUR, BANSWARA
	AJMER	KISHANGARH, NAZIRABAD, BEAWER, VIJAY NAGAR
	ALWAR	BEHROR, RAMGARH, KHIRTAL/KISHANGARG, BHIWADI/NIMRANA
	BIKANER	NOKHA, KOLAYAT, DUNDARPUR/LUNKARAN
	BHILWARA	CHITTORGARH
	KANKROLI	AMETH, BHIM, DEOGARH, RAILMARGA/RAJSAMAND, SARDARGARH/KANKROLI
Maharashtra	NAGPUR	WARDHA, YAVATMAL, GONDIA, BHANDARA
	NASHIK	MALEGAON, MANMAD, NANDGAON, YEOLA, SATANA, SINNAR
	AURANGABAD	JALNA, PARBHANI, NANDED
	PUNE	BARAMATI, INDAPUR, DAUND, SASVAD, KHED, VADGAON
	PANVEL	KHED, DAPOLI, KHOPOLI, PEN, MAHAD, CHIPLUN, ALIBAG
	KALYAN	BHIWANDI, AMBERNATH, BADLAPUR, NERAL, KARIAT, WASIND, SHAHAPUR
	AKOLA	AMRAVATI, WASHIM, HINGOLI
	DHULE	JALGAON, BHUSAWAL, BULDHANA, NANDURBAR
	AHMADNAGAR	BID
	SOLAPUR	SOLAPUR, OSMANABAD, LATUR
	SATARA	SANGLI, KARAD, VAI, VADUJ, PETH, MIRAJ
	KOLHAPUR	RATNAGIRI, SINDHUDURG
	RUDRAPUR	RAMNAGAR, GADARPUR, BAZPUR, KASHIPUR, KICHCHA
	HARIDWAR	ROORKIE, BHAGWANPUR, RISHIKESH
Uttarakhand	HALDWANI	PANTHNAGAR, LALKUAN, BHOWALI, BHIMTAL
	DEHRA DOON	SAILAKUIN, PREMAGAR, VIKAS NAGAR, DOIWALA, HERBERTPUR
	CHANDIGARH	RUPNAGAR, MOHALI, KHARAR, BASSI, KHANNA, FATEHGARH SAHIB
Punjab	LUDHIANA	MOGA, FIROZPUR
	JALANDHAR	PHAGWARA, NAWANSHAHAR, HOSHIARPUR, KAPURTHALA
	AMRITSAR	GURDASPUR, PATHANKOT, TARN TARAN
	BATHINDA	MANSA, BARNALA, MUKTSAR, FARIDKOT
	PATIALA	SANGRUR
	AMBALA	YAMUNANAGAR, KURUKSHETRA, KAITHAL
	PANIPAT	KARNAL, SONIPAT
Haryana	HISAR	JIND, FATEHABAD, SIRSA
	FARIDABAD	PALWAL, REWARI, MEWAT, SOHNA
	ROHTAK	BHIWANI, JHAJJAR

● 13 States

● 102 Branches

● More than 470 active locations



Board's Report for the financial year 2015-16

Your Directors have great pleasure in presenting the 6th Annual Report together with the audited Financial Statements of the Company for the year ended 31st March, 2016.

The Company, Aadhar Housing Finance Limited was incorporated on 3rd May, 2010 with equity participation from Dewan Housing Finance Corporation Ltd. (DHFL), DHFL Vysya Housing Finance Ltd. and International Finance Corporation (IFC), USA. The company received Certificate of Registration under Section – 29A of the National Housing Bank (NHB) Act, 1987 on 11th August, 2010 to carry on the business of housing finance institution without accepting public deposits.

Housing Finance Sector Scenario and Future Prospects:

Over the years, Housing Finance Companies have played a vital role in the Indian economy and are gaining market share in the housing loan segment. Government has been at the forefront in pushing India's housing sector. Many new initiatives and policies have been introduced. The Housing for all by 2022 initiative announced by the Government, has opened up vast opportunities to Housing Finance Companies (HFCs), particularly to HFC's operating in low income housing space stand to gain a lot through this initiative. Housing for all by 2022 is aimed at strengthening the complete eco system with intervention both in supply and demand side. The Credit Linked Subsidy Scheme (CLSS) is initiated in order to expand institutional credit flow to the housing needs of urban poor. The Scheme will be provided on home loans taken by eligible urban poor in Economically Weaker Section (EWS) / Lower Income segment for acquisition or construction of house. Your Company has executed MOU with NHB under this Scheme for availing the subsidy during the year under report.

Subsidy under Pradhan Mantri Awas Yojana :

Government of India took a major step towards ensuring that people can own a house within their financial capability. Pradhan Mantri Awas Yojana, previously known as Housing for All scheme, is launched with a bold vision of providing affordable housing solutions for all Indian citizens. Launched on June 25, 2015, the primary aim for this Yojana is to ensure that 2 crore houses are built across nation's length and breadth. The estimated completion year for the scheme is 2022, which means that these 2 crore homes will be constructed over a period of 7 years. Your company has already registered subsidy claim to the tune of 571.77 lakhs for 443 customers for the year 2015-2016 under the scheme.

Business Overview & Operations of the Company:

Aadhar started on the mission **"Wings of FIRE"** (theme set for the FY 2015-16) with the objective of creating an ecosystem of 'Fast Action', 'Impeccable Approach', 'Robust Processes' and 'Empowered Team' within the organisation which resulted in acquisition of 15500 new customers and 1000 crores of loan disbursement. From 62 branches in 9 states, Aadhar increased its presence to 102 branches in 13 states reaching more than 500 locations of India. The Aadhar team also grew stronger and crossed 500 employees. The report captures the strides made on different parameters during the year in meeting the objectives of the stated mission.

Aadhar established 40 new branches – Nagpur, Nashik, Aurangabad, Pune, Panvel, Kalyan, Rudrapur, Haridwar, Dhar, Mandideep, Chandigarh, Ludhiana, Jalandhar, Amritsar, Bhatinda, Panipat, Hisar, Faridabad, Akola, Dhule, Ahmadnagar, Solapur, Satara, Kolhapur, Kankroli, Gorakhpur, Unnao, Hapur, Noida, Modinagar, Haldwani, Dehradun, Durgapur, Shujalpur, Vidisha, Narsingpur, Patiala, Ambala, Rohtak and Ajmer in 4 new states – Maharashtra, Punjab, Haryana and Uttarakhand taking the total branch count to 102.

The loan book stood at Rs. 1,811 Crores with a total customer base of 30,000 customers as on 31st March, 2016.

The mission, **"Wings of FIRE"** was also synchronised with conducting of large scale customer awareness programs with higher impact and more reach. Over 4600 awareness drives of the following types, designed to foster higher level of interaction and problem solving amongst lower income segment, were conducted across the length and breadth of the country - Aadhar Parichay, Aadhar Sanyog, Home Loan Utsav Camp, Market Combing Drive, Paramarsh Shivir, Builder/ Broker Meet and Aadhar Awaas Mela. These activities reached out to more than 2,00,000 people and



received unprecedented response from the masses establishing Aadhar as a strong brand in its segment.

Aadhar will continue its mission to strengthen its potential to serve its core objectives of serving the underprivileged. With the opening up of new opportunities in the affordable loan segment ably enabled by policy initiatives at the national level, Aadhar is set to gain from promising environment and will have wider opportunities to develop its business.

Financials:

A summary of financial statements and profitability for the year ended 31st March, 2016 are given below for the information of members of the Company:

(Rs. in Crores)

Particulars	FY 2015-16	FY 2014-15
Total Income from Operations	216.00	122.00
Less:		
Total Expenditures	187.00	113.26
Profit before Taxes	28.96	8.74
Provision for Taxes	10.28	2.95
Profit after Taxes	18.68	5.79
Appropriations:		
Transfer to Special Reserve under NHB Act	7.00	1.26
Retained Profits	11.56	4.41
Earnings per share – Basic/Diluted	1.87	0.58

Profitability:

The Company made all efforts to improve the profitability during the year under Report. Profit before tax increased from Rs. 8.74 crores (last year) to Rs. 28.96 crores as on 31st March, 2016, registering a growth of 231%. However, profit after tax stood at Rs. 18.68 crores as against Rs. 5.79 crores, registering a growth of 222.62%. This is due to a new directive issued by National Housing Bank for providing deferred tax liability on Special Reserve and our company has made a provision of Rs. 12.22 Lakhs as on 31st March, 2016.

Resource Mobilisation

Your Company's resource planning policy is under the control of the Board. The Company has vide special resolution passed by shareholders on July 31, 2015, under Section 180(1)(c) of the Companies Act, 2013, authorised the Board of Directors to borrow money upon such terms and conditions as the Board may think fit in excess of aggregate of paid up share capital and free reserves of the Company up to an amount of Rs 5,000 crore and the total amount so borrowed shall be within the limits as prescribed under the Housing Finance Companies (NHB) Directions, 2010.

Your Company continued to use a variety of funding sources to optimise funding costs, protect interest margins and maintain a diverse funding portfolio which further strengthened its funding stability and liquidity needs. Your Company continued to keep tight control over the cost of borrowings through negotiations with lenders and thus, raised resources at competitive rates from its lenders while ensuring proper asset liability match. The weighted average borrowing cost as at March 31, 2016 was 9.98% as against 10.67% in the previous year. As at March 31, 2016, your Company's sources of funding were primarily from banks and financial institutions (62%), followed by non-convertible debentures (27%) and commercial papers (11%). Your Company continues to gradually reduce its reliance on the borrowings from banks and financial institutions and focus on capital market instruments with lower funding costs.

Another strategy adopted to keep a balanced ALM was to enter into strategic partnership with banks that are keen on good-quality assets and assign long-tenor receivables to them at mutually beneficial terms.

Loans from Banks:

As part of its liability management, your Company endeavours to diversify the sources of its resource base in order to achieve an appropriate maturity structure and minimise the weighted average cost of borrowed funds.

Your Company continued to leverage on its long term relationship with banks and have raised additional term loans from banks to the extent of Rs 298 crore during the year at competitive rates available in the market.

**Non-Convertible Debentures (NCDs):**

Your Company continues to issue fully Secured Redeemable Non-Convertible Debentures on private placement basis. Pursuant to the Special resolution passed by the Members of the Company at the 31st Annual General Meeting held on July 31, 2015 and the Board approved Policy for private placement of Non-Convertible Debentures (NCDs) formulated as per the guidelines issued by National Housing Bank, your Company issued Secured Redeemable Non-Convertible Debentures (the 'Debentures') amounting to Rs 299.20 crore to various investors, including banks, mutual funds and financial institutions by way of issue of NCDs. The outstanding balance of Debentures as on March 31, 2016 amounts to Rs 444.20 crore. The proceeds of the aforesaid issue were utilised for making disbursement to meet the housing finance requirements of the borrowers of the Company, as well as for general corporate purposes. Debenture Trust Agreement(s) in favour of GDA Trusteeship Limited for the aforesaid issues were executed.

Your Company has duly paid the interest due on the aforesaid Debentures on time. The Company's NCDs have been assigned the rating of "CARE AA+ (SO) " by Credit Analysis and Research Limited (CARE) and "BWR AA+ (SO)" by Brickwork Ratings India Private Limited (Brickwork).

Your Company being Housing Finance Company is exempted from the requirement of creating Debenture Redemption Reserve (DRR) in case of privately placed debentures. Since the Debenture issues of the Company till date are through private placement, no DRR has been created.

Commercial Paper:

The Commercial Paper (CP) programme of your Company have been assigned the rating of CRISIL A1+ (A One Plus) by Credit Rating and Information Services of India Limited (CRISIL). As at March 31, 2016, Commercial Papers outstanding amount stood at Rs 172.72 crore.

Nature of borrowing	CARE	Brickworks	CRISIL
commercial paper	-	-	CRISIL A1+
NCDs	CARE AA+(SO)	BWR AA+(SO) (Stable)	-
Long-term bank loans	CARE AA+(SO)	-	-

Security Coverage for the Borrowings:

The security details of the aforesaid secured borrowings made by the Company are mentioned at Note No. 4.1 and 4.2 in the Notes to accounts forming part of the audited financial statements for the year ended March 31, 2016.

Capital Adequacy:

As required under National Housing Bank Directions, your Company is presently required to maintain a minimum capital adequacy of 12% on a stand-alone basis. The following table sets out Company's Capital Adequacy Ratios as at March 31, 2014, 2015 and 2016.

Particulars	As on March, 31		
	2016	2015	2014
Capital Adequacy Ratio	14.93%	17.72%	33.12%

The Capital Adequacy Ratio (CAR) of your Company was at 14.93% as on March 31, 2016, as compared to the regulatory requirement of 12%. In addition, the National Housing Bank Directions also requires that your Company transfers minimum 20% of its annual profits to a reserve fund, which the Company has duly complied with.

Non-performing Assets And Provisions for Contingency:

Your Company adhered to the prudential guidelines for Non-Performing Assets (NPAs), under the Housing Finance Companies (NHB) Directions, 2010, as amended from time to time. The Company did not recognise income on such NPAs, and further created provisions for contingencies on standard as well as non-performing housing loans and property loans, in accordance with the National Housing Bank Directions, 2010. The Company has also made additional provisions to meet unforeseen contingencies. The following table set forth Company's gross NPAs, net NPAs, cumulative provisions and write-offs for the periods indicated:



in Crores except %

Particulars	As on March, 31		
	2016	2015	2014
Gross Non-Performing Assets	12.73	4.59	1.28
% of Gross NPA to Total Loan Portfolio	0.70%	0.47%	0.25%
Net Non-Performing Assets	9.76	3.8	1.07
% of Net NPA to Total Loan Portfolio	0.54%	0.39%	0.21%
Total cumulative provision loans and other assets	2.97	0.79	0.19
Write-off		-	-

Investments:

The Investment Committee constituted by the Board of Directors is responsible for approving investments in line with the policy and limits as set out by the Board. The investment policy is reviewed and revised in line with the market conditions and business requirements from time to time. During the year, the Investment policy was reviewed and revised by the Board of Directors. The decisions to buy and sell up to the approved limit delegated by the Board to the Investment committee consisting of Company's senior executives. The investment function is carried out primarily to support the core business of housing finance to ensure adequate levels of liquidity and to maintain investment in approved securities in respect of public deposits raised as per the norms of National Housing Bank. Considering the time lag between raising of resources and its deployment, the surplus funds are generally being parked with liquid fund schemes of mutual funds and short-term deposits with banks. During the year, your Company earned Rs 10.52 crore by way of income from mutual funds & other operations and Rs 1.15 crore by way of interest on deposits placed with banks and bonds.

Information Technology:

Your Company had initiated a technology transformation programme (Tech2.0) in association with IBM to support Company's growth, improve operational efficiency and optimise costs through the use of technology. This programme is expected to establish a scalable and flexible technology landscape, improve customer centricity, enable faster decision making through automation and analytics, thereby taking the technology platform to a new level. Your Company aims to align its technology landscape to evolving business needs, which would support the Company in its growth targets.

Under Tech2.0, your Company plans to replace its legacy systems and business application platforms with proven commercial-off-the-shelf products, which would provide best fit solutions to the business functions. Your Company has further upgraded its existing information technology infrastructure by increasing network bandwidth and bringing in new servers for the core applications, thereby improving its performance.

Insurance:

Your Company has insured its various properties and facilities against the risk of fire, theft and other perils, etc. and has also obtained Directors' and Officers' Liability Insurance Policy, which covers the Company's Directors and Officers (employees in managerial or supervisory position) against the risk of financial loss including the expenses pertaining to defense cost and legal representation expenses arising in the normal course of business.

Moreover, your Company has obtained money policy to cover 'money in safe and till counter and money in transit' for the Company's branches and various offices. All the vehicles owned by the Company are also duly insured.

Your Company also has in place a mediclaim policy for its employees and their dependent family members, group term life and group personal accident policies, which provide uniform benefits to all the employees.

Asset Liability Management Committee (ALCO):

The Asset Liability Management Committee (ALCO) lays down policies and quantitative limits that involve assessment of various types of risks and shifts in assets and liabilities to manage such risks. ALCO ensures that the liquidity and interest-rate risks are contained within the limits laid down by the NHB. The Company has duly implemented the



NHB's Asset Liability Management Guidelines.

National Housing Bank Guidelines:

The Company has complied with the provisions of the Housing Finance Companies (NHB) Directions, 2010, as prescribed by NHB and has been in compliance with the various Circulars, Notifications and Guidelines issued by National Housing Bank (NHB) from time to time. The Circulars and the Notifications issued by NHB are also placed before the Audit Committee / Board of Directors at regular intervals to update the Committee/ Board members on the compliance of the same.

Related Party Transactions:

There were no materially significant related party transactions i.e. transactions of material nature, with its promoters, directors or senior management or their relatives etc., that may have potential conflict with the interest of company at large. Transactions entered with related parties, as defined under the Companies Act, 2013 and provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year 2015-16 were mainly in the ordinary course of business and on an arm's length basis.

Prior approval of the Audit Committee is obtained by the Company before entering into any related party transaction as per the applicable provisions of Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. As per the provisions of Section 188 of the Companies Act, 2013, approval of the Board of Directors is also obtained for entering into related party transactions by the Company. A quarterly update is also given to the Audit committee and the Board of Directors on the Related Party Transactions undertaken by the Company for their review and consideration.

The details with respect to the related party transactions are mentioned in the notes to the audited (standalone) financial statements. The Policy on Related Party Transactions as approved by the Board is uploaded on the Company's website. None of the Directors have any pecuniary relationships or transactions vis-à-vis the Company.

Technical Policy and Process Implementation and Adherence:

Your company has drafted, finalised and implemented a number of Technical Policies and Processes which prove as a baseline to Technical Deviations which are encountered in various regions. These Policies are prepared with taking into consideration the views and suggestions of the Functional Head of various departments, the deviations that are encountered by our Technical team and also the views of the RBH, if any. These Policies mainly cover the deviations which are observed or faced for every alternate case by our Technical team for which Superior Authority approvals are required. Policies are finalized by visiting the concerned region on personal basis, visiting and scrutinising the properties therein and then arriving at a conclusion. These Policies are then implemented in the system and explained to the team via con-call or training sessions so that they are adhered to while scrutinization of various properties. Technical valuation and inspection of the property financed by us is primarily done by our in-house team.

Technical - Vendor Management and Cross analysis Monitoring:

The company has empanelled several technical agencies to assist us for Technical visits in spoke locations for better productivity and TAT. For this process, the company has prepared an Empanelment process policy according to which a certain vendor should meet all the requirements stated in the process note to be empanelled with the company. Most of the empanelled vendors are pioneers in the valuation industry. The company also conducts cross analysis .i.e. Post Disbursement Valuation of our internal technical team members so as to have a double check on the judgement of our internal team members in terms of property valuation. This exercise is executed on Quarterly basis.

Technical - Digitization and MIS:

The company has proposed certain optimum changes in the Online TSR (Technical Scrutiny Report) updation system which, when implemented, will cut short on the TSR updation process time by almost 50%. The company is in process of implementing TSR Mobile application which will enable Technical Officers to update online reports on the move resulting in capturing real time TAT. Incentive schemes have been launched to motivate our Technical Officers to



compete on a larger scale within the team itself. Winners have been acknowledged and rewarded as per the parameters. Periodical evaluation of technical managers as per performance is carried out to maintain productivity standards.

Project Approval (APS):

Till date a considerable number of Projects have been inwards for APS / Tieup purpose. While inwards a file for APS, the Technical Officers carry out a detailed background check of the builder/developer, verify the original documents and only with all positive findings, the file is forwarded for project approval. This simplifies the process of financing for flats in the same project.

Strong Credit Underwriting Framework :

The credit evaluation and credit portfolio management methodologies are designed to ensure consistent underwriting standards. The risk management techniques and processes enable early identification of problematic loans. This includes early default analysis, product analysis and probability of default. The company works with strong analytic data to leverage areas of opportunity in Highly Competitive industry scenario.

Efficient Process and Cost Maximization :

The company is constantly working towards enhancing efficiencies and eliminating wastages. We leverage technologies to speed up processes like central processing of salaried profile of customer's loan application and focus by of optimizing resources. Besides, the company has put lot of emphasis on training across hierarchy in line with evolving customer aspiration. Our well designed systems with proper checks and balances enable the credit approvals by the correct authority and complete digitalization of credit decision process without movement of physical files.

Sound Asset Quality Management :

The company has a strong retail book with a large customer base. The underwriting skills and well-built system further reduce our risk. As the company sources majority of the customers through branches, it is able to maintain a high level of customer quality checks. The credit underwriting teams are well trained and verification processes are well aligned to the target customer segment in affordable housing industry. Each proposal passes through the maker and checker mechanism and credit decisions are taken in a committee based approach to ensure proper transparency. The company has a very high level of compliance hence has an in-house technical team to evaluate the properties to finance and ensure proper compliances and correct valuation of the security under mortgage.

Well defined Decision Making Process:

The operational architecture of the company is a well-balanced system of centralized and decentralized decision making process. The wide distribution network, coupled with insights of local customer needs has enabled the company to provide relevant financial products to the customers. Clearly defined credit authority to make decisions on loan amount, in house appraisals and technical evaluation, credit analysis in even at the smallest location is distributed in the structure; and is meticulously monitored; bringing in accountability and responsibility at every level.

Continuous Risk Review and Monitoring

The company is continuously strengthening the capabilities of the teams and processes and the overarching governance framework for sustainable growth. For the assurance of strong governance framework, the company continuously monitors the processes and level of compliances through cross branch monthly snap audit, internal audits, hind sighting of quick mortality cases and risk review meetings.

Collections / Recovery:

The Company has established a robust collection process with a strong commitment to timely action. Robust internal process controls are set up whereby information on cheque bounces and returns are received real-time. The company is further streamlining this process through a centralised framework to ensure unified approach and control on recovery. The field collection team keeps regular touch with borrowers to ensure high collection efficiency.



- Effective monitoring of all Standard accounts to capture early alert/Signals and to recover overdue instalments.
- Persuasion with all NPA borrowers through personal contacts for recovery of overdue amount and to upgrade the account to standard category.

The collection efforts got impetus with Government of India' Gazette of 18th Dec 2015 which gave the company a useful recovery tool, The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act).

- Initiation of SARFAESI act to recovery on all NPA accounts, this has helped to upgrade a large number of accounts

The stringent recovery procedure and implementation of the provision of the SARFAESI Act for recovery of NPAs have helped the company to keep the NPA level low. As on March 31st 2016 the retail NPA amount stood at Rs 8.63 Crs which is 0.47% of the AUM.

Dividends:

The Directors do not recommend any dividend for the year ended 31st March, 2016, in order to retain the profits during the year under report for future business expansion programmes.

Marketing and Branding:

Aadhar's Marketing and Branding initiatives have a two pronged approach based on the target group of lower and middle income customers in its present locations. One is to create awareness on housing finance and allied topics like technical, legal and property related issues to promote financial inclusion and another is to communicate the benefits of the products of the company amongst its target segment. The punch line "Home Loan Ab Sabhi ke Liye" narrates the vision of the company i.e to provide security in the form of a roof over every Indian's head. Keeping the same in mind, Aadhar has designed and have been executing various one of its kind awareness drives and the same are also trademarked as company's intellectual property. Over 4600 awareness drives conducted during the year saw a participation from more than 2,00,000 people and created a lead stock of 24000 for the company.

The awareness drives are executed by the ground level sales teams at branches with support from the marketing team based at the corporate office. Each activity is tracked and its effectiveness measured through a robust system of 'Marketing Calender' and 'Activity Feedback Report'. Branches are also updated each month on their Awareness Drives (planned v/s done) through a 'Monthly Marketing Update'.

The company has also started experimentation with low cost high impact mass media, digital and mobile platforms and as a part of this, did a tie up with one of India's largest movie distribution companies to broadcast a short commercial in single screen and multi-screen movie theatres during their shows in selected locations which generated very good response from its segment. The learnings of these kind of campaigns will be leveraged in the larger level of campaigns planned for next year.

Ratios:

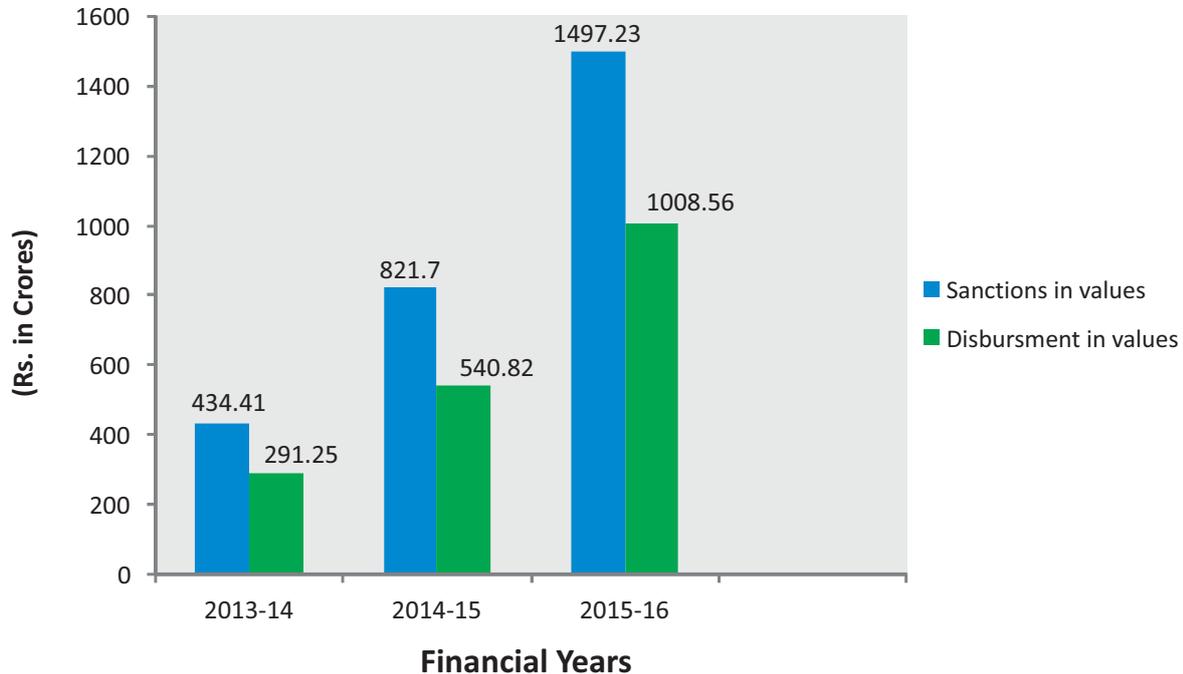
The main Financial Ratios of the Company are;

	FY 2015-16	FY 2014-15
Earning per share (EPS)	Rs. 1.87	Rs. 0.58
Capital to Risk Asset Ratio (CRAR)	14.94%	17.72%
Debt Equity Ratio (DE Ratio)	12.28	8.82
Net Owned Fund (NOF)	126.67	110.83



Lending Operations:

The sanctions and disbursements of housing loans during the financial year under report is shown in the below chart;



Share Capital:

Your Company's capital structure during the financial year under report stood as given in the below table;

Share Capital	Amount in Rs.
Authorized Share Capital (20,00,00,000 Equity Shares of Rs. 10 each)	2,000,000,000
Issued, Subscribed and Paid-up Share Capital (10,00,00,000 Equity Shares of Rs. 10 each)	1,000,000,000

As approved by Shareholders in last AGM held on 31st July, 2015, the authorized share capital was increased from Rs. 100 crores to Rs. 200 crores and same was amended in the Capital Clause V of Memorandum of Association of the Company.

Fixed Deposits from Public:

The Company did not accept any amount of Fixed Deposit from Public during the financial year 2015 – 16 and also passed a resolution at the Board Meeting held on 9th June, 2016, to this effect as per the NHB Regulations.

Unclaimed Deposit:

Since, the company has not accepted any amount of fixed deposit during the year, hence unclaimed deposit is not applicable during the financial year 2015-16 and there is no unclaimed interest on Non- Convertible Debentures outstanding.

Unclaimed/ Unpaid Dividend/ Interest Transfer to Investor Education and Protection Fund:

During any of the previous years, the company did not declare any dividend, hence such transfer as per section 125(2)(c) to the Investor Education Protection Fund is not applicable for the financial year 2015-16. All Interest due on term loans and non-convertible debentures were paid on the due dates itself, hence there is no amount pending as unpaid or unclaimed for transfer to the Fund as per section 125(2)(k) of the Companies Act, 2013.

Credit Rating:

The company has received credit ratings of CARE AA+ (SO) by Credit Analysis and Research Limited (CARE) and BWR AA+ (SO) by Brickwork Ratings India Pvt. Limited, for its Non-Convertible Debentures issued, CARE AA+ (SO) for its Long Term Bank Borrowings during the year 2015-16, which is valid for a period of one year and it indicates high



degree of safety regarding timely servicing of financial obligation. These ratings are backed by a letter of comfort issued by DHFL, Promoter Company.

Fair practice code, KYC norms, Sexual Haressment Policy and Anti Money Laundering standards:

The company continued to ensure that 'Fair Practice Code, KYC Norms and Anti Money Laundering (AML) Standards as per the guidelines issued by the NHB from time to time are invariably adhered to and duly complied by the company. The Company has put in board approved robust KYC/AML policy for compliance by the branches. The Internal Auditors conducted thorough audit of the branches to ensure adherence of these AML standards during the year under report.

Internal Audit Compliance:

The Company has proper system of auditing the branches by a team of competent internal auditors under the supervision of Head of Audit, DHFL, the Promoter Company. The audit reports are thoroughly examined by the Head-Operations at the Head Office. The gist of audit observations is reported to the Audit Committee of Board for their suggestions/directions. In addition to that, management has set up a process for spot checking/verification of all activities from one branch to another on monthly basis.

Secretarial Audit Compliance:

During the year under report, your Company appointed M/s Roy Jacob & Company as Secretarial Auditor, pursuant to section 204(1) of Companies Act, 2013, to conduct Audit of the company during the year 2015-16. The Secretarial Audit Report dated 4th July, 2016 has been submitted which is annexed with the Board's Report for noting by the members. Since there was no adverse remark or observation made by the Practising Company Secretary in his report, hence there is no clarification submitted as provided under this section of the Act.

Securities and Exchange Board of India (SEBI):

During the year under report, your company has complied with various provisions and guidelines prescribed by SEBI. Association of Mutual Funds in India (AMFI) being a subsidiary of SEBI for mutual fund business in India, your company has enrolled as AMFI Registered Mutual Fund Advisor (ARMFA) and has obtained Certificate of Registration from Association of Mutual Funds in India (AMFI) bearing Registration No. ARN- 103958, valid from 5th August, 2015 to 4th August, 2018. The Company will act as a Corporate Agent of Pramerica Asset Managers Pvt. Ltd. (PAMC) for mutual fund products, as per Corporate Agency Agreement executed with it.

Insurance Regulatory and Development Authority of India (IRDAI):

During the year under report, your company has entered into a new Corporate Agency Agreement to act as a Corporate Agent of DHFL Pramerica Life Insurance Company Limited as per the new guidelines of Insurance Regulatory and Development Authority of India (IRDAI) dated 10th May, 2016. The Company has obtained the new Certificate of Registration issued by IRDAI dated 28th March, 2016 and effective from 1st April, 2016 valid upto 31st March, 2019.

Future Plans:

The Company has proposed to open 38 branches/micro branches in its 13 existing states along with Himachal Pradesh during this year to increase its presence for business growth.

The Company at its Board Meeting held on 9th June, 2016, has approved the proposal of shifting its Registered Office from Mumbai to Bangalore which is pending for approval by the Shareholders of the Company subject to various other approvals. The Company is also proposing to get merged with DHFL Vysya Housing Finance Limited subject to the approval of Competition Commission of India (CCI), National Housing Bank (NHB), Securities and Exchange Board of India (SEBI), Insurance Regulatory and Development Authority of India (IRDAI), Bombay Stock Exchange (BSE), Jurisdictional High Court, Secured Creditors, Banks, Trustees etc.



The Compliances under Companies Act, 2013:

Annual Return:

During the year 2015-16 Annual General Meeting (AGM) was duly held on 31st July, 2015 and Annual Return filing was done within prescribed time limit.

As provided under section 92(3) and 134(3)(a) of the Companies Act, 2013, an extract of the Annual Return is annexed as Annexure-I to this Report in Form MGT-9.

Number of meetings of the Board- section 134(3)(b):

During the year under review the Board of Directors met 4 times to deliberate various issues, policy matters etc. The details of Board of Directors and their Meetings and also various other Board level Committees are furnished separately under the Corporate Governance Reporting mentioned under section 134(3)(i).

Directors Responsibility Statement:

As required by section **134(3)(c)** of the Companies Act, 2013, the Board of Directors states that.

- a) in the preparation of the annual financial statements for the year ended 31st March, 2016, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;
- b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March, 2016 and of the profit or loss of the Company for that period;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the Directors had prepared the annual financial statements on a going concern basis.
- e) the Directors, the company being a non-listed entity, had laid down internal financial controls and fair Corporate Governance relating to the shareholders to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

In terms of section **134(3)(d)**, your Board states that, the independent directors, who were appointed for a consecutive period of 5 years at the last Annual General Meeting, have given a declaration under section 149(6) of the Companies act, 2013.

With regard to section **134(3)(e)** of the Companies Act, 2013, the Board of Directors has constituted a Nomination and Remuneration Committee, particulars of which are furnished under Corporate Governance Reporting.

As per section **134(3)(f)** of the Companies Act, 2013, your Board states that during the year under report, there are no adverse comments or qualifications made by the Auditors of the Company, during the course of their audits.

In terms of section **134(3)(g)** of the Companies Act, 2013, your Board states that the company did not make investments, in more than two layers of investment companies during the year under report. Also, further states that during the year under review, your company did not either directly or indirectly, extend any loan or given any guarantee to any other body corporate or personnel in violation of the provision of section 185 & 186 of the Companies Act, 2013, except Housing Loans granted to individuals, firms, bodies corporate, etc. provided in its ordinary course of business.

Particulars of transactions with related parties under section 134(3)(h) and section 188:

During the year under report, the company has executed following Related Party Agreements/ Contracts with



Group/associate companies in which Directors are interested, after due compliance with the provisions of the sections 134(3)(h) and 188 of the Companies Act, 2013 and read with Companies (Meetings of Board and its Powers) Rules, 2014.

During the year under report, in terms of section 188(1) of the Companies Act, 2013, which came into effect from 1st April, 2014, your Company has entered into various contracts with related parties after taking necessary approvals from the Audit Committee, Board and Shareholders, the details of such transactions with Related Parties have been separately mentioned in the **Annexure- IV**.

Your Company had proposed to enter into the following Related Party Contract/ Agreement with a group entity as given below which are approved by the Board at its meetings held on 24th April 2015 and 21st July, 2015 respectively, subject to the approval of the members at the 5th AGM held on 31st July, 2015.

- a) ArthVeda Fund Management Pvt. Ltd – For entering into a Joint Association Agreement for assisting in implementation of ASHA Fund and Social Impact Fund for providing various services to the participants, which is to be introduced in the LMI segment.
- b) WGC Management Services Pvt. Ltd. – which is subsidiary of holding company Wadhawan Global Capital Pvt. Ltd. for availing consultancy and advisory services.

Corporate Governance Reporting and State of affairs of the Company under section 134(3)(i):

Since the Company is unlisted Public Company, the corporate governance reporting is not mandatory. However, the company is making voluntary disclosures about various disclosures to fulfil its obligations to stake-holders and members as given below:-

Your company is managed by the Board of Directors duly assisted by the Audit Committee, Assets & Liabilities Management Committee, Management Committee, Nomination & Remuneration Committee, Share Transfer Committee and Corporate Social Responsibility Committee.

A brief note about the Board and other Board level Committees are furnished below;

Composition of Board of Directors:

The Board is headed by Shri Kapil Wadhawan, as a Director and other Board members are experts from various fields like housing sector, finance, company affairs, etc. During the financial year 2015-16, the Board of Directors met four times which was attended by following Directors;

Name of the Director	Date of Board Meetings attended				Number of Meetings
	24/04/2015	21/07/2015	19/10/2015	25/01/2016	
Sh. Kapil Wadhawan	Yes	Yes	Yes	Yes	4
Sh. Bikram Sen	Yes	Yes	No	No	2
Sh. M. K. Chouhan	Yes	Yes	Yes	Yes	4
Sh. V. Sridar	Yes	Yes	Yes	Yes	4
Sh. G. P. Kohli	Yes	No	Yes	Yes	3
Smt. Aruna Wadhawan	Yes	Yes	Yes	Yes	4

Committees of the Board:

i) Composition of Audit Committee:

As per section 177 of the Companies Act, 2013, applicable to the company for the financial year 2015-16, this committee consists of Shri V. Sridar, Independent Director as the Chairman of the committee and Shri Kapil Wadhawan, Shri Bikram Sen, Shri M. K. Chouhan & Shri G. P. Kohli, are other members. During the financial year 2015-16 the Audit Committee met four times.

The Committee makes suitable recommendation to the Board from time to time after careful consideration of matters related to finance, accounts, inspection, audits, etc.



Audit Committee meetings were held, which were attended by following members;

Name of the Member	Date of Audit Committee Meetings attended				Number of Meetings
	24/04/2015	21/07/2015	19/10/2015	25/01/2016	
Sh. V. Sridar	Yes	Yes	Yes	Yes	4
Sh. Kapil Wadhawan	No	Yes	Yes	No	2
Sh. Bikram Sen	Yes	-	-	-	-
Sh. M. K. Chouhan	Yes	Yes	Yes	Yes	4
Sh. G. P. Kohli	-	No	Yes	Yes	2

According to the provisions of section 177 of the Companies Act, 2013, the Audit Committee has been reconstituted by the Board at the meeting held on 24th April, 2015, and the Board appointed Shri G. P. Kohli, Independent Director, in place of Shri Bikram Sen, who has withdrawn from the Committee in order to comply with the provisions of the above section. Also, during the year, the Audit Committee was reconstituted at the meeting held on 21st July, 2015, in order to comply with the provisions of above section to have majority Independent Directors in Committee, Shri M. K. Chouhan, IFC Nominee has withdrawn from the Audit Committee and he will remain as permanent invitee to the Audit Committee as per the IFC Shareholders Agreement terms and conditions.

ii) Composition of Share Transfer Committee (STC):

This committee consists of Shri Kapil Wadhawan and Shri Bikram Sen, Directors, are members. During the financial year 2015-16, no Committee meeting was held.

iii) Composition of Asset Liability Management Committee (ALCO):

The members of this committee are: one Director, CEO and Chief Financial Officer are members and the director present will act as the chairman of this committee. During the financial year 2015-16, total four ALCO meetings were held, which was attended by following members:

Name of the Member	Date of Asset Liability Management Committee Meeting attended				Number of Meetings
	24/04/2015	21/07/2015	19/10/2015	25/01/2016	
Sh. Kapil Wadhawan	Yes	Yes	Yes	No	3
Sh. D. S. Tripathi	Yes	Yes	Yes	Yes	4
Sh. Yogesh Udhoji	Yes	Yes	Yes	Yes	4

iv) Composition of Management Committee (MC):

The members of this committee are: one Director & CEO; the director present will act as the chairman of this committee. The committee members are; Shri Kapil Wadhawan, Director or Shri Bikram Sen, Director and Shri Deo Shankar Tripathi, CEO. During the financial year 2015-16, four meetings were held, which was attended by following members.

Name of the Member	Date of Management Committee Meeting attended				Number of Meetings
	01/03/2016	17/03/2016	21/03/2016	25/03/2016	
Sh. Kapil Wadhawan	Yes	Yes	Yes	Yes	4
Sh. Deo S. Tripathi	Yes	Yes	Yes	Yes	4

v) Composition of Nomination & Remuneration Committee (NRC):

As per provisions of section 178 and rules of the Companies Act, 2013, which is applicable to the company, the Board had re-constituted this committee during 2015-16 at its meeting held on 24th April, 2015 and the members are: Shri V. Sridar, Independent Director, as Chairman of the committee, Shri M. K. Chouhan, Shri Bikram Sen & Shri G. P. Kohli, Directors, are other members and its meetings are held as and when required. The Company is fully complied with the above provisions of the Act and Rules. During the year under report no committee meeting was held.

**vi) Composition of Corporate Social Responsibility Committee (CSR):**

As per section 135 of the Companies Act, 2013, applicable to the company effective from 2015-16, constituted by the Board at the Board Meeting held on 21st July, 2015, with following 3 (Three) members; Shri V. Sridar, Shri Bikram Sen and Shri M. K. Chouhan. During the financial year 2015-16, one meeting was held, which was attended by following members;

Name of the Member	Date of Corporate Social Responsibility Committee Meeting attended	Number of Meetings
	19/10/15	
Sh. V. Sridar	Yes	1
Sh. Bikram Sen	No.	-
Sh. M. K. Chouhan	Yes	1

Transfer of profits to Reserves, in terms of section **134(3)(j)** of the Companies Act, 2013, a sum of Rs. 11.56 Crores has been recommended by the Board to be transferred to the General Reserves and a further a sum of Rs. 7.00 crores transferred to the Special Reserves during the year under report.

In terms of section **134(3)(k)** of the Companies Act, 2013, your Board has not recommended any dividend to the members, in order to retain the profits during the year under report for future business expansion programmes.

In terms of section **134(3)(l)** of the Companies Act, 2013, there were no material change and commitment, affecting the financial position of the Company, between the end of the financial year to which the above financial statement relates to and till the date of this report.

Section 134(3)(m), Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo:

As per Rule 8(3) A of the Companies (Accounts) Rules, 2014, the particulars of Conservation of Energy, are not applicable to the Company as it is a non-manufacturing company.

In terms of Rule 8(3) B of the Companies (Accounts) Rules, 2014, the latest Technology absorption measures adopted by the company, had helped to efficiently manage inter-connectivity and system based loan processing and accounting facilities at all levels of the organisation and improve efficiency by using this platform from time to time provided by our Parent Company, DHFL.

In terms of Rule 8(3) C of the Companies (Accounts) Rules, 2014, Foreign exchange earnings and outgo etc. and other provisions of reporting as per the provisions of the Companies Act, 2013 are given below as applicable to the company during the year under report.

Particulars	As at 31st March, 2016 Amount in Rs. (in lakhs)	As at 31st March, 2015 Amount in Rs. (in lakhs)
Foreign business travel	-	8.04
Directors sitting fees (IFC)	1.20	0.40
Grant money received from IFC	66.00	30.00
Total	67.20	38.44

134(3)(n) Risk Management:

The company has put in place adequate risk management processes for its operations, including identification of element of risk, if any, which in the opinion of the Board may jeopardize the interests of the company. During the year under report, the Board reviewed its Comprehensive Risk Management Policy in the Board Meeting and made necessary amendments and modifications and the same was circulated to various branches of the company.

The company has set up Operational Risk Management Committee (ORMC) and Credit Risk Management Committee (CRMC) of HODs at Head Office to periodically review the operational and credit risk of the Company. As per the policy, risk arising out of the channel partners and vendors are also reviewed. The various aspects related to risk in all the functions of the Company are reported to Risk Management Committee of the Board for their review/directions.



134(3)(o) Corporate Social Responsibility:

The Corporate Social Responsibility (CSR), under section 135(1) of the Companies Act, 2013 is applicable to the company during the year under report. Your company has framed Corporate Social Responsibility Policy, as per the provisions of the Companies (Corporate Social Responsibility Policy) Rules, 2014, which lays down the guidelines and mechanism for undertaking socially useful projects for welfare and sustainable development of the community at large. According to the provisions of the section the Corporate Social Responsibility Committee was formed by the company. The annual report on CSR activities is annexed separately to this report. The total amount of CSR contribution and payment details are given in **Annexure- III**.

Formal Annual Evaluation of the Board, under section 134(3)(p) and rule 8(4) of the Companies (Accounts) Rules, 2014:

Pursuant to the provisions of the Companies Act, 2013 and its Rules, an annual performance evaluation of the Board, the Directors individually as well as the evaluation of the working of the Board Committees including Audit Committee, Corporate Social Responsibility Committee of the Company, were carried out during the year. The details of evaluation process as carried out and the evaluation criteria have been explained in the Corporate Governance Report, forming part of this Annual Report.

The Board of Directors has carried out Formal Annual Evaluation as per applicable rules during the year 2015-16 being the first year of applicability of this provision to the company.

Vigil Mechanism / Whistle Blower Policy:

In terms of section 177(9) of the Companies Act, 2013 and Rule 7 Companies (Meetings of Board and its Powers) Rules, 2014, the Board of Directors has put in place a Vigil Mechanism and adopted a Whistle Blower Policy to provide for adequate safeguards against victimization of employees and directors who may avail of the vigil mechanism/whistle blower, by directly sending mail to the Chairman of the Audit Committee, Shri V. Sridar.

These provisions are already circulated to the employees through the intra-net and also published in the official website of the company. Hence, the company has complied with the provisions of the Act and NHB Directions.

Investments made, loans and guarantees given by the Company:

Your Board further states that during the year under report, your company did not make investment in other companies, bodies corporate, provided loans and given guarantees, etc. above the limits prescribed under section 185, 186 and 187 of the Companies Act, 2013, read with Companies (Meetings of Board and its Powers) Rules, 2014, as applicable to the company.

Re-appointment of Statutory Auditors:

The statutory auditors appointed in the last AGM, M/s. Chaturvedi & Shah, Chartered Accountants, Mumbai have given their consent to act as statutory auditors and given their confirmation under the Companies Act, 2013 for reappointment as auditors of the company, which will be placed before the members at the 6th AGM.

Their re-appointment has been recommended by the Audit Committee and confirmed by the Board, subject to the approval of members and the authority to approve their remuneration and reimbursement of other expenses, if any may be delegated to the Board by the shareholders, at the forthcoming 6th AGM.

Training & Development:

During the FY 2015-16, the company has conducted 946 and 175 mandays of functional training for on-roll and off-roll employees respectively.

Human Resources:

While the company maintains cordial and harmonious relationship with its employees, continuous training programmes are conducted by the company to enhance their efficiency. The Company has adopted a Robust Process of learning and development for its employees which comprises of specific training related to product and services by



the Company along with management and administration training which enables the company to deliver required support to the employees with proper motivation for improved quality of service. The Company has also formulated a policy for recruitment of management trainees from various B-schools campuses and colleges across our business locations. These management trainees are being trained in all functions with a view to nurture and mould them in multitasking. One such batch is taken this year.

Human Resources are cornerstone of Company's growth and progress. Aadhar team also grew stronger from 328 on roll employees last year to 524 on roll employees during the current year under report. Your Board would like to make a special mention about the competence, hard work, solidarity, co-operation, support and commitment of the employees at all levels, who caused achievement of several milestones in the growth of the company during the year under report.

Buy-back of the Company's Own Shares:

During the year under report, the Company did not buy back any of its shares, hence the provisions of section 68 of the Companies Act, 2013, are not applicable.

Changes in the Board of Directors and their Retirement at the AGM:

The Company's Articles of Association requires that at every Annual General Meeting one-third of total number of Directors, or if their number is not three or multiple of three, then the number nearest to one-third, shall retire by rotation from the office. The Directors who need to retire by rotation are those who have been longest in office since their last appointment/ re-appointment.

At the forthcoming AGM, Nominee Director, Shri M. K. Chouhan representing International Finance Corporation (IFC), USA, who was re-appointed in the year 2014, is liable to retire by rotation since he is longest in office as Director. Hence, he is retiring and being eligible offer himself for reappointment at the 6th AGM, as per the provisions of Sec – 161 of the Companies Act, 2013. There is no other change in the Board of Directors of the company.

Independent Directors:

As per the provisions of Section – 149 of the Companies Act, 2013, every public company shall appoint at least one-third of total number of directors, who are Independent Directors, during the year under report. Your company has two Independent Directors in the Board, viz. Shri V. Sridar & Shri G. P. Kohli, who were re-appointed as per above provisions at last AGM for a consecutive period of 5 years effective from 1st April, 2015 to 31st March, 2020 and 1st August, 2015 to 31st July, 2020 respectively. They have given their declaration as per prescribed format given in **Annexure-II**.

Changes in shareholding position:

There is no change in shareholding position of the shareholders of the Company. The total number of shareholders are 11 (eleven) persons/entities during the financial year 2015-16. The Board had approved the proposal to increase the Authorised Share Capital of the Company subject to the approval of the members at the 5th AGM, from Rs. 100 crores to Rs. 200 crores and subsequently amended the Capital Clause V of Memorandum of Association of the Company and requisite forms thereby were duly filed with Registrar of Companies within the prescribed time limit.

Particulars of employees in receipt of remuneration above the limits and other applicable provisions of the Companies Act, 2013:

The various provisions of section 197 of the Companies Act, 2013 and Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are not applicable to the company since the equity shares of the company are not listed during the year under report.

Acknowledgement:

Your directors would like to place on record their sincere gratitude to the Regulators, National Housing Bank, Registrar of Companies, Securities and Exchange Board of India, Insurance Regulatory and Development Authority of India, Ministry of Corporate Affairs International Finance Corporation, all Bankers to the company, other Associate companies, Dewan Housing Finance Corporation Ltd., DHFL Vysya Housing Finance Ltd., DHFL Pramerica Life Insurance Company Limited, ArthVeda Fund Management Pvt. Ltd., Central & State governments, Trustees,



Debentureholders, other stake-holders, customers and all other business associates for their continued support during the year under report. The Directors would also like to thank the Bombay Stock Exchange Limited, National Securities Depository Limited and Central Depository Services (India) Limited and the Credit Rating Agencies for their co-operation.

Your Directors wish to acclaim the hard work and commitment of the employees at all levels who had contributed their might for improving the performance of the company year by year.

Registered Office:
Warden House 2nd Floor,
Sir P. M. Road, Fort,
Mumbai- 400001.

For and on behalf of the Board,

Kapil Wadhawan
(Director)
Din: 00028528

Bikram Sen
(Director)
Din: 00230547

Place: Mumbai
Date : 14th July, 2016

**Annual Return Extracts in MGT 9****ANNEXURE - I****Form No. MGT-9****EXTRACT OF ANNUAL RETURN****as on the financial year ended on 31-03-2016****[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]****I. REGISTRATION AND OTHER DETAILS:**

- 1. Corporate Identity Number (CIN) of the Company:- U65922MH2010PLC202721**
- 2. Registration date:- 03-05-2010**
- 3. Name of the Company:- AADHAR HOUSING FINANCE LIMITED**
- 4. Category / Sub-Category of the Company:- PUBLIC LIMITED COMPANY**
- 5. Address of the Registered office and contact details:-**

WARDEN HOUSE, SECOND FLOOR, SIR P. M. ROAD, FORT, MUMBAI- 400001.**Phone :- 022-39509900****Fax :- 022-39509934****E-mail :- customercare@aadharhousing.com****Contact Person:- SREEKANTH V. N., COMPANY SECRETARY**

- 6. Whether listed company Yes / No :- NO**

(Non-Convertible Debentures listed in debt segment with BSE).

- 7. Name, Address and Contact details of Registrar and Transfer Agent, if any:**

**LINK INTIME INDIA PRIVATE LIMITED,C-13 PANNALAL SILK MILLS,
COMPOUND, L.B.S MARG, BHANDUP (W), MUMBAI-400078.****Phone:- 022-25923837.****II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY****All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-**

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	To advance long term financial assistance to person or persons of lower and middle income group or economically weaker section of the society or co-operative society or AOP or company or corporation, jointly or individually for purpose of construction, purchase, acquisition of residential houses or flats on terms and conditions specified. To solicit and procure Insurance Business as Corporate Agent and to undertake such other activities incidental and ancillary thereto.	65	100%



III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	Wadhawan Global Capital Private Limited, 4th Floor, HDIL Towers, Anant Kanekar Marg, Bandra East, Mumbai- 400051.	U67110MH2010PTC204063	HOLDING	62%	2(46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total- Equity)

i) Category-wise Share Holding

(Figures. In Lakhs except %)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	29.996	0.004	30	3.00	29.996	0.004	30	3.00	NIL
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Body Corporate	770	NIL	770	77.00	770	NIL	770	77.00	NIL
e) Banks/ FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub- total (A) (1)	799.996	0.004	800	80.00	799.996	0.004	800	80.00	NIL
(2) Foreign									
a) NRIs- Individual	-	-	-	-	-	-	-	-	-
b) Other Individual	-	-	-	-	-	-	-	-	-
c) Body Corporate	200	NIL	200	20.00	200	NIL	200	20.00	NIL
d) Banks/ FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub- total (A) (2)	200	NIL	200	20.00	200	NIL	200	20.00	NIL
Total Shareholding of Promoters (A)= (A)(1) + (A)(2)	999.996	0.004	1000	100.00	999.996	0.004	1000	100.00	NIL
B. Public Shareholding									
1) Institutions									
(a) Mutual Fund									
(b) Banks/ FI									
(c) Central Govt.									
(d) State Govt.									
(e) Venture Capital Funds									
(f) Insurance Companies									
(g) FIIs									
(h) Foreign Venture Capital									
(I) Funds Others									
Sub- total (B)(1)									NIL



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2) Non- Institutions	NIL								
(a) Body Corporates									
i) Indian									
ii) Overseas									
(b) Individual									
i) Individual Shareholders holding nominal share capital upto Rs. 1 Lakh.									
ii) Individual Shareholders holding nominal share capital in excess of Rs. 1 Lakh.									
(c) Others Trust									
Sub-total (B) (2)									
Total Public Shareholding (B)= (B)(1) + (B) (2)									
(C) Shares held by Custodian for GDRs & ADRs	NIL								
Grand Total (A+B+C)	999.996	0.004	1000	100.00	999.996	0.004	1000	100.00	NIL

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total Shares of the company	% of Shares Pledged/ encumbered to	No. of shares	% of total Shares of the company	% of Shares Pledged/ encumbered to	
1	Dewan Housing Finance Corporation Limited	1,49,00,000	14.90%	NIL	1,49,00,000	14.90%	NIL	NIL
2	Kapil Wadhawan	10,00,000	1.00%	NIL	9,99,800	0.9998%	NIL	NIL

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

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	Shri Kapil Wadhawan	9,99,800	0.9998%	9,99,800	0.9998%
2	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.):	NIL			
3	At the end of the year	9,99,800	0.9998%	9,99,800	0.9998%



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

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during/ end the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	International Finance Corporation, USA	2,00,00,000	20.00%	2,00,00,000	20.00%
2	Shri. Dheeraj Wadhawan	10,00,000	1.00%	9,99,800	0.9998%
3	Wadhawan Hospitality & Investments Pvt. Ltd.	1,00,000	0.10%	1,00,000	0.10%
4	Wadhawan Global Capital Pvt. Ltd.	6,20,00,000	62.00%	6,20,00,000	62.00%
5	Shri Ajay V. Vazirani	100	0.00%	100	0.00%
6	Shri Mohit B. Chaturvedi	100	0.00%	100	0.00%
7	Shri Amit R. Sawhney	100	0.00%	100	0.00%
8	Shri Sonpal K. Jain	100	0.00%	100	0.00%

(v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
	Shri Kapil Wadhawan Smt. Aruna Wadhawan				
1	At the beginning of the year	9,99,800	0.9998%	9,99,800	0.9998%
		10,00,000	1.00%	10,00,000	1.00%
2	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.):				
3	At the end of the year	9,99,800	0.9998%	9,99,800	0.9998%
		10,00,000	1.00%	10,00,000	1.00%

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	7,197,578,368	492,294,950	-	7,689,873,318
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	67,300,397	-	-	67,300,397
Total (i+ii+iii)	7,264,878,765	492,294,950	-	7,757,173,715
Change in Indebtedness during the financial year				
Addition	1,754,658,649	1,234,934,336	-	2,989,592,985
Reduction	-	-	-	-
Net Change	2,892,436,601	-	-	2,892,436,601
Indebtedness at the end of the financial year				
i. Principal Amount	8,862,404,834	1,727,229,286	-	10,589,634,120
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	157,132,580	-	-	157,132,580
Total (i+ii+iii)	9,019,537,414	1,727,229,286	-	10,746,766,700


VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of Managing Director, Whole Time Directors and/or Manager				Total Amount Rs. (lakhs)
		-	-	-	-	
1	Gross salary	-	-	-	-	-
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-	-
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission • as % of profit • others, specify....	-	-	-	-	-
5	Others, please specify Bonus, P.F. Contribution, Gratuity provision, etc.	-	-	-	-	-
	Total (A)	-	-	-	-	-
	Ceiling as per the Act (Companies Act, 2013)	As per section 197 read with Schedule V of Companies Act, 2013				

B. Remuneration to other directors:

Sr. No.	Name of Directors	Particulars of Remuneration (Rs. In Lakhs)			Total Amount (Rs. In Lakhs)
		Fees for attending Board / committee meetings	Commission	Others	
1	Independent Directors				
a)	Sh. V. Sridar	2.30	-	-	2.30
b)	Sh. G. P. Kohli	1.40	-	-	1.40
	Total B(1)	3.70	-	-	3.70
2	Other Non-Executive Directors				
a)	Sh. Kapil Wadhawan	1.45	-	-	1.45
b)	Sh. Bikram Sen	0.85	-	-	0.85
c)	Smt. Aruna Wadhawan	1.20	-	-	1.20
	Total B(2)	3.50	-	-	3.50



C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/ MANAGER/ WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		Sh. D. S. Tripathi, Chief Executive Officer	Sh. Yogesh Udhoji, Chief Financial Officer	Sh. Sreekanth V. N. Company Secretary	TOTAL
1	Gross Salary (Rs. In Lakhs) a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961 c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	153.08 - -	48.07 - -	41.49 - -	242.64 - -
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission • as % of profits • others	- -	- -	- -	- -
5	Others	-	-	-	-
	Total	153.08	48.07	41.49	242.64

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD/ NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty			NIL		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NIL		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFALUT					
Penalty			NIL		
Punishment					
Compounding					



ANNEXURE II

SPECIMEN DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

The Board of Directors

Aadhar Housing Finance Limited

Dear Sir,

I undertake to comply with the conditions laid down in Sub-clause of Clause 49 read with section 149 and Schedule IV of the Companies Act, 2013 in relation to conditions of independence and in particular:

- (a) I declare that upto the date of this certificate, apart from receiving director's remuneration, I did not have any material pecuniary relationship or transactions with the Company, its promoter, its directors, senior management or its holding Company, its subsidiary and associates as named in the Annexure thereto which may affect my independence as director on the Board of the Company. I further declare that I will not enter into any such relationship/transactions. However, if and when I intend to enter into such relationships/transactions, whether material or non-material I shall keep prior approval of the Board. I agree that I shall cease to be an independent director from the date of entering into such relationship/transaction.
- (b) I declare that I am not related to promoters or persons occupying management positions at the Board level or at one level below the board and also have not been executive of the Company in the immediately preceding three financial years.
- (c) I was not a partner or an executive or was also not partner or executive during the preceding three years, of any of the following:
 - (i) the statutory audit firm or the internal audit firm that is associated with the company, and,
 - (ii) the legal firm(s) and consulting firm(s) that have a material association with the company
- (d) I have not been a material suppliers, service provider or customer or lessor or lessee of the company, which may affect independence of the director, and was not a substantial shareholder of the Company i.e., owning two percent or more of the block of voting shares.

Thanking You.

Yours Faithfully,

1. Shri V. Sridar

2. Shri G. P. Kohli

(Independent Directors)

Date: 14th July, 2016

Place: Mumbai



ANNEXURE III

FORMAT FOR THE ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT

As per section 135(1) of Companies Act, 2013, CSR activities are not applicable for financial year 2014-2015.

However, during the current financial year the company constituted a CSR committee and its policies.

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

The Company believes in engaging and giving back to the community in a good way and in line with the Companies commitment to philanthropy. It intends to undertake the CSR activities strategically, systematically and more thoughtfully and to move from institutional building to community development through its various CSR programs and projects.

This policy, which encompasses the company's philosophy for delineating its responsibility as a corporate citizen, lays down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the community at large, is titled as **"AHFL Corporate Social Responsibility Policy"**.

This policy aims to ensure that the Company as a socially responsible corporate entity contributes to the society at large.

- **The Composition of the CSR Committee.**

The CSR Committee comprises of following Directors;

- (a) Mr. V. Sridar, Chairman, Independent Director
- (b) Mr. Bikram Sen, Member, Director
- (c) Mr. M. K. Chouhan, Member, Director

- **Average net profit of the company for last three financial years;-**

Financial Year	Net Profit (Rs. In crores)
2012-13	Rs. 2.23
2013-14	Rs. 4.11
2014-15	Rs. 5.79
Total	Rs. 12.13
Average Net Profit	Rs. 4.04

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

Prescribed CSR expenditure at 2% of the average net profit is Rs. 8.09 Lakhs.

- **Details of CSR spent during the financial year 2015-16;-**

The total amount to be spent for the financial year is Rs. 8.09 Lakhs. The Company has spent Rs. 8.10 Lakhs during the financial year under report.

- **Total amount to be spent for the financial year 2015-16;-**

The total amount to be spent for the financial year 2015-16- 2% of avg net profit that is Rs. 8.10 Lakhs.

- **Amount unspent, if any and the reasons for not spending the amount and proposed initiatives;-**

There is no unspent amount. The total amount mentioned above is spent in two CSR activities.



➤ **Manner in which the amount spent during the financial year is detailed below;-**

Sr. No.	CSR project or Activity identified		Sector in which the project is covered	Annual outlay or program wise actual spent (Rs. In Lakhs)		Projects or Programs		Amount spent on the project or programs		Cumulative Expenditure upto the reporting period	Amount Spent direct or through implementing agency, if any
	Nature of Expenditure	Recipient Institution		Actual Spent	Budget	Local area or other	State and district where project or programs was undertaken	Direct expenditure on the projects or program	Overheads		
1	Sponsoring Eye surgeries	Blind People Association (India)	Visually Diasbled	5.10	-	Other	Gujarat, Ahmedabad	5.10	-	5.10	Direct
2	Contirbution towards Cancer & AIDS	Global Cancer Mission	Medical Facility	3.00	-	Local Area	Maharashtra, Mumbai	3.00	-	3.00	Direct

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

The CSR Committee confirms that the CSR Policy as approved by the Board has been duly implemented and that the Committee monitors the implementation of various projects and activities and the same is in compliance with the CSR objectives and policy of the Company.

V.Sridar
Din: 02241339
Chairman of Committee

Bikram Sen
Din: 00230547
Member of Committee

M. K. Chouhan
Din: 00187253
Member of Committee

Date: 14th July, 2016
Place: Mumbai



ANNEXURE IV

FORM NO. AOC-2

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions not at arm's length basis

- a) Name(s) of the related party and nature of relationship
- b) Nature of contracts/arrangements/transactions
- c) Duration of the contracts/arrangements/transactions
- d) Salient terms of the contracts or arrangements or transactions including the value, if any

NOT APPLICABLE

- e) Justification for entering into such contracts or arrangements or transactions

- f) Date(s) of approval by the Board

- g) Amount paid as advances, if any:

- h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188.

2. Details of material contracts or arrangement or transactions at arm's length basis

(i).

(a) Name(s) of the related party and nature of relationship	DHFL Pramerica Life Insurance Company Limited
(b) Nature of contracts/arrangements/ transactions	To act as a Corporate Agent for Life Insurance product for securing their life cover against any future eventualities..
(c) Duration of the contracts/ arrangements/ transactions	3 (Three) years
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	Corporate Agency Agreement with DPLI for sale of Life Insurance products with a yearly payment of Rs. 35 lakhs.
(e) Date(s) of approval by the Board, if any:	17/01/14
(f) Amount paid as advances, if any:	NIL

(ii).

(a) Name(s) of the related party and nature of relationship	DHFL Vysya Housing Finance Ltd.
(b) Nature of contracts/ arrangements/ transactions	Loan Syndication Agreement for sourcing of housing loans, acting as agent for sourcing Fixed Deposits.
(c) Duration of the contracts/ arrangements/ transactions	3 (Three) years
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	Co-operation Agreement for sharing of office premise & services with a yearly payment of Rs. 10 Lakhs.
(e) Date(s) of approval by the Board, if any:	21-07-2014
(f) Amount paid as advances, if any:	NIL



(iii).

(a) Name(s) of the related party and nature of relationship	Dewan Housing Finance Corporation Ltd.
(b) Nature of contracts/ arrangements/ transactions	Co-operation Agreement for availing various services such as IT systems, software & broadband, Internal Audit, Staff training, Securitization of Portfolio, Loan recovery/ collection etc.
(c) Duration of the contracts/ arrangements/ transactions	3 (Three) years
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	Co-operation Agreement for sharing of office premise & services with a yearly payment of Rs. 1.65 Crores.
(e) Date(s) of approval by the Board, if any:	21-07-2014
(f) Amount paid as advances, if any:	NIL

(iv).

(a) Name(s) of the related party and nature of relationship	Avanse Financial Services Limited
(b) Nature of contracts/ arrangements/ transactions	Co-operation Agreement for sharing of office premises/ sub-lease of office premises & other resources at Branches of the company for its activities and loan/property relates services.
(c) Duration of the contracts/ arrangements/ transactions	3 (Three) years
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	Co-operation Agreement for sharing of office premise & services with a yearly payment upto Rs. 10 Lakhs.
(e) Date(s) of approval by the Board, if any:	21-07-2014
(f) Amount paid as advances, if any:	NIL

(v).

(a) Name(s) of the related party and nature of relationship	Pramerica Asset Managers Private Limited
(b) Nature of contracts/ arrangements/ transactions	To act as a Corporate Agent for distribution of Mutual Fund products to AHFL customers.
(c) Duration of the contracts/ arrangements/ transactions	3 (Three) years
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	Distribution Agreement with PAMC for sale of mutual funds products with a yearly payment upto Rs. 25 lakhs.
(e) Date(s) of approval by the Board, if any:	20-10-2014
(f) Amount paid as advances, if any:	NIL

(vi).

(a) Name(s) of the related party and nature of relationship	ArthVeda Fund Management Pvt. Ltd.
(b) Nature of contracts/ arrangements/ transactions	To enter into a Joint Association Agreement for assisting in implementation of ASHA Fund and Social Impact Fund.
(c) Duration of the contracts/ arrangements/ transactions	3 (Three) years
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	Joint Association Agreement for assisting in implementation of ASHA Fund and Social Impact Fund by providing various services in project consultancy. Management fees will be received by Aadhar for the services rendered.
(e) Date(s) of approval by the Board, if any:	24-04-2015
(f) Amount paid as advances, if any:	NIL

(vii).

(a) Name(s) of the related party and nature of relationship	WGC Management Services Pvt. Ltd.
(b) Nature of contracts/ arrangements/ transactions	To enter into an agreement for availing consultancy and advisory services.
(c) Duration of the contracts/ arrangements/ transactions	1(One) year
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	Availing advisory and consultancy services with maximum fees of Rs. 12.50 Lakhs per month.
(e) Date(s) of approval by the Board, if any:	21-07-2015
(f) Amount paid as advances, if any:	NIL

Form shall be signed by the persons who have signed the Board's report.



Independent Auditor's Report

**To the Members of
Aadhar Housing Finance Limited**

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and the 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 provision of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of the appropriate accounting policies; making judgements 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 fair 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 thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. 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 accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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



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. 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 appears from our examination of those books.
 - c) The Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the accounting standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016, from being appointed as a director in terms of section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rules 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 does not have any pending litigations which would impact on its financial position.
 - ii. The Company did not have material foreseeable losses on long term contracts including derivative contracts that require provision under any law or accounting standards for which there were any material foreseeable losses.
 - iii. There were no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company during the year.

For Chaturvedi & Shah

Chartered Accountants

Firm Registration No : 101720W

Amit Chaturvedi

Partner

Membership No. : 103141

Place : Mumbai

Date: April 25, 2016



“Annexure A” to Independent Auditors’ Report referred to in Paragraph 1 under the heading of “Report on other legal and regulatory requirements” of our report of even date.

- 1) In respect of its fixed assets :
 - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - c) In our opinion and according to the information and explanations given to us, title deeds of immovable properties are held in the name of the company.
- 2) As the Company did not have Inventories during the year, clause (ii) of paragraph of 3 of the order is not applicable to the Company.
- 3) The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Consequently, the requirement of clause (iii) (a) to clause (iii) (c) of paragraph 3 of the Order is not applicable to the Company.
- 4) Company has not granted any loans, investments, guarantees and securities covered under section 185 and 186 of the Act during the year.
- 5) According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Therefore, the clause (v) of paragraph 3 of the Order is not applicable to the Company.
- 6) To the best of our knowledge and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub section (1) of Section 148 of the Act in respect of the activities undertaken by the Company.
- 7) In respect of Statutory dues :
 - a) According to the records of the Company, undisputed statutory dues including provident fund, employees’ state insurance, income tax, service tax, cess and any other statutory dues have been regularly deposited with appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues, were 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, service tax and cess on account of any dispute, which have not been deposited.
- 8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institutions or banks or debenture holders of the Company.
- 9) The money raised by term loans has been applied for the purpose for which they are raised. The Company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year.



- 10) Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- 11) Company has not paid any managerial remuneration during the year and hence clause (xi) of paragraph 3 of the Order is not applicable to the company.
- 12) In our opinion company is not a nidhi company. Therefore, the provisions of clause (xii) of paragraph 3 of the Order are not applicable to the company.
- 13) In our opinion and according to the information and explanations given to us, all transactions with related parties are in compliance with sections 177 and 188 of the Act and their details have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- 14) In our opinion and according to the information and explanations given to us, the Company has made private placement of redeemable non convertible debentures during the year. The Company has complied with requirements of section 42 of the Act and amount raised have been used for the purpose for which funds were raised.
- 15) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transaction with the directors or persons connected with him and covered under section 192 of the Act. Hence, clause (xv) of the paragraph 3 of the Order is not applicable to the Company.
- 16) To the best of our knowledge and as explained, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Chaturvedi & Shah

Chartered Accountants

Firm Registration No. : 101720W

Amit Chaturvedi

Partner

Membership No. : 103141

Place: Mumbai

Date: April 25, 2016



“Annexure B” to Independent Auditors’ Report referred to in paragraph 2(f) under the heading “Report on other legal and regulatory requirements” of our report of even date.

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

We have audited the Internal Financial Control over financial reporting of **Aadhar Housing Finance Limited** (“the company”) as of 31st March, 2016 in conjunction with our audit of the financial statements of the Company for the year then ended.

Management Responsibility for the Internal Financial Controls

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

Auditor’s 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 Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

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



Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI. raised money by way of initial public offer or further public offer (including debt instruments) during the year.

For Chaturvedi & Shah

Chartered Accountants

Firm Registration No. : 101720W

Amit Chaturvedi

Partner

Membership No. : 103141

Place: Mumbai

Date: April 25, 2016



Independent Auditor's Report

To
The Board of Directors,
Aadhar Housing Finance Limited
Report on Compliance with the Housing Finance Companies (NHB) Directions, 2010

Pursuant to the Paragraph 33 of Chapter IV of the Housing Finance Companies (NHB) Directions, 2010 (the "Directions"), we have examined the matters specified in the Paragraph 34 of the Directions in respect of Aadhar Housing Finance Limited (the "Company") for the year ended 31st March, 2016.

Management Responsibility

The Management is responsible for the design and implementation of the internal procedures, systems, processes and controls to ensure compliance with the Directions on an ongoing basis. This responsibility also includes reporting non-compliance, if any, to the National Housing Bank, Board of the Company and its Audit Committee.

Auditors' Responsibility

Our responsibility is to report on the matters specified in Paragraph 34 of the Directions based on our audit. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether there are any identified non-compliances. An audit involves performing procedures to obtain audit evidence about the compliance with the Directions. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the information and records, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's compliance with the Directions in order to design audit procedures that are appropriate in the circumstances. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our certificate.

We conducted our examination in accordance with the Guidance Note on Special Purpose Audit Reports and Certificates issued by the Institute of Chartered Accountants of India.

Conclusion

Based on our examination of the books and records of the Company as produced for our examination and the information and explanations provided to us, we report that:

1. The Company had applied for registration as required under Section 29A of the National Housing Bank Act, 1987 and has been granted the certificate of registration dated 11th August, 2010.
2. The Company is not accepting/holding public deposits and hence clause (iii) of Para 34 of the said directions is not applicable to the Company.
3. The Company has complied with Section 29C of the National Housing Bank Act, 1987.
4. The Company has complied with the provisions of the Directions.
5. The capital adequacy ratio as disclosed in the return submitted to the National Housing Bank has been correctly determined and such ratio is in compliance with the minimum capital to risk weighted asset ratio as prescribed by the National Housing Bank in the Directions.
6. The Company is not accepting/holding public deposits and hence clause (vii) of Para 34 of the said directions is not applicable to the Company.



7. The Company is not accepting/holding public deposits and the board of directors has passed the resolution for non acceptance of any public deposits in its meeting held on 24th April, 2015. The Company has not accepted any public deposits during the year and complied with prudential norms.

Restriction of use

This report is issued pursuant to the requirement as per Paragraph 33 of the Directions and should not be used by any other person or for any other purpose. We neither accept nor assume any duty or liability for any other purpose or to any other party to whom our report is shown or into whose hands it may come without our prior consent in writing.

For Chaturvedi & Shah

Firm Registration No. : 101720W
Chartered Accountants

Amit Chaturvedi

Partner
Membership No. : 103141

Place: Mumbai
Date: April 25, 2016



AADHAR HOUSING FINANCE LIMITED
BALANCE SHEET AS AT MARCH 31, 2015

	Note No.		As at March 31, 2016 Amt. in ₹		As at March 31, 2015 Amt. in ₹
I. EQUITY AND LIABILITIES					
1. Shareholder's Funds					
Share Capital	2	1,000,000,000		1,000,000,000	
Reserves and Surplus	3	337,469,067	1,337,469,067	151,251,147	1,151,251,147
2. Non-Current Liabilities					
Long-Term Borrowings	4	12,804,404,834		8,647,578,368	
Long-Term Provisions	5	124,575,298	12,928,980,132	55,105,660	8,702,684,028
3. Current Liabilities					
Short-Term Borrowings	6	1,727,229,286		492,294,950	
Short-Term Provisions	7	71,286,762		28,762,409	
Other Current Liabilities	8	3,619,362,586	5,417,878,634	1,592,402,189	2,113,459,548
TOTAL			<u>19,684,327,833</u>		<u>11,967,394,723</u>
II. ASSETS					
1. Non-Current Assets					
Fixed Assets	9				
Tangible Assets		85,789,602		50,679,721	
Intangible Assets		277,701	86,067,303	25,153	50,704,874
Deferred Tax Assets (Net)	10	23,979,799		9,993,049	
Housing and Other Loans	11	17,356,417,130		9,327,428,061	
Long-Term Loans and Advances	12	10,913,852		5,673,820	
Other Non-Current Assets	13	8,233,333	17,399,544,115	693,782	9,343,788,712
2. Current Assets					
Current Investments	14	195,000,000		1,702,151,320	
Housing and Other Loans	11	757,554,920		393,748,290	
Trade Receivables	15	36,243,053		15,117,847	
Cash and Bank Balances	16	1,090,912,624		341,259,966	
Short-Term Loans and Advances	17	2,688,806		30,000,000	
Other Current Assets	18	116,317,012	2,198,716,415	90,623,715	2,572,901,138
TOTAL			<u>19,684,327,833</u>		<u>11,967,394,723</u>

Summary of Significant Accounting Policies

The Accompanying Notes 2 to 34 are an Integral Part of Financial Statements

As per our report of even date

For and on behalf of the Board of Directors

For Chaturvedi & Shah

Chartered Accountants

FRN No. 101720W

Kapil Wadhawan

(Director)

Din: 00028528

Bikram Sen

(Director)

Din: 00230547

V.Sridar

(Director)

Din: 02241339

Amit Chaturvedi

Partner

M.No.103141

Mumbai

Date : 25th April, 2016

Deo Shankar Tripathi

Chief Executive Officer

PAN No. ABMPT4639B

Yogesh Udhoji

Chief Financial Officer

PAN No. AAJPU4216D

V.N. Sreekanth

(Company Secretary)

M. No. FCS-4191



STATEMENT OF PROFIT AND LOSS

AADHAR HOUSING FINANCE LIMITED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

	Note No.	As at March 31, 2016 Amt. in ₹	As at March 31, 2015 Amt. in ₹
INCOME			
Revenue From Operations	19	2,021,675,139	1,114,891,013
Other Income	20	139,807,820	105,188,666
Total Income		2,161,482,959	1,220,079,679
EXPENDITURE			
Finance Cost	21	1,252,219,478	693,109,290
Employee Benefit Expenses	22	286,267,767	205,259,574
Other Operating Expenses	23	232,181,136	196,386,854
Provision For Contingencies		85,581,443	24,656,498
Depreciation	9	13,623,474	11,538,523
Amortisation of Expenses	13	1,960,449	1,665,084
Total Expenditure		1,871,833,747	1,132,615,822
Profit Before Tax		289,649,212	87,463,858
Tax Expenses			
-Current Tax		114,234,400	35,847,027
-Deferred Tax		(15,208,950)	(6,305,731)
-(Short) / Excess provision of earlier years		3,790,076	
Total Tax Expenses		102,815,526	29,541,295
Profit After Tax		186,833,686	57,922,562
Earnings Per Equity Share			
Basic & Diluted (Face value ₹10 Per Share)	27	1.87	0.58
Summary of Significant Accounting Policies	1		

The Accompanying Notes 2 to 34 are an Integral Part of Financial Statements

As per our report of even date

For Chaturvedi & Shah

Chartered Accountants

FRN No. 101720W

Amit Chaturvedi

Partner

M.No.103141

Mumbai

Date : 25th April, 2016

For and on behalf of the Board of Directors

Kapil Wadhawan

(Director)

Din: 00028528

Deo Shankar Tripathi

Chief Executive Officer

PAN No. ABMPT4639B

Bikram Sen

(Director)

Din: 00230547

Yogesh Udhoji

Chief Financial Officer

PAN No. AAJPU4216D

V.Sridar

(Director)

Din: 02241339

V.N. Sreekanth

(Company Secretary)

M. No. FCS-4191

CASH FLOW STATEMENT



AADHAR HOUSING FINANCE LIMITED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH ,2016

	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
1 CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax	289,649,212	87,463,858
Adjustment For:		
Amortisation Expenses	1,960,449	1,665,084
Depreciation	13,623,474	11,538,523
Provision For Contingencies	100,203,970	30,083,947
(Profit) / Loss on Sale of Fixed Assets	749,263	-
Interest Income on Fixed Deposits and Government and Other Securities	(91,939,777)	(16,809,459)
Profit on Sale of Current Investments	(105,209,737)	(34,188,400)
Operating Profit Before Working Capital Changes	<u>209,036,854</u>	<u>79,753,552</u>
Adjustment For:		
Increase/(Decrease) in Liabilities and Provisions	1,158,397,372	554,575,898
(Increase)/Decrease in Loans and Advances	(8,385,081,007)	(4,528,846,115)
(Increase)/Decrease in Other Current Assets	<u>(54,747,341)</u>	<u>(31,965,562)</u>
Cash Generated From Operations	<u>(7,281,430,976)</u>	<u>(4,006,235,779)</u>
	<u>(7,072,394,123)</u>	<u>(3,926,482,227)</u>
Taxes Paid	(85,222,814)	(36,343,250)
NET CASH FLOW FROM OPERATING ACTIVITIES	<u>(7,157,616,937)</u>	<u>(3,962,825,477)</u>
2 CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(49,750,166)	(20,268,252)
Sale of Fixed Assets	15,000	-
Interest Income on Fixed Deposits and Government and Other Securities	84,225,085	3,078,683
Movement in Other Bank Balance	-	(13,500,000)
Purchase of Current Investment	(1,301,250,000)	(1,702,151,320)
Sale of Current Investments	<u>2,913,611,057</u>	<u>34,188,400</u>
NET CASH FLOW FROM INVESTING ACTIVITIES	<u>1,646,850,976</u>	<u>(1,698,652,489)</u>
	<u>(5,510,765,960)</u>	<u>(5,661,477,966)</u>
3 CASH FLOW FROM FINANCING ACTIVITIES		
Grant Money Received (Net of Expenditure Incurred)	540,330	(4,089,475)
Preliminary Expenses incurred	(9,500,000)	-
Repayment of Long Term Borrowing	(937,853,857)	(1,366,051,634)
Proceeds From Long Term Borrowing	5,972,297,809	5,970,000,000
Proceeds From Short Term Borrowing	<u>1,234,934,336</u>	<u>492,294,950</u>
NET CASH FLOW FROM FINANCING ACTIVITIES	<u>6,260,418,619</u>	<u>5,092,153,841</u>
	<u>6,260,418,619</u>	<u>5,092,153,841</u>
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	749,652,659	(569,324,125)
CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF THE YEAR	327,759,966	897,084,090
CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR	<u>1,077,412,624</u>	<u>327,759,966</u>
Components of Cash and Cash Equivalents	2015-16	2014-15
Cash on Hand	15,153,713	5,698,309
With Banks - On Current Account	938,198,475	214,206,543
With Banks - On Deposit Account	124,060,436	107,855,114
Total Cash and Cash Equivalents (Note 16)	<u>1,077,412,624</u>	<u>327,759,966</u>

As per our report of even date

For Chaturvedi & Shah

Chartered Accountants

FRN No. 101720W

Amit Chaturvedi

Partner

M.No.103141

Mumbai

Date : 25th April, 2016

For and on behalf of the Board of Directors

Kapil Wadhawan

(Director)

Din: 00028528

Deo Shankar Tripathi

Chief Executive Officer

PAN No. ABMPT4639B

Bikram Sen

(Director)

Din: 00230547

Yogesh Udhoji

Chief Financial Officer

PAN No. AAJPU4216D

V.Sridar

(Director)

Din: 02241339

V.N. Sreekanth

(Company Secretary)

M. No. FCS-4191



AADHAR HOUSING FINANCE LIMITED

Notes to the Financial Statements For The Year Ended 31st March, 2016

CORPORATE INFORMATION

Aadhar Housing Finance Limited (the 'Company') was incorporated on 3rd May, 2010. The main object of the Company, inter alia are to carry on the business of providing long term finance to individuals, companies, corporations, societies or association of person for purchase / construction / repair and renovation of new /existing flats/house for residential purpose and provide property related services. The Company has received certificate of registration, under Section 29A of the National Housing Bank (NHB) Act, 1987, from the NHB on 11th August, 2010 to carry on the business of long term finance for housing.

1. SIGNIFICANT ACCOUNTING POLICIES

A) Basis For Preparation of Accounts

The financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting and in accordance with the generally accepted accounting principles in India (Indian GAAP), the Accounting Standards notified under the relevant provisions of the Companies Act, 2013. Further, the Company follows the Directions issued by the National Housing Bank (NHB) for Housing Finance Companies (HFC). The Central Government in consultation with National Advisory Committee on Accounting Standards has amended Companies (Accounting Standards) Rules, 2006 ('principal rules'), vide notification issued by Ministry of Corporate Affairs dated March 30, 2016. The Companies (Accounting Standards) (Amendment) Rules, 2016 is effective March 30, 2016. The Company believes, that the Rule 3(2) of the principal rules has not been withdrawn or replaced and accordingly, the Companies (Accounting Standards) Amendment Rules, 2016 will apply for the accounting periods commencing on or after March 30, 2016.

B) Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires judgments, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/materialised.

C) Revenue Recognition

i. Income on Loan Transactions

Repayment of housing loans is by way of Equated Monthly Installments (EMI) comprising principal and interest. Interest is calculated each year on the outstanding balance at the beginning of the company's financial year or on monthly reducing balance in terms of financing scheme opted by the borrower. EMI commences once the entire loan is disbursed. Pending commencement of EMI, PRE – EMI monthly interest is payable.

Interest on performing assets is recognised on accrual basis and on non – performing assets on realisation basis as per the guidelines prescribed by the National Housing Bank. The interest income (payment) is adjusted for gain (loss) on corresponding hedge contracts / interests swap derivatives, wherever executed.

Delayed payment charges, processing fees, cheque bounce charges, service charges and other fee income are accounted on receipt basis on account of uncertainty of ultimate collection.



ii. Income From Current And Long-Term Investments

Income from dividend on shares of corporate bodies and units of mutual funds is accounted on accrual basis when the Company's right to receive dividend is established.

D) Provisions For Standard/Non Performing Assets And Doubtful Debts

The Company provides an allowance for loan receivables based on the prudential norms issued by the NHB relating to income recognition, asset classification and provisioning for non-performing assets.

In addition to this the Company provides for provision on Standard Assets as required by the directions issued by the NHB.

E) Investments

i. Long Term Investments

Long term investments are stated at cost as per Accounting Standard (AS 13) on "Accounting for Investments" and the guidelines issued by the National Housing Bank. Provision for diminution is made to recognize a decline, other than temporary, in the value of such investments.

ii. Current Investments

Current Investments comprising investments in mutual funds are stated at the lower of cost or market value.

F) Fixed Assets

i. Tangible

Fixed Assets are stated at Cost less accumulated depreciation and Impairment loss, if any. All Costs, including financing costs till the date asset is ready for use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the Fixed Assets are capitalised.

ii. Intangible

Intangible assets are carried at cost less accumulated amortization and accumulated impairment losses if any.

G) Depreciation

Depreciation on tangible fixed assets is provided on straight line method at the rates and in the manner prescribed in Schedule II to the Companies Act, 2013 over their useful life. Intangible assets are amortised over a period of the useful life of the asset.

H) Lease

Leases are classified as operating lease where significant portion of risks and reward of ownership of assets acquired under lease are retained by the lessor. Lease rentals for such leases are charged to Statement of Profit and Loss on accrual basis.

I) Foreign Exchange

i) Transaction denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.

ii) Monetary items denominated in foreign currencies at the year-end rates. In case of monetary item which



are covered by forward exchange contracts, the difference between the year end rate and rate on the contract is recognized as exchange difference and the premium paid on forward has been recognized over the life of contract.

iii) Non-Monetary foreign currency items are carried at cost.

iv) Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Statement of Profit and Loss except in case of long term liabilities, where they related to acquisition of fixed assets, in which they are adjusted to the carrying cost of such assets, or amortise over the term of long term asset or liability.

J) Borrowing Cost

Borrowing cost that is attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other incidental cost relating to borrowing are amortised over the tenure of borrowing.

K) Miscellaneous Expenditure

Share issue expenses is amortised over a period of 60 months from the month in which the Company has incurred the expenditure.

L) Special Reserve

Company creates and maintain Special Reserve every year out of its profit in terms of Section 36(1)(viii) of the Income Tax Act, 1961 read with section 29C of the National Housing Bank Act, 1987.

M) Employee Benefits

The Company provides for gratuity and leave encashment, a defined benefit retirement plan covering eligible employees. Liability with regard to gratuity and leave encashment (defined benefit retirement plan) is accrued based on actuarial valuation conducted as on the balance sheet date.

Short term employee benefits are recognized as expenses at an undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.

Post employment and other long term employee benefits are recognised as an expenses in Statement of Profit and Loss of the year in which the related service is rendered The expenses is recognised at the present value of the amount payable determined using the actuarial valuation technique. Actuarial gains and losses in respect of post employment and other long term benefit are charged to the Statement of Profit and Loss.

N) Provisions, Contingent Liabilities And Contingent Assets

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised but disclosed in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.



O) Impairment of Assets

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. 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 recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

P) Provision For Current And Deferred Tax

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred tax resulting from "timing difference" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the Balance Sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is a virtual/reasonable certainty that the asset will be realised in future.

Q) Earning Per Share

The earnings per share has been computed in accordance with Accounting Standards (AS – 20) on, "Earnings Per Share" and is also shown in the Statement of Profit & Loss.

R) Government Grant

The Company accounts for the Grant received from any Government, Government agencies or similar bodies whether local, national or international and which is received to meet specific expense, against related costs as and when incurred. Unadjusted portion, if any, of the grant is accounted under capital reserve.



AADHAR HOUSING FINANCE LIMITED

Notes to The Financial Statements For The Year Ended 31st March, 2015

2. SHARE CAPITAL

PARTICULARS	As at March 31, 2016	As at March 31, 2015
	Amt. in ₹	Amt. in ₹
AUTHORISED 20,00,00,000 (10,00,00,000) Equity Shares of ₹10 each	2,000,000,000	1,000,000,000
	2,000,000,000	1,000,000,000
ISSUED , SUBSCRIBED AND FULLY PAID UP 10,00,00,000 (10,00,00,000) Equity Shares of ₹10 each	1,000,000,000	1,000,000,000
TOTAL	1,000,000,000	1,000,000,000

2 (a). Reconciliation of number of shares outstanding at the beginning and at the end of reporting period

PARTICULARS	As at March 31, 2016	As at March 31, 2015
Equity Shares at the beginning	100,000,000	100,000,000
Issued during the year	-	-
Equity Shares at the end of the year	100,000,000	100,000,000

2(b). Terms / Rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive 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

PARTICULARS	As at March 31, 2016		As at March 31, 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Holding Company- Wadhawan Global Capital Private Ltd (Formerly known as Wadhawan Housing Private Ltd)	62,000,000	62.00%	62,000,000	62.00%
Dewan Housing Finance Corporation Ltd	14,900,000	14.90%	14,900,000	14.90%
International Finance Corporation (IFC Washington)	20,000,000	20.00%	20,000,000	20.00%



3. RESERVES AND SURPLUS

PARTICULARS	As at March 31, 2016	As at March 31, 2015
	Amt. in ₹	Amt. in ₹
Special Reserve (In terms of section 29C of National Housing Bank Act,1987)		
Balance as per the last financial statements		
a) Statutory Reserve u/s 29 C of the National Housing Bank Act, 1987.	6,134,030	6,134,030
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purpose of Statutory Reserve under section 29C of the NHB Act, 1987	26,723,260	14,123,260
c) TOTAL	32,857,290	20,257,290
Addition / Appropriation / Withdrawal during the year		
Add : a) Amount transferred u/s 29C of the NHB Act, 1987	-	-
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of statutory reserve u/s 29 C of the NHB Act, 1987	70,000,000	12,600,000
Less : a) Amount appropriated from statutory reserve u/s 29C of the NHB Act, 1987	-	-
b) Amount withdrawn from the special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of statutory reserve u/s 29 C of the NHB Act, 1987	-	-
Balance at end of the year		
a) Statutory Reserve u/s 29 C of the National Housing Bank Act, 1987.	6,134,030	6,134,030
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purpose of Statutory Reserve under section 29C of the NHB Act, 1987	96,723,260	26,723,260
c) TOTAL	102,857,290	32,857,290
Capital Reserve		
Balance as per the last financial statements	468,444	4,557,919
Add : amount received from International Finance Corporation as a Grant	6,600,810	3,000,136
Less : amount utilized for the eligible expenses during the year	5,994,381	7,089,611
	1,074,873	468,444
Surplus / (Deficit) in the statement of profit and loss		
Balance as per the last financial statements	117,925,417	73,825,051
Profit for the year	186,833,686	57,922,562
Less : Appropriations		
Transfer to Special Reserve	70,000,000	12,600,000
Deferred Tax liability created on amount claimed as deduction u/s 36(i)(viii) till 31st March, 2014*	1,222,200	1,222,200
Total Appropriations	71,222,200	13,822,200
Net Surplus in the statement of profit and loss	233,536,903	117,925,414
TOTAL	337,469,067	151,251,147

As per the National Housing Bank's Circular No. NHB(ND) /DRS /Policy circular 65/2014-15 dated 22nd August, 2014, the National Housing Bank (NHB) has directed Housing Finance Companies (HFCs) to provide for deferred tax liability in respect of amount transferred to "Special Reserve" created under section 36(i)(viii) of the Income Tax Act, 1961. Accordingly, the Company has created deferred tax liability on the amount appropriated towards special reserve created under section 36(i)(viii) of the Income Tax Act, 1961 during the financial year 2015-16 and charged the same to statement of profit & loss.

As per above circular, NHB has advised HFCs to create deferred tax liability in respect on accumulated balance of special reserve as on April 1, 2014, created under section 36(i)(viii), over a period of 3 years starting with the financial year 2014-15, in a phased manner in the ratio of 25:25:50. Accordingly the Company has created 25% of deferred tax liability of ₹ 12,22,200 on accumulated special reserve created under section 36(i)(viii) upto April 1, 2014.



4. LONG TERM BORROWINGS

PARTICULARS	As at March 31, 2016	As at March 31, 2015
	Amt. in ₹	Amt. in ₹
SECURED BORROWINGS		
Term Loans:		
From Banks	8,862,404,834	7,197,578,368
Redeemable Non Convertible Debentures	3,942,000,000	1,450,000,000
TOTAL	12,804,404,834	8,647,578,368

- 4.1. Terms loan from banks are secured by pari-passu charge on housing loan, other receivables and other current assets of the Company as applicable.
- 4.2. Secured Non Convertible Debentures are secured by first mortgage over specific immovable property belonging to the Company and pari-passu charge on housing loans, other receivables and other current assets of the Company as applicable.

Maturity Profile of term loans from banks are as set out below :

	0-1 Years	1-2 Years	2-3 Years	3-4 Years	Beyond 4 Years
Term loan from Banks (9.30% to 10.65%)	1,295,707,159	1,595,657,148	1,595,507,149	1,492,207,147	4,179,033,390

Maturity Profile of secured Non Convertible Debentures are as set out below :

	0-1 Years	1-2 Years	2-3 Years	3-4 Years	Beyond 4 Years
Non Convertible Debentures (9.40% to 10.75%)	500,000,000	180,000,000	-	320,000,000	3,442,000,000

5. LONG TERM PROVISIONS

PARTICULARS	As at March 31, 2016	As at March 31, 2015
	Amt. in ₹	Amt. in ₹
Provision for long term employee benefits	-	734,332
Contingent Provisions against Standard Assets	73,632,307	39,867,353
Contingent Provisions against non performing asset	29,739,563	7,923,074
Contingent Provisions against interest on non performing asset	21,203,428	6,580,901
TOTAL	124,575,298	55,105,660

6. SHORT TERM BORROWINGS

PARTICULARS	As at March 31, 2016	As at March 31, 2015
	Amt. in ₹	Amt. in ₹
UNSECURED BORROWINGS		
Commercial Paper (Net of unamortised discount of ₹2,27,70,714/- (as at March 31, 2015 , ₹77,05,050/-)	1,727,229,286	492,294,950
TOTAL	1,727,229,286	492,294,950



7. SHORT TERM PROVISIONS

PARTICULARS	As at March 31, 2016	As at March 31, 2015
	Amt. in ₹	Amt. in ₹
Provision for employee benefits	34,074,027	24,285,234
Provision for Taxes (Net of Advance Taxes paid)	37,212,735	4,477,175
TOTAL	71,286,762	28,762,409

8. OTHER CURRENT LIABILITIES

PARTICULARS	As at March 31, 2015	As at March 31, 2014
	Amt. in ₹	Amt. in ₹
Current Maturities of Long Term Borrowings - From Banks, secured (Refer Note 4.2 above)	1,295,707,159	918,089,673
Current Maturities of Long Term Borrowings - From Non Convertible Debentures, secured (Refer Note 4.2 above)	500,000,000	
Interest Accrued but not Due on Borrowings	157,132,580	67,300,397
EMI /PEMI Received in Advance	12,852,883	10,996,766
Bank overdraft as per books	1,579,338,058	557,548,268
Statutory Dues	5,144,441	6,970,352
Amount received towards Credit Linked interest subsidy from NHB under Prime Minister Awas Yojana Pending for allocation	27,955,465	
Other Current Liabilities*	41,232,000	31,496,733
* Other Current Liabilities includes Outstanding Liabilities and Other Payables		
TOTAL	3,619,362,586	1,592,402,189



9. FIXED ASSETS

Particulars	Gross Block			Accumulated Depreciation And Amortisation				Net Block		
	Opening balance as at April 1, 2015	Additions	Deletions	Closing balance as at Mar 31, 2016	Opening balance as at April 1, 2015	Depreciation/Amortisation for the period	Deletions	Closing balance as at Mar 31, 2016	As at March 31, 2015	As at March 31, 2015
TANGIBLE FIXED ASSETS										
Land	726,500	-	-	726,500	-	-	-	-	726,500	726,500
Furniture & Fixtures	35,165,067	25,300,376	1,299,571	59,165,872	7,927,058	4,193,214	535,308	11,584,964	47,580,909	27,238,009
Computer Hardware	20,676,026	14,862,201	-	35,538,227	7,448,528	6,634,777	-	14,083,305	21,454,922	13,227,498
Office Equipment	11,040,759	9,281,771	-	20,322,530	2,441,072	1,991,106	-	4,432,178	15,890,352	8,599,687
Vehicles	2,268,611	-	-	2,268,611	1,380,584	751,107	-	2,131,691	136,920	888,027
TANGIBLE FIXED ASSETS - TOTAL	69,876,963	49,444,348	1,299,571	118,021,740	19,197,242	13,570,204	535,308	32,232,138	85,789,602	50,679,721
INTANGIBLE FIXED ASSETS										
Software	856,395	305,818	-	1,162,213	831,242	53,270	-	884,512	277,701	25,153
INTANGIBLE FIXED ASSETS - TOTAL	856,395	305,818	-	1,162,213	831,242	53,270	-	884,512	277,701	25,153
Total	70,733,358	49,750,166	1,299,571	119,183,953	20,028,484	13,623,474	535,308	33,116,651	86,067,303	50,704,874
Previous financial year	50,465,106	20,268,252	-	70,733,358	8,489,961	11,538,523	-	20,028,485		



10. DEFERRED TAX ASSET

PARTICULARS	As at March 31, 2016	As at March 31, 2015
Deferred Tax Asset (net)	23,979,799	9,993,049

10 (a) . The major components of deferred tax assets and deferred tax liabilities arising out of timing differences are as under:

PARTICULARS	As at March 31, 2016	As at March 31, 2015
Deferred Tax Asset		
On Provisioning	53,498,511	18,817,917
Deferred Tax Liability		
Deferred tax liabilities on account of depreciation on fixed assets	(3815704)	(3001688)
Deferred tax liabilities on account of share issue expenses	(219198)	(240120)
Deferred tax liabilities on account of special reserve	(25483810)	(5583060)
Net Deferred Tax Asset	23,979,799	9,993,049

11. HOUSING AND OTHER LOANS

PARTICULARS	As at March 31, 2016	As at March 31, 2015
	Amt. in ₹	Amt. in ₹
NON-CURRENT		
Housing Loans Secured		
- Individual	14,812,342,693	7,875,824,598
- Corporate bodies	191,386,680	229,155,529
	15,003,729,373	8,104,980,127
Home Equity Loans Secured		
- Individual	2,291,083,269	1,222,447,934
- Corporate bodies	-	-
	2,291,083,269	1,222,447,934
Other Loan - Secured		
- Loan given to DHFL under Joint Syndication for Project Loan	61,604,488	-
TOTAL	17,356,417,130	9,327,428,061
CURRENT		
Housing Loans Secured		
- Individual	518,095,212	276,557,578
- Corporate bodies	78,946,181	60,020,636
	597,041,393	336,578,214
Home Equity Loans Secured		
- Individual	114,414,754	57,170,076
- Corporate bodies	-	-
	114,414,754	57,170,076
Other Loan - Secured		
- Loan given to DHFL under Joint Syndication for Project Loan	46,098,773	-
TOTAL	757,554,920	393,748,290
TOTAL	18,113,972,050	9,721,176,351



- 11.1 Housing and Home Equity loan balance also includes the insurance payment made by the company towards life insurance premium on behalf of the borrower.
- 11.2 As certified by management, loans given by the Company are secured by equitable mortgage /registered mortgage of the property and assets financed and /or personal guarantees and /or undertaking to create a security and /or hypothecation of asset and are considered appropriate and good.
- 11.3 Composite loans sanctioned (i.e. loans allowed for purchase of plot and self construction of house) on or before March 31, 2013 in which construction has not started till March 31, 2016 , as per information available with the Company, is excluded from the housing loan and regrouped under Home Equity loans in above outstanding as on March 31, 2016 aggregating to ₹4,22,91,860/- (Previous Year ₹1,76,33,553/-)
- 11.4 The Company has entered into a loan syndication agreement with Dewan housing Finance Corporation Ltd (DHFL) to provide housing and property loans to borrowers wherein DHFL originates loan files through its branches and get it processed under common credit norms. Aadhar Housing Finance Ltd have agreed to participate on the disbursed loan portfolio under the loan syndication agreement,
- 11.5 Housing loan (Current and Non Current) includes ₹6,95,58,861/- (31st March, 2015 ₹3,04,43,727/-) given to officer of the Company under the staff loan scheme.

The Company has complied with norms prescribed under Housing Finance Companies (NHB) Directions, 2010 for recognizing Non-Performing Assets in preparation of accounts. The Company has made adequate provision on Non-performing Assets as prescribed under Housing Finance Companies (NHB) Directions 2010.

In line with notification no. NHB.HFC.DIR.3/CMD/2011 and NHB.HFC.DIR.9/CMD/2013 issued by National Housing Bank, the company has made provision on outstanding Standard Assets.

Asset Classification	As at March 31, 2016		As at March 31, 2015	
	Year End Balance	Provisions	Year End Balance	Provisions
Standard Assets	15,252,982,032	61,509,555	8,115,897,928	32,495,599
Sub-standard Assets	51,097,318	9,581,551	28,193,994	4,266,405
Doubtful Assets	23,126,285	8,006,759	8,290,254	2,104,405
Loss Assets	3,232,271	3,253,721	-	-
TOTAL	15,330,437,906	82,351,586	8,152,382,176	38,866,409

Non Housing Loans

Asset Classification	As at March 31, 2016		As at March 31, 2015	
	Year End Balance	Provisions	Year End Balance	Provisions
Standard Assets	2,396,870,333	9,587,481	1,270,733,294	5,082,933
Sub-standard Assets	2,935,970	446,307	6,979,905	1,063,026
Doubtful Assets	4,644,851	1,337,383	1,904,811	489,238
Loss Assets	1,046,869.00	1,113,842	-	-
TOTAL	2,405,498,023	12,485,013	1,279,618,010	6,635,197

Commercial Real Estate (Residential Housing)

Asset Classification	As at March 31, 2016		As at March 31, 2015	
	Year End Balance	Provisions	Year End Balance	Provisions
Standard Assets	338,036,121	2,535,271	289,176,165	2,168,821
Sub-standard Assets	40,000,000	6,000,000	-	-
Doubtful Assets	-	-	-	-
Loss Assets	-	-	-	-
TOTAL	378,036,121	8,535,271	289,176,165	2,168,821



Commercial Real Estate (Others)

PARTICULARS	As at March 31, 2016		As at March 31, 2015	
	Year End Balance	Provisions	Year End Balance	Provisions
Standard Assets	-	-	-	-
Sub-standard Assets	-	-	-	-
Doubtful Assets	-	-	-	-
Loss Assets	-	-	-	-
TOTAL	-	-	-	-

12. LONG-TERM LOANS AND ADVANCES

PARTICULARS	As at March 31, 2016	As at March 31, 2015
	Amt. in ₹	Amt. in ₹
Security Deposits (Unsecured - considered good)	10,349,099	5,571,820
Capital Advance	564,753	102,000
TOTAL	10,913,852	5,673,820

13. OTHER NON-CURRENT ASSETS

PARTICULARS	As at March 31, 2016	As at March 31, 2015
	Amt. in ₹	Amt. in ₹
Unamortised share issue expenses (to the extent not written off or adjusted)		
Opening Balance as per last balance sheet	693,782	2,358,866
Add : Expenses incurred during the year	9,500,000	-
Less : Written off during the year	1,960,449	1,665,084
Closing balance carried forward	8,233,333	693,782
TOTAL	8,233,333	693,782



14. CURRENT INVESTMENTS

PARTICULARS	As at March 31, 2016	As at March 31, 2015
	Amt. in ₹	Amt. in ₹
Current Investments -Quoted - Others (At Cost or Market Value whichever is Lower)		
Investment in Mutual Fund		
1438673.44 Units (PY NIL) BOI AXA Corporate Credit Spectrum Fund	15,000,000	-
71550.71 Units (PY NIL) Peerless Ultra Short Term Fund	120,000,000	-
645982.31 Units (PY NIL) Reliance Medium Term Fund	20,000,000	-
21724.64 Units (PY NIL) Taurus Ultra Short Term Bond Fund	40,000,000	-
NIL (PY 30324.962) BOI AXA Treasury Advantage Fund	-	50,185,774
Investment in Government / Other Securities (Non SLR)		
140 (PY NIL) 9.6% NEEPCO Bonds (XIVth Issue)	-	142,321,315.07
1960 (PY NIL) 9.90% IFCI Bonds, Series 59, 2037	-	49,924,086.30
50 (PY NIL) 10.75% IDBI Perpetual Bonds , 2024	-	51,435,958.90
100 (PY NIL) 9.48% Bank of Maharashtra Bonds	-	100,584,383.56
150 (PY NIL) 9.15% Punjab National Bank Perpetual Bonds	-	150,000,000.00
100 (PY NIL) 11% Bank of India, Perpetual Bonds	-	114,622,945.21
92 (PY NIL) 9.75% IFCI Bonds, Series 60, 2028	-	100,715,424.66
150 (PY NIL) 8.65% RRVPNL Bonds, 2027	-	152,051,178.08
80 (PY NIL) 8.55% PFC Bonds, 2021	-	81,561,753.00
32000 (PY NIL) 8.30% PFC Bonds, 2021	-	36,117,304.00
100 (PY NIL) 8.27% REC Bonds, 2025	-	100,260,755.00
40000 (PY NIL) 8.12% REC Bonds, 2025	-	45,632,000.00
150000 (PY NIL) 7.34% IRFC Bonds	-	157,121,630.14
15000 (PY NIL) 6.82% NHB Bonds	-	150,015,000.00
120 (PY NIL) 10% Indian Overseas Bank Bonds,	-	121,724,712
47000 (PY NIL) 7.40% Indian Infrastructure Finance Corporation Ltd Bonds	-	48,761,962
50 (PY NIL) 9.55% Canara Bank Bonds	-	49,115,137
150000 (PY NIL) 9.48% OBC Bonds	-	-
TOTAL	195,000,000	1,702,151,320

Aggregate Book Balue of Quoted Investments	195,000,000	1,702,151,320
Market Value of Quoted Investments	196,539,396	1,710,575,887

15. TRADE RECEIVABLES

PARTICULARS	As at March 31, 2016	As at March 31, 2015
	Amt. in ₹	Amt. in ₹
Secured, considered good		
Over six months	-	-
Others	19,316,105	8,001,798
Secured, considered doubtful		
Over six months	15,308,727	6,681,553
Others	1,618,221	434,496
TOTAL	36,243,053	15,117,847



16. CASH AND BANK BALANCES

PARTICULARS	As at March 31, 2015	As at March 31, 2014
	Amt. in ₹	Amt. in ₹
Balances with Scheduled banks		
In Current accounts	938,198,475	214,206,543
In Deposit accounts*		
With maturity less than 12 months	124,060,436	107,855,114
Cash on hand	15,153,713	5,698,309
Other Bank Balances- In Deposit accounts		
With maturity more than 12 months	13,500,000	13,500,000
TOTAL	1,090,912,624	341,259,966

* Out of above fixed deposit `8,00,00,000/- (PY `8,00,00,000/-) is Secured against borrowings from banks

17. SHORT TERM LOANS AND ADVANCES

PARTICULARS	As at March 31, 2015	As at March 31, 2014
	Amt. in ₹	Amt. in ₹
Unsecured Considered Doubtful		
Inter Corporate Deposits	30,000,000	30,000,000
Less: Provision for Doubtful Receivables	(30,000,000)	-
	-	30,000,000
Plan Assets Gratuity (Excess of Asset Over Obligation)	2,153,945	-
Plan Assets Leave Encashment (Excess of Asset Over Obligation)	534,861	-
TOTAL	2,688,806	30,000,000

18. SHORT TERM LOANS AND ADVANCES

PARTICULARS	As at March 31, 2014	As at March 31, 2013
	Amt. in ₹	Amt. in ₹
Advances recoverable in cash or in kind or for value to be received	7,658,385	19,408,102
Interest receivable	15,929,028	13,730,776
Prepaid Expenses	92,729,599	57,484,837
TOTAL	116,317,012	90,623,715

19. REVENUE FROM OPERATIONS

PARTICULARS	For the Year ended March 31, 2016	For the Year ended March 31, 2015
	Amt. in ₹	Amt. in ₹
Interest Income	1,730,923,259	952,036,580
Income from loan related services	290,751,880	162,854,433
TOTAL	2,021,675,139	1,114,891,013

**20. OTHER INCOME**

PARTICULARS	For the Year ended March 31, 2016	For the Year ended March 31, 2015
	Amt. in ₹	Amt. in ₹
Income from other services	23,058,262	30,096,737
Interest Income on Fixed Deposits	11,539,821	12,047,035
Interest Income on Inter Corporate Deposit and Commercial Papers and Government and other securities	80,399,956	28,856,494
Profit on sale of investment	24,809,781	34,188,400
TOTAL	139,807,820	105,188,666

21. FINANCE COSTS

PARTICULARS	For the Year ended March 31, 2016	For the Year ended March 31, 2015
	Amt. in ₹	Amt. in ₹
Interest expense		
- On Bank Term Loan	878,682,845	624,994,705
- On Debentures	233,095,278	27,265,107
- On Commercial Papers	134,597,836	33,530,700
- On Others	62,468	3,843,261
Others Charges	5,781,051	3,475,516
TOTAL	1,252,219,478	693,109,290

22. EMPLOYEE BENEFITS EXPENSE

PARTICULARS	For the Year ended March 31, 2015	For the Year ended March 31, 2014
	Amt. in ₹	Amt. in ₹
Salaries, wages and bonus	257,319,031	183,060,810
Contribution to provident fund and other funds	20,814,817	17,049,326
Staff welfare expenses	8,133,919	5,149,438
TOTAL	286,267,767	205,259,574



23. OTHER OPERATING EXPENSES

PARTICULARS	For the Year ended March 31, 2016	For the Year ended March 31, 2015
	Amt. in ₹	Amt. in ₹
Advertisement, Publicity and Business Promotion	13,353,655	3,753,780
Conference Expenses	967,560	1,612,771
Payment to Auditors	1,350,000	1,050,000
Bank charges	3,873,373	2,149,333
Computer hire charges	-	90,194
Insurance	10,210,409	8,766,034
Legal and professional fees	73,648,520	39,798,078
Listing fees	229,546	28,090
Service Tax	9,086,104	15,970,967
Other expenses	1,306,371	1,115,332
Loss on sale of fixed asset	749,263	-
Postage, Telephone and courier expenses	12,815,757	9,550,465
Leaseline Expenses	4,666,480	3,474,817
Electricity Charges	6,962,041	5,047,372
Printing and stationery expenses	6,462,341	5,837,303
Rent, rates and taxes	25,269,603	18,158,441
General Repairs and maintenance expenses	10,288,781	8,040,173
Business Sourcing Expenses	13,345,742	41,167,036
Travelling and conveyance	36,164,354	30,566,568
Brokerage expenses	621,235	210,100
Donation*	810,000	-
TOTAL	232,181,136	196,386,854

24. CONTINGENT LIABILITIES AND COMMITMENTS

Estimated amount of contracts remaining to be executed on capital account and not provided for as at 31st March, 2016 ₹4,00,000/- (31st March, 2015 ₹NIL)

Undisbursed amount of loans sanctioned and partly disbursed as at 31st March, 2016 ₹9,20,58,371 /- (31st March, 2015 ₹51,56,62,722)

25. TRANSACTION WITH SUPPLIER REGISTERED UNDER MICRO, SMALL AND MEDIUM ENTERPRISE DEVELOPMENT ACT, 2006 (As certified by management)

"The amount due to Micro and Small Enterprises as defined in 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. The disclosure relating to Micro and Small Enterprises as at 31st March 2016 are as under :-"

Sr. No.	Description	2014-15	2013-14
a.	The principal amount remaining unpaid, beyond due date, to suppliers as at the end of accounting year	NIL	NIL
b.	The interest due thereon remaining unpaid, beyond due date, to suppliers as at the end of accounting year	NIL	NIL
c.	The amount of interest paid in terms of section 16, along with the amount of payment made to supplier beyond appointment day during the year	NIL	NIL
d.	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this act.	NIL	NIL
e.	The amount of interest accrued during the year and remaining unpaid at the end of the accounting year	NIL	NIL
f.	The amount of further interest remaining due and payable unpaid in succeeding year.	NIL	NIL

**26. OPERATING LEASES**

The Company is obligated under non cancellable leases for office space that are renewable on a periodic basis at the option of both lessor and lessee. These leases have an average life between one year to Nine Years.

Future minimum lease payment under non cancellable operating lease as at 31st March, 2016 are as follows :

PERIOD	As at March 31, 2016	As at March 31, 2015
	Amt. in ₹	Amt. in ₹
Not later than 1 Year	1,290,000	1,260,360
Later than 1 Year and not later than 5 years	1,191,250	2,895,300
More than 5 Years	-	-

27. EARNING PER SHARE

Reconciliation of basic and diluted shares used in computing earning per share

	As at March 31, 2016	As at March 31, 2015
Profit after taxation	186,833,686	57,922,562
Number of weighted average shares considered for calculation of basic and diluted earning per share	100,000,000	100,000,000
Earning per share	1.87	0.58

28. AUDITORS REMUNERATION (EXCLUDING SERVICE TAX)

PARTICULARS	As at March 31, 2016	As at March 31, 2015
	Amt. in ₹	Amt. in ₹
Audit fees	1,225,000	925,000
Tax audit fees	75,000	75,000
Certification fees	50,000	50,000
TOTAL	1,350,000	1,050,000

29. EMPLOYEE BENEFITS

i) The Company makes contribution to Regional Provident Fund Commissioner. Contribution to defined contribution plan, recognised as expenses for the year as under

PARTICULARS	As at March 31, 2016	As at March 31, 2015
	Amt. in ₹	Amt. in ₹
Employer's contribution to provident fund	4,527,365	3,919,607
Employer's contribution to pension fund	4,216,373	2,555,169
TOTAL	8,743,738	6,474,776



- ii) The company provides gratuity and leave encashment benefits to its employees which is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes 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.

Reconciliation of the projected benefit obligations

PARTICULARS	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
	Gratuity (Funded)	Gratuity (Funded)	Leave Encashment (Funded)	Leave Encashment (Funded)
A. Changes in Defined Benefit Obligation				
Liability at the beginning of the year	4,483,856	2,471,570	16,141,846	9,218,197
Current service cost	2,385,792	1,316,552	5,644,284	4,030,122
Interest cost	343,903	229,856	1,029,165	746,134
Actuarial (gain) /losses	(655,105)	465,878	3,357,279	4,537,905
Benefits paid	149,675	-	5,894,842	2,390,512
Liability at the end of the year	6,408,771	4,483,856	20,277,733	16,141,846
B. Changes in Fair Value of Plan Assets				
Fair value of Plan Assets at the beginning of the year	4,199,863	1,142,292	11,167,553	3,645,718
Acquisition adjustment	-	32,550	-	117,980
Expected return on plan assets	382,593	145,383	1,313,404	539,657
Actual Company contributions	3,900,000	1,350,000	10,500,000	6,200,000
Actuarial Gain/(Loss)	(171,374)	162,188	(549,280)	664,198
Employer Contribution	-	1,367,450	-	4,523,954
Benefits Paid	-	-	-	-
Fair value of Plan Assets at the end of the year	8,311,082	4,199,863	22,431,678	15,691,507
C. Reconciliation of Fair Value of Assets and Obligations				
Fair value of Plan Assets at the end of the year	8,311,082	4,199,863	22,431,678	15,691,507
Present Value of Obligation	6,408,771	4,483,856	20,277,733	16,141,846
Amount Recognised in Balance Sheet	(1,902,311)	283,993	(2,153,945)	450,339
D. Expenses recognized in Profit and Loss Account				
Current Service Cost	2,385,792	1,316,552	5,644,284	4,030,122
Interest Cost	343,903	229,856	1,029,165	746,134
Expected Return on Plan Assets	(382,593)	(145,383)	(1,313,404)	(539,657)
Net Actuarial Gain/ (loss) to be recognized	(483,731)	303,690	3,906,559	3,873,708
Expenses recognized in the profit and loss account under employee expenses	1,863,371	1,704,715	9,266,603	8,110,306
E. Actuarial Assumptions				
Mortality Table	(Ultimate)	(Ultimate)	(Ultimate)	(Ultimate)
Discount Rate	7.80%	7.80%	7.80%	7.80%
Expected rate of return on plan asset (per annum)	8.00%	8.00%	8.00%	8.00%
Salary Escalation Rate	8.00%	8.00%	8.00%	8.00%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factor including supply and demand in the employment market. The above information is certified by actuary.

The expected rate of return on plan asset is determined considering several applicable factors , mainly the composition of plan asset held, assessed risks, historical result of return on plan assets and the Company's policy for plan assets management.



Amount recognised in current year and previous four years

Particulars	As at 31st March				
	2016	2015	2014	2013	2012
Gratuity					
Defined benefit obligation	6,408,771	4,483,856	2,471,570	1,629,032	302,425
Fair value of plan asset	8,311,082	4,199,863	1,142,292	1,100,000	-
(Surplus)/ Deficit in the plan	(1,902,311)	283,993	1,329,278	529,032	302,425
Actuarial (gain)/loss on plan obligation	(655,105)	465,878	468,280	859,788	99,694
Actuarial gain/(loss) on plan asset	(171,374)	162,188	(45,708)	-	-

Particulars	As at 31st March				
	2016	2015	2014	2013	2012
Leave Encashment					
Defined benefit obligation	20,277,733	16,141,846	9,218,197	4,896,883	2,008,255
Fair value of plan asset	22,431,678	11,167,553	3,645,718	3,000,000	-
(Surplus)/ Deficit in the plan	(2,153,945)	4,974,293	5,572,479	1,896,883	2,008,255
Actuarial (gain)/loss on plan obligation	3,357,279	4,537,905	2,878,044	1,358,472	1,007,983
Actuarial gain/(loss) on plan asset	(549,280)	664,198	405,718	-	-

30. SEGMENT REPORTING

The Company is engaged in the Housing Finance business - Financial Services and all other activities are incidental the main business activity, and has its operations within India. Accordingly there are no separate reportable segments as per Accounting Standard 17 (AS-17) "Segment Reporting".

31. FOREIGN CURRENCY TRANSACTION

PARTICULARS	As at March 31, 2016	As at March 31, 2015
	Amt. in ₹	Amt. in ₹
Foreign business travel	-	804,226
Directors sitting fees (IFC)	120,000	40,000
Grant money received from IFC	6,600,810	3,000,136
TOTAL	6,720,810	3,804,362

32. RELATED PARTY TRANSACTION

(As Per Accounting Standard 18)

List of related parties with whom Transactions have taken place during the period and it's relationship :

Related Party

Wadhawan Global Capital Private Ltd
 Dewan Housing Finance Corporation Ltd
 DHFL Sales and Services Pvt Ltd
 DHFL Pramerica Life Insurance Co. Ltd
 International Finance Corporation, Washington

Relationship

Holding Company
 Enterprise Having Significant Influence
 Enterprise Having Significant Influence
 Enterprise Having Significant Influence
 Enterprise Having Significant Control

Key Managerial Person

*Shri Harshil Mehta

**Shri Deo Shankar Trpathi

Managing Director & Chief Executive Officer
 Chief Executive Officer



Sr. No.	Name of the Party	As at March 31, 2016	As at March 31, 2015
		Amt. in ₹	Amt. in ₹
1	Dewan Housing Finance Corporation Ltd		
	a Expenditure		
	- Rent	4,737,810	4,089,000
	- Maintenance Charges	3,207,000	3,072,000
	- Legal and Professional Fees	7,352,300	5,597,000
	b Reimbursement of Expenses	12,185	-
c Portfolio Purchase and loan syndication	18,500,000	5,500,000	
d Balance Receivable /(Payable)	3,212,224	2,957,288	
e Balance Receivable -Security Deposit	1,590,000	990,000	
2	DHFL Sales and Services Ltd		
	a Manpower Expenses	-	34,993,003
3	DHFL Pramerica Life Insurance Company Ltd		
	a Insurance Premium Float Money	-	1,200,000
	b Group Term Life Insurance premium paid	922,336	646,323
c Balance Receivable	1,200,000	1,200,000	
4	Shri Harshil Mehta		
	a Remuneration Paid	-	15,108,107
5	Shri Deo Shankar Tripathi		
	a Remuneration Paid	15,308,144	1,856,348
6	International Finance Corporation, Washington		
	a Grant Received	6,600,810	3,000,136

* Shri Harshil Mehta was Managing Director and Chief Executive Officer of the Company till 16th January, 2015

** Shri Deo Shankar Tripathi has been appointed as Chief Executive Officer of the Company from 17th January, 2015

33. ADDITIONAL DISCLOSURES AS PER NHB DIRECTIVES, 2010 REVISED ON 11TH OCTOBER, 2010

I Capital to Risk Assets Ratio

Sr. No.	Particulars	As at March 31, 2016	As at March 31, 2015
		Amt. in ₹	Amt. in ₹
1	CRAR (%)	14.94%	17.72%
2	CRAR - Tier I Capital	1,266,655,434	1,108,333,742
3	CRAR - Tier II Capital	73,632,307	39,867,353



II Exposure to Real Estate Sector

Sr. No.	Particulars	As at March 31, 2016	As at March 31, 2015
		Amt. in ₹	Amt. in ₹
A.	Direct Exposure		
(i)	Residential Mortgages Lending fully secured by mortgages on residential property that is or will be occupied by borrower or that is rented	17,735,935,928	9,432,000,186
	Individual Housing loans upto Rs. 15 Lakhs	14,397,369,063	8,122,381,126
(ii)	Commercial Real Estate Lending fully secured by mortgages on commercial estates (Office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or ware house space, hotels, land acquisition, development and Construction etc. Exposure would also include non fund based (NFB) limits	378,036,121	289,176,165
(iii)	Investment in Mortgage Backed Securities (MBS) and other securitised exposures -		
	a. Residential	Nil	Nil
	b. Commercial	Nil	Nil
B.	Indirect Exposure Fund based and non-fund bases exposures on National Housing Bank (NHB) and Housing Finance Companies (HFC)	Nil	Nil

III Asset Liability Management

Maturity Pattern of certain items of Assets and Liabilities as at March 31, 2016

	Liability	Assets		
	Bank Borrowing	Advances	Bank Deposits	Investments
1 Day to 30-31 Days (One month)	46,460,853	81,420,396	124,060,436	195,000,000
Over one month to 2 months	37,826,421	58,574,229	-	-
Over 2 months to 3 months	1,907,135,469	58,381,230	-	-
Over 3 months to 6 months	333,660,123	178,198,148	-	-
Over 6 months to 1 year	1,197,853,580	380,980,918	-	-
Over 1 year to 3 years	3,391,164,297	1,600,667,551	13,500,000	-
Over 3 years to 5 years	3,829,127,391	1,648,954,900	-	-
Over 5 years to 7 years	2,896,677,024	1,784,790,470	-	-
Over 7 years to 10 years	2,039,336,866	2,919,195,567	-	-
Over 10 years	648,099,256	9,403,067,053	-	-



Maturity Pattern of certain items of Assets and Liabilities as at March 31, 2015

	Liability	Assets		
	Bank Borrowing	Advances	Bank Deposits	Investments
1 Day to 30-31 Days (One month)	27,979,671	41,238,171	-	1,702,151,322
Over one month to 2 months	255,933,571	29,087,758	-	-
Over 2 months to 3 months	399,873,192	29,391,991	-	-
Over 3 months to 6 months	216,743,841	90,820,789	-	-
Over 6 months to 1 year	509,854,348	203,209,582	107,855,114	-
Over 1 year to 3 years	2,926,084,061	927,197,173	-	-
Over 3 years to 5 years	2,462,384,067	897,753,229	13,500,000	-
Over 5 years to 7 years	1,603,827,382	943,991,379	-	-
Over 7 years to 10 years	897,727,192	1,559,495,273	-	-
Over 10 years	757,555,667	4,998,991,007	-	-

34. PREVIOUS YEAR FIGURES

Previous year figures has been regrouped wherever necessary.

As per our report of even date

For Chaturvedi & Shah
Chartered Accountants
FRN No. 101720W

Amit Chaturvedi
Partner
M.No.103141

For and on behalf of the Board of Directors

Kapil Wadhawan
(Director)
Din: 00028528

Deo Shankar Tripathi
Chief Executive Officer
PAN No. ABMPT4639B

Bikram Sen
(Director)
Din: 00230547

Yogesh Udhoji
Chief Financial Officer
PAN No. AAJPU4216D

V.Sridar
(Director)
Din: 02241339

V.N. Sreekanth
(Company Secretary)
M. No. FCS-4191

Mumbai
Date: 25th April, 2016

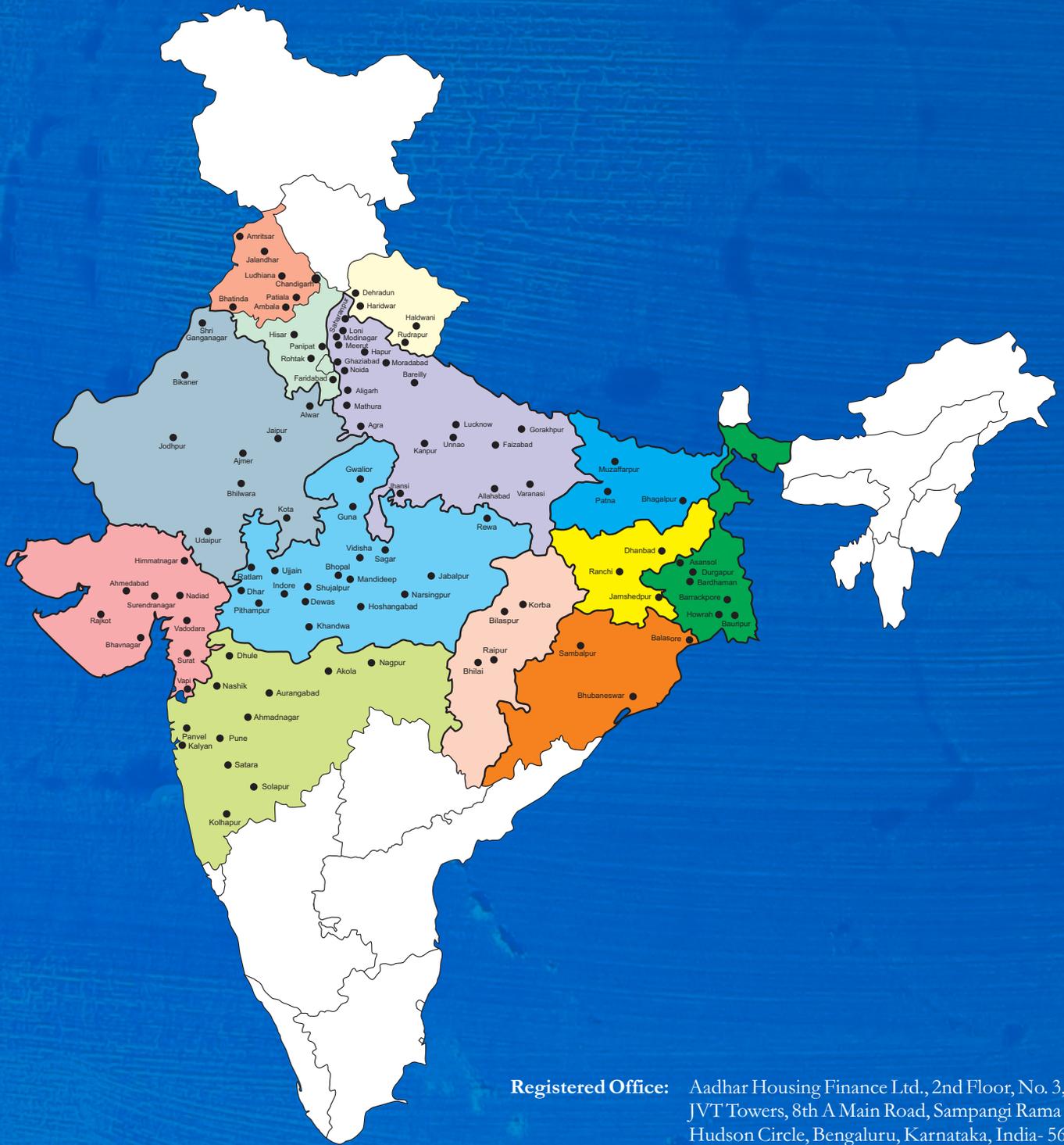


AWARENESS DRIVES 2015-16

Total 4632 awareness activities conducted in April 2015 to March 2016 period reaching more than 2,00,000 people in LMI segment compared to 1545 activities reaching 70,000 people in last financial year



No Conducted	Type of Activity
2913	Aadhar Parichay
418	Aadhar Sanyog
86	Home Loan Utsav Camp
841	Market Combing Drive
334	Paramarsh Shivir
35	Builder /Broker Meet
5	Aadhar Awaas Mela
TOTAL NO OF PEOPLE REACHED 2,00,000	



Registered Office: Aadhar Housing Finance Ltd., 2nd Floor, No. 3, JVT Towers, 8th A Main Road, Sampangi Rama Nagar, Hudson Circle, Bengaluru, Karnataka, India- 560027, Tel : 08022217637

Corporate Office: Aadhar Housing Finance Ltd. 201, Raheja Point -1, Nr. Shamrao Vitthal Bank, Nehru Road, Vakola, Santacruz (E), Mumbai -400055, Tel: 022-3950 9900, Fax: 022-3950 9934, Website: www.aadharhousing.com E-mail: customercare@aadharhousing.com CIN : U65922KA2010PLC096680.

आधार
हाउसिंग फाइनेंस लि.



Aadhar
Housing Finance Ltd.

A DHFL Group Company