



## FULFILLING INDIA'S ASPIRATION FOR HOME OWNERSHIP

Aadhar Housing is addressing the home ownership gap in the country by providing meaningful financial access and helping everyone to own a home.



# FULFILLING INDIA'S ASPIRATION FOR HOME OWNERSHIP



For the majority of the people in India, owning a shelter still remains a distant dream. Since our inception, we resolved to be different. Aadhar Housing was founded with a business priority towards enabling home ownership within the lower (LIG) and economically weaker section(EWS) segment. Mainly addressing the home ownership gap in the urban, and semi urban markets, we are helping to upgrade the quality of living for hundreds of thousands of people.

To achieve our goals, we decided to invest in building an HFC with strong competencies. Today, we enjoy a sturdy business foundation; an extensive distribution network; and a proven industry expertise. We have an experienced management team, comfortable liquidity, and a stable financial profile. These attributes have cemented our position as a respected and trusted financial services company in India.

In this day, we are uniquely positioned to foster meaningful financial access and home ownership, for customers even

belonging to the informal segment within India's smallest towns. We are able to do this by having deep insights into what our customers need, and operational excellence in our delivery systems. We are also strengthening communities by supporting financial education and outreach.

Going forward, we are committed to making the most of our profound experience and expertise. We also remain dedicated towards our stakeholders' interests, and in delivering sustained value creation.

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# Corporate Information

## Shri Deo Shankar Tripathi

Chief Executive Officer

## Shri Yogesh Udhoji

Chief Financial Officer

## Shri Sreekanth V.N.

Company Secretary

## Auditors

### M/S Chaturvedi & Shah

Chartered Accountants

Firm Registration No. : 101720W

714-715, Tulsiani Chambers,

212, Nariman Point,

Mumbai- 400 021.

Email: amit.c @cas.ind.in

## Bankers

Andhra Bank

Axis Bank Ltd

Bank of Baroda

HDFC Bank

IDBI Bank

South Indian Bank

Syndicate Bank

Yes Bank

Bank of India

Central Bank of India

State Bank of India

Lakshmi Vilas Bank

Bank of Maharashtra

United Bank of India

Maharashtra Gramin Bank

Punjab National Bank

Federal Bank Ltd

Union Bank Of India

Corporation Bank

Catholic Syrian Bank

## Trustee to the NCD

### Catalyst Trusteeship Limited

(previous name –GDA Trusteeship Ltd.)

GDA House, 94/95, Plot No.85,

Bhusari Colony, (Right) Kothrod,

Pune – 411038

Tel: 020-25280081 / Fax No: 020-25280275

Email: dt@gdatrustee.com

Web: www.gdatrustee.com

## Beacon Trusteeship Ltd.

4c & D, Siddhivinayak Chambers

Gandhi Nagar, Opp. MIG Club, Bandra East

Mumbai – 400051

Ph: 022 - 26558759

Email: – Customercare@beacontrustee.co.in

## Foreign Partner

International Finance Corporation

## Compliance Officer

### Mr Sreekanth V.N.

Company Secretary

201, Raheja Point-1, Nehru Road,

Vakola, Santa Cruz (E),

Mumbai-400 055

Tel:022-3950 9931

Fax: 022-3950 9934

Email: sreekanth.n@aadharhousing.com

## Credit Rating Agency

### CARE Ratings Ltd.

4th Floor Godrej Coliseum,

Somaiya Hospital Road,

Off Eastern Express Highway, Sion (East),

Mumbai – 400 022

Ph: 022 - 67543465

Email: info@careratings.com

### CRISIL

CRISIL House, Central Avenue,

Hiranandani Business Park,

Powai, Mumbai- 400 076

Ph : 022-3342 3000

Email: CRISILratingdesk@crisil.com

## Stock Exchange

Bombay Stock Exchange Ltd.

(BSE Limited)

1st Floor, P.J.Towers,

Dalal Street,

Mumbai- 400001

Ph: 022 – 22721234

Email: corp.comm@bseindia.com

## Depository for Demat

### National Securities Depository Ltd.(NSDL)

4th Floor, A Wing, Trade World,

Kamala Mills Compound,

S.B Marg, Lower Parel, Mumbai – 400013

Ph: 022 – 24994200

Email: info@nsdl.co.in

### Central Depository Services (India) Ltd (CDSL)

Phiroze Jeejeebhoy Towers, 17th Floor, Dalal

Street, Fort, Mumbai – 400 001

Phone : 91-22-2272 3333

Email: info@cdslindia.com

## Registrar & Transfer Agent

### Link Intime India Private Limited

C-13, Pannalal Silk Mills Compound,

L.B.S. Marg, Bhandup (West),

Mumbai 400 078

Tel: +91 22 2596 3838

Fax: +91 22 2594 6969

Email: ipo@linkintime.co.in

Website: www.linkintime.co.in

### Beacon Trusteeship Ltd.

4c & D, Siddhivinayak Chambers

Gandhi Nagar, Opp. MIG Club, Bandra East

Mumbai – 400051

Ph: 022 – 26558759

Email: Customercare@beacontrustee.co.in

## Registered Office

Aadhar Housing Finance Limited

CIN: U65922MH2010PLC202721

Warden House, 2nd Floor,

Sir P.M. Road, Fort, Mumbai- 400 001

Ph: 022-39509930

Fax: 022-39509934

Email: customercare@aadharhousing.com

## Corporate Office

201, Raheja Point-1, Nehru Road,

Vakola, Santa Cruz (E),

Mumbai-400 055

Tel: 022-3950 9931

Fax: 022-3950 9934

Email: customercare@aadharhousing.com

## At a Glance

# Aadhar Housing Finance Limited (AHFL) is dedicated towards financing homes for millions of under-served Indians.

We are making home loan accessible to lower income segment, helping everyone own a home.

AHFL is promoted by Dewan Housing Finance Ltd (DHFL) group with equity participation from International Finance Corporation (IFC), a member of the World Bank Group. With the experience and guidance of these two major organisations, we have become an entity to reckon with in a short span of time.

Aadhar Housing operates under the aegis of National Housing Bank (NHB) regulations and adheres to the highest standards of corporate governance.

## Presence

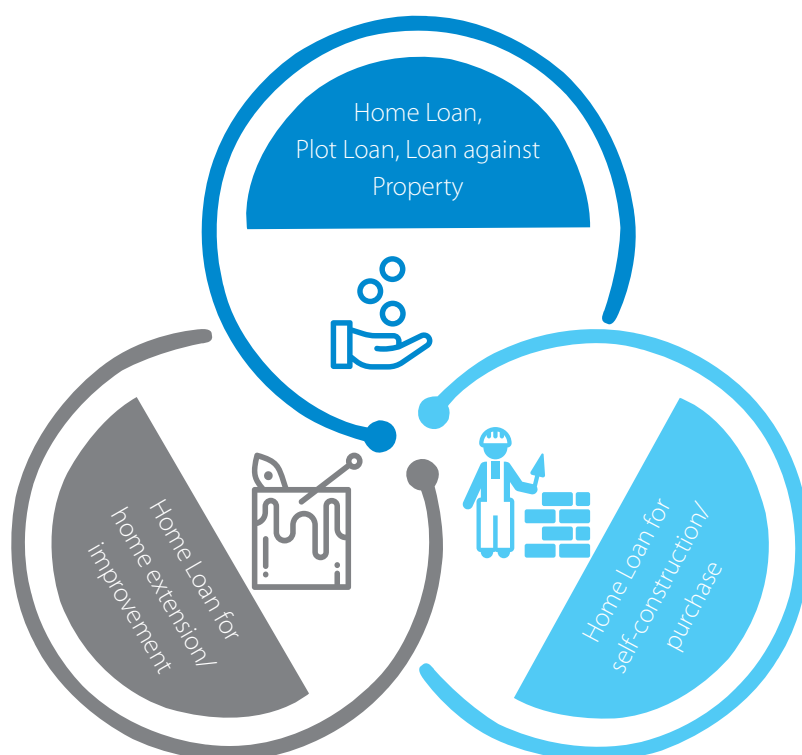
**Headquartered in Mumbai**, Aadhar Housing has set up its operations covering more than **700 locations** in **13 states**.

### *The States in which we are present includes:*

- Uttar Pradesh
- Madhya Pradesh
- Chhattisgarh
- Orissa
- Jharkhand
- Bihar
- West Bengal
- Gujarat
- Rajasthan
- Maharashtra
- Punjab
- Haryana
- Uttarakhand

These states, as per Census 2011, account for **72%** of the total Indian population.

## Product portfolio



## Vision

To provide security in the form of a roof over every Indian's head.

## Mission

- To make Housing Finance easily accessible to the lower and middle income (LMI) groups.
- To mobilise resources and attention to this segment, which would mean faster and greater growth for the segment, thus impacting the nation as a whole.
- To promote responsible financial inclusion and to make the segment aware and prepared to take informed financial decisions.
- To bring continuous innovations in our products, processes and credit policies, to make sure that maximum number of people can be eligible for loans.



# 49,000

Customer Base

# 71%

Proportion of Salaried Customers

# ₹ 3,275 crore

Total Disbursements till March 31, 2017

# 799

Team Size

# ₹ 7.51 lakh

Average Ticket Size of Total Loan Portfolio

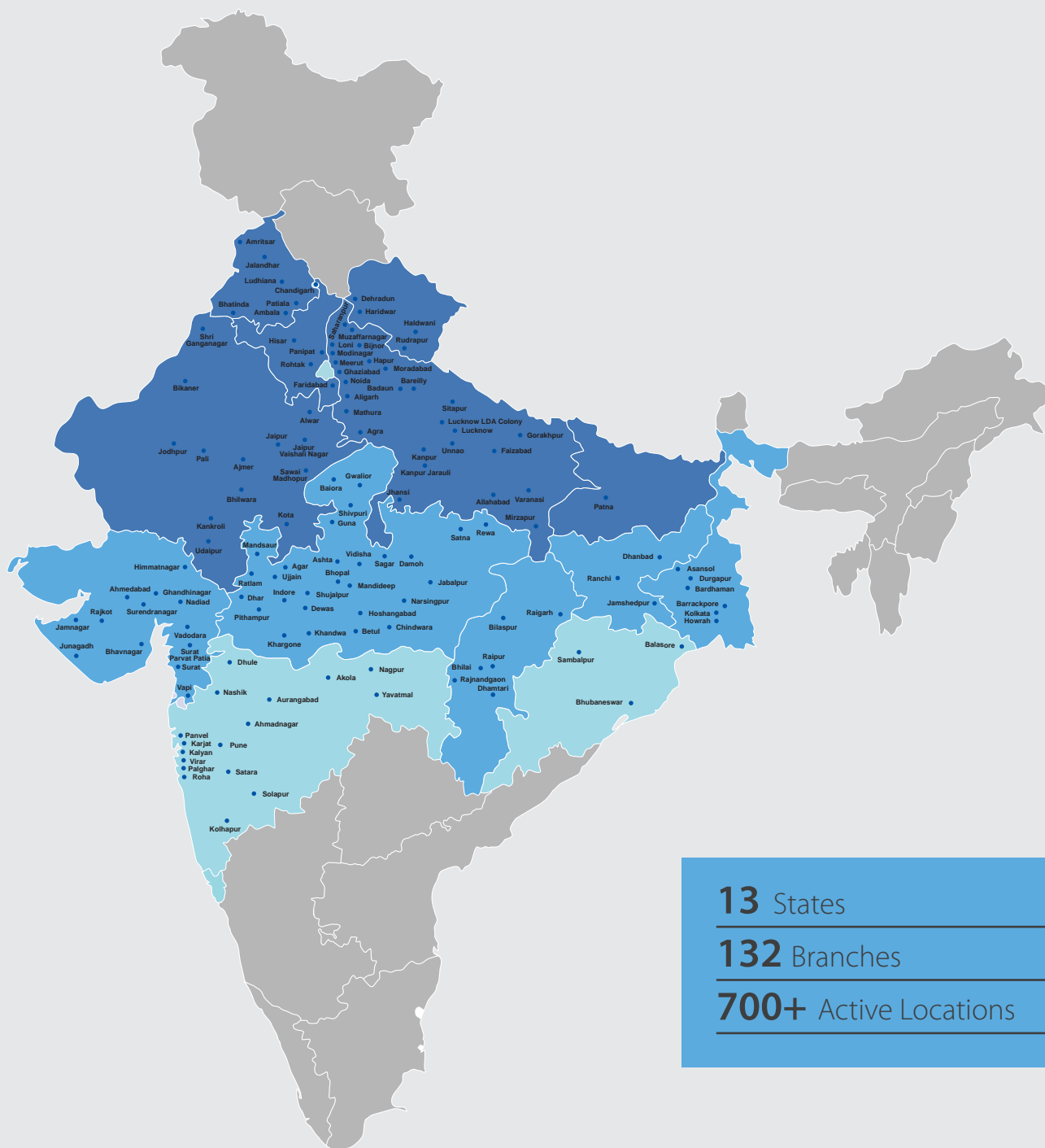
# 132

Number of Branches

# 34%

Proportion of Financing in Semi-urban and Rural locations

## Our Diversified Presence



## 132 Branches

**700+** Active Locations



STATE	BRANCH	LOCATIONS
Madhya Pradesh	INDORE	BADWAH, SANAWAD
	KHANDWA	BURHANPUR, MAHESHWAR/KASRAWAD/BHIKANGAON
	KHARGONE	SENDHWA, BADWANI, RAJPUR, PANSAMAL, DHAMNOD
	PITHAMPUR	MHOW, SENDHWA, BETMA, DHAMNOD
	DHAR	KUKSHI, MANAWAR, RAJGARH, DEPALPUR, GHATABILLOD
	UJJAIN	NAGDA, BADNAWAR, BRANAGAR, AGAR & SUSNER, MAHIDPUR, TARANA
	SHUJALPUR	-
	AGAR	SUSNER, NALKHEDA, BADOD, SOYAT
	RATLAM	NEEMUCH, JAORA
	MANDSAUR	NEEMUCH, MANASA, PIPLYA MANDI, MALHARGAD, SITAMAU
	DEWAS	BAGLI, SONKATCH, CAPDA, HATPIPLIYA, MAXI
	BHOPAL	SEHORE, RAISEN
	ASHTHA	SIHORE, KANNOD, KHATEGAON
	VIDISHA	GANJBASODA
	MANDIDEEP	UDAIPURA, NASRULLAGANJ
	HOSHANGABAD	ITARSI, PIPARIYA, BUDNI
	BETUL	MULTAI, SHAHPUR, BHORA, GHODADONGARI, SARNI, AMLA
	SAGAR	CHATARPUR, BINA, RAHATGARH
	DAMOH	REHALI, DEVRI, BANDA, GARHAKOTA
	JABALPUR	KATNI
	NARSINGHPUR	GADARWADA, KARELI
	CHINDWARA	PARASIYA, HIRDAGARHD, JUNARDEV
	REWA	AMARPATAN, SIMARIYA, SIBHI
	SATNA	MAYAR, AMARPATAN
	GWALIOR	TEKANPUR, DABRA, DATIA
	GUNA	RAJGARH, ASHOK NAGAR
	BAIORA	RAJGARH
	SHIVPURI	BADARWAS, KOLARAS, KARERA, POHRI
Uttar Pradesh	ALLAHABAAD	FATEHPUR, SULTANPUR, HANDIA
	MIRZAPUR	SONEBHADRA
	BAREILLY	SHAHAJAHANPUR, PILIBHIT
	BADAUN	KASGANJ
	LUCKNOW	RAE BARELLI, BARABANKI
	LUCKNOW LDA COLONY	HARDOI
	SITAPUR	LAKHIMPUR
	FAIZABAD	BASTI, GONDA, AMBEDKAR NAGAR
	GORAKHPUR	KHALILABAD, DEORIA
	VARANASI	AZAMGARH, JAUNPUR, BHADOHI, MUGHALSARAI
	KANPUR	ETAWAH, DIVYAPUR
	KANPUR JARAULI	PANKI, RANIA
	UNNAO	-
	JHANSI	LALITPUR
	MORADABAD	GAJRAULA, AMROHA, RAMNAGAR
	GHAZIABAD	SAHIBABAD, MURADNAGAR
	MODINAGAR	-
	NOIDA	G.B.NAGAR, GREATER NOIDA
	LONI	-
	MEERUT	KHATAULI, MAWANA, BAGPAT, KILA PACHITGARH
	ALIGARH	HATHRAS, SASNI, KHURJA, SIKANDRABAD
	BIJNOR	NAZIBABAD
	MUZAFFARNAGAR	-
	HAPUR	BULANDSHAHAH
	SAHARANPUR	NAKUR, GANGOH, CHUTMALPUR, GAGALHEDI
	AGRA	DHOLPUR, TUNDLA
	MATHURA	VRINDAWAN, KOSIKALAN

## Our Diversified Presence

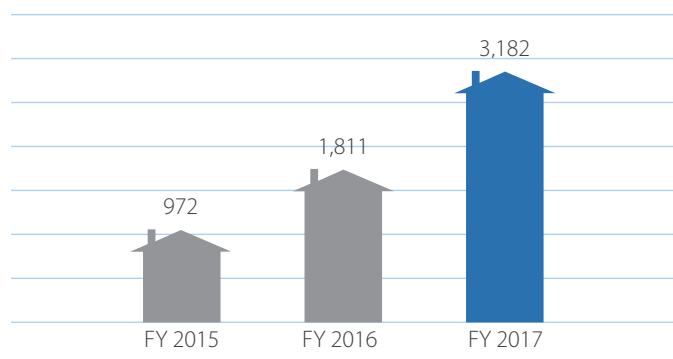
STATE	BRANCH	LOCATIONS
Uttarakhand	RUDRAPUR	BAZPUR,KICHA
	HALDWANI	RAMNAGAR
	DEHRADUN	VIKAS NAGAR, SAILAKUIN
	HARIDWAR	ROORKEE
West Bengal	ASANSOL	ANDAL, RANIGANJ, KULTI, PURULIA, BANKURA, SURI
	BURDWAN	MEMARI, BOLPUR, KALNA, KATWA, ARAMBAGH, GUSHKORA
	DURGAPUR	BANKURA, PANAGARH, ANDAL, MANKAR
	HOWRAH	KHARAGPUR, HALDIA, JHARGRAM, TARAKESWAR, ARAMBAG, PANDUA, RANAGHAT
	KOLKATA	GARIA, BARASAT, KAKDEEP, KOLAGHAT
	BARRACKPORE	KRISHNANAGAR, RANAGHAT, HABRA
Bihar	PATNA	HAZIPUR, GAYA, MUZAFFARPUR, ARA, BIHTA
Gujarat	AHMEDABAD	MEHSANA, PALANPUR, KADI, KALOL, SIDDHAPUR, UNJHA, SANAND,DHANDHUKA, PATAN
	GANDHINAGAR	SANAND, CHANGODAR, BAGODHARA
	HIMMATNAGAR	MODASA, IDAR, KHEDBRAHMA, BHILODA,VIJAPUR, PRATIJ
	SURENDRANAGAR	LIMDI, CHOTILA, BOTAD, PATDI, SAYLA
	VADODARA	PADRA, WAGHODIYA, AJWA, BAJWA, NANDERSARI, DABHOI, HALOL, KALOL, GODHRA, BHARUCH, ANKLESHWAR, DASHRATH
	NADIAD	DAKOR, THASARA, KATLAL, ANAND, BORSAD, TARAPUR, MEHAMDABAD, VADTAL
	SURAT PARVAT PATIYA	JOLVA, VYRA, BARDOLI
	JUNAGARH	JETPUR, DHORAJI, UPLETA, MANAVADAR, VERAVAL, KESHOD, UNA, KODINAR, AMRELI,
	RAJKOT	TALALA, MANGROL, MORBI, AMRELI, JASDAN, SAVARKUNDLA, JETPUR, GONDAL, VAKANER,
	JAMNAGAR	SIKKA, DHROL, KALAVAD, DWARKA, JAMKHAMBADIYA, JAMJODHPUR, MOTI KAVADI
	BHAVNAGAR	PALITANA, SHIRHOR, BOTAD, MAUHVA, AMRELI, SAVARKUNDLA, BAGASARA, BABARA,
	SURAT	KAMREJ,KIM, KOSMABA,
	VAPI	VALSAD, BHILAD, UMERGAON.
	NAGPUR	GONDIA, BHANDARA
	YAVATMAL	WARDHA, AMRAVATI, TARWHA, ARNI, DIGRAS
	AKOLA	SHEGAON, AKOT, KHAMGAON
	NASIK	MALEGAON, MANMAD, NANDGAON, YEOLA, SATANA, SINNAR
	DHULE	JALGAON, BHUSAWAL, BULDHANA, NANDURBAR
	AURANGABAD	JALNA, PARBHANI, NANDED
	AHMEDNAGAR	BID
Rajasthan	PUNE	BARAMATI, INDAPUR, DAUND, SASVAD, KHED, VADGAON
	SOLAPUR	OSMANABAD, LATUR
	KOLHAPUR	RATNAGIRI, SINDHUDURG
	SATARA	SANGLI, KARAD, VAI, VADUJ, PETH, MIRAJ
	PANVEL	CHOWK, RASAYANI, KHOPOLI, PEN,MAHAD, CHIPLUN
	KARJAT	-
	KALYAN	SHAHPUR,BHIWANDI,AMBERNATH,BADLAPUR,NERAL, KARJAT, WASIND
	ROHA	ALIBAGH , MANGAON
	VIRAR	-
	PALGHAR	UMARGAON, SAFALE
	JAIPUR	DAUSA/CHOMU/RINGAS/LALSOT/BANDIKUI.
	ALWAR	RAJGARH/LAXMANGARH/KHAIRTAL/BHIWADI/NEEMRANA/TIZARA/ KISHANGARH/KOTHPUTLI/BEHROR/BANSUR
	JAIPUR VAISHALI NAGAR	PHULERA/DUDU
	AJMER	KISHANGARH/BEAWER/NASIRABAD/VIJAYNAGAR
	JODHPUR	NAGPUR, KHEMWAR, LUNI, BILADA, PIPAR ROAD, PIPAR CITY, MERTA ROAD, MERTA CITY, MUNDVA, SUJANGARH, RATANGARH, LADNOO, OSSIAN, TINWARI, SHERGARH, BHOPALGARH, BILARA, PHALODI
	PALI	SUMERPUR, SHIVGANJ, RANI, FALNA, DESURI, SOJAT CITY, SOJAT ROAD, JETARAN, MARWAR JN.
	BIKANER	ANUPGARH, DUNGARGARH, NOKHA, KOLAYAT, DESHNOKH,UDRAMSAR, LUNKARANSAR, NAPASAR.
	KOTA	KANWAS, SANGOD, KAITHUN, JHALAWAR, RAMGANJ MANDI, BHAWANIMANDI, KHANPUR, BUNDI, DEOLI, KAPREN, BARAN, CHHABRA, CHHIPABAROD AND ATRU

STATE	BRANCH	LOCATIONS
	<b>SAWAI MADHOPUR</b>	GANGAPUR CITY, INDERGARH, LAKHERI, TONK AND NIWAI
	<b>SHRIGANGANAGAR</b>	SADUL SAHAR, KARANPUR,SURATGARH, PADAMPUR, ANUPGARH, RAISINGHNAGAR, VIJAY NAGAR, GHARSANA, HANUMANGARH
	<b>UDAIPUR</b>	SALUMBER, FATEHNAGAR, MAVLI, VALLABHNAGAR, GOGUNDA, SARADA, BANSWARA, JHADOL, GIRWA, BADGAON, BHINDER, SAGWARA, KHERWARA, KANOD, DUNGARPUR, SIROHI, SHIVGANJ, PINDWARA, SWAROOP GANJ, ABU ROAD
	<b>KANKROLI</b>	AMET, RAJSAMUND, BHIM, DEOGARH, RAILMAGRA, SARDARGARH
	<b>BHILWARA</b>	SHAHUPURA, KAROHI, MANDALGARH, SAHADA, RAIPUR, BIJOLIYA, GULABPURA, ASIND, KAREDA, CHITTORGARH, NIMBHERA, CHOTI SADRI, KAPSAN, BENGU, BASSI
<b>Jharkhand</b>	<b>RANCHI</b>	RAMGARH, HAZARIBAGH,GUMLA, KHUTI, BERO, BHARNO
	<b>DHANBAD</b>	GOMO, CHAS, BOKARO, NIRSHA, CHIRKUNDA, FUSHRO
	<b>JAMSHEDPUR</b>	GHATSHILA, CHANDIL,CHAUKA,CHAIBASHA,HALDIPUKAR, CHAKARDARPUR
<b>Chhattisgarh</b>	<b>BILASPUR</b>	MUNGELI, JANJGIR-CHAMPA , PENDRA, AMBIKAPUR, CHIRIMIRI, MANENDRAGARH, AKALTARA.
	<b>RAIGARH</b>	SAKTI, DABHARA, KHARSIYA, CHANDRAPUR, TAMNAR, GHARGHORA, SARANGARH.
	<b>RAIPUR</b>	RAJIM, BALODA BAZAR, TILDA, MAHASAMUND
	<b>DHAMTARI</b>	GURUR, KANKER, KURUD, CHARAMA
	<b>BHILAI</b>	BEMETARA, KAWARDHA, BALOD, PATAN, KHAIRAGARH , GUNDERDEHI
	<b>RAJNANDGAON</b>	DONGARGAON, DONGARGARH, DALLIRAJHARA, AMBAGARH
<b>Odisha</b>	<b>BHUBANESWAR</b>	KHURDA, BALUGAON, PURI, NIMAPARA, DELANG, KANAS, KAKATPUR,GOP, ASTARANG, CUTTACK, AATHAGARH, BADAMBA, NARSINGHPUR, NISCHINTKOILI, JAJPUR, CHATTIA, CHANDIKHOLE, KUAKHIA, ANGUL, DHENKANAL,JAGATSingHPUR
	<b>BALASORE</b>	BHADRAK, BONTI, BASUDEVPUR, KHAIRA, SORO, BARIPADA,BHANDARIPOKHARI, JALESWAR, KUPARI, DHAMNAGAR, KAPTIPADA, DHUSURI, AGARPADA
	<b>SAMBALPUR</b>	ROURKELA,RENGALI, PADAMPUR, SONPUR, BARGAD, JHARSUGUDA, JUJUMARA, BELPAHAR, RAIRKHOL, BALANGIR
<b>Punjab</b>	<b>CHANDIGARH</b>	MOHALI/ROPAR/KHARAR/DERABASSI/PINJORE/KALAKA/BADDI
	<b>LUDHIANA</b>	MOGA / FIROZPUR / PHILLAUR / SAHNEWAL
	<b>JALANDHAR</b>	PHAGWARA/NAWANSHAHAR/HOSHIARPUR/KAPURTHALA/NAKODAR/SHAHKOT/BANGA
	<b>AMRITSAR</b>	GURDASPUR, PATHANKOT, TARN TARAN
	<b>BHATINDA</b>	MANSA, BARNALA, MUKTSAR, FARIDKOT , KOTKPURA
	<b>PATIALA</b>	SANGRUR/RAJPURA/KAITHAL/SAMANA/NABHA/AMLOH/BHATSO/SIRHIND/ KHANNA/FATEHGARH SAHIB
<b>Haryana</b>	<b>AMBALA</b>	YAMUNA NAGAR/KURUKSHETRA
	<b>HISAR</b>	FATEHABAD/SIRSA/HANSI/SIWANI/BHIVANI/MUNDHAL/UKLANA/BARWALA/TOHANA
	<b>PANIPAT</b>	KARNAL, SONIPAT, GHAROUNDA , SAMALKHA/GANNOUR/BAPOLI
	<b>ROHTAK</b>	BHIWANI, JHAJJAR
	<b>FARIDABAD</b>	PALWAL, REWARI, MEWAT, SOHNA , BALLABHGARH , KUNDLI
● 13 States		● 132 Branches
		● More than 700 active locations

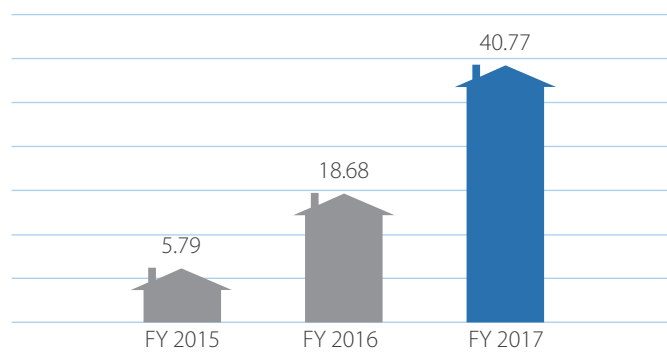
## Key Performance Highlights

# This is what we achieved in FY 2017

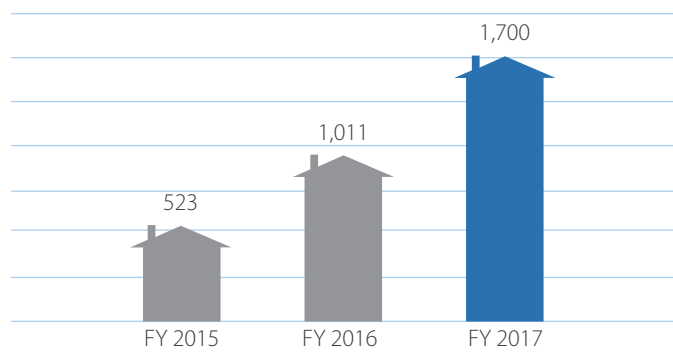
Gross Loan Assets Under Management (₹ crore)



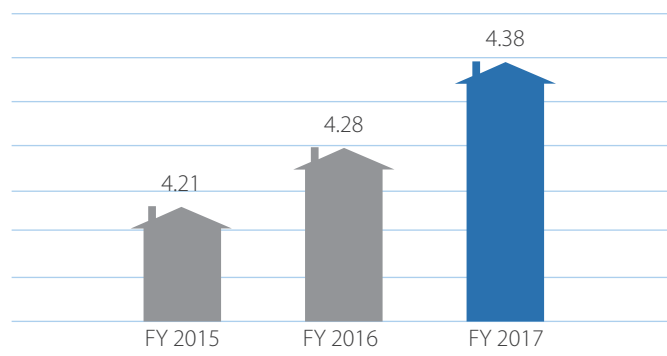
Profit After Tax (₹ crore)



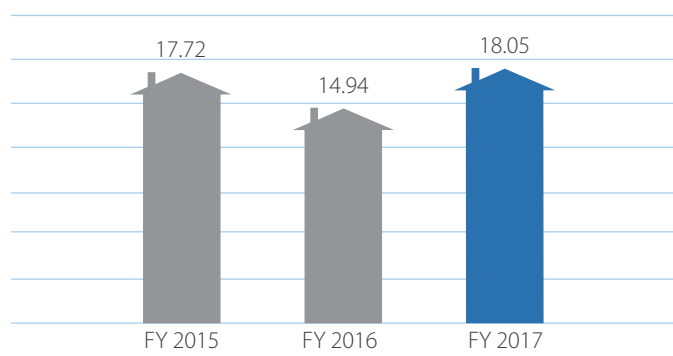
Disbursements (₹ crore)



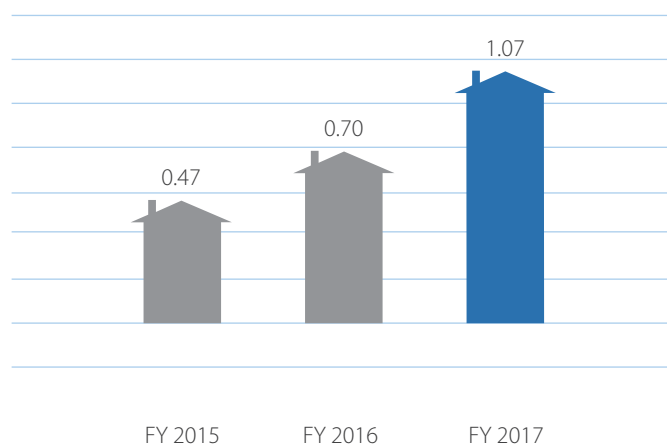
Net Interest Margin (%)



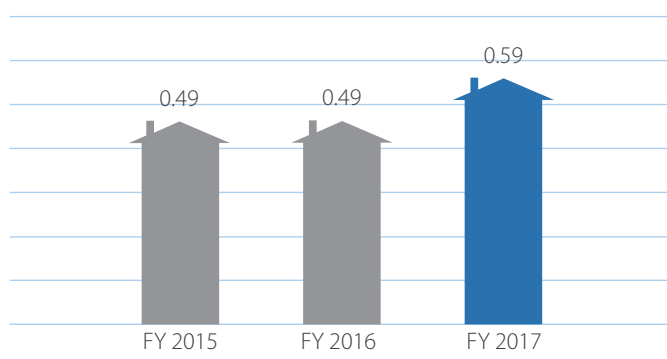
Capital Adequacy Ratio (%)



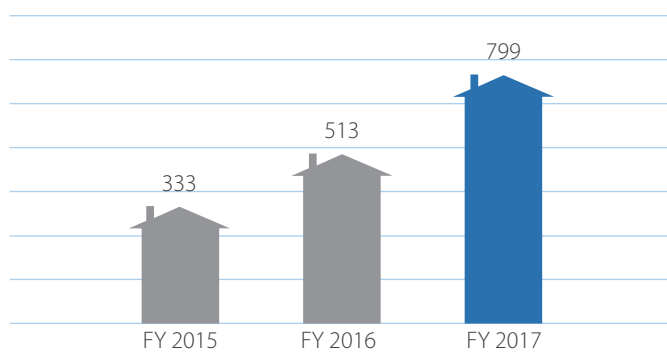
Gross Non-Performing Assets (%)



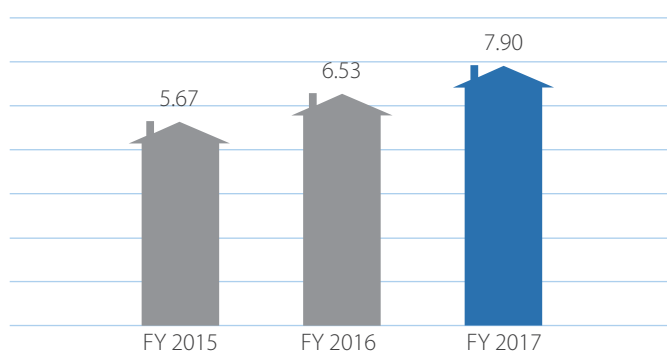
### Gross Retail Non-Performing Assets (%)



### Team Size



### Average Ticket Size (₹ lakh)



## Key Business Highlights

### Performance

- 71% growth in interest income of housing loans from ₹ 173.09 crore in FY 2016 to ₹ 295.91 crore
- 118% growth in profit after tax from ₹ 18.68 crore in FY 2016 to ₹ 40.77 crore

### Profitability

- Net Interest margin increased from 4.28% in FY 2016 to 4.38%
- Return on Equity increased from 15.27% in FY 2016 to 23.12%

### Business

- 74% growth in sanctions from ₹ 1,700 crore in FY 2016 to ₹ 2,953 crore
- 68% growth in disbursements from ₹ 1,011 crore in FY 2016 to ₹ 1,700 crore
- 76% growth in total loan portfolio from ₹ 1,811 crore in FY 2016 to ₹ 3,182 crore in FY 2017

### Operational

- Added 31 new branches in FY 2017 to reach a total of 132 branches across 13 States
- Increase in the customer base by adding 24,000 new customers in FY 2017 and reaching a customer base of 49,000
- Maintained an average LTV ratio of 53.82%
- Built a strong third party channel including 568 channel partners, 1,081 referral partners and 677 sales executives

# Message from the Chairman



Dear Stakeholders,

Aadhar has stepped into its 6th year of operations. In the back drop of wider acceptance of 'Housing for All' as a mission of National priority, we are all set towards realising our Founder Chairman's vision of enabling every Indian to own their dream home.

The journey so far has been exhilarating. The theme 'Udaan', set by team Aadhar for FY 2016-17 aptly describes the growth of Aadhar over the last six years. With 132 branches in 13 states, covering over 700 locations, we have already provided a home to over 59,000 families and have an AUM of ₹ 3,200 crore. Aadhar now stands tall among the well-known HFCs of the Nation.

India has a shortage of around 2 crore homes, largely in the LIG (Low-income Group) and EWS (Economically Weaker Section) segments. Also, India's mortgage penetration is low at below 10% (as per the ICRA report). With this growth potential, Aadhar is poised to ride on the next wave of growth with its strong roots spread across the country.

Aadhar addresses the funding needs of low-income population with its structured products for informal segment, and localised legal and technical policies. We also ensure unique credit appraisal process best suited for the target segment. Our goals are accomplished through a highly efficient and trained team, sensitised to serve the underprivileged segment with regards to housing finance.

We have developed a stronger foothold in making housing loans affordable and accessible to the lower income groups residing in smaller cities and beyond.

## The Government's Push

The affordable housing finance sector has gained stronger impetus from the Government with its vision of 'Housing for all by 2022.' To further address the issue, the Government, under the Pradhan Mantri Awas Yojana (PMAY), has extended the credit-linked subsidy scheme for Economically Weaker Sections (EWS), and Lower Income Group (LIG) and Middle Income Group (MIG) segments. The scheme covers entire urban areas in the country which includes 4,041 statutory towns.

With the Government granting infrastructure status to companies providing affordable housing, this sector has also become an attractive investment opportunity. According to a report, as the Pradhan Mantri Awas Yojana (PMAY) aims to provide 2 crore houses in three phases over FY 16-22, it will directly benefit the economy by around ₹ 15 trillion over a 7-year timeframe. Within this, 95% of the total deficit of housing units belongs to the Economically Weaker Sections and Lower Income Group segments.

Other policy and structural reforms, such as Real Estate Regulatory Act 2016 (RERA) and ease of foreign participation (FDI) in affordable housing, are also stated to positively influence the housing finance segment. This will bring in transparency, discipline and reinforce consumer's trust in the sector.

I am happy to share, that Aadhar is successfully participating in PMAY and transferring the benefits of credit linked subsidy to all its eligible customers.

## Building a Strong Foundation

We have developed a stronger foothold in making housing loans affordable and accessible to the lower income groups residing in smaller cities and beyond. Our capabilities coupled with the Government's thrust on affordable housing, positions us in the most promising growth path at this time.

We have gradually built scale and created our strong existence in this niche marketplace. We leveraged our knowledge and credentials to strategically identify and create 132 branches across 13 states and a union territory. Each branch is able to cover over 5-6 spoke locations within the radius of 50 kms, and this unique hub and spoke model enables us to reach more than 700 locations.

Today, we have created a mindset that engages and aligns every employee with our mission and values. Furthermore, our well-conceived and scalable business model is suitably complemented with robust systems and processes. We have also taken into account the technological advancements the world is going through, and have already initiated the next level of technological revolution named Tech 2.0. Post implementation, Tech 2.0 will take the streamlined processes to the last mile with its state-of-the-art mobility solutions. It will not only help Aadhar to make faster decisions, but also improve our customers' experience through enhanced convenience in accessing our services. We have developed strong customer appraisal methodologies that extended beyond traditional assessment system, creating a rigorous credit risk management competence.

## On the Horizon

DHFL's consistent track record and expertise of last 33 years in lending to the underserved segments has helped us to shape our competencies. Through our commitment to performance, we are making a positive contribution towards home ownership, through an inclusive model. We have also created awareness about home loan, its documentation, credit history, and technical and legal aspects, through our unique financial literacy drives. This year, Aadhar has conducted around 6,000 financial literacy drives, which were attended by over 2,00,000 low income customers across the country.

Going forward, we are in the process of merging with DHFL Vysya Housing Finance Ltd, a group company catering to the similar customer segment and having a strong presence in the five states of southern India. Once regulatory approvals are in place, this merger will make Aadhar a pan-India entity with 275 branches in 19 states and an impressive AUM of ₹ 8,000 crore by the end of FY 2017-18. This merger will enhance the growth potential of Aadhar with significantly higher penetration, wider coverage and stronger customer connect.

I would like to thank our employees whose hard work at every level of the business has allowed us to create a strong foundation and achieve another strong set of satisfactory annual results. I would also like to thank our Board members for their support and assure them that we will remain focused towards delivering on the set objectives. We will remain thankful to NHB, our regulator, our bankers and stakeholders for their continuous support and faith on us while we create, communicate and deliver value for our customers, Company and collaborators.

Sincerely,

**Kapil Wadhawan**

Chairman of the Board

# Message from the Chief Executive Officer

Dear Shareholders,

Never before in India's history, there has been so much of talk and action happening simultaneously, which is fuelling the growth of affordable housing and housing finance sector. At Aadhar Housing Finance, we are completely aligned to support the ambitious national objective of large-scale affordable home building - both through mindset and method. Since our inception in 2011, we are addressing the critical need for extending formal housing finance to the low-income segment. We have selectively created a strong presence in 13 states, where a majority of these loan seekers are based. In addition, we have customised our processes around the needs of these customers, instead of the reverse that is seen conventionally. India's financial ecosystem is undergoing a deep-rooted shift and the country is gradually embracing a digital economy. These trends are bringing a greater share of financial transactions to the formal system, and reducing cash dealings. Further, with the Real Estate Regulation Act, we believe that greater transparency will start prevailing in property contracts, and the level of professionalism in the industry will also mature. As a result, the latent demand, particularly in the affordable segment, is expected to witness a variable surge. This will give us a great business opportunity for value creation, by supporting home seekers in the low-income segment with organised housing finance.

Currently, there is a shortage 18.8 million house in urban India, and majority of it is in the LIG and EWS segment. The Government is addressing this shortage through its flagship programme 'Pradhan Mantri Awas Yojana' to build 20 million houses in over 4,041 statutory towns. This makes Aadhar, the best suited HFC to service the additional demand from entry-level borrowers setting foot into the formal financial system for the first time.

## Customer Centric Approach

In line with our long-term goal, we will continue reaching, advising and counselling the first-time home-owners through our unique trademarked programmes of financial awareness. This is designed to foster one-on-one interaction with the customers. These innovative activities will help to bridge the knowledge gap on affordable housing finance, within the low-income segment.

We are a people centric and customer focused organisation. With a profound sense of responsibility, we selected to make 'information' easily available to the low-income segment through our financial literacy drives. In the 6,000 awareness drives conducted this year, team Aadhar interacted with close to 2 lakhs prospective customers to solve their queries on finance, documentation, legal, technical and property related issues. We ensured that our sales force, consisting of 700+ employees are well trained and equipped to handhold the customers across their loan lifecycle. We addressed regular customer feedback/grievances through our toll free number, social media channels and customer support from branches. Furthermore, we also intensified our grievance redressal mechanism.

## Our Performance

With strong conviction in our business model, we strengthened our scale and widened our presence into 13 states and a union territory through 132 branches serving more than 700 locations. During the year, we disbursed ₹ 1,700 crore in loans and achieved 77% growth in assets under management to reach ₹ 3,200 crore. Your Company also reported a 114% growth in profit before tax to ₹ 62 crore.

We maintained high asset quality, even post demonetisation, without taking the benefits

of 3 month's forbearance allowed by NHB/ RBI. This was achievable because of our well-managed collections, superior credit appraisal and monitoring mechanisms. Consequently, we reported a non-performing asset (retail) level of 0.58%, significantly lower than the industry average.

We strengthened our funds pipeline, kickstarting a virtuous cycle marked by a steady growth in revenues and interest margins. This has helped the Company moderate fund costs and provide a stable foundation to scale the business. We strengthened our net interest margin from 4.28% in FY 2016 to 4.38% in FY 2017, RoA from 1.26% to 1.71% and RoE from 15.10% to 19.60%.

At Aadhar, we are guided by principles of transparency, accountability and compliance with regulations. Robust systems and processes are a hygiene part of our operational framework. Our well managed processes and risk mitigated approach is helping us create sustainable value for those close to the bottom of the pyramid.

## Way Forward

In the last few years, we have significantly expanded our branch network and numbers of branches are further set to increase. We expect to widen our branch presence from existing 132 to 175 branches to cater to 900 locations across 13 states. These 13 states of our presence also constitute 75% of the demand of housing units in the country. With expansion, comes the need of efficient and productive manpower. In line with this, we have introduced several measures for process and operational efficiency to enhance productivity. We are also undertaking technological transformation to implement digitisation across various processes and



functions. This digital transformation will be supported by a customer portal, which will create an interface linking our customers with the Company.

We are convinced, that if our processes, systems and people are directed towards this primary goal, growth would be assured. In addition, the strong opportunity in Tier I, II, III and IV cities with regard to affordable housing, underpinned by our superior execution capability, is expected to only accelerate the growth of our loan book size.

In the coming financial year, Aadhar is expected to merge with another group company - DHFL Vysya Housing Finance Ltd, subject to the regulatory approval. DHFL Vysya is housing finance company established with the identical ethos and caters to the similar customer segment in the southern markets of India. This merger will pave the way for Aadhar to become the numero uno in this space, with presence across the length and breadth of India. The merged entity will operate 275 branches in 19 states covering more than 1,400 locations.

Lastly, we express our sincere gratitude to our regulators, National Housing Bank, Members of the Board, DHFL, International Finance Corporation and our Bankers, for their continued support. We would also like to thank all Aadhar employees for their commitment and hard work at every level of the business.

Sincerely,

**Deo Shankar Tripathi**  
Chief Executive Officer

## Road Map for FY 2018

- Excellent Pan India Network of **270** branches in **19** states.
- Increasing number of locations served to **1400**.
- Increasing disbursement to **₹ 3,800** crore.
- Adding **50,000** new customers.
- Increasing the loan book size to **₹ 8,000** crore.
- Superior Customer Service.
- Centralised Credit processing for Salaried customers.
- Strong focus on digitisation.



# We are Making Home Loans Accessible.

At Aadhar Housing, we have demonstrated the ability to transform to an independent and organised financing house through a credible business model. As a result, we have reported discernible year-on-year growth.

## 68.15%

Growth in Disbursements, FY 2017







# 97%

Growth in Customer Base, FY 2017

## By Addressing the Under-Served Customers

We have a clear focus on under-served urban and semi-urban customers. They form over 90% of our customer base.

At Aadhar Housing, we have selected to finance the needs of those individuals who were creditworthy, but still being denied financing by most financiers due to lack of credible documentation that could prove their capability to repay. Over 29.15% of loans were disbursed to self-employed customers till date.

## By Servicing the Needs of our Target Customers

At Aadhar Housing, we realised that the lower income segment loans are the largest and the most underserved in India. Subsequently, we have selected to grow our presence in this segment.

Understanding the apprehensions of our target customers, we ensure repayment convenience complemented by best-in-class services and simplified loan procedures. In addition, our qualified industry professionals customise housing finance offerings around individual needs and assessment.

## By Meticulously Enhancing our Loan Book

Aadhar Housing is focused on providing small ticket housing loans. Nearly 80% of loans disbursed are less than ₹ 10 lakh while the average ticket size of the total portfolio stood at ₹ 7.51 lakh.

While we address the bottom end of the pyramid, we maintained a moderate loan-to-value ratio with a reasonable security cover. The average LTV for the portfolio stood at 51.49%.

We also maintained a modest income-to-EMI ratio to provide an adequate cushion to our portfolio. Over 28% of the Company's portfolio had an income-to-EMI ratio of less than 40%.

## By having a Robust Back-End Support

We have a robust credit appraisal team that extends credit assessment from mere documentation to an accurate assessment of individual borrower. We conduct a multi level credit filtration and verification process to derive repaying capability of customers.

A structured process is undertaken for legal and technical due diligence of the property, to further de-risks the business. With the growing size of our business, we have decentralised processes to accelerate loan sanction and disbursement. Aadhar Housing disburses over 3000 loans per month with an average turnaround time (loan origination to sanction) of just 10 days.

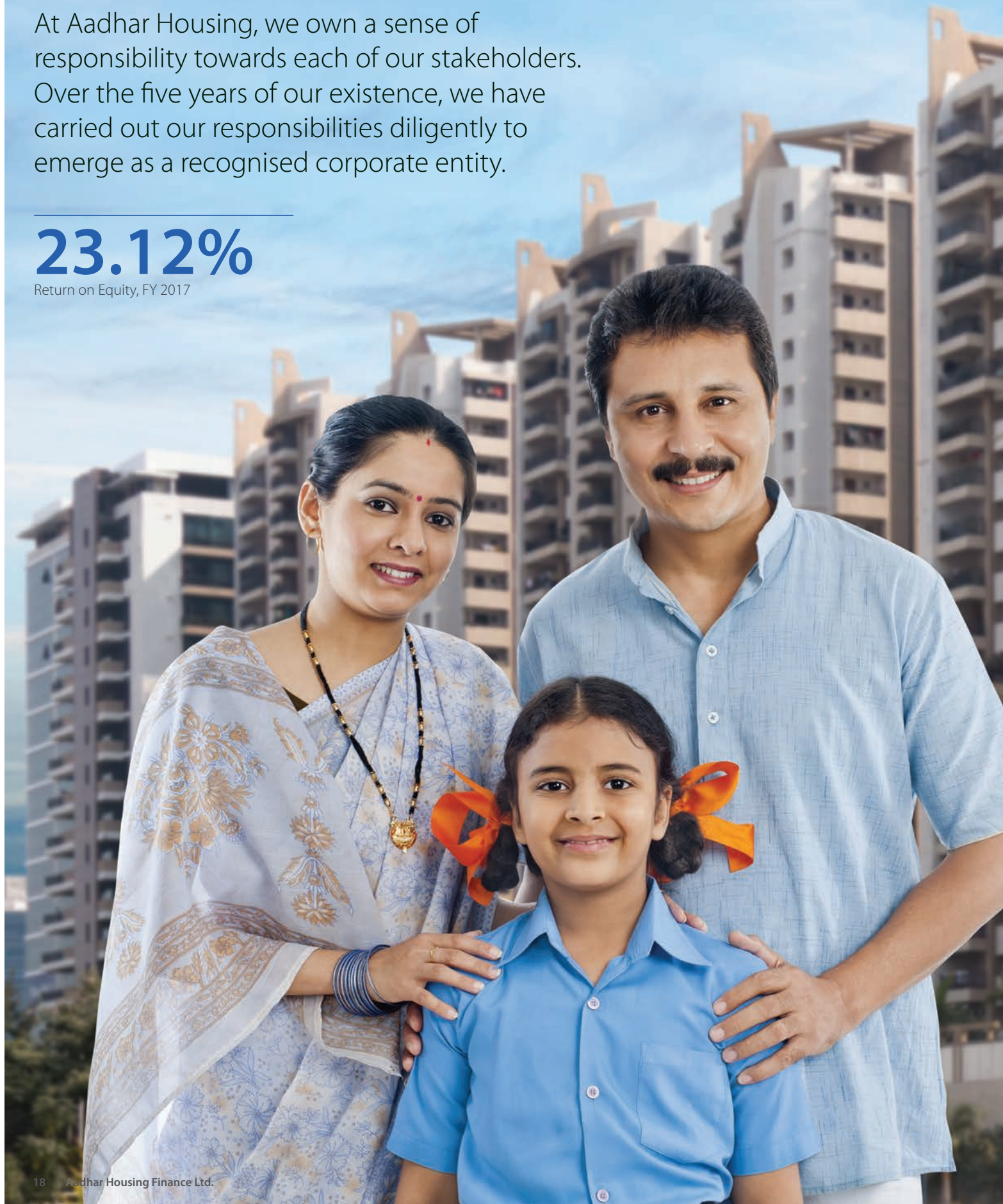
# We Ensure Comprehensive Responsibility.

At Aadhar Housing, we own a sense of responsibility towards each of our stakeholders. Over the five years of our existence, we have carried out our responsibilities diligently to emerge as a recognised corporate entity.

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## 23.12%

Return on Equity, FY 2017





# 118.22%

Growth in Net Profit, FY 2017

As a growing affordable housing finance company, we provide our clients with value-added customised products. We provide best-in-class training to our employees to serve the target customer segment. Furthermore, we act responsibly in the communities in which we work and focus on generating superior returns every single year.

## Compliance Culture

As a responsible corporate citizen, we operate within a defined regulatory and legal framework as any non-compliance could damage our image and reputation. Our management and employees share the responsibility of being compliant with the local, regional and national regulations, professional codes and best industry practices applicable to our businesses. This can be gauged from our superior credit rating and faith reposed on us by our equity partner – IFC.

## Strong Governance

Our governance practice has been principally directed towards benefiting all our stakeholders. At Aadhar Housing, we are convinced that if our processes and systems are directed towards this primary goal, growth would most certainly be assured. Hence, we are investing in processes and systems with the objective to eliminate human error in decision-making. This will result in achieving consistency across functions and locations.

We have also invested in a governance structure that extends beyond the letter of the law. The result was that even as the Company was unlisted, a number of our actions were benchmarked with governance discipline that is applicable to listed companies.

## Financial Literacy

As a responsible citizen we have invested in educating and enriching the communities where we are present. We have made consistent efforts towards upliftment of living standards of the society at large. Through our financial awareness programme, we conduct activities that are unique to the housing finance industry and are designed to foster one-on-one interaction with the customers. This innovative activity helps to fill the profound knowledge gap in the low and middle-income segment on affordable housing finance.

## Taking and Controlling Risks

Taking risks is an inextricable part of the financial services business. We handle risks with appropriate measures using clearly formulated approach to mitigate risks across the entire organisation. This helps in ensuring an optimal risk-return balance.

## Building Customer Trust

Our central operating philosophy revolves around the notion of benefitting of our customers. We are focused towards making housing finance products accessible to every Indian irrespective of income levels. We ensure a user-friendly approach at every stage of customer interaction and especially in terms of collections. Loan terms have been adapted to suit customer requirements while providing them with a sense of familiarity and functionality.

# Strengthening our Competencies to Address the National Priority



### Enhancing Value

**₹ 3,300** crore  
AHFL's cumulative disbursements till date

**23.12%**  
AHFL's return on equity against 15.27% in FY2016

**₹ 222.13** crore  
AHFL's net worth against ₹ 130.53 crore in FY2016

**4.38%**  
AHFL's net interest margin against 4.28% in FY2016



### Enhancing Access

**132** branches in 13 states  
AHFL presence across the country against 41 branches in 8 states three years ago

**28.47%**  
AHFL's average instalment to income ratio against 28.30% in FY2016

**700** locations  
AHFL footprints across India against 500 locations in FY2016

**₹ 3,182** crore  
AHFL's assets under management against ₹ 1,811 crore in FY2016



### Strengthening Sustainability

**22**  
Number of banks in AHFL's lending consortium against 18 in FY2016

**18.05%**  
AHFL's capital adequacy ratio against statutory requirement of 12%

**53.82%**  
AHFL's average loan to value ratio against 50.49% in FY2016



## Outreach

The Company strengthened its presence across Western, Northern and Eastern regions of India, with key focus on Tier II and III cities. The Company added 31 new branches for the customers, taking its presence across 700 Indian locations to provide housing finance to millions.



## Relationship-based Sourcing

The Company relied on exclusive sourcing of business through its branch network and third party channel partners, who are monitored by the nearest AHFL branch. The Company's sales executives guide the customers across the life cycle of their loan.



## Rigorous Appraisal

The Company leveraged its stringent credit appraisal with strong commercial insights to screen every application, in order to reduce delinquencies.



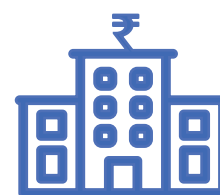
## Technical Valuation

The Company ensures timely property valuations to control delinquencies. For this, it relies on its in-house team for legal and technical evaluation of properties.



## Superior Collection Processes

The Company directs its customers to repay through banks. As a result, majority of the Company's collections were conducted via ECS or post-dated cheques, reducing the risk of cash management.



## Diversified Funding

The Company enjoys a diversified funding mix (banks, FIs, and multilateral agencies, among others), which mitigates the risks of relying on any single source of fund.

## Profile of the Directors

# Board of Directors



**Shri. Kapil Wadhawan**

Founder Chairman of Aadhar Housing Finance Ltd. and Chairman & Managing Director, Dewan Housing Finance Corporation Ltd.(DHFL).



**Shri. Bikram Sen**

Director



**Shri. V. Sridar**

Independent Director

Shri. Kapil Wadhawan is the guiding light behind revolutionizing housing finance, making it accessible and affordable to large sections of the Indian population. A dynamic leader, he has spearheaded radical changes in systems and processes, bringing in technology and talented manpower, to deliver higher overall efficiencies, thereby boosting performance and growth.

As Chairman of Wadhawan Holdings, a strategy think-tank and promoter of new ventures, Shri Kapil has ably steered the group into diversified sectors including Food Retail, Lifestyle Retail, Hospitality, Hotels & Resorts, Education and Financial Services.

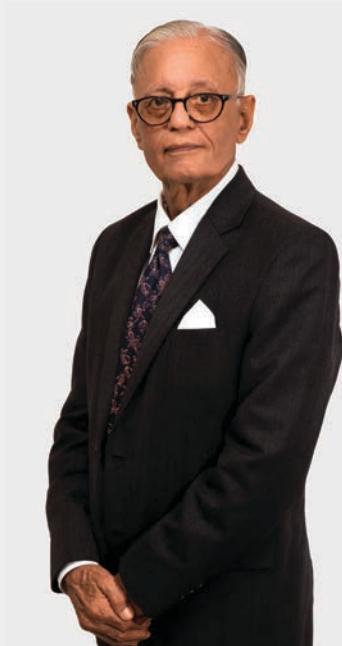
Shri Kapil Wadhawan is well known for his philanthropic activities, contributing to the upliftment of the economically weaker sections of society.

Shri. Bikram Sen is the Director and Chief Executive Officer of ArthVeda Fund Management Pvt. Ltd. with over 27 years of experience in investment banking and corporate finance, he has held senior positions in high profile companies across London, Paris, New York and Tokyo, including being Managing Director of Chemical Bank, Tokyo.

Shri Bikram Sen is a Sloan Fellowship of the London Business School, London, in Investment Management, Corporate Finance and Business Strategy.

Shri. V. Sridar is a veteran of the Indian Banking industry, with an illustrious career path spanning over 35 years. A Chartered Accountant by profession, Shri. Sridar was formerly Chairman & Managing Director of UCO Bank, where he scripted the bank's spectacular growth story. During his tenure as Chairman & Managing Director, National Housing Bank (NHB), he enjoyed tremendous success, setting new benchmarks along the way. Shri. Sridar is a Member of the Governing Council, United Stock Exchange. He is in the board of many leading Companies.



**Shri. G. P. Kohli**

Independent Director

Shri. G. P. Kohli is the former Managing Director of Life Insurance Corporation of India (LIC) and worked in different positions in LIC; Chairman of LIC Asset Management Company and Vice Chairman of LIC International Operations. He is a resident of Kandivli East, Mumbai and has over 35 years of experience in insurance, housing, human resource development, information technology and marketing. He has a Master's Degree in Arts (Hons.) & also an alumni of IIM, Ahmedabad.

**Kumari Sasikala Varadachari**

Additional Director

Kumari Sasikala Varadachari, is the former Chief General Manager in Strategic Training Unit in State Bank of India (SBI) and has a rich experience in Banking, Capital Markets, Branch establishment, Designing new financial products, Restructuring of Training Systems. She has around 40 years of experience in Capital Markets and Banking and has successfully managed different roles in SBI and SBI Capital Markets Limited. She has a Master's degree in Economics. She has a certificate in journalism and certificate in Financial Markets from Securities Institute of Australia, Melbourne. She has completed Executive Development Programme on Corporate Restructuring from Harvard Business School. She is also a chartered associate of Indian Institute of Bankers (CAIIB).

**Shri. Deo Shankar Tripathi**

Chief Executive Officer, Aadhar Housing Finance Limited.

Shri. Deo Shankar Tripathi joined Aadhar Housing Finance as its CEO in January 2015. He was President and Chief Operating officer of DHFL effective May 2013, before taking up the Aadhar responsibility.

Shri. Tripathi brings to Aadhar over 38 years of commercial banking experience. He joined the Union Bank of India in 1977 as Probationary Officer and held diverse positions, managing varied portfolios before being elevated to the level of Top Executive Grade. On functional expertise, Mr. Tripathi has managed varied roles covering Corporate Finance & Credit Management, Retail Banking, NPA Management, Rural Banking, Resources Mobilisation, Customer Relationship Management, Branch Network Expansion and HR Management.

A post graduate in Chemistry from Lucknow and a certified Associate of Institute of Bankers, he has attended various management leadership and other training programmes in leading institutions across India and overseas.

# Management Discussion and Analysis



## Indian Economy Overview

The Indian economy continued its unabated growth and remains a bright spot in the global landscape. The decline of global oil prices has discouraged inflation, encouraged economic activity, and improved India's external current account and fiscal positions. In addition, continued fiscal consolidation assisted by reducing government deficits, and an anti-inflationary monetary policy stance, have helped cement macroeconomic stability.

India's economy grew by 7.1% in fiscal 2017, compared to the growth rate of 8% in FY 2016. India's overall outlook remains positive, although growth slowed temporarily as a result of disruptions to consumption and business activity from the recent withdrawal of high-denomination banknotes from circulation.

After weathering demonetisation in FY2017, the Indian economy is seeing another paradigm shift in economic activity caused by the wholesale revamping of our tax system through the implementation of a universal Goods and Services Tax (GST) in July 2017.

India's GDP growth is expected to improve in couple of months due to accelerated pace of remonetisation, stepping up capital expenditure, boosting of the rural economy, easing of crude oil prices, a normal monsoon and roll-out of GST.

Indian Meteorological Department (IMD) has forecasted that this year monsoon would be 'Normal' or around 96% of Long Period Average (LPA) with an error of  $\pm 5\%$ , and with a fair distribution of rainfall across major parts of country. If the forecast holds, distress in the rural economy should dissipate and demand for goods and services is expected to stay strong. As a result of very good rainfall during monsoon 2016 and various policy initiatives taken by the Government, the country has witnessed record food grain production in FY2017.

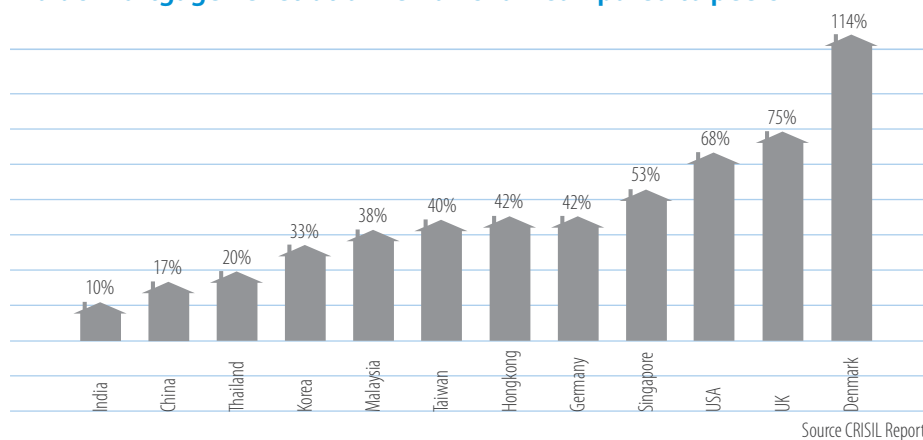
Inflation, both Wholesale Price Index (WPI) and Consumer Price Index (CPI), remained under control throughout FY2017. The CPI inflation has steadily declined over the years from a high of 9.9% in FY2013 to 4.5% in FY2017.

## Housing Sector Overview

India's housing market is well placed with multiple factors expected to fuel growth in the housing finance market. These include the generally under-penetration of mortgage market; the large gap between housing demand and supply; the improving affordability caused by tax incentives and government schemes; the generally encouraging regulatory environment and positive demographic trends.

The Government's push for affordable housing projects, steadily reducing interest rates and continuously rising income levels - are expected to contribute towards increased housing demand and improved borrower's debt-servicing capabilities. As a result, during the last decade, the average age of first time home buyer has declined by 10 years to 30 years. These factors will provide further impetus to growth in volume as well as value in housing loans.

## India's Mortgage Penetration remains low compared to peers



As per rating agencies estimates, housing loan disbursements are expected to grow at a healthy pace of 19-21% CAGR to reach ₹ 8.30 trillion by FY2020. The affordable housing segment alone is likely to grow over 30% over the medium term, and will be the key growth driver for the mortgage finance market.

### Low Mortgage Penetration

The Indian mortgage industry remains under penetrated in comparison to many advanced and emerging economies, evident from the low mortgage-to-GDP ratio, which stood at 10% in 2016. India's low mortgage-to-GDP ratio is a result of several factors, such as shortage of housing supply, pre-existing regulatory restrictions and lack of borrowing power of a large rural population.

### Urbanisation and Housing Shortage in India

Affordable housing shortage continues to be a major concern in the country today, and can be correlated with the rate of urbanisation taking place. According to the Census of India 2011, India's urban population increased to 377 million, reflecting the rise in urbanisation from 27.8% to 31.2% between 2001 and 2011. This rate of urbanisation has led to many issues such as land shortage, housing shortfall and severe pressure on available infrastructure. Urbanisation has resulted

in people increasingly living in slums and squatter settlements which has deteriorated the housing conditions of the economically weaker sections of the society

At present, there is a shortage of 18.8 million homes across urban centres of India, of which 15 million are needed in the LIG (Low Income Group) and EWS (Economically Weaker Section) category. Large-scale budget housing projects are definitely the need of the day to address the huge shortfall. The 'Housing for All' mission by the Central Government envisions a multitude of strategies such as tax rebates, monetary support, relaxed development regulations and discounted interest rates. (Source: Census of India, 2011)

## Government Initiatives

### Pradhan Mantri Awas Yojana

The Union Cabinet launched the 'Housing for All by 2022' project on June 17, 2015, also known as the Pradhan Mantri Awas Yojana (PMAY), aimed at urban areas. The urban housing component of the mission aims to create 2 crore houses by 2022. Further, to address the gap in rural housing, the scheme of Indira Awas Yojana has been re-structured into Pradhan Mantri Awas Yojana – Gramin (PMAY-G) from April, 2016. PMAY-G aims to provide a pucca house with basic amenities

to all houseless households and households living in kuccha and dilapidated house by 2022.

**Monetary Allocation:** To stimulate the rural housing sector in India, ₹ 230 billion has been allocated under the Gramin Pradhan Mantri Awas Yojana. During the year, under the PMAY, the ministry has approved the construction of 1.17 lakh more houses for the urban poor. With this, the total number of affordable homes sanctioned under PMAY(Urban) has gone up to 1,760,507. In line with the aim to promote affordable housing not only in cities but also in rural areas, the government intends to complete 10 million homes by 2019.

**Credit linked Subsidy Scheme:** Under the credit linked subsidy scheme of the PMAY, an interest subsidy of 6.5% on loans upto ₹ 6 lakhs has been announced for the Economically Weaker Section (EWS) and Low Income Groups (LIG) who have an income of upto ₹ 3 lakhs and ₹ 6 lakhs per annum respectively.

For the middle-income population, an extension of the credit linked subsidy scheme was also announced. Under this, buyers with an annual income of ₹ 6-12 lakh will be eligible for an interest subsidy of 4% for loans upto ₹ 9 lakh and those with an income of

At present, there is a shortage of 18.8 million homes across urban centres of India, of which 15 million are needed in the LIG and EWS category.

# Management Discussion and Analysis

₹12-18 lakh will get an interest subsidy of 3% on loans upto ₹ 12 lakh.

This credit linked subsidy is available for all new houses/purchase/construction in over 4,041 statutory towns of India. The State Governments have also been authorised to notify additional towns, which are not included in the existing list.

**Assistance for EWS:** An assistance of ₹ 1.5 lakh per house for the economically weaker sections has been allocated, in projects that has at least 250 houses and 35% houses are reserved for economically weaker sections.

## Infrastructure Status

The Union Budget 2017-18 granted the much-demanded 'Infrastructure' status to Affordable Housing. The step is well aligned with the government agenda of 'Housing for All by 2022'. This is expected to ease access to capital for the developers, at a much lower rate with a longer amortisation period. This credit offtake towards affordable housing segment will lead to creation of supply.

## Fiscal Incentives

To promote affordable homes, the government also proposed to amend the Section 80-IBA, relaxing the condition of period of completion of the project for claiming deduction from the current 3 years to 5 years. This is expected to encourage builders to construct more and more affordable houses.

## Real Estate Regulatory Act (RERA)

A positive on the regulatory aspect was the introduction of the Real Estate Regulatory Act (RERA). This framework of rules and oversight are expected to bring in transparency, discipline and reinforce consumer's trust in the sector. It is seen as an act that will safeguard the interest of the homebuyer along with timely and quality construction.

## Company Overview

Aadhar Housing Finance Limited (AHFL), incorporated in May 2010, is a housing finance company registered with NHB and is engaged in providing housing finance to the lower income segment (LIG) of the society. The Company commenced operations in February 2011 by setting up its first branch at Lucknow. AHFL is a group company of Wadhawan Global Capital Pvt. Ltd., which also owns

Dewan Housing Finance Corporation Limited (DHFL), a leading player in the Housing Finance industry.

As of March 31, 2017, Wadhawan Global Capital Private Limited, holding Company of DHFL, held 65.06% stake in the equity of the Company, DHFL directly held 12.37% and promoter family members and other group companies held another 2.57%. The remaining 20% equity was held by International Finance Corporation (IFC), Washington, a World Bank arm.

## Business Overview

The Company provides affordable housing to individuals for the following:

- To purchase a house or apartment for residential use
- To purchase a plot of land and construct a home on it
- To improve or expand a residential home
- To provide loan against property for personal and business purposes

The Company also extends credit facilities to real estate developers and societies, operating in the affordable housing segment. Home loans segment constitutes 86% of the loan portfolio, while Loan against Property has 14% share.

The Company operates in 13 Indian states with predominant exposures concentrated in the states of Uttar Pradesh and Madhya Pradesh. As of March 31, 2017, AHFL had achieved a AUM (Assets Under Management) of ₹ 3,300 crore.

## Key Business Developments

The launch of 'Housing For All by 2022' scheme in 2015 has herald a new era in the housing finance sector and has paved way for a stronger and supportive environment to expand credit flow and increase home ownership.

With focus on affordable housing segment, the Company's growth during the year was robust. The Company has been at the forefront to cater to the financial needs of the under-served masses in the regions of its presence. AHFL expanded its reach by adding 30 new branches and fortifying its presence across 13 states. The Company successfully gained market share in these regions, attributed to large population base, improving income levels and rapid urbanisation.

The demand temporarily slowed down for couple of months due to demonetisation of high value currency notes in November 2016. However the demand has normalised over time. In addition, the 7th Pay Commission payout, interest subsidy on affordable housing and falling housing prices helped bolster demand.





The urban housing requirement falling under the economically weaker section and the low-income group stands at 97% of the total shortfall.

During the year, AHFL launched new campaigns to raise awareness about housing finance service and the Company. It included insights into documentations, legal and technical issues and also highlights of the government schemes like Pradhan Mantri Awas Yojana. Direct interactions through these financial literacy drives benefited both existing and potential customers, and helped Aadhar forge stronger ties with them in the declining interest rate phase post demonetisation.

The Government has been at the forefront in pushing India's housing finance sector this year. Many new initiatives and policies focused on lending for affordable housing were introduced, empowering a large section of LIG and EWS customers to avail housing finance. This helped the Company to add 24,118 new customers during the year.

In addition, the Company also introduced products to provide home loan to informal segments which constitutes a large section of LIG and EWS customers. The urban housing requirement falling under the economically weaker section and the low-income group stands at 97% of the total shortfall. These are predominantly the self-employed individuals. To address this situation, AHFL has launched a first of its kind 'No Income Proof Product', for these informal segment customers, with a monthly income ranging from ₹ 5,000 to ₹ 50,000. This product will facilitate affordable housing finance to this large untapped segment of the society, who do not have easy access to financial assistance due to irregular cash flows and lack of proper income documents.

## Marketing and Branding

The Company focused on creating visibility by building its brand, increasing sales, and emerging as the point-of-first-recall.

### Digital Marketing:

To create its presence in the digital media, the Company launched its digital marketing campaign in August, 2016 in Google's Adwords platform with online search and display ads. Over the period of August 2016 to February 2017, the Company recorded the following:

- Collected 1,09,487 leads with an average of 15,600 leads per month
- 1385 logins recorded with a login value of ₹ 110.5 crore
- Disbursements worth ₹ 43.65 crore were booked from these leads in across various branches
- Online advertisements were clicked by 7,88,125 people across various websites
- AHFL website visited by 6,27,656 people

### Advertisements at Movie Theatres:

- The Company tied up with UFO Movies Pvt Ltd, India's largest movie distribution company to broadcast the AHFL's one-minute advertisement across 170 movie screens across selected Aadhar locations.
- The campaign ran for four weeks, from

December to February during super hit films like Dangal, Kahani 2, Raees, Kaabil, Jolly LLB 2 and many more.

- Through this campaign, the Company reached around 1.66 crore audience as per the occupancy data provided by the theatres.
- Enquiries from 550 customers were received at our call centre and hits on the website and branch walk-ins also increased considerably

### National Television:

- During the election in Uttar Pradesh, (February and March), the Company had broadcast the 30 second Aadhar Advertisement in National Hindi News channels - Zee News and News 18 India in selectively targeted states of Uttar Pradesh, Madhya Pradesh and Chattisgarh.
- As per television rating agencies, the ads were viewed 43,61,000 times.
- Enquiries from 400 customers were received and hits on our website had also increased considerably.

### Social Media Campaign:

- The Company marked its presence on the social media in the month of January 2017 through Facebook and a LinkedIn.
- Over the span of two months, it has a following of 2,000 people on facebook and 1,000 people on LinkedIn.

### Ground Level Awareness Drives:

- Ground level awareness drives have been a core to the promotional strategy. During the year, the branches conducted 6,000 ground level awareness drives.
- These activities cumulatively reached out to 2,00,000 customers and 24,300 leads were collected

# 30,00,000

Website hits, FY 2017

# 1,50,000

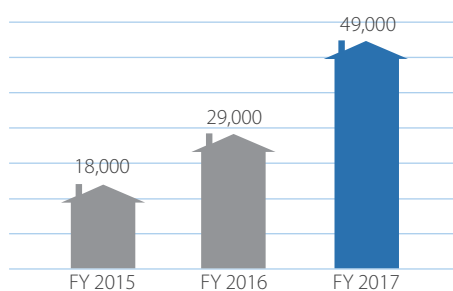
Leads Generated through Marketing Activities, FY 2017

# 49,000

Customer Base

# Management Discussion and Analysis

## Customer Base



## Sales and Distribution

During the year, the Company added 30 new branches, taking its total number of branches to 132. These 132 branches reach out to more than 700 locations through hub and spoke model across 13 states of India – Uttar Pradesh, Madhya Pradesh, Chattisgarh, Odisha, Jharkhand, Bihar, West Bengal, Gujarat, Rajasthan, Punjab, Haryana, Maharashtra and Uttarakhand.

The Company has a strong distribution network and reaches out to its customers through its direct sales team, and channel & referral partners. The direct sales team consists on ground sales executives who are the first point of contact for a customer. These sales executives are supervised by sales managers at the branches. The Company also relies on third party channel and referral partners, who are serviced and monitored by the nearest

# 132

Branches

# 13

States of Presence

# 700+

Location Serviced

# 2,658

Sales Force (direct and indirect)

AHFL branch. As on March 31, 2017, AHFL has 568 channel partner, 1081 referral partner and 677 sales executives.

The Company has defined a clearly laid out path for the career growth and progression of its sales force, from Sales Executives, Sales Managers, Branch or Cluster Managers to Regional Business Heads. The sales team undergoes periodic functional and behavioural training to remain updated with the knowledge and skill-sets. In addition, the Company lucrative incentive program is regarded as one of the best in the industry and which fosters a culture of rewarding the performers.

## Credit and Operations

The Company is focused towards competent credit management to assure safe asset quality and attractive profitability. An efficient credit management is crucial towards building a sustainable housing finance corporate.

AHFL has a strong system of income and identity verification of the borrower. It has employed a team of well-trained credit officers for precise credit assessment and technical officers for due diligence on property to be funded.

The Company's team interacts directly with every loan applicant and handholds them through the disbursement process, extending credit appraisal from mere documentation and credit history appraisal to an accurate assessment of individual borrower backgrounds, profiles and aspirations. Furthermore, in order to have a firm control on fraud, reputed professional field investigations agencies, valuers and advocates are empanelled with the Company.

AHFL possesses a two-layered credit filtration and verification process, which ensures that each portfolio is adequately appraised. To avoid an individual decision, credit sanctions are delegated to committee of two individuals.

The Company graduated to a technology platform, to record the information for the customer from lead generation to loan closure. This structured approach facilitated an insight into the workflow, creating accountability across all levels. This system

# 130

Average applications per day

# 53.82%

Average LTV

# 71%

Proportion of salaried customer

made it possible for the turnaround time (TAT) to be periodically monitored and ensure seamless customer service.

The Company adheres strictly to the laws and regulations that govern our conduct. It follows the NHB guidelines on Loan to Value ratio (LTV). The Company also follows a very simplified approach for loans under Pradhan Mantri Awas Yojana. Further, AHFL's corporate governance policies are to facilitate effective, entrepreneurial and prudent management that can deliver the long-term success of the Company.

## Sources of Fund

The Company's efficient fund management makes it possible to provide adequate diversified sources of funds at the lowest possible costs whenever required by the business.

AHFL has employed a team of well-trained credit officers for precise credit assessment, and technical officers for due diligence on property to be funded.



AHFL strives to maintain diverse sources of funds in order to reduce the funding costs, maintain adequate interest margins and achieve its liquidity goals.

The Company's core finance function focuses on procurement of reserves through short-term and long-term financial instruments from the banking sector, financial institutions and capital markets. These sources include term loans from banks, non-convertible debentures,

commercial papers and securitisation and assignment of contracts. As of March 31, 2017, the Company has multiple banking arrangements with 22 banks.

The Company is led by a highly experienced and cohesive management team, with an average 10+ years experience in relevant industries. AHFL is talent focused, merit driven and a profitable organization, that operates in an energetic and multi-cultural environment. The Company will continue to significantly invest in employee engagement, talent and leadership development, and best in class processes that foster a culture of excellence within the organisation.

# 22

Number of Banking arrangements

# 4.38%

Net Interest Margin

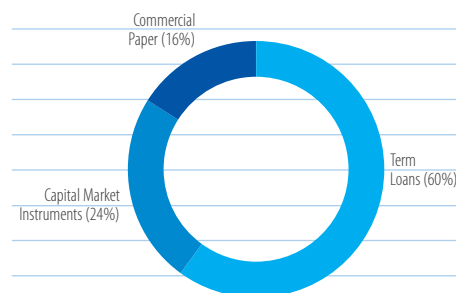
# 18.05%

Capital Adequacy Ratio

# 9.41%

Average Cost of Funds

## Sources of Fund



The Company enjoys a credit rating of AA+(SO) by both CARE and Brickworks for its long term funding requirement and A1+ by CRISIL for short term funding requirements.

The Company maintained its capital adequacy at 18.05%, which was higher than the statutory requirement of 12% for Housing Finance Companies.

## Human Resource

The prime objective of the human resource function at AHFL is employee development. To achieve success and profitability, the Company relied on its greatest assets- its intellectual capital.

# 799

Team Size

# 275

New Hires, FY 2017

# 32 years

Average Employee Age

# Management Discussion and Analysis

## Talent Acquisition

With the robust talent acquisition and talent retention mechanism, the Company is geared towards attracting the best talent and retaining them, to ensure sustainable organisational growth. The Company hired quality manpower, focusing on their functional experience and expertise.

Further, the Company's recruitment, and referral processes and policies were strengthened to ensure new employees fulfill the manpower requirements. Being in the finance sector, the Company follows a stringent verification process through background checks. During the year under review, the Company recruited members from the industry as well as from non-HFC sector. Majority of the vacancies for higher roles were filled from within through internal job posting.

## Training and Development

People with different levels of experience and academic backgrounds became a part of the Company. As a part of its long-term vision, the Company consistently invested in employee training, to enhance the team's learning.

The Company aims to empower its employees with relevant training, updates and behavioural advancements. It significantly invests in professional development and provides career development opportunities to its employees. A robust training and development framework, which has a blend of classroom, on-line and

on the job training, is aligned to the business needs and career path of individuals. This provides the talent pool with opportunities that help them to excel in their work and be well equipped for future roles. The Company also follows a decentralised training approach at regional and branch level to create Subject Matter Experts.

The Company has structured instructor led classroom induction training as well as skill based functional learning workshops. The Company is focused on creating a pool of pre-trained manpower through a structured Management Trainee program. The focus has been toward building capabilities to handle aggressive growth and business volumes with effective operational control.

The Company has also tied up with leading academic institutions to offer skill development programmes and employment opportunities for deserving candidates.

## Attrition

With the growing attractiveness of the housing finance industry and emergence of several new players, attrition has been a cause of concern for the Company. Hence, the Company has strong focus on restricting attrition by conducting structured exit interviews followed by planned action. With experience, the Company has designed an attrition predicting mechanism to have a structured manpower planning process in place.

## Employee Engagement

Employee Recognition and Reward Program, recognises outstanding contributions of the employees through a combination of both monetary and non-monetary rewards. In view of the same, AHFL has been working on its Employee Engagement initiatives through varied HR programs. The Company also has a constructive mechanism to get feedback from the employees in the form of the E-sat survey, which is conducted online. The Company also has HR representation in regions through branch visits, focused at connecting with employees at regular intervals.

HR plays an important role in securing the future success of Aadhar. This function is guided by its long-term vision of working in partnership to create an environment where employees can grow and deliver better results.

## Management Outlook

The affordable housing sector can look forward to good times. There are a number of positives, which have come up in the recent past, that will augur immediate as well as future growth prospects for the affordable housing finance industry.

The positive industry outlook, coupled with favourable macroeconomic indicators, continue to set the Company on a high growth trajectory. In an era of accelerated growth, AHFL plans to continue its focus to widen its presence, strengthen its brand and sharpen its competitiveness. The Company has embarked upon several initiatives to use IT as a key enabler for business growth, higher efficiency and best-in-class productivity. Going forward, AHFL will remain committed to transforming dreams of home ownership for millions into a reality.

AHFL is now on the anvil of a merger with one of the group companies, DHFL Vysya Housing Finance Ltd. With the merger, it will hold a robust pan India presence across 270 branches in 19 states and a notable AUM of ₹ 8,000 crore by the end of FY 2017-18.





AHFL conducts awareness activities, that are unique to the housing finance industry and are designed to foster one-on-one interaction with the customers.



## Financial Awareness

The Company conducts awareness activities, that are unique to the housing finance industry and are designed to foster one-on-one interaction with the customers. This innovative activity helps to fill the profound knowledge gap in the low and middle-income segment on affordable housing finance. Some of Aadhar's awareness initiatives include:

**Aadhar Parichay:** Under this event, a short presentations about AHFL is showcased at the factories, shops, showrooms and workshops where customers work and can learn about the financial aspects, eligibility and documentation required to take a housing loan.

**Aadhar Sanyog:** Awareness camps are conducted in LMI housing societies and colonies with minimum 100 residents to solve queries on home loan eligibility, documentation and legal and technical related issues.

**Aadhar Paramarsh Shivir:** Consultation camps are conducted in target areas to counsel customers on the importance of savings, insurance and repayments.

**Aadhar Awaas Mela:** This event brings low cost developers and customers together

on a common platform. This event includes property exhibitions as well as information regarding home loans, under one roof. These exhibitions have earned high visibility for the Company's brand.

**Developer:** Customer interactive sessions are conducted to create awareness amongst building developers on business potential and scope of affordable housing, which in turn encourages developers to build suitable properties for the low-income segment.

## Corporate Social Responsibility

The Company has associated with its parent company DHFL to launch a one of its kind CSR programme called 'Sharmaji ke Sawal, Vinodji ke Jawab' - in Varanasi, Uttar Pradesh. The objective of this programme is to assist families transit to formal housing, facilitate skill development and livelihood generation, create linkages with Government welfare schemes, encourage economic empowerment and inclusive growth. This programme aims at facilitating economic empowerment through financial literacy & inclusive growth.

The programme is designed to support the Central Government's 'Pradhan Mantri Awas Yojana' and the agenda of 'Housing for All by

2022'. This programme will assist underserved groups in navigating the transition from informal settlements into safe, hygienic, affordable housing. It will also supplement the objective of Government of Uttar Pradesh to address the dire shortage of affordable housing in the urban areas of the state.

With community at the forefront, AHFL's aim is to drive economic empowerment through a year-long intervention with the community. The Company's field officers from within the community will continue to champion initiatives and create linkages to government welfare schemes for a sustainable long term impact. Once the eagerness of the community is raised to know about various opportunities to uplift oneself, weekly workshops are conducted in association with local development authorities.

'Sharmaji ke Sawal. Vinodji ke Jawab' Financial Literacy & Advisory Centres assists youth to identify and enroll onto skill development programmes with the National Skill Development Centre (NSDC). Thus, supporting the Skill India Mission. These Centers are manned by community members who have been trained in all aspects. These include financial planning; understanding complex procedures involved in applying for Government or private affordable housing; ability to assist households to open bank

# Management Discussion and Analysis

accounts; enroll for Government welfare schemes like PMAY, Bhamasha and Mudra loans, among others. The programme is implemented by Saath Livelihoods, an arm of Saath Charitable Trust.

## Information Technology

The Company's technology transformation programme (Tech2.0) in association with IBM is a journey towards digital transformation to enhance customer and employee experience. In addition, the Company is exploring advanced technological solutions in the areas of data analytics, mobility and cloud.

This programme will help your Company to align its technology landscape to meet its evolving business needs, improve its customer centricity and will enable faster decision making through automation and analytics.

## Risk Management

The Company follows a disciplined risk management process to minimise the risk and maximise returns. The Company took business decisions to balance risks and reward and ensure the Company's growth.

### Credit Risk

Credit risk is the risk of loss resulting from the failure of a borrower to honour his or her financial or contractual obligations to the Company.

At AHFL, a Risk Management Committee, chaired by the CEO, is in place. This Committee has policies and systems in place, and ensures that employees work in rightful manner for credit and finance-related activities.

The risk culture of the Company is well defined in the Risk Management Policy where internal controls and benchmarks are established on various exposures - self employed customer, loan against property, plot loan, caution profile and high risk customers, among others.

The Company has introduced strong credit underwriting processes, which significantly minimises the risk of credit default. There is in place a structured and standardised credit approval process, including a comprehensive credit risk assessment process, which encompasses an analysis of relevant quantitative and qualitative information to ascertain borrower creditworthiness. All credit sanctions are done through committee approach with well-defined delegation of sanction levels.

### Operational Risk

It is the risk of possible losses, resulting from inadequate or failed internal processes, people and systems.

AHFL is focused on secured lending and has an adequate credit appraisal, risk monitoring and collection systems that commensurate

with its scale of operations. In addition to this, the Company's operations are process driven and ensure that EMI of the all loans are generated and PDCs are collected from all the borrowers.

It also has a comprehensive system of internal control, strong audit system, authority delegation, responsibility separation and regular supervision to mitigate the risk.

### Legal and Technical Risk

By virtue of taking possession of collateral assets, a financial institution is exposed to risk stemming from a client's faulty legal title of the property.

The Company has a structured process to undertake legal due diligence of the documents to ensure its authenticity. In addition it has a detailed State Specific Technical Policy to verify that the property is approved in accordance to the local authority requirements. Further, the detailed technical approvals are done by in-house competent teams.

### Internal Financial Control

The Company has an Internal Audit Department, which conducts comprehensive audit of functional areas and operations of the Company to examine the adequacy of and compliance with policies, procedures,

AHFL is focused on secured lending and has an adequate credit appraisal, risk monitoring and collection systems, that commensurate with its scale of operations.





statutory and regulatory requirements. Significant audit observations and follow up actions thereon are reported to the Audit Committee.

The Audit Committee reviews and evaluates adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations. The audit function maintains its independence and objectivity while carrying out assignments. For ensuring independence of audits, the Internal Auditor reports directly to the Audit Committee of Board of Directors. The function also proactively recommends improvement in policies and processes and suggests streamlining of controls against various risks.

The Audit Committee and Board of Directors have approved a documented framework for the internal financial control to be followed by the Company and such policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial information and disclosures. The Audit Committee periodically reviews and evaluates the effectiveness of internal financial control system.

## Cautionary Statement

This document contains statements about expected future events, financial and operating results of Aadhar Housing Finance Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements.



# Board's Report

for the financial year 2016-17

Your Directors have great pleasure in presenting the 7th Annual Report together with the audited Financial Statements of the Company for the year ended 31st March, 2017.

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:

The Housing finance sector in India is undergoing a revolution. The fact that urban India has an estimated housing shortage of 2 crores, coupled with the focus of the Government through PMAY to provide estimated 2 crores urban housing units in 4041 listed city/towns, is generating a lot of interest from the general public and also from corporates in the affordable housing & housing finance segment. Under PMAY, the housing ministry will also provide financial assistance to the tune of over ₹ 2 lakh crores over the next five years for enabling two crores urban poor own houses by 2022.

## 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, was 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 crores houses are built across nation's length and breadth. The estimated completion year for the scheme is 2022, which means that these 2 crores homes will be constructed over a period of 7 years. Your company has already registered subsidy claim to the tune of ₹ 840.80 lakhs for 566 customers for the year 2016-2017 under the scheme.

## Business Overview & Operations of the Company:

The financial year 2016 has been a year of 'Udaan' (theme for FY 2016-17) for Aadhar in its true sense. A whopping 70% growth in disbursement to the tune of nearly ₹ 1700 Cr. with an average ticket size 7 lakhs reinforces Aadhar's focus in the low income segment. Aadhar strengthened its presence in the 13 operating states with 132 branches covering more than 700 locations. Aadhar's AUM is now at nearly ₹ 3200 Cr. with a strong customer base of 49000. Aadhar family also have grown considerably stronger with nearly 1700 employees in both on and off-roll.

## Financials:

A summary of financial statements and profitability for the year ended 31st March, 2017 are given below for the information of members of the Company:

Particulars	₹ in crores	
	FY 2016-17	FY 2015-16
Total Income from Operations	356.00	216.00
<b>Less:</b>		
Total Expenditures	294.00	187.00
Profit before Taxes	61.67	28.96
Provision for Taxes	20.90	10.28
Profit after Taxes	40.77	18.68
<b>Appropriations:</b>		
Transfer to Special Reserve under NHB Act	12.30	7.00
Retained Profits	28.23	11.56
Earnings per share- Basic/ Diluted	3.85	1.87

## Profitability:

The Company made all efforts to improve the profitability during the year under Report. Profit before tax increased from ₹ 28.96 crores (last year) to ₹ 61.67 crores as on 31st March, 2017, registering a growth of 113%. The profit after tax stood at ₹ 40.77 crores as against ₹ 18.68 crores in previous year, registering a growth of 118.25%.

## 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 29, 2016, 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 ₹ 5,000 crores subject to the aggregate amount so borrowed 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, 2017 was 9.41% as against 9.98% in the previous year. As at March 31, 2017, your Company's sources of funding were primarily from banks and financial institutions (60%), followed by non-convertible debentures (24%) and commercial papers (16%). 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 by the Company 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 ₹ 665 crores 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 last Annual General Meeting held on July 29, 2016 and the Board approved 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 ₹ 85.80 crores to various investors, by way of issue of NCDs. The outstanding balance of Debentures as on March 31, 2017 amounts to ₹ 530.00 crores. 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. The Debenture Trust Agreement(s) in favour of Catalyst Trusteeship Limited (Previously known as GDA Trusteeship Limited) for the aforesaid issues were executed. The Company also executed Debenture Trust Agreement in favour of Beacon Trusteeship Limited.

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) and CARE A1+ (SO) by Credit Analysis & Research Ltd. As at March 31, 2017, Commercial Papers outstanding amount stood at ₹ 395.98 crores.

### Unsecured Subordinated Non-Convertible Debentures

During the financial year under review, your Company raised ₹ 84 Crores through issue of Unsecured Subordinated Non-Convertible Debentures on private placement basis. As at March 31, 2017, your Company's outstanding unsecured subordinated debts were ₹ 84 crores. The debt is subordinated to present and future senior indebtedness of your company.

### 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, 2017.

### 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, 2015, 2016 and 2017.

Particulars	As on March, 31		
	2017	2016	2015
Capital Adequacy Ratio	18.05%	14.93%	17.72%

The Capital Adequacy Ratio (CAR) of your Company was at 18.05% as on March 31, 2017, 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

# Board's Report

## for the financial year 2016-17

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:

Particulars	₹ in crores except %		
	As on March, 31		
	2017	2016	2015
Gross Non-Performing Assets	29.76	12.73	4.59
% of Gross NPA to Total Loan Portfolio	1.07%	0.70%	0.47%
% of Gross NPA to Retail Portfolio	0.68%	0.48%	0.47%
Net Non-Performing Assets	22.16	9.76	3.8
% of Net NPA to Total Loan Portfolio	0.80%	0.54%	0.39%
% of Net NPA to Retail Portfolio	0.50%	0.34%	0.39%
Total cumulative provision loans and other assets	7.60	2.97	0.79
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 decision to buy and sell up to the approved limit is 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. 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 ₹ 10.92 crores by way of income from mutual funds & other operations and ₹ 1.09 crores 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 2016-17 were mainly in the ordinary course of business and on an arm's length basis.

## Board's Report

for the financial year 2016-17

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 financial statements. The Policy on Related Party Transactions is approved by the Board. None of the Directors have any pecuniary relationships or transactions vis-à-vis the Company.

### Appraisal and evaluation of mortgaged property

Your company has drafted, finalised and implemented a number of state-wise Technical Policies and Processes dealing with various properties mortgaged in various loans. These policies are based on the state government/ urban and local authorities, gram panchayat guidelines pertaining to residential properties.

The company has also empaneled the technical agencies at various locations for the valuation of property in addition to our own technical staff. The empanelment of these valuers is done on the basis of their experience, market report etc. through a pre-defined process.

Your company also approves the project of builders through a laid down process to facilitate branches and field team for financing flats in these buildings without repeatedly doing legal and technical evaluation.

### 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 Optimization:

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 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 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's 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 2017, the gross NPA's stood at 1.07%. The NPA amount on retail loans stood at ₹ 18.55 Crores which is 0.68% of the Retail Loan Book.

# Board's Report

for the financial year 2016-17

## Dividends:

The Directors do not recommend any dividend for the year ended 31st March, 2017, in order to retain the profits during the year under report for future business expansion programmes.

## Marketing and Branding:

Aadhar's marketing and promotional campaigns always focus on low cost and high impact. The strategy is to gain optimum utilization of budget and to get maximum returns on investment. Aadhar has conducted a good mix Above the line (ATL), Below the line (BTL) and digital campaigns; BTL campaigns help in creating a sourcing base in the local markets and associate the brand with trust and support through a basket of trademarked ground level awareness drives designed to handhold and guide customers through different stages of home ownership. These innovative activities help to fill a profound knowledge gap in the low and middle income segment about affordable housing finance. Some of Aadhar's awareness initiatives include ATL and digital campaigns that are efficiently used to create brand awareness and to reach masses.

## Amalgamation of the Company with DHFL Vysya Housing Finance Ltd.:

With a view to expanding business activities on all India basis and to reduce administrative cost apart from simplification of organizational structure and to achieve operational and management efficiency, your Board of Directors have decided to amalgamate your Company with DHFL Vysya Housing Finance Ltd. and in this regard both the Companies have filed separate Merger Petitions with the National Company Law Tribunal, Bengaluru Branch, on 19th March, 2017 and further process in this regard is being followed up closely. We hope that the merger process will be completed by end of September 2017 from which time the merged entity will function as a single entity. The Company has received NCLT order for calling meeting of creditors.

## Ratios:

The main Financial Ratios of the Company are;

Particulars	FY 2016-17	FY 2015-16
Earning per share (EPS)	₹ 3.85	₹ 1.87
Capital to Risk Asset Ratio (CRAR)	18.05%	14.94%
Debt Equity Ratio (DE Ratio)	11.41	12.28
Net Owned Fund (NOF)	₹ 210.76 Crs.	₹ 126.67 Crs.

## Lending Operations:

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

Financial Year	2016-17	2015-16	2014-15	2013-14
Sanction in values (₹ in crores)	2863.22	1497.23	821.70	434.41
Disbursement in values (₹ in crores)	1692.00	1011.00	542.00	291.25

## Share Capital:

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

Share Capital	Amount in (₹)
Authorized Share Capital (20,00,00,000 Equity Shares of ₹ 10 each)	2,000,000,000
Issued, Subscribed and Paid-up Share Capital (12,04,91,803 Equity Shares of ₹ 10 each)	1,204,918,030

As approved by Shareholders at its Extra-Ordinary General meeting held on 16th September, 2016, the company issued Right Equity Share to its existing shareholders and issued, subscribed paid-up share capital was increased from ₹ 100 Crores to ₹ 120.49 Crores

## Fixed Deposits from Public:

The Company does not accept Deposits from Public. As required by the NHB Regulations, the Company passed a resolution at the Board Meeting held on 28th April, 2017, that the Company has not accepted deposits from public during the financial year 2016-17.

## Unclaimed Deposit:

There were no unclaimed deposits during the year under report.

## 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 2016-17. 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's borrowings has received following credit ratings from Credit Analysis and Research Limited (CARE), Brickwork Ratings India Pvt. Limited and CRISIL during the year 2016-17, 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.



# Board's Report

for the financial year 2016-17

Nature of Borrowing	Rating/ Outlook		
	CARE	Brickworks (BWR)	CRISIL
Non-Convertible Debentures	CARE AA+ (SO)	BWR AA+ (SO)	-
Unsecured Non-Convertible Debentures	CARE AA (SO)	BWR AA+ (SO)	-
Long Term Borrowings	CARE AA+ (SO)	-	-
Commercial Paper	CARE A1+(SO)	-	CRISIL A1+

## Fair practice code, KYC norms, Sexual Harassment 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 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 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 2016-17. The Secretarial Audit Report dated 15th June, 2017 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.

## Insurance Regulatory and Development Authority of India (IRDAI):

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

## Future Plans:

FY 2017-18 is a very important year for Aadhar. It has been named as the year of 'UTKARSH' - the year of excellence. During the year, Aadhar aims to claim solid ground both through organic and inorganic growth. Aadhar is in the process of merging with one of the group company. After the Amalgamation, the new entity will have PAN India presence which will help entity to make further inroads in the geographies where it is present. It will also help the entity to leverage on the enhanced balancesheet size through cost optimization and increased negotiation ability with the lenders.

## The Compliances under Companies Act, 2013:

### Annual Return:

During the year 2016-17 Annual General Meeting (AGM) was duly held on 29th July, 2016 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 seven (7) 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.

- in the preparation of the annual financial statements for the year ended 31st March, 2017, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;
- 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, 2017 and of the profit or loss of the Company for that period;

## Board's Report

for the financial year 2016-17

- 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.

### 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 2016-17, the Board of Directors met SEVEN times which was attended by following Directors;

Name of the Director (Shri/ Smt./ Ms.)	Date of Board Meetings attended							No. of Meetings
	25/04/ 2016	09/06/ 2016	14/07/ 2016	01/09/ 2016	14/10/ 2016	14/01/ 2017	28/03/ 2017	
Kapil Wadhawan	Yes	-	Yes	Yes	Yes	-	-	4
Bikram Sen	-	Yes	Yes	-	Yes	Yes	Yes	5
M. K. Chouhan	Yes	Yes	-	Yes	Yes	Yes	Yes	6
V. Sridar	Yes	Yes	Yes	Yes	Yes	Yes	Yes	7
G. P. Kohli	Yes	Yes	Yes	Yes	Yes	Yes	Yes	7
Aruna Wadhawan	Yes	Yes	Yes	-	-*	-	-	3
Sasikala V.	-	-	-	-	Yes**	Yes	Yes	3

Note:- \* Smt. Aruna Wadhawan resigned on 14th October, 2016.

\*\* Ms. Sasikala V. was appointed as Additional Director on 14th October, 2016

### 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 2016-17, this committee consists of Shri V. Sridar, Independent Director as the Chairman of the committee and Shri Kapil Wadhawan, Shri Bikram Sen, & Shri G. P. Kohli, are other members and Shri M. K. Chouhan as a special invitee. During the financial year 2016-17, the Audit Committee met seven 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.

## Board's Report

for the financial year 2016-17

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

Name of the Members (Shri.)	Date of Audit Committee Meetings attended							No. of Meetings
	25/04/2016	09/06/2016	14/07/2016	01/09/2016	14/10/2016	14/01/2017	28/03/2017	
V. Sridar	Yes	Yes	Yes	Yes	Yes	Yes	Yes	7
Kapil Wadhawan	Yes	-	Yes	Yes	Yes	-	-	4
M. K. Chouhan	Yes	Yes	-	Yes	Yes	Yes	Yes	6
G. P. Kohli	Yes	Yes	Yes	Yes	Yes	Yes	Yes	7

### ii) 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 2016-17, total four ALCO meetings were held, which was attended by following members:

Name of the Member	Date of Asset Liability Management Committee Meeting attended				No. of Meetings
	25/04/2016	14/07/2016	14/10/2016	14/01/2017	
Sh. Kapil Wadhawan	Yes	Yes	Yes	-	3
Sh. Bikram Sen	-	-	Yes	Yes	2
Sh. D. S. Tripathi	Yes	Yes	Yes	Yes	4
Sh. Yogesh Udhoji	Yes	Yes	Yes	Yes	4

### iii) 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 2016-17, meetings were held, which was attended by following members:-

Date of Management Committee Meeting attended	Name of the Member		No. of Meetings
	Shri Bikram Sen	Sh. Deo Shankar Tripathi	
28-04-2016	Yes	Yes	2
13-05-2016	Yes	Yes	2
18-05-2016	Yes	Yes	2
27-05-2016	Yes	Yes	2
09-06-2016	Yes	Yes	2
16-06-2016	Yes	Yes	2
24-06-2016	Yes	Yes	2
27-07-2016	Yes	Yes	2
10-08-2016	Yes	Yes	2
30-08-2016	Yes	Yes	2
19-09-2016	Yes	Yes	2
27-09-2016	Yes	Yes	2
10-10-2016	Yes	Yes	2
13-10-2016	Yes	Yes	2
17-10-2016	Yes	Yes	2
11-11-2016	Yes	Yes	2
16-11-2016	Yes	Yes	2
21-11-2016	Yes	Yes	2
13-12-2016	Yes	Yes	2
19-12-2016	Yes	Yes	2
27-02-2017	Yes	Yes	2
14-03-2017	Yes	Yes	2

# Board's Report

for the financial year 2016-17

## iv) Composition of Nomination & Remuneration Committee (NRC)-

The constitution of Nomination and Remuneration Committee is in compliance with the requirements of provisions of Section 178 of the Companies Act, 2013, 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. During the year under report two committee meetings were held.

Name of the Member	Date of Nomination & Remuneration Committee Meeting attended		No. of Meetings
	01/09/2016	14/10/2016	
Sh. V. Sridar	Yes	Yes	2
Sh. Bikram Sen	-	Yes	1
Sh. M. K. Chouhan	Yes	Yes	2
Sh. G. P. Kohli	Yes	Yes	2

## v) 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 2016-17, meeting was held, which was attended by following members-

Name of the Member	Date of Corporate Social Responsibility Committee Meeting attended		No. of Meeting
	25-04-2016	28-03-2017	
Sh. V. Sridar	Yes	Yes	2
Sh. Bikram Sen	No	Yes	1
Sh. M. K. Chouhan	Yes	Yes	2

## vi) Composition of Share Transfer Committee (STC)-

This committee consists of Shri Kapil Wadhawan and Shri Bikram Sen, Directors, as members. During the financial year 2016-17, no Committee meeting was held.

**Transfer of profits to Reserves**, in terms of **section 134(3)(j)** of the Companies Act, 2013, a sum of ₹ 12.30 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, 2017	As at 31st March, 2016
	Amount in ₹ (in lakhs)	Amount in ₹ (in lakhs)
Foreign business travel	10.21	-
Directors sitting fees (IFC)	1.23	1.20
Grant money received from IFC	-	66.00
Total	11.44	67.20

# Board's Report

for the financial year 2016-17

## 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 relevant functional Heads 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 during the year 2016-17 as per applicable rules 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. Hence, the company has complied with the provisions of the Act and NHB Directions.

## Investments and 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 Annual General Meeting (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 7th 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 7th AGM.

## Training & Development-

During the FY 2016-17, the company has conducted 1367 and 194 mandays of functional training for on-roll and off-roll employees respectively. The trainings were imparted on various aspects including, KYC and Anti-Money Laundering training, Credit, Sales and Branch Manager Effectiveness workshops, Risk management training, Process & Product training.

## 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 524 on roll employees last year to 799 on roll employees during the current year under report. Your Board would like to make a special mention about the



# Board's Report

## for the financial year 2016-17

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, Director, Shri Bikram Sen, who was re-appointed in the year 2015, 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 7th AGM, as per the provisions of Sec – 161 of the Companies Act, 2013.

### 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 5th 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.

At the forthcoming 7th AGM, Ms. Sasikala V., who was appointed as Additional Director on 14th October, 2016, will be re-appointed as Independent Director.

### Changes in shareholding position:

During the year, there is a change in shareholding position of the shareholders of the Company. The total number of shareholders are 11 (eleven) persons/entities during the financial year 2016-17. During the year, the Company allotted 2,04,91,803 nos. of Right Equity Shares at a price of ₹ 24.40/- each having a face value of ₹ 10/- each and at a premium of ₹ 14.40/- each. The paid up share capital was increased post issuance of right equity shares to the existing shareholders of the Company from ₹ 100 crores to ₹ 120.49 crores. This issuance of right equity shares was approved by the Board of Directors at their meeting held on 1st September, 2016 and was approved by shareholders at the Extra-Ordinary Meeting held on 16th September, 2016 and shares were further allotted to the shareholders on 13th December, 2016.

### 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, Debenture holders, 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:

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

For and on behalf of the Board of Directors

**Kapil Wadhawan**  
(Director)  
Din : 00028528

**Bikram Sen**  
(Director)  
Din : 00230547

Place: Mumbai  
Date : 20th July, 2017

## Annexure - I

## Form No. MGT-9

EXTRACT OF ANNUAL RETURN  
as on the financial year ended on 31-03-2017[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	U65922KA2010PLC096680
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	2nd Floor, No. 3, JVT Towers, 8th A Main Road, Sampangi Rama Nagar, Hudson Circle, Bengaluru, Karnataka- 560027 Phone- 022-39509900 Fax- 022-39509934 E-mail- customercare@aadharhousing.com Contact Person- Mr. Sreekanth V. N. Company Secretary
6.	Whether listed 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:-

Sr. 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 -

Sr. No.	Name and Address of the Company	Corporate Identity Number	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	65.06%	2(46)

## Annexure - I

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

#### i) Category-wise Share Holding

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 (Fig. in Lakhs)	Physical (Fig. in Lakhs)	Total (Fig. in Lakhs)	% of Total Shares	Demat (Fig. in Lakhs)	Physical (Fig. in Lakhs)	Total (Fig. in Lakhs)	% of Total Shares	
Promoter (1)Indian									
a) Individual/ HUF	29.996	0.004	30	3.00	29.996	0.004	30	2.49	0.51
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt. (s)	-	-	-	-	-	-	-	-	-
d) Body Corporate	770	NIL	770	77.00	933.934	NIL	933.934	77.51	0.51
e) Banks/ FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-Total (A) (1)	799.996	0.004	800	80.00	963.934	0.004	963.938	80.00	1.02
(2) Foreign									
a) NRIs- Individual	-	-	-	-	-	-	-	-	-
b) Other Individual	-	-	-	-	-	-	-	-	-
c) Body Corporate	200	NIL	200	20.00	240.98	NIL	240.98	20.00	-
d) Banks/ FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2)	200	NIL	200	20.00	240.98	NIL	240.98	20.00	-
Total Shareholding of Promoters (A) = (A) (1) + (A) (2)	999.996	0.004	1000	100.00	1204.91	0.004	1204.91	100.00	1.02
B Public Shareholding									
Institutions									
a) Mutual Fund									
b) Banks/ FI									
c) Central Govt.									
d) State Govt. (s)									
e) Venture Capital Funds					NIL				
f) Insurance Companies									
g) FIs									
h) Foreign Venture Capital									
i) Funds Others									
Sub-total (B) (1):-					NIL				
2) Non- Institutions									
(a)Body Corporates									
(i) Indian									
(ii) Overse-as									
(b) Individual									
(i) Individual Shareholders holding nominal share capital upto ₹ 1 Lakh.									
(ii) Individual Shareholders holding nominal share capital in excess of ₹ 1 Lakh				NIL					
(c) Other Trust									
Sub-total (B) (2):-				NIL					
Total Public Shareholding (B) = (B) (1) + (B) (2)				NIL					
(C) Shares held by Custodian for GDRs & ADRs				NIL					
Grand Total (A+B+C)	999.996	0.004	1000	100.00	1204.91	0.004	1204.91	100.00	1.02

## Annexure - I

## ii) Shareholding of Promoters-

Sr. 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	M/s Dewan Housing Finance Corporation Limited	1,49,00,000	14.90%	NIL	1,49,00,000	12.37%	NIL	(2.53%)
2	Sh. Kapil Wadhawan	9,99,800	1.00%	NIL	9,99,800	0.83%	NIL	(0.17%)

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

Sr. No.	Shareholder's Name		Shareholding at the beginning/ end of the year		Cumulative Shareholding during the year	
	a.	b.	No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1.	At the beginning of the year		1,49,00,000	14.90%	1,49,00,000	14.90%
			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.):		Decrease in Promoters Shareholding due to Right Issue Allotment			
			1,49,00,000	12.37%	1,49,00,000	12.37%
3	At the end of the year		9,99,800	0.83%	9,99,800	0.83%

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

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding at the end of 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%	2,40,98,361	20.00%
2	Shri. Dheeraj Wadhawan	9,99,800	0.9998%	9,99,800	0.83%
3	Variya Hospitality & Investments Pvt. Ltd.	1,00,000	0.10%	1,00,000	0.08%
4	Wadhawan Global Capital Pvt. Ltd.	6,20,00,000	62.00%	7,83,93,442	65.06%
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

Sr. No.	Shareholder's Name		Shareholding at the beginning/ end of the year		Cumulative Shareholding during the year	
	a)	b)	No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	At the beginning of the year		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.):		Decrease in Directors Shareholding due to Right Issue Allotment			
			9,99,800	0.83%	9,99,800	0.83%
3	At the end of the year		10,00,000	0.83%	10,00,000	0.83%

## Annexure - I

### V. INDEBTEDNESS

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

Particulars	Secured Loans and NCDs excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>a) Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	14,600,111,993	1,727,229,286	-	16,327,341,279
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	157,132,580	-	-	157,132,580
<b>Total (a) (i+ii+iii)</b>	<b>14,757,244,573</b>	<b>1,727,229,286</b>	<b>-</b>	<b>16,484,473,857</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	6,269,930,044	2,292,591,414	-	8,562,521,458
Reduction	-	-	-	-
Net Change	6,269,930,044	2,292,591,414	-	8,562,521,458
<b>b) Indebtedness at the end of the financial year</b>				
i) Principal Amount	20,734,893,793	3,959,820,700	-	24,694,714,493
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	292,280,824	-	-	292,280,824
<b>Total (b) (i+ii+iii)</b>	<b>21,027,174,617</b>	<b>3,959,820,700</b>	<b>-</b>	<b>24,986,995,317</b>

### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sr. No.	Particulars of Remuneration	Name of Managing Director, Whole Time Directors and/or Manager				Total Amount (₹ In lakhs)
		-	-	-	-	
	<b>Gross salary</b>					
1.	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.	<b>Commission</b>					
	as % of profit	-	-	-	-	-
	others, specify....	-	-	-	-	-
	<b>Others, please specify</b>					
5.	Bonus, P.F. Contribution,	-	-	-	-	-
	Gratuity provision, etc.	-	-	-	-	-
	<b>Total (A)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Ceiling as per the Act (Companies Act, 2013)</b>	As per section 197 read with Schedule V of Companies Act, 2013				



## Annexure - I

**B. Remuneration to other directors:**

Sr. No.	Name of Directors	Particulars of Remuneration (₹ in lakhs)			Total Amount (₹ in lakhs)
		Fees for attending Board/ committee meetings	Commission	Others	
<b>1</b>	<b>Independent Directors</b>				
a)	Sh. V Sridar	4.95	-	-	4.95
b)	Sh. G. P. Kohli	4.45	-	-	4.45
<b>Total B(1)</b>		9.40	-	-	9.40
<b>2</b>	<b>Other Non-Executive Directors</b>				
a)	Sh. Kapil Wadhawan	2.40	-	-	2.40
b)	Sh Bikram Sen	2.00	-	-	2.00
c)	Smt. Aruna Wadhawan	1.05	-	-	1.05
d)	Ms. Sasikala V.	1.05	-	-	1.05
<b>Total B(2)</b>		6.50	-	-	6.50

**C. Remuneration to Key Managerial Personnel other than MD/ MANAGER/ WTD**

Sr. No.	Particulars of Remuneration	Particulars of Remuneration (₹ in lakhs)			Total (₹ In Lakhs)
		Sh. Deo Shankar Tripathi Chief Executive Officer	Sh. Yogesh Udhoji Chief Financial Officer	Sh. Sreekanth V. N. Company Secretary	
<b>1.</b>	<b>Gross Salary (₹ In Lakhs)</b>				
a)	Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	169.98	54.10	45.53	269.61
b)	Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	0.42	2.09	2.51
c)	Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
<b>4.</b>	<b>Commission</b>				
	as % of profits	-	-	-	-
	others	-	-	-	-
<b>5</b>	<b>Others</b>	-	-	-	-
<b>Total (₹ In Lakhs)</b>		169.98	54.52	47.62	272.12

**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)
<b>A. COMPANY</b>					
Penalty					
Punishment			NIL		
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment			NIL		
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment			NIL		
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,

**Shri V. Sridar**  
(Independent Directors)  
DIN: 02241339

**Shri G. P. Kohli**  
DIN: 00230388

Date : 20th July, 2017  
Place: Mumbai

## Annexure - III

### THE ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

In the financial year 2015-16 your company duly constituted a CSR committee and its policy pursuant to the provisions of section 135(1) of Companies Act, 2013 and rules made thereunder.

As per the provisions of Section 135 of the Companies Act, 2013, your Company has constituted a Corporate Social Responsibility Committee. The Corporate Social Responsibility Committee assists the Board in fulfilling its duty towards the community and society at large by identifying the activities and programmes that can be undertaken by the Company, in terms of the CSR Policy of the Company.

**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.

**a) 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

**b) Average net profit of the company for last three financial years:-**

Financial Year	Net Profit (₹ In crores)
2013-14	₹ 4.11
2014-15	₹ 5.79
2015-16	₹ 18.68
Total	₹ 28.58
Average Net Profit	₹ 9.53

**c) Prescribed CSR Expenditure (two per cent. of the amount as in Sr. No (b) above):-**

Prescribed CSR expenditure at 2% of the average net profit is ₹ 19.06 Lakhs.

**d) Details of CSR spent during the financial year 2016-17:-**

The Company has spent ₹ 19.06 Lakhs during the financial year under report.

**e) Total amount to be spent for the financial year 2016-17:-**

The total amount to be spent for the financial year 2016-17 - 2% of average net profit that is ₹ 19.06 Lakhs.

**f) 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 one CSR activity

**g) 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 (₹ In Lakhs)		Projects or Programs		Amount spent on the project or programs		Cumulative Expenditure upto the reporting period (in lakhs)	Amount Spent direct or through implementing agency, if any (in lakhs)
	Nature of Expenditure	Recipient Institution		Actual Spent	Budget	Local area or other	State and district where project or programs undertaken	Direct expenditure on the project or program	Over-heads		
1.	Comprehensive program to facilitate the journey from being financially illiterate to financially sustainable, also aiding transition of informal settlements to formal housing, promoting Pradhan Mantri Awas Yojana	Saath Livelihoods	Slum development	19.06	19.06	Local Area	Varanasi, UP	Implementation by Saath Livelihoods	NA	19.06	19.06

**h) 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

Place:- Mumbai  
Date:- 20th July, 2017

**Bikram Sen**

DIN:- 00230547  
Member of Committee

## 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 ₹ 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 ₹ 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 ₹ 1.65 Crores.
(e). Date(s) of approval by the Board, if any:	21-07-2014
(f). Amount paid as advances, if any:	NIL



## Annexure - IV

### (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 ₹ 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 ₹ 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 ₹ 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

### (viii).

(a). Name(s) of the related party and nature of relationship	Dewan Housing Finance Corporation Ltd.
(b). Nature of contracts/ arrangements/ transactions	Sale of Mortgage Portfolio
(c). Duration of the contracts/ arrangements/ transactions	1(one) year or till the loan account is matured
(d). Salient terms of the contracts or arrangements or transactions including the value, if any:	As per the portfolio sale agreement to be executed from time to time, upto the limit of ₹ 200 Crores.
(e). Date(s) of approval by the Board, if any:	01-09-2016
(f). Amount paid as advances, if any:	NIL

# 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, 2017, 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, 2017, and its profit and its cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017, from being appointed as a director in terms of section 164(2) of the Act.

- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with 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.
  - iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management.

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

Place : Mumbai  
Dated : April 28, 2017 13.04.2015

**Jignesh Mehta**  
Partner  
Membership No. : 102749

# Independent Auditor's Report

## **"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 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, 2017 for a period of more than six months from the date they became payable.
  - b) According to the information and explanations given to us, there are no dues of income tax, 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 loan and borrowing to a financial institutions, banks or government or repayment of dues to 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) In our opinion and according to the information and explanations given to us, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- 12) 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.

## Independent Auditor's Report

- 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 not made preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- 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

**Jignesh Mehta**  
Partner  
Membership No. : 102749

Place : Mumbai  
Dated : April 28, 2017 13.04.2015



# Independent Auditor's Report

**"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, 2017 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, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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

Place : Mumbai  
Dated : April 28, 2017 13.04.2015

**Jignesh Mehta**  
Partner  
Membership No. : 102749

# Balance Sheet

as at March 31, 2017

Amount In ₹

Particulars	Note No.	As at March 31, 2017		As at March 31, 2016	
<b>I. EQUITY AND LIABILITIES</b>					
<b>1. Shareholder's Funds</b>					
Share Capital	2	1,20,49,18,030		1,00,00,00,000	
Reserves and Surplus	3	1,03,67,43,533	2,24,16,61,563	33,74,69,067	1,33,74,69,067
<b>2. Non-Current Liabilities</b>					
Long-Term Borrowings	4	18,70,76,75,354		12,80,44,04,834	
Long-Term Provisions	5	22,53,00,599	18,93,29,75,953	12,45,75,298	12,92,89,80,132
<b>3. Current Liabilities</b>					
Short-Term Borrowings	6	3,95,98,20,700		1,72,72,29,286	
Short-Term Provisions	7	7,17,02,382		7,12,86,762	
Other Current Liabilities	8	6,41,21,49,448	10,44,36,72,530	3,61,93,62,586	5,41,78,78,634
<b>TOTAL</b>			31,61,83,10,047		19,68,43,27,833
<b>II. ASSETS</b>					
<b>1. Non-Current Assets</b>					
Property Plant & Equipment	9				
Tangible Assets		12,28,82,427		8,57,89,602	
Intangible Assets		42,92,378	12,71,74,805	2,77,701	8,60,67,303
Deferred Tax Assets (Net)	10	1,40,48,099		2,39,79,799	
Housing and Other Loans	11	26,78,52,99,448		17,35,64,17,130	
Long-Term Loans and Advances	12	1,92,33,742		1,09,13,852	
Other Non-Current Assets	13	63,33,337	26,82,49,14,626	82,33,333	17,39,95,44,115
<b>2. Current Assets</b>					
Current Investments	14	1,63,50,00,000		19,50,00,000	
Housing and Other Loans	11	1,04,10,47,964		75,75,54,920	
Trade Receivables	15	7,78,58,933		3,62,43,053	
Cash and Bank Balances	16	1,77,40,58,687		1,09,09,12,624	
Short-Term Loans and Advances	17	-		26,88,806	
Other Current Assets	18	13,82,55,032	4,66,62,20,616	11,63,17,012	2,19,87,16,415
<b>TOTAL</b>			31,61,83,10,047		19,68,43,27,833
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: 101720W

For and on behalf of the Board of Directors

**Kapil Wadhawan**  
(Director)  
Din : 00028528

**Bikram Sen**  
(Director)  
Din : 00230547

**V.Sridar**  
(Director)  
Din : 02241339

**Jignesh Mehta**  
Partner  
M.No.102749  
Date : 28th April, 2017

**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

as at March 31, 2017

Amount In ₹

Particulars	Note No.	As at March 31, 2017	As at March 31, 2016
<b>INCOME</b>			
Revenue From Operations	19	3,43,90,88,748	2,02,16,75,139
Other Income	20	12,61,23,855	13,98,07,820
<b>Total Income</b>		3,56,52,12,603	2,16,14,82,959
<b>EXPENDITURE</b>			
Finance Cost	21	1,98,42,81,707	1,25,22,19,478
Employee Benefit Expenses	22	46,47,46,612	28,62,67,767
Other Operating Expenses	23	38,48,21,082	23,21,81,136
Provision For Contingencies		9,16,51,424	8,55,81,443
Depreciation	9	2,10,49,179	1,36,23,474
Amortisation of Expenses	13	18,99,996	19,60,449
<b>Total Expenditure</b>		2,94,84,49,999	1,87,18,33,747
<b>Profit Before Tax</b>		61,67,62,603	28,96,49,212
<b>Tax Expenses</b>			
- Current Tax		20,86,04,600	11,42,34,400
- Deferred Tax		74,87,300	-1,52,08,950
- (Short) / Excess provision of earlier years		-70,38,496	37,90,076
<b>Total Tax Expenses</b>		20,90,53,404	10,28,15,526
<b>Profit After Tax</b>		40,77,09,199	18,68,33,686
<b>Earnings Per Equity Share</b>			
Basic & Diluted ( Face value ₹10 Per Share)	27	3.85	1.87
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: 101720W

**Jignesh Mehta**  
Partner  
M.No.102749  
Date : 28th April, 2017

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

# Statement for Cash Flow

for the year ended March 31, 2017

Amount In ₹

Particulars	For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
<b>1 CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit Before Tax	61,67,62,603	28,96,49,212
Adjustment For:		
Amortisation Expenses	18,99,996	19,60,449
Depreciation	2,10,49,179	1,36,23,474
Provision For Contingencies	10,05,02,894	10,02,03,970
(Profit) / Loss on Sale of Fixed Assets	-	7,49,263.00
Interest Income on Fixed Deposits and Government and Other Securities	-1,41,67,014	-9,19,39,777
Profit on Sale of Current Investments	-10,91,80,409	1,04,646
<b>Operating Profit Before Working Capital Changes</b>	<b>61,68,67,250</b>	20,90,36,854
Adjustment For:		
Increase/(Decrease) in Liabilities and Provisions	1,74,77,29,013	1,15,83,97,372
(Increase)/Decrease in Loans and Advances	-14,66,55,75,362	-8,38,50,81,007
(Increase)/Decrease in Other Current Assets	-6,92,26,358	-5,47,47,341
	-12,98,70,72,707	-7,28,14,30,976
<b>Cash Generated From Operations</b>	<b>-12,37,02,05,458</b>	-7,07,23,94,123
Taxes Paid	-22,74,43,868	-8,52,22,814
<b>Net cash flow Operating activities</b>	<b>-12,59,76,49,326</b>	-7,15,76,16,937
<b>2 CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	-6,20,52,946	-4,97,50,166
Sale of Fixed Assets	-	15,000
Interest Income on Fixed Deposits and Government and Other Securities	1,41,67,014	8,42,25,085
Sale of current investments	31,06,72,26,567	-
Purchase of Current Investment	-32,39,80,46,159	-1,30,12,50,000
Sale of Current Investments	-	2,91,36,11,057
	-1,37,87,05,524	1,64,68,50,976
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>-13,97,63,54,849</b>	-5,51,07,65,960
<b>3 CASH FLOW FROM FINANCING ACTIVITIES</b>		

Amount In ₹

Particulars	For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
Grant Money Received (Net of Expenditure Incurred)	-10,72,295	5,40,330
Issue of Equity Shares on Rights Basis at premium	49,99,99,993	
Preliminary Expenses incurred	-	-95,00,000
Proceeds from Securitization of Portfolio	4,95,32,00,000	
Repayment of Long Term Borrowing	-1,87,32,18,200	-93,78,53,857
Proceeds From Long Term Borrowing	8,84,80,00,000	5,97,22,97,809
Movement In Short Term Borrowing (Net)	2,23,25,91,414	1,23,49,34,336
	14,65,95,00,912	6,26,04,18,619
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>14,65,95,00,912</b>	<b>6,26,04,18,619</b>
<b>NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>68,31,46,063</b>	<b>74,96,52,659</b>
<b>CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF THE YEAR</b>	<b>1,07,74,12,624</b>	<b>32,77,59,966</b>
<b>CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR</b>	<b>1,76,05,58,687</b>	<b>1,07,74,12,624</b>
<b>Components of Cash and Cash Equivalents</b>	<b>2016-17</b>	<b>2015-16</b>
Cash on Hand	2,47,48,237	1,51,53,713
With Banks - On Current Account	1,63,84,76,590	93,81,98,475
With Banks - On Deposit Account	9,73,33,860	12,40,60,436
Total Cash and Cash Equivalents (Note 16)	1,76,05,58,687	1,07,74,12,624

As per our report of even date

For and on behalf of the Board of Directors

For Chaturvedi & Shah  
Chartered Accountants  
FRN: 101720W

**Kapil Wadhawan**  
(Director)  
Din : 00028528

**Bikram Sen**  
(Director)  
Din : 00230547

**V.Sridar**  
(Director)  
Din : 02241339

**Jignesh Mehta**  
Partner  
M.No.102749  
Date : 28th April, 2017

**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



# Note

to the financial statement

## 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 11<sup>th</sup> 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).

#### 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 i.e 10 years

**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) Securitization of Portfolio**

The Company periodically transfers the pools of mortgages and housing loans. Such assets are derecognised, if only if, the company loses the control of the contractual rights that comprise the corresponding pools of housing and mortgage loans transferred.

Transfer of pools of Mortgages and Housing Loans involves the transfer of proportionate share in the pools of housing loan and mortgage loans. Such transfers results in de-recognition only of that portion of mortgage and housing loans as meet the criteria of de-recognition. The portion retained by the Company continue to be accounted for as described above

**J) 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.

**K) 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.

**L) Miscellaneous Expenditure**

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

**M) 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.

**N) 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.

**O) 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.

## Note to the financial statement

### P) 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.

### Q) 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.

### R) 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.

### S) 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.

## 2. SHARE CAPITAL

Amount In ₹

Particulars	As at March 31, 2017	As at March 31, 2016
<b>AUTHORISED</b>		
20,00,00,000 (10,00,00,000) Equity Shares of ₹10 each	2,00,00,00,000	2,00,00,00,000
	2,00,00,00,000	2,00,00,00,000
<b>ISSUED , SUBSCRIBED AND FULLY PAID UP</b>		
12,04,91,803 (10,00,00,000) Equity Shares of ₹10 each	1,20,49,18,030	1,00,00,00,000
<b>TOTAL</b>	<b>1,20,49,18,030</b>	<b>1,00,00,00,000</b>

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

Amount In ₹

Particulars	As at March 31, 2017	As at March 31, 2016
<b>Equity Shares at the beginning</b>	<b>10,00,00,000</b>	10,00,00,000
<b>Issued during the year - Right Basis</b>	<b>2,04,91,803</b>	-
<b>Equity Shares at the end of the year</b>	<b>12,04,91,803</b>	10,00,00,000

### 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 remaning assets of the company, after distribution of all preferential amounts. The distribuion will be in proportion to the number of equity shares held by the share holders.

## Note to the financial statement

### 2(c). List of Shareholders holding more than 5% shares as at

Amount In ₹

Particulars	As at March 31, 2017		As at March 31, 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Holding Company- Wadhawan Global Capital Private Ltd	7,83,93,442	65.06%	6,20,00,000	62.00%
Dewan Housing Finance Corporation Ltd	1,49,00,000	12.37%	1,49,00,000	14.90%
International Finance Corporation (IFC Washington)	2,40,98,361	20.00%	2,00,00,000	20.00%

### 3. RESERVES AND SURPLUS

Particulars	As at March 31, 2017	As at March 31, 2016
<b>Special Reserve (In terms of section 29C of National Housing Bank Act, 1987)</b>		
<b>Balance as per the last financial statements</b>		
a) Statutory Reserve u/s 29 C of the National Housing Bank Act, 1987.	61,34,030	61,34,030
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	9,67,23,260	2,67,23,260
c) TOTAL	10,28,57,290	3,28,57,290
<b>Addition / Appropriation / Withdrawal during the year</b>		
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	12,30,00,000	7,00,00,000
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	-	-
<b>Balance at end of the year</b>		
a) Statutory Reserve u/s 29 C of the National Housing Bank Act, 1987.	61,34,030	61,34,030
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	21,97,23,260	9,67,23,260
c) TOTAL	22,58,57,290	10,28,57,290
<b>Capital Reserve</b>		
Balance as per the last financial statements	10,74,873	4,68,444
Add : amount received from International Finance Corporation as a Grant	-	66,00,810
Less : amount utilized for the eligible expenses during the year	10,72,295	59,94,381
	2,578	10,74,873
<b>Share Premium</b>		
Balance as per the last financial statements	-	-
Add : Share Premium received on equity shares issued during the year	29,50,81,963	-
Less : amount capitalized / utilized during the year	-	-
Closing Balance	29,50,81,963	-

## Note to the financial statement

Particulars	As at March 31, 2017	As at March 31, 2016
<b>Surplus / (Deficit) in the statement of profit and loss</b>		
Balance as per the last financial statements	23,35,36,903	11,79,25,414
Profit for the year	40,77,09,199	18,68,33,689
Less : Appropriations		
Transfer to Special Reserve	12,30,00,000	7,00,00,000
Deferred Tax liability created on amount claimed as deduction u/s 36(i)(viii) till 31st March, 2016*	24,44,400	12,22,200
Total Appropriations	12,54,44,400	7,12,22,200
<b>Net Surplus in the statement of profit and loss</b>	<b>51,58,01,702</b>	<b>23,35,36,903</b>
<b>TOTAL</b>	<b>1,03,67,43,533</b>	<b>33,74,69,067</b>

\* 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 2016-17 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 50% of deferred tax liability of ₹ 24,44,400 on accumulated special reserve created under section 36(i)(viii) for the financial year 2016-17.

## 4. LONG TERM BORROWINGS

Particulars	As at March 31, 2017	As at March 31, 2016
<b>SECURED BORROWINGS</b>		
<b>Term Loans:</b>		
From Banks	13,11,76,75,354	8,86,24,04,834
Reedemable Non Convertible Debentures	4,75,00,00,000	3,94,20,00,000
<b>UNSECURED BORROWINGS</b>		
Reedemable Unsecured Non Convertible Debentures quaifying as Tier II Capital	84,00,00,000	
<b>Total</b>	<b>18,70,76,75,354</b>	<b>12,80,44,04,834</b>

Amount In ₹

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 ( 8.75% to 9.50%)	76,38,40,247	87,98,35,280	65,15,35,278	87,53,96,404	2,24,35,13,045
Term loan from Banks (9.50% to 10.35%)	1,55,33,78,193	1,86,36,78,192	1,86,36,78,192	1,38,95,30,165	3,35,05,08,799



## Note to the financial statement

### 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 (9.00% to 9.50%)	20,00,00,000	50,00,00,000		86,50,00,000	21,30,00,000
Non Convertible Debentures (9.50% to 10.25%)	35,00,00,000	15,00,00,000		50,00,00,000	2,52,20,00,000

### Maturity Profile of Un 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 (9.90% to 10.00%)	-	-	-	-	84,00,00,000

## 5. LONG TERM PROVISIONS

Particulars	Amount In ₹	
	As at March 31, 2017	As at March 31, 2016
Provision for long term employee benefits	2,22,407	-
Contingent Provisions against Standard Assets	11,26,11,808	7,36,32,307
Contingent Provisions against non performing asset	7,60,02,589	2,97,39,563
Contingent Provisions against interest on non performing asset	3,64,63,795	2,12,03,428
<b>TOTAL</b>	<b>22,53,00,599</b>	<b>12,45,75,298</b>

## 6. SHORT TERM BORROWINGS

Particulars	Amount In ₹	
	As at March 31, 2017	As at March 31, 2016
<b>UNSECURED BORROWINGS</b>		
Commercial Paper	3,95,98,20,700	1,72,72,29,286
( Net of unamortised discount of ₹4,01,79,300/- ( as at March 31, 2016 ₹ 2,27,70,714/-)		
<b>TOTAL</b>	<b>3,95,98,20,700</b>	<b>1,72,72,29,286</b>

## 7. SHORT TERM PROVISIONS

Particulars	Amount In ₹	
	As at March 31, 2017	As at March 31, 2016
Provision for employee benefits	6,03,05,050	3,40,74,027
Provision for Taxes (Net of Advance Taxes paid)	1,13,97,332	3,72,12,735
<b>TOTAL</b>	<b>7,17,02,382</b>	<b>7,12,86,762</b>

Note  
to the financial statement

8. OTHER CURRENT LIABILITIES

Amount In ₹

Particulars	As at March 31, 2017	As at March 31, 2016
Current Maturities of Long Term Borrowings - From Banks, secured ( Refer Note 4.2 above)	2,31,72,18,439	1,29,57,07,159
Current Maturities of Long Term Borrowings - From Non Convertible Debentures, secured ( Refer Note 4.2 above)	55,00,00,000	50,00,00,000
Interest Accrued but not Due on Borrowings	29,22,80,824	15,71,32,580
EMI /PEMI Received in Advance	1,48,87,439	1,28,52,883
Bank overdraft as per books	3,03,59,48,293	1,57,93,38,058
Statutory Dues	82,73,113	51,44,441
Amount received towards Credit Linked interest subsidy from NHB under Prime Minister Awas Yojana Pending for allocation	6,84,671	2,79,55,465
Liability towards loan account securitized	13,58,35,093	
Other Current Liabilities*	5,70,21,576	4,12,32,000
* Other Current Liabilites includes Outstanding Liabilities and Other Payables		
<b>TOTAL</b>	<b>6,41,21,49,448</b>	<b>3,61,93,62,586</b>

Note  
to the financial statement

## 9. PROPERTY PLANT & EQUIPMENT

Particulars	Gross Block			Accumulated Depreciation And Amortisation			Net Block	
	Opening Balance as at April 1, 2016	Additions	Deletions	Closing balance as at March 31, 2017	Opening balance as at April 1, 2016	Depreciation/ Amortisation for the period	Deletions	Closing balance as at March 31, 2017
<b>TANGIBLE FIXED ASSETS</b>								
Land	7,26,500	-	-	7,26,500	-	-	-	7,26,500
Building	-	13,25,000	-	13,25,000	-	8,402	-	13,16,598
Furniture & Fixtures	5,91,65,872	2,90,07,508	-	8,81,73,380	1,15,84,964	68,51,918	-	1,84,36,882
Computer Hardware	3,55,38,227	1,67,49,020	-	5,22,87,247	1,40,83,305	1,00,29,835	-	2,41,13,140
Office Equipment	2,03,22,530	1,00,18,773	-	3,03,41,303	44,32,178	30,95,524	-	75,27,702
Vehicles	22,68,611	-	0	22,68,611	21,31,691	21,797	-	21,53,488
<b>TANGIBLE FIXED ASSETS -TOTAL</b>	<b>11,80,21,740</b>	<b>5,71,00,301</b>	<b>-</b>	<b>17,51,22,041</b>	<b>3,22,32,138</b>	<b>2,00,07,476</b>	<b>-</b>	<b>5,22,39,614</b>
<b>INTANGIBLE FIXED ASSETS</b>								
Software	11,62,213	49,52,645	-	61,14,858	8,84,512	9,37,968	-	18,22,480
<b>INTANGIBLE FIXED ASSETS TOTAL</b>	<b>11,62,213</b>	<b>49,52,645</b>	<b>-</b>	<b>61,14,858</b>	<b>8,84,512</b>	<b>9,37,968</b>	<b>-</b>	<b>18,22,480</b>
<b>Total</b>	<b>11,91,83,953</b>	<b>6,20,52,946</b>	<b>-</b>	<b>18,12,36,899</b>	<b>3,31,16,651</b>	<b>2,09,45,444</b>	<b>-</b>	<b>5,40,62,094</b>
<b>Previous financial year</b>	<b>7,07,33,358</b>	<b>4,97,50,166</b>	<b>12,99,571</b>	<b>11,91,83,953</b>	<b>2,00,28,484</b>	<b>1,36,23,474</b>	<b>5,35,308</b>	<b>3,31,16,651</b>

## Note to the financial statement

### 10. DEFERRED TAX ASSET

Amount In ₹

Particulars	As at March 31, 2017	As at March 31, 2016
Deferred Tax Asset (net)	1,40,48,099	2,39,79,799

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

Amount In ₹

Particulars	As at March 31, 2017	As at March 31, 2016
<b>Deferred Tax Asset</b>		
On Provisioning	9,05,00,682	5,34,98,511
<b>Deferred Tax Liability</b>		
Deferred tax liabilities on account of depreciation on fixed assets	(3762104)	(3815704)
Deferred tax liabilities on account of share issue expenses	(2191969)	(219198)
Deferred tax liabilities on account of special reserve	(70498510)	(25483810)
<b>Net Deferred Tax Asset</b>	<b>1,40,48,099</b>	<b>2,39,79,799</b>

### 11. HOUSING AND OTHER LOANS

Amount In ₹

Particulars	As at March 31, 2017	As at March 31, 2016
<b>NON-CURRENT</b>		
<b>Housing Loans Secured</b>		
- Individual	22,43,89,41,536	14,81,23,42,693
- Corporate bodies	24,65,48,071	19,13,86,680
	<b>22,68,54,89,607</b>	<b>15,00,37,29,373</b>
<b>Home Equity Loans Secured</b>		
- Individual	4,02,05,33,112	2,29,10,83,269
- Corporate bodies	-	-
	<b>4,02,05,33,112</b>	<b>2,29,10,83,269</b>
<b>Other Loan - Secured</b>		
- Loan given to DHFL under Joint Syndication for Project Loan	7,92,76,729	6,16,04,488
<b>TOTAL</b>	<b>26,78,52,99,448</b>	<b>17,35,64,17,130</b>
<b>CURRENT</b>		
<b>Housing Loans Secured</b>		
- Individual	69,47,94,858	51,80,95,212
- Corporate bodies	14,16,82,467	7,89,46,181
	<b>83,64,77,325</b>	<b>59,70,41,393</b>
<b>Home Equity Loans Secured</b>		
- Individual	19,73,76,572	11,44,14,754
- Corporate bodies	-	-
	<b>19,73,76,572</b>	<b>11,44,14,754</b>
<b>Other Loan - Secured</b>		
- Loan given to DHFL under Joint Syndication for Project Loan	71,94,067	4,60,98,773
<b>TOTAL</b>	<b>1,04,10,47,964</b>	<b>75,75,54,920</b>
<b>TOTAL</b>	<b>27,82,63,47,412</b>	<b>18,11,39,72,050</b>

## Note to the financial statement

- 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 31,2014 in which construction has not started till March 31, 2017, 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, 2017 aggregating to ₹ 2,81,00,914/- ( Previous Year ₹ 4,22,91,860/-)
- 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 ₹ 9,38,91,468/- (31st March, 2016 ₹6,95,58,861/-) 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.

### Housing Loans

Amount In ₹

Asset Classification	As at March 31, 2017		As at March 31, 2016	
	Year End Balance	Provisions	Year End Balance	Provisions
Standard Assets	22,97,76,19,507	9,28,09,637	15,25,29,82,032	6,15,09,555
Sub-standard Assets	10,38,57,421	1,56,60,140	5,10,97,318	95,81,551
Doubtful Assets	3,92,32,735	1,38,95,686	2,31,26,285	80,06,759
Loss Assets	1,30,26,732	1,34,01,963	32,32,271	32,53,721
<b>TOTAL</b>	<b>23,13,37,36,395</b>	<b>13,57,67,426</b>	<b>15,33,04,37,906</b>	<b>8,23,51,586</b>

### Non Housing Loans

Amount In ₹

Asset Classification	As at March 31, 2017		As at March 31, 2016	
	Year End Balance	Provisions	Year End Balance	Provisions
Standard Assets	4,19,57,02,918	1,70,82,531	2,39,68,70,333	95,87,481
Sub-standard Assets	1,61,75,863	23,47,468	29,35,970	4,46,307
Doubtful Assets	50,14,818	15,57,381	46,44,851	13,37,383
Loss Assets	10,16,085.00	11,39,951	10,46,869	11,13,842
<b>TOTAL</b>	<b>4,21,79,09,684</b>	<b>2,21,27,331</b>	<b>2,40,54,98,023</b>	<b>1,24,85,013</b>



## Note to the financial statement

### Commercial Real Estate (Residential Housing)

Amount In ₹

Asset Classification	As at March 31, 2017		As at March 31, 2016	
	Year End Balance	Provisions	Year End Balance	Provisions
Standard Assets	36,26,18,672	27,19,640	33,80,36,121	25,35,271
Sub-standard Assets	-	-	4,00,00,000	60,00,000
Doubtful Assets	11,20,82,662	2,80,00,000	-	-
Loss Assets	-	-	-	-
<b>TOTAL</b>	<b>47,47,01,334</b>	<b>3,07,19,640</b>	<b>37,80,36,121</b>	<b>85,35,271</b>

### Commercial Real Estate (Others)

Amount In ₹

Asset Classification	As at March 31, 2017		As at March 31, 2016	
	Year End Balance	Provisions	Year End Balance	Provisions
Standard Assets	-	-	-	-
Sub-standard Assets	-	-	-	-
Doubtful Assets	-	-	-	-
Loss Assets	-	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 12. LONG-TERM LOANS AND ADVANCES

Amount In ₹

Particulars	As at March 31, 2017	As at March 31, 2016
Security Deposits (Unsecured - considered good)	1,49,47,170	1,03,49,099
Capital Advance	42,86,572	5,64,753
<b>TOTAL</b>	<b>1,92,33,742</b>	<b>1,09,13,852</b>

## 13. OTHER NON-CURRENT ASSETS

Amount In ₹

Particulars	As at March 31, 2017	As at March 31, 2016
Unamortised share issue expenses (to the extent not written off or adjusted)		
Opening Balance as per last balance sheet	82,33,333	6,93,782
Add : Expenses incurred during the year	-	95,00,000
Less : Written off during the year	18,99,996	19,60,449
Closing balance carried forward	63,33,337	82,33,333
<b>TOTAL</b>	<b>63,33,337</b>	<b>82,33,333</b>

## 14. CURRENT INVESTMENTS

Amount In ₹

Particulars	As at March 31, 2017	As at March 31, 2016
<b>Current Investments -Quoted - Others (At Cost or Market Value whichever is Lower)</b>		
<b>Investment in Mutual Fund</b>		
1438673.44 Units (PY 1438673.44) BOI AXA Corporate Credit Spectrum Fund		1,50,00,000
1474648.59 Units (PY NIL) BOI AXA treasury Advantage Fund	8,50,00,000	-
946558.715 Units (PY NIL) DHFL Pramerica Insta cash Plus Fund	20,00,00,000	-

## Note to the financial statement

Amount In ₹

Particulars	As at March 31, 2017	As at March 31, 2016
13757580.427 Units (PY NIL) DHFL Pramerica Short Term Floating Rate Fund	25,00,00,000	-
61738.151 Units (PY NIL) HSBC Cash Fund	10,00,00,000	-
57452.041 Units (PY NIL) IDBI Liquid Fund	10,00,00,000	-
124144.613 Units (PY NIL) Indiabulls Ultra Short Term Fund	20,00,00,000	-
89361.428 Units (PY NIL) Invesco India Liquid Fund	20,00,00,000	-
17928.316 Units (PY NIL) Invesco India Medium Bond Fund	3,00,00,000	-
111721.988 Units (PY NIL) Peerless Liquid Fund	20,00,00,000	-
546522.749 Units (PY NIL) Peerless short term Fund	1,00,00,000	-
NIL (PY 71550.71 Units) Peerless Ultra Short Term Fund	-	12,00,00,000
NIL (PY 645982.31 Units ) Reliance Medium Term Fund	-	2,00,00,000
109816.656 Units (PY NIL) Reliance Money Manager Fund	25,00,00,000	-
643124.04 Units (PY NIL) Taurus Dynamic Income Fund	1,00,00,000	-
NIL (PY 21724.64 Units ) Taurus Ultra Short Term Bond Fund	-	4,00,00,000
<b>TOTAL</b>	<b>1,63,50,00,000</b>	<b>19,50,00,000</b>
Aggregate Book Balue of Quoted Investments	1,63,50,00,000	19,50,00,000
Market Value of Quoted Investments	1,63,67,01,500	19,65,39,396

### 15. TRADE RECEIVABLES

Amount In ₹

Particulars	As at March 31, 2017	As at March 31, 2016
Secured, considered good		
Over six months	-	-
Others	4,20,95,303	1,93,16,105
Secured, considered doubtful		
Over six months	3,26,48,355	1,53,08,727
Others	31,15,275	16,18,221
<b>TOTAL</b>	<b>7,78,58,933</b>	<b>3,62,43,053</b>

### 16. CASH AND BANK BALANCES

Amount In ₹

Particulars	As at March 31, 2017	As at March 31, 2016
Balances with Scheduled banks		
In Current accounts	1,63,84,76,590	93,81,98,475
In Deposit accounts*		
With maturity less than 12 months	9,73,33,860	12,40,60,436
Cash on hand	2,47,48,237	1,51,53,713
Other Bank Balances- In Deposit accounts		
With maturity more than 12 months	1,35,00,000	1,35,00,000
<b>Total</b>	<b>1,77,40,58,687</b>	<b>1,09,09,12,624</b>

\* Out of above fixed deposit ₹5,00,00,000/- (PY ₹8,00,00,000/-) is Secured against borrowings from banks

## Note

to the financial statement

### 17. SHORT TERM LOANS AND ADVANCES

Amount In ₹

Particulars	As at March 31, 2017	As at March 31, 2016
Unsecured Considered Doubtful		
Inter Corporate Deposits	3,00,00,000	3,00,00,000
Less: Provision for Doubtful Receivables	-3,00,00,000	-3,00,00,000
	-	-
Plan Assets Gratuity (Excess of Asset Over Obligation)	-	21,53,945
Plan Assets Leave Encashment (Excess of Asset Over Obligation)	-	5,34,861
<b>TOTAL</b>	-	26,88,806

### 18. OTHER CURRENT ASSETS

Amount In ₹

Particulars	As at March 31, 2017	As at March 31, 2016
Advances recoverable in cash or in kind or for value to be received	56,18,962	76,58,385
Interest receivable	1,53,24,545	1,59,29,028
Prepaid Expenses	11,73,11,524	9,27,29,599
<b>TOTAL</b>	13,82,55,032	11,63,17,012

### 19. REVENUE FROM OPERATIONS

Amount In ₹

Particulars	For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
Interest Income	2,95,91,40,133	1,73,09,23,259
Income from loan related services	47,99,48,615	29,07,51,880
<b>TOTAL</b>	3,43,90,88,748	2,02,16,75,139

### 20. OTHER INCOME

Amount In ₹

Particulars	For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
Income from other services	60,53,588	2,30,58,262
Interest Income on Fixed Deposits	1,08,89,858	1,15,39,821
Interest Income on Inter Corporate Deposit and Commercial Papers and Government and other securities	32,77,156	8,03,99,956
Profit on sale of investment	10,59,03,253	2,48,09,781
<b>TOTAL</b>	12,61,23,855	13,98,07,820

## Note to the financial statement

### 21. FINANCE COST

Amount In ₹

Particulars	For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
Interest expense		
- On Bank Term Loan	1,16,91,50,370	87,86,82,845
- On Debentures	54,66,92,739	23,30,95,278
- On Commercial Papers	25,80,84,964	13,45,97,836
- On Others	11,58,215	62,468
Others Charges	91,95,419	57,81,051
<b>TOTAL</b>	<b>1,98,42,81,707</b>	<b>1,25,22,19,478</b>

### 22. EMPLOYEE BENEFIT EXPENSES

Amount In ₹

Particulars	For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
Salaries, wages and bonus	41,05,84,994	25,73,19,031
Contribution to provident fund and other funds	3,71,11,642	2,08,14,817
Staff welfare expenses	1,70,49,976	81,33,919
<b>TOTAL</b>	<b>46,47,46,612</b>	<b>28,62,67,767</b>

### 23. OTHER OPERATING EXPENSES

Amount In ₹

Particulars	For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
Advertisement, Publicity and Business Promotion	1,43,89,203	1,33,53,655
Conference Expenses	13,44,889	9,67,560
Payment to Auditors	15,00,000	13,50,000
Bank charges	88,63,790	38,73,373
Insurance	1,57,28,166	1,02,10,409
Legal and professional fees	10,52,60,087	7,36,48,520
Listing fees	1,18,994	2,29,546
Service Tax	1,60,02,548	90,86,104
Other expenses	43,39,787	13,06,371
Loss on sale of fixed asset		7,49,263
Postage, Telephone and courier expenses	2,14,91,932	1,28,15,757
Leaseline Expenses	49,41,790	46,66,480
Electricity Charges	1,03,70,780	69,62,041
Printing and stationery expenses	1,45,45,642	64,62,341
Rent, rates and taxes	4,10,39,698	2,52,69,603
General Repairs and maintenance expenses	1,64,44,906	1,02,88,781
Business Sourcing Expenses	4,24,54,186	1,33,45,742
Travelling and conveyance	5,73,44,471	3,61,64,354
Write offs	61,42,076	-
Brokerage expenses	5,92,138	6,21,235
Donation*	19,06,000	8,10,000
<b>TOTAL</b>	<b>38,48,21,082</b>	<b>23,21,81,136</b>

## Notes

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