

OUR CUSTOMERS OUR PILLARS SIL. Annual Report FY2017

GRIHASHAKTI

Fullerton India Home Finance Co. Ltd. Annual Report 2017___

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Our Customers Our Pillars

India's housing finance sector is one of the most secure, stable and sustainable segments of the economy. The industry has reported a compounded annual growth rate of 18% in the last seven years, even though millions of Indians are yet to own their first homes. We recognise the business opportunities that accompany this large and attractive marketplace, and given its prospects, we decided to leverage our decadal experience in the financial landscape to enter into this new market.

Fullerton India Home Finance Company Limited (Grihashakti) is one of the youngest housing finance companies in India, bringing the privilege of housing loans to thousands of under-served Indians.

Even in our formative days, we have created a strong foundation for growth. We view ourself as an important contributor to this key socioeconomic goal by offering best-in-class home loan solutions available to our customers. We have been successful in doing so, owing to our strong pedigree. This has helped us with an in-depth understanding of our customers. All our internal systems are attuned to effectively meet their requirements in the most efficient manner. Our team is knowledgeable and partners with customers, easing their home purchase decisions. In this way, we provide efficient and tailor-made solutions to our customers at every step of their home buying process.

Aspiring to own a home is a universal dream. We are making our contribution by helping our customers convert their long cherished goals into reality, by providing access to credit for affordable homes to the multitudes of deserving families in India.

We believe that our journey has just **begun.**

At a Glance

Fullerton India Home Finance Company Limited (Grihashakti) is a wholly owned subsidiary of Fullerton India Credit Company Limited, and we cater to the housing finance needs of thousands in our country. Apart from the purchase of a new home, we provide loans for home improvement, home construction and home extensions. Our other services include - loans against property; as well as loans for new commercial property, commercial plots, or the construction of a commercial property.

Grihashakti commenced operations in December 2015 after receiving a housing finance license from the National Housing Bank. Headquartered in Mumbai, it currently operates through 41 branches spread across nine states of Andhra Pradesh, Gujarat, Karnataka, Madhya Pradesh, Maharashtra, Rajasthan, Tamil Nadu, Telangana and West Bengal.

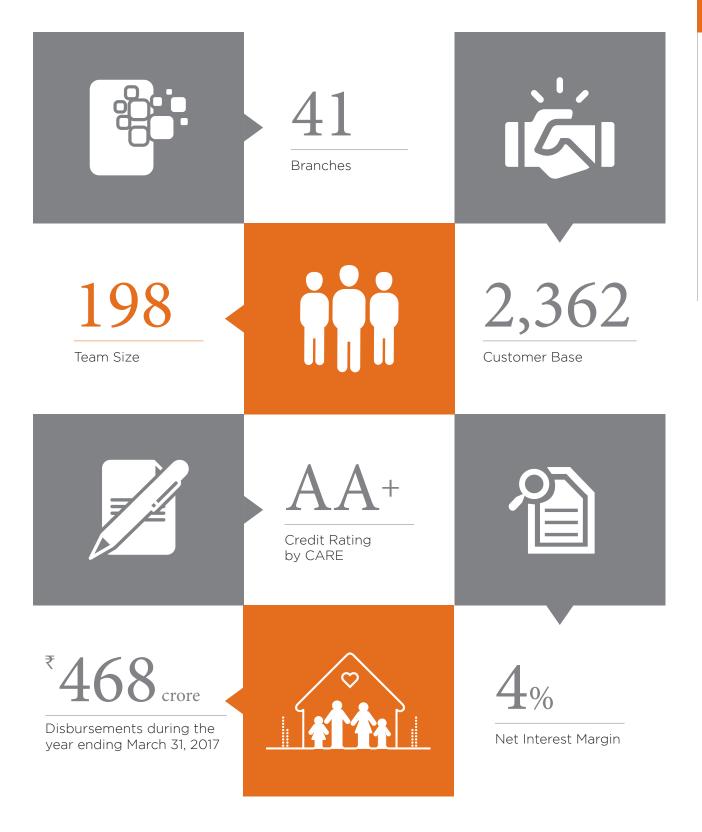
Our Parentage

Fullerton India Credit Company Limited is one of India's leading Non-Banking Finance Companies (NBFC). Fullerton India offers several retail finance products for varying needs of its customers ranging from rural households to SMEs, in the locations it serves. Fullerton India is a wholly-owned subsidiary of Fullerton



Financial Holdings, Singapore, which is a subsidiary of Temasek Holdings of Singapore.

Fullerton India has served over 15 lakh customers through a widespread network of 526 branches, across 22 states, and 3 union territories; reaching out to 600 towns and 51,000 villages in the country.



Board of Directors



Shantanu Mitra, Chairman, Non-Executive Director

Mr. Mitra is a Chartered Accountant from the Institute of Chartered Accountants, England and Wales. He has over three decades of experience across diverse markets of India, Middle East, Africa and South East Asia. Apart from holding the post of Chairman for Grihashakti, Shantanu is also Chief Executive Officer and Managing Director for Fullerton India. Shantanu joined Fullerton Financial Holdings, Singapore in February 2010 as Head of Retail Risk for its operations across Asia – India, China, Indonesia, Vietnam, Malaysia, UAE and Pakistan. In addition he also functioned as the Integrated Risk Head and Deputy CEO of Fullerton India. Prior to Fullerton India, he was Risk Management Head – Consumer Banking for India, Middle East and Africa at Standard Chartered Bank, Singapore. He has also served as a Country Credit Head for Standard Chartered Bank, Thailand and was nominated to oversee integration of the newly acquired Nakornthon Bank, Thailand. He also handled several senior positions in Citibank including Risk Management Head – Citibank Thailand and Regional Risk Head for Citibank Asia Pacific.



Anand Natarajan, Managing Director

Mr. Anand is a Chartered Accountant and a Cost Accountant, along with an MBA from Henley Business School. He has over 23 years of experience. Apart from holding the post of Managing Director at Grihashakti, he is also the Head of Strategy and Business Execution at Fullerton India. Prior to joining Fullerton India, he was Chief Operating Officer at ANZ Bank, Indonesia. He has also held various leadership positions at Standard Chartered Bank, where he served as Head of Global Markets Operations - India, Head Securities Services -South Asia, Chief Operating Officer Consumer Banking, Head Country /BPO Operations and Regional Credit Officer - Middle East, Pakistan and Africa and as the Chief Risk Officer for Consumer Banking, India and South Asia.



Kenneth Ho Tat Meng, Non-Executive Director

Mr. Kenneth Ho carries more than two decades of Consumer and Commercial Banking experience. He is a graduate in Economics from Flinders University of South Australia and a Master of Business Administration r from University Putra Malaysia. Currently, he is the Senior Vice President, Consumer Banking for Fullerton Financial Holdings (International) Pte Ltd. Previously he was with Citibank for 10 years covering the roles of Regional Director, Consumer Secured Lending of Citibank Asia Pacific regional office and in Citibank Singapore Pte Ltd as Head of Auto business and Citi business (Commercial Banking)., He also had substantial exposure in EON Bank Berhad, Malaysia, in managing the entire Auto Loans business (national) and covering numerous roles in Branch Banking as well.



Renu Challu, Independent Director

Ms. Renu is a seasoned banker with over 38 years of professional experience in Investment Banking and financial services with State Bank of India. She has an experience across strategising, planning and achievement of goals in all areas of commercial banking (corporate banking, international banking, retail banking). Some of the positions held at State Bank of India (SBI) includes President & COO at SBI Capital Markets, MD & CEO as SBI DFHI, MD of State Bank of Hyderabad and Deputy MD, Corporate strategy and New Business Development at SBI. She has co-chaired the Centre for Rural Credit and Development Banking at NIRD (National Institute of Rural Development), Hyderabad, and Chaired the Hyderabad Chapter of PRMIA (Professional Risk Managers International Association). She has also represented Associate Banks in the Management Committee of Indian Banks' Association (IBA). She currently serves as an Independent Director on the Boards of diverse set of companies. She is MA in Economics (Gold Medalist) from University of Lucknow.



Dr. Milan Robert Shuster, Independent Director

Dr. Shuster, is a professional with decades of experience in the banking sector. He is currently Chairman of the Audit Committee of Bank Danamon Indonesia. He has also served at Asian Development Bank, ING Bank, National Bank of Canada and Nippon Credit Bank in various capacities. After working as the President and CEO of P.T. Bank PDFCI, Indonesia, he served Bank Danamon Indonesia. He became its president and CEO and later its Independent Commissioner. He has also served many other entities in Directorial and advisory capacities. He holds Ph.D. in International Law and Economics from Oxford University, Master of Law from London School of Economics, Bachelor of Law from University of Western Ontario and Bachelor of Business Administration from Ivey Business School.

Management Team



Ravindra Rao, Chief Executive Officer

Mr. Ravindra comes with 22 years of experience in Risk Management and Business function. He is associated with Fullerton India since June 2011 and has held roles in Credit Policy & Underwriting, Collections, Fraud Risk, Operational Risk, Legal and Compliance, Mortgage and SME business and most recently was the COO before moving to the home finance company as the CEO. Prior to joining Fullerton India, Ravindra was heading Collections & Fraud Control for South Asia in Standard Chartered Bank. He has held senior positions at HDFC Bank and ABN Amro Bank.



Pankaj Malik, Chief Financial Officer

Mr. Pankaj has an experience of over 20 years in various capacities across finance and allied functions. He is Chief Financial Officer and Chief Compliance Officer for Fullerton India Home Finance Company Limited. He is also Chief Financial Officer, Company Secretary & Chief Compliance Officer for Fullerton India Credit Company Limited. He is responsible for corporate planning, accounting, finance, taxation, compliance and corporate governance functions. Prior to joining Fullerton India in September 2007, Pankaj was associated with COLT Telecom, an affiliate of Fidelity international, as the Financial Controller-cum-Company Secretary. In his earlier stints, he had been associated with GE Commercial Financial and Motherson Sumi Systems Limited in various capacities. Pankaj is a Chartered Accountant, Company Secretary and Cost Accountant from India and Certified Public Accountant from the State of Colorado, the USA. He has also attended the Senior Executive Leadership Program of Harvard Business School.



Jitendra Sohoni, Head of Risk

Mr. Jitendra comes with an experience of 20 years. Prior to joining Fullerton India Home Finance Company Ltd. he was working with Reliance Home Finance Ltd. as Head Retail Credit. During In his last stint he was heading underwriting portfolio of affordable housing, builder finance, vehicles, construction equipment's, Ioan against shares and supply chain management. Prior to joining Reliance Home Finance, he was working with Centurion Bank of Punjab, HDFC Ltd, Escorts Finance Ltd and AFCO Industrials and Chemicals Limited.



Shyam Reddipalli, General Manager - Sales

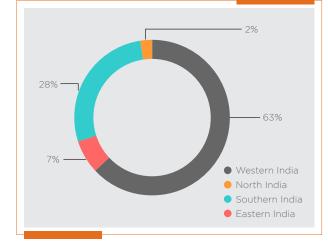
Mr. Shyam comes with 20 years of work experience in Retail Asset businesses having worked in leadership roles at large banks and the credit bureau. He has a proven track record of driving market share, revenues and growing bottom line focused businesses. Prior to joining Fullerton India Shyam was Head of Key Accounts at Credit Information Bureau of India Ltd – CIBIL and his work platforms include the roles of Business Head of Credit Cards and Personal Loans at Standard Chartered Bank, Head of Home Loans, IDBI Bank, Regional Credit Head at ING Vysya Bank.

Our Business Model



Our Customer Profile

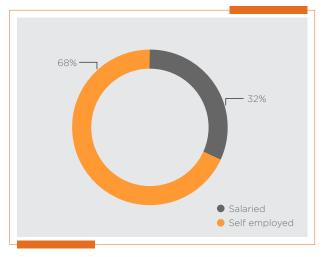
AUM as per Geographies



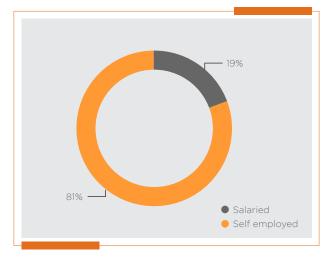




Loan Account



Book Size



Grihashakti, in just the first 16 months of its existence has reported operating breakeven and a positive profit before tax.

> Fostering Robust Credit Evaluation Competencies



63 Credit Team Size

Credit appraisal is critical to the success of any financial service business. More so, when one selects to finance needs of those individuals who lack credible documentation.

The first few years are usually challenging for any housing finance corporate, as it needs to balance its growth while protecting the loan quality.

Grihashakti, in just the first 16 months of its existence has reported operating breakeven and a positive profit before tax. This growth has been achieved while addressing the needs of first-time customers with limited documental support, and without compromising the strength of our loan book.

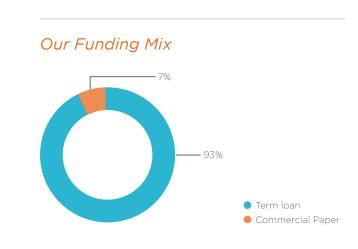
We fostered this discipline with a 63-member credit team, while further strengthening our credit management through prudent recruitment. The underwriters and branch operation managers are handpicked from within the command areas to facilitate an accurate customer appraisal. Our strong underwriting team interacts directly with every loan applicant. In the process they extend the credit appraisal from mere documentation and credit history appraisal, to an accurate assessment of individual income, profiles and aspirations.

Furthermore, we possess a layered credit filtration and verification process, which ensures that each portfolio is adequately appraised. We are strengthening our asset quality by leveraging our expertise (legal and commercial) along with credit appraisal competencies.

Enriching our Financial Management Capabilities



We have established cordial relationships with eight leading banks to avail term loans.



At Grihashakti, we strive to maintain a diverse source of funding and achieve our liquidity goals. We mobilise adequate funds at the lowest possible cost, augmenting growth and profitability.

Grihashakti's core treasury function is focused on procuring low-cost funds through shortterm and long-term financial instruments from the banking sector, financial institutions and debt capital markets. We have established cordial relationships with eight leading banks to avail term loans. Grihashakti possesses robust funding lines from these commercial banks, where HDFC Bank and Bank of Baroda are the lead bankers.

We strengthened our Balance Sheet with a capital infusion of `300 crore from the parent company during the year, which widened our ability to disburse funds. This helped us maintain a Tier 1 capital of 10% of the riskweighted assets, as against 6% of regulatory requirement. Furthermore, we have been assigned a long-term credit rating AA+ from CARE, within 9 months of operations. This credit score is expected to help in moderating our cost of funding, going forward.

Looking ahead, as the Company attains scale, we plan to explore other funding lines including a refinancing option with National Housing Bank (NHB). Securitisation and the Assignment of Loans can also be availed as majority of our loan book classifies as priority sector lending for banks. Furthermore, these initiatives will consequently help in improving the returns on assets (ROA).



Going forward, technology will lead us to a more customerfocused approach and time bound delivery.

> Building a Process Driven Organisation



99.5%

Uptime for System Applications

At Grihashakti, we look at technology as an important component in deepening customer relationships. IT has transformed from being just another support service to a critical element of our business efficiency.

Grihashakti has invested in a Customer Relationship Management (CRMNext) solution, which is used as a single platform for all customer engagements. We also have lending platform (FinnOne) to digitise the loan lifecycle. These form the bedrock for the Company to address customer needs in a cost-effective manner and offer customised home loan solutions.

With the vision to support the digital initiatives and focus squarely on customer-centricity, Grihashakti has launched a customer portal. The portal provides 24x7 access to the customer, regarding the loan information and statements. We also digitised our financing process by inviting home loan applications online, followed by the digitised sanction letters upon basic credit assessment.

We have adopted the Desktop Virtualisation, a cloud based technology solution, to overcome limitations of telecom networks. Grihashakti leverages the parent NBFC's technology architecture. It has a well-prepared Disaster Recovery set-up, ensuring 99.5% uptime of important applications. The overall technology framework also monitors and minimises cyber security threats. In addition, several security initiatives are carried out periodically to assess and remediate the vulnerabilities in applications and IT infrastructure.

We have developed a well-balanced operational infrastructure by leveraging technology. This will assists our decision-making processes, propelling efficient operations. Going forward, technology will lead us to a more customerfocused approach and time bound delivery.

Message from the Managing Director



Dear Shareholders,

In India, the affordable housing segment is perhaps the most attractive sector today. The Government of India recognised the need to fill the gap in housing segment and announced its ambitious project where it seeks to provide 'Housing for All by 2022'.

Anand Natarajan Managing Director

₹474 crore homebuand qua

Asset under Management as on March 31, 2017 Since then, it has undertaken several initiatives to make this a reality. More recently, the government granted infrastructure status to the affordable housing segment. This is expected to advance the volume of construction activities across the country and act as a catalyst to meet the objectives of 'Housing for All by 2022'.

Developers will be able to enjoy cheaper sources of funding, and this increase in credit for the affordable segment of housing will lead to supply creation. The government also introduced the Real Estate (Regulation and Development) Act, 2016, reinforcing consumer confidence in the market and accelerating the market sentiments. Additionally, it will safeguard the interest of the homebuyer, as developers will focus on timely project completion and quality construction.

During the fiscal 2017, the Pradhan Mantri Awas Yojana home loan scheme for middle income group (MIG) was announced by the Central Government. The Government has now included middle income groups under the credit linked subsidy component of the scheme to provide an interest subsidy on housing loans. With these initiatives in place, the housing finance sector is also witnessing strong advancements to its prospects.



We have invested in building the right business model, governance structure, systems and operating framework to deliver superior returns on assets.

Furthermore, with efforts being made by the Government to address the supply side, demand side and affordability issues, we expect the borrower base to only improve. The softening of interest rates and correction of property prices, are making this sector increasingly attractive to customers.

Responding to the Opportunities

At Grihashakti, we are convinced that enduring success is derived from how one responds to opportunity. We saw a prospect within the home financing space beyond the urban horizon. We identified the areas most overlooked, and selected to work out of Tier-III and Tier-IV locations.

Of the country's 63 million units home shortage, a significant share lies in semi-urban and rural India. This large untapped market is marked by an increasing number of people who intend to buy their first ever home. We see considerable optimism relating to the sustained growth of this trend. Moreover, attractive government measures for income and employment generation, along with agriculture reforms, will put more disposable income in rural hands.

Business Model

Our collective aim has been to deliver the best home loan experience to our customers. We proactively invested in state-of-the-art technology in all aspects of our business to make our services consumer friendly. We leveraged the knowledge and credentials of our parent company, and built on this advantage to create 41 branches. Furthermore, we adapted customer appraisal methodologies that extended beyond simplistic assessment of income, creating a robust credit risk management competence. We have a simple and focused strategy of high quality mortgage-backed secured lending based on cash flows.

We have also invested in building the right business model, governance structure, systems and operating framework to deliver superior returns on assets. With our clear and compelling strategy, effective management and strong team, the Company is well poised for future growth.

Acknowledgement

We shall remain committed to the needs of affordable housing. Our future priorities are concentrated towards expanding our network and visibility; ensuring access to low-cost and diversified sources of funds; and fortifying our operating processes and systems.

Looking ahead, we believe there are ample growth prospects for our Company. The favourable regulatory environment, persistent government push and growing awareness of financial credit, provides us with significant potential for progress.

I would like to conclude by extending my gratitude to our team, our customers, bankers, regulators and other stakeholders, for their continued support and trust in our Company.

Sincerely,

Anand Natarajan Managing Director

FINANCIAL STATEMENTS | STRATEGIC REPORT | COMPANY OVERVIEW

Review by the Chief Executive Officer

Dear Shareholders,

Over the last decade, our parent Fullerton India has been engaged in financing the needs of under-banked and under-served individuals, with the objective of catalysing prosperity in the areas of its presence.

While serving the financial needs of our customers, we recognised a widening home financing market. A strong market emerging out of the increased

government focus on affordable housing; a rising lower-middle income class; urbanisation and a growing youth population. We also ascertained that the housing needs are largely un-served due to the lack of income-substantiating documents. A large section of the rural and semi-urban population is unable to meet the credit requirements of financial institutions. Driven by this insight, Grihashakti focused on addressing first-time home-buyers who are primarily self-employed.



Net Interest Margin, FY 2017



Ravindra Rao, Chief Executive Officer

Performance and Credibility

Our performance has been noteworthy as we achieved our operational breakeven and reported a positive PBT of ₹ 122 lakh within 16 months of our operations. Our loan book stood at ₹ 474 crore as of March 31, 2017 with net interest margin of 4.0%.

Commonly, a performance such as this is attained after years of having systemic maturity. However, we achieved this performance early in our existence owing to some pertinent reasons. Primarily, we received credible brand support from our parent - Fullerton India, which immediately enhanced our market acceptability. We also leveraged the strong technology infrastructure of the parent company. The robust technology provided us with a platform



Our rich parentage and robust experience in catering to the lower and middle-income segment will sharpen our competitive advantages.

to build sound systems and procedures for our operations. And lastly, we recruited individuals with deep and extensive industry knowledge. This helped us create separate functions, ensuring that responsibility and authority were efficiently delegated across the organisation's, regions and branches.

Support System

To address this category of individuals, we built upon the rich experience of our parent company. We created a strong underwriting team capable for actual income assessment. This made it possible for us to ascertain repayment capabilities and define credit appraisal limits for each customer. This rigorous process check will ensure quality of our book and provide us with a sustainable foundation to accelerate growth.

We have also successfully strengthened our funds pipeline, kickstarting a virtuous cycle of steady growth in revenues and interest margins. Going ahead, we are looking towards diversifying our funding sources to moderate fund costs, which will provide a stable foundation to scale the business. Furthermore, we have harnessed technology to streamline business processes, ensure deeper market coverage and deliver superior customer experience.

We believe the insights and learning from our parent company will help us evolve, grow and innovate across our business to ensure sustainable growth.

Way Forward

The housing finance industry is at a very exciting stage. The general optimism in this business stems from the fact that housing is still the basic unmet necessity for millions of citizens in our country. However, the growing awareness and access to credit; increasing working population; and rising aspirations are expected to encourage housing demand. Further, the Government's policies and path-breaking initiatives on affordable housing and finance, has paved the path for significant growth opportunities for the Company. The current environment is also supportive of our growth. We are confident that through our widening reach across rural and semi-urban India, we can help narrow the demand-supply gap and strengthen home ownership in an inclusive way.

We believe, the positive industry outlook, coupled with favourable macroeconomic indicators will set Grihashakti on a high growth trajectory.

Going forward, the Company endeavours to keep its focus primarily on Tier-III and Tier IV locations, where housing demand is expected to be more pronounced. We envisage robust growth on the horizon, as the segment that we cater to is not only large but also growing. Moreover, this sector is still reasonably under penetrated from the perspective of financing. Our robust internal risk-management systems and processes, along with supportive technology, will fuel our growth journey.

Lastly, I would like to thank our Board of Directors for their support and guidance. I am also grateful to all our team members, who have given us constant support to set a strong foundation for future growth.

Sincerely,

Ravindra Rao,

Chief Executive Officer

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting their 7th Annual Report together with the audited financial statements for the financial year (FY) ended on 31 March, 2017.

1. Background

Your Company commenced disbursal of loans from December 2015, and the revenues commenced from Q4FY16. Fiscal 2017 had been the first full financial year for the Company. Your Company, Fullerton India Home Finance Company Limited ("FIHFCL"), is a wholly owned subsidiary of Fullerton India Credit Company Limited ("FICCL") and is registered with the National Housing Bank (NHB) as a non-deposit taking housing finance company.

2. Industry and Economic Scenario

India's roughly ₹10 trillion mortgage market is witnessing a quiet revolution. Even though it has been growing at around 18-19% every year, the size of the market continues to be at 9% of the country's gross domestic product, as compared to 17% for Thailand, 20% for China and 34% for Malaysia. However, around one-third of the new home loans, in terms of units, have started flowing into the low-cost housing segment, with loan size less than ₹10 Lakhs. It is estimated that the affordable housing segment will grow over 30% in the medium term and drive the mortgage finance market growth.

Overall, the sector outlook remains positive, with several positive supply side initiatives underway through the Pradhan Mantri Awas Yojana (PMAY), which proposes housing for all by 2022, by building two crore houses for urban poor including Low Income Group (LIG) and Economically Weaker Section (EWS) households, and passage of the Real Estate (Regulation and Development) Act 2016, to enhance transparency and boost confidence of home buyers. The recent announcement by the Government of India to boost mass housing such as PMAY, with attractive interest subventions and increase in the number of homes in rural areas is a welcome move, particularly for the segment at the bottom of the pyramid, where growth and potential exists.

We remain very excited by the potential of the market for housing finance which is supported by economic growth drivers such as population expansion, rising disposable incomes, personal income tax benefits, increasing urbanisation, and economic growth of tier II and tier III cities. The demand for home loans is also expanding considering the needs of the younger borrowers. Start-ups being successful in bringing genuine buyers in contact with the best of loan options in the market, have helped in expanding home finance demand and the needs of younger borrowers.

Detailed discussion on industry, economic scenario, opportunities and threats are included in Management Discussion and Analysis Report, which forms part of this report and is included herein as Annexure I.

3. Financial Results

The performance of the Company for the FY 2016-17 and previous year FY 2015-16 is summarized below:

		(₹ in Lakhs)
Particulars	FY 2015-16	FY 2016-17
Total Income	231	2,565
Less: Expenditures	730	3,783
Profit/(Loss) Before Tax	(499)	(1,218)
Provision for tax	-	-
Net Profit/(Loss) after tax	(499)	(1,218)
Add: Balance brought forward from previous year	50	(449)
Transfer to Reserve Fund under section 29C of NHB Act, 1987	-	-
Balance Carried to Balance Sheet	(449)	(1,668)
Paid up capital	5,762	19,527

During the year under review the Company invested in building its capability in terms of deepening the distribution network, and investment in human resources to enable it to expand operations to 41 locations. Majority of human resources were hired in first half of the year, whereas the assets growth happened in second half of the year resulting in loss of ₹ 1,218 lakhs. Since the company had started disbursement of loans only during Q4FY16, your Directors feel that a comparison cannot be drawn from the results of previous financial year.

As at the end of FY2016-17 the Company had a portfolio of ₹ 47,354 Lakhs, from its presence in 41 cities covering 9 states.

In accordance with the provisions of Section 29C of the National Housing Bank Act, 1987 every housing finance company is required to transfer

at least 20% of its net profits every year to a reserve. However, in view of losses incurred by the Company during the year under review, no amount has been transferred to Reserve Fund for the EY 2016-17

4. Share Capital

During FY 2016-17 the Company continued to have an Authorised Share Capital of ₹ 1500 Crore, divided into 1,500,000,000 equity shares of ₹ 10 each.

The paid up equity share capital of the Company as on 31 March, 2017 stood at ₹ 1,952,734,430, divided into 195,273,443 equity shares of ₹ 10/each

During the year under consideration, the Company issued and allotted, to its holding company, i.e. FICCL, the following equity shares at such premium as mentioned herein below:

Sr. No.		No. of shares issued and allotted	Face value per share (₹)	Premium per share (₹)	Total amount (₹)
1.	24 May, 2016	23,809,524	10	11.00	500,000,004
2.	27 Sep, 2016	22,935,780	10	11.80	500,000,004
3.	31 Mar, 2017	90,909,091	10	12.00	2,000,000,002

The equity shares of ₹ 10 were held as under:

Name

Fullerton India Credit Company Limited	195,273,443	100

5. Dividend

In view of losses incurred by the Company during the year under consideration, your Directors do not recommend payment of dividend on Equity Shares of the Company for the year ended 31 March, 2017.

6. Change(s) in the nature of business

During the year under review there was no change in the nature of business of the Company.

7. Finance

During the year under review the Company met its funding requirements through a mix of equity and debt. The Company placed ₹ 2,500 Lakhs in commercial papers (with no repayment during the period); availed long-term loans worth ₹ 32,250 Lakhs (no repayments during the year) from banks. The Company also received and repaid inter corporate deposit of ₹ 5,000 lakhs from its holding company, FICCL.

8. **Risk Management**

Risk management is an integral part of the Company's business strategy. The Board of Directors of the Company oversees the risk management framework of the Company through regular and proactive intervention by senior management personnel.

The Company adopts a conservative and forward looking risk management practices in retail lending. The objective of the risk framework is to ensure that the Company underwrites to prudent risk standards, focuses on its target segment and delivers sustainable profitability. The risk management infrastructure operates through five key principles viz.

Number of shares	%
195,273,443	100

- Independent governance and risk management oversight:
- An overarching risk appetite statement, that defines the shape of the portfolio, delivering predictable returns through economic and cycles, optimizina enterprise-wide risk-return and capital deployment;
- Establishment of forward looking country risk assessment with pre-emptive credit and liquidity interventions, to ensure early action in the event of emerging market adversity;
- Maintenance of well-documented credit risk policies and credit programs with performance guardrails;
- Extensive use of bureau as an integral part of the decision making processes.

At the core of the risk management function is the Head of Credit of the company who is supported by a team of underwriters and segment specialists who are responsible for overseeing and managing risk function including Liquidity Risk, Interest Rate, Credit Risk, Operational Risk, Market Risk, Legal and Compliance Risk across all businesses, products and processes.

The senior management is responsible for ensuring that the appropriate methodology, processes and systems are in place for monitoring, identifying and reviewing the risks associated with the business of the Corporation. The Board is regularly apprised on the key risks that impacted business, if any, its root causes and measures taken to mitigate the same.

In addition, as per directions prescribed by the National Housing Bank vide Corporate Governance Directions, issued during February, 2017, the Company has put in place a board level risk oversight committee and the said committee would meet as such frequency as it may deem fit.

9. Internal Control Systems

The Company's internal control system is designed to ensure operational efficiency, protection and conservation of resources, accuracy and promptness in financial reporting and compliance with laws and regulations. The internal control system is supported by an internal audit process. The internal audit process reviews the adequacy and efficacy of the Company's internal controls, including its systems and processes and compliance with regulations and procedures. Internal Audit Reports are discussed with the management team and are reviewed by the Audit Committee of the Board which also reviews the adequacy and effectiveness of the internal controls in the Company. The Company's internal control system is commensurate with the size, nature and operations of the Company.

10. Internal Financial Controls

During the year under review the Company undertook an evaluation of internal financial controls, in accordance with the criteria established under the Internal Control -Integrated Framework (2013) issued by the Committee of Sponsoring Organisations of the Treadway Commission. The identified process maps, key controls, risk registers and control matrices were tested by the management team for existence and checking effectiveness of control based on samples; remedial action had been taken or agreed upon where control weaknesses were identified. Based on the results of the said tests, the management team believes adequate internal financial controls exist in relation to its Financial Statements.

11. Human Resources

The company had an employee strength of 198 as at 31 March, 2017. All employees have gone through detailed induction training to equip them with the necessary organisational knowhow to deliver on their roles. The debt recovery team has periodically undergone mandatory training as prescribed by the National Housing Bank and conducted by Indian Institute of Banking & Finance.

12. Compliance

The Company had complied and continues to comply with all applicable provisions of the Companies Act, 2013, and the National Housing Bank Act, 1987, the National Housing Bank (NHB) Directions, 2010, Fair Practices Code, and other applicable rules/ regulations/ guidelines issued by various regulatory and/or statutory authorities from time to time.

The Capital Adequacy Ratio ("CAR") of the Company was 93.99% as on 31 March 2017, as against CAR of 12% prescribed by the NHB.

13. Deposits

The Company did not hold any public deposits at the beginning of the year nor has it accepted any public deposits during the year under review.

14. Details of Loans, Guarantees and Investments

The provisions of Section 186 of the Companies Act, 2013 pertaining to giving of loans, guarantees, providing security in connection with a loan and acquisition of securities of any body-corporate are not applicable to the Company as the Company is a Housing Finance Company.

15. Directors and Key Managerial Personnel

The Company's Board lays down the strategic objectives of the Company and guides the management in meeting its goal of aligning the interests of the shareholders with that of the promoters.

Since the last annual general meeting, the Board appointed the following person as Director:

Name	Category	Date of appointment
Mr. Anand Natarajan	Managing Director	9 September, 2016

The following changes have taken place in the Board during the financial year 2016-17:

(i)	Appointment of Director/s:	
-----	----------------------------	--

Name	Category	Date of appointment
Mr. Anand Natarajan	Managing Director	9 September, 2016
(ii) Resignation c	of Director/s: Category	Date of

Name	Category	resignation
Mr. Rakesh Makkar	Managing Director	8 September, 2016

In accordance with Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Kenneth Ho Tat Meng, is liable to retire by rotation at the forthcoming annual general meeting of the Company, and he being eligible, has offered himself for re-appointment. Your Directors recommend his re-appointment to the office of Director of the Company.

The tenure of both Dr. Milan Robert Shuster and Ms. Renu Challu is scheduled to expire on 30 September, 2017. It is proposed to reappoint Dr. Shuster and Ms. Challu for a period from 1 October, 2017 till 30 September, 2020. Your Directors recommend their appointment as independent directors on the board of the Company.

The Company has received declarations from independent directors viz., Dr. Shuster and Ms. Challu that they meet the criteria for independence as provided in Section 149(6) of the Companies Act, 2013.

The shareholders of the Company may refer to the accompanying notice of annual general meeting of the Company for brief profiles of Dr. Milan Robert Shuster and Ms. Renu Challu.

The following are the key managerial personnel of the Company, as recorded by the Board:

Key Managerial Personnel	Designation
Mr. Anand Natarajan	Managing Director
Mr. Ravindra Rao	Chief Executive Officer
Mr. Pankaj Malik	Chief Financial Officer
Mr. Jitendra Maheshwari	Company Secretary

16. Number of Meetings of Board of Directors The Board of Directors of the Company met four times during the year:

- i. 18 May, 2016
- ii. 7 September, 2016
- iii. 1 December, 2016
- iv. 15 March, 2017

The time gap between any two meetings was less than 120 days and at least one meeting was held every quarter.

17. Evaluation of Board, its Committees and Individual Directors

Pursuant to the provisions of the Act, the Board carried out an annual evaluation of its own performance, the individual Directors (including the Chairman) as well as an evaluation of the working of all Board Committees. The Board of Directors was assisted by the Nomination and Remuneration Committee ("NRC"). The performance evaluation was carried out by seeking inputs from all the Directors / Members of the Committees, as the case may be and discussions with the Directors by the Chairman of the NRC and the Chairman of the Board. The criteria for evaluating the performance of the Board as a whole covered various aspects of the Board's functioning such as fulfilment of key responsibilities, structure of the Board and its composition, establishment and delineation of responsibilities of the Board Committees, effectiveness of Board processes, information and functioning, Board culture and dynamics, etc. The criteria for evaluation of individual Directors covered parameters such as attendance and contribution at meetings, guidance to management, etc. The criteria for evaluation of the Board Committees covered areas related to degree of fulfilment of key responsibilities, adequacy of Board Committee composition, effectiveness of meetings, committee dynamics, quality of relationship of the committee with the Board and the management, etc.

Annual Report 2017

The feedback of the Independent Directors on their review of the performance of Non-Independent Directors and the Board as a whole, the performance of the Chairman of the Company and assessment of the quality, quantity and timeliness of flow of information between the Company Management and the Board was taken into consideration by the Board in carrying out the performance evaluation.

18. Managerial remuneration

In terms of provisions of Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the details of remuneration and compensation of the employees are to be set out as an annexure to the Directors' Report. Having regard to the provisions of Section 136 of the Companies Act, 2013, the Annual Report excluding the said information is being sent to the shareholders of the Company. Any shareholder interested in obtaining such particulars may write to the Company Secretary of the Company at its Corporate Office address.

19. Audit Committee

The details of constitution, terms of reference etc. of the Audit Committee are mentioned in Report on Corporate Governance, enclosed as Annexure II to this report.

20. Nomination and Remuneration Committee

The details of constitution, terms of reference etc. of the Nomination and Remuneration Committee are mentioned in Report on Corporate Governance, enclosed as Annexure II to this report.

The Company has laid out clear guidelines approved by the Board for 'fit and proper' criteria for appointment of directors in accordance with the Companies Act, 2013. Further in terms of charter of the nomination and remuneration committee, policy on remuneration of directors, key managerial personnel and other employees have been put in place, incorporating principles of fairness, pay for performance, a sufficient balance in rewarding short and long term objectives reflected in the pay mix of fixed and variable pay, meeting the financial viability of the Company.

21. Details of subsidiaries

The Company did not have any subsidiary during the year under review.

22. Statutory Auditors

M/s. B S R & Co. LLP, Chartered Accountants, are the Statutory Auditors of the Company. They are eligible for reappointment pursuant to proviso 3 of Section 139(2) of the Companies Act, 2013 and have given their necessary consent and certificate pursuant to the provisions of Sections 139(1) and 141 of the Companies Act, 2013 and rules framed under the Companies (Audit and Auditors) Rules, 2014 for their appointment as statutory auditors from the conclusion of the forthcoming (7th) annual general meeting of the Company till the conclusion of 11th annual general meeting of the Company.

Accordingly, the Board of Directors of the Company recommend the appointment of M/s B S R & Co. LLP, Chartered Accountants (ICAI Registration No. 101248W/W-100022), as the Statutory Auditors of the Company, from the conclusion of forthcoming (7th) annual general meeting till the conclusion of 11th annual general meeting, subject to approval of the shareholders at the forthcoming annual general meeting and further ratification of the said appointment by the shareholders at every annual general meeting held hereafter.

23. Secretarial Auditors

During the year under review, M/s Vinod Kothari & Company, Practicing Company Secretaries (Unique Code P1996WB042300) continued to function as the Secretarial Auditors of the Company. They had conducted secretarial audit in accordance with provisions of Section 204 of the Companies Act, 2013 and issued a Secretarial Audit Report. Copy of the report is attached as Annexure IV to this report. The report does not contain any qualification or reservation or any adverse remarks and is self-explanatory.

24. Response to Auditor's Report

There were no qualifications, reservation or adverse remark or disclaimer, made by the statutory auditors in their report.

25. Vigil Mechanism

Your Company established a Vigil Mechanism for its Directors and employees to report their genuine concerns or grievances. The said mechanism lays down adequate safeguard against victimisation of person who uses such mechanism. The policy on vigil mechanism has been uploaded on the website of the Company. The Audit Committee of the Company is periodically updated on whistle-blower cases and investigations conducted thereon.

26. Extract of the annual return

In terms of the provisions of Section 197 read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the details forming part of the extract of the Annual Return in Form MGT-9 are being enclosed as part of the Directors' Report.

27. Material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report

There have been no such material changes and commitments affecting the financial position of the Company which have occurred during the said period.

28. Details of significant and material orders passed by the regulators/courts/tribunals impacting the going concern status and the Company's operations in future

There were no significant and material orders passed by the regulators/courts/ tribunals impacting the going concern status of the Company and its operations in future.

29. Particulars of contracts or arrangements with related parties

The related party transactions pursuant to Section 188 of the Companies Act, 2013, are included in Note 24 of the Notes to Accounts. All transactions with related parties were conducted on arm's length basis. A write-up on related party transactions is made available on the website of the Company. All transactions with related parties are approved by the Audit Committee.

30. Management Discussion and Analysis

A detailed review of the operations, financial performance, risk management, outlook, among others, is provided under the section 'Management discussion and analysis' enclosed as Annexure I to this report.

31. Fraud reporting

During the year under review, there were no material frauds which warranted reporting by the Auditors.

32. Revision of financial statements or Board's Report

There have been no revisions in the financial statements or Board's Report.

33. Conservation of energy, technology absorption and foreign exchange earnings and outgo

The provisions relating to conservation of energy and technology absorption do not apply to the Company as the Company is a housing finance company. However, the Company adopts usage of information technology along with its parent company and is prudent in utilizing nonrenewable resources.

During the year under review foreign exchange outflow was ₹ 8.5 Lakhs.

34. Credit rating

The following credit ratings were assigned to various borrowing programmes of the Company as on 31st March, 2017:

Rating Agency	Term	Туре	Rating
Care Ratings	Short term	Commercial Paper	A1+
Care Ratings	Long term	Bank Loans	AA+

There was no revision in rating during the financial year 2016-17.

35. Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013

The Company has adopted a policy on prevention, prohibition and redressal of sexual harassment at the workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules thereunder.

During the year under review, no complaints were received.

36. Directors' responsibility statement

As per the provisions of Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013, your Directors confirm that:

- (i) in the preparation of the annual accounts for the year ended 31 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 at the end of the financial year and of the profit and loss of the Company for that period;
- (iii) 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;

- (iv) the Directors had prepared the annual accounts on a going concern basis;
- (v) 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;
- (vi) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.

37. Acknowledgment

Your directors would like to place on record, their gratitude for the cooperation and guidance received from all the statutory bodies, especially the National Housing Bank. The directors also thank the shareholders, clients, vendors, investors and other stakeholders for placing their faith in the Company and contributing to its growth. We would also like to appreciate the hard work put in by all our employees, and we look forward to their continuing patronage, going forward.

On behalf of the Board of Directors

Shantanu Mitra

Chairman

Place: Mumbai Date: 17 May, 2017

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN as on the financial year ended on March 31, 2017

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

I. REGISTRATION & OTHER DETAILS:

1.	CIN	U65922TN2010PLC076972
2.	Registration Date	12/08/2010
3.	Name of the Company	Fullerton India Home Finance Company Limited
4.	Category: Sub-category:	Company Limited by Shares Indian Non- Government company
5.	Address of the Registered office & contact details	Megh Towers, Third Floor, Old No-307,New No-165, Poonamallee High Road, Maduravoyal, Chennai, Tamil Nadu- 600095.
6.	Whether listed company	No
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	-

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.

	Name and Description of main	NIC Code of the Product/	% to total turnover of the
	products / services	service	company
1	Housing Finance Business	65922	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SI. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Fullerton India Credit Company Limited	U65191TN1994PLC079235	Holding	100	Section 2(46)

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

i. Category-wise Share Holding

Category of		No. of Shares held at the				No. of Shares held at the			
Shareholders		beginning of the year			end of the year				during
	Demat	Physical	Total	% of	Demat	Physical	Total	% of	the year
				Total				Total	
				Shares				Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	-	-	-	-	-	-	=	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	-	-	-	-	-	-	-	-
e) Banks / Fl	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(1)	-	-	-	-	-	-	-	-	-
(2) Foreign	-	-	-	-	-	-	-	-	-
a) NRIs -Individuals	-	-	-	-	-	-	-	-	-
b) Other	-	-	-	-	-	-	-	-	-
-Individuals									
c) Bodies Corporate	-	5,76,19,048	5,76,19,048	100	-	19,52,73,443	19,52,73,443	100	Nil

Category of Shareholders			of Shares held eginning of t		year end of the yea				%Change during
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	the year
d) Banks / Fl	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2)	-	5,76,19,048	5,76,19,048	100	-	19,52,73,443	19,52,73,443	100	-
Total shareholding of Promoter	-	5,76,19,048	5,76,19,048	100	-	19,52,73,443		100	Nil
(A)=(A)(1) + (A)(2)									
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds/ UTI	-	-	-	-	-	-	-	-	-
b) Banks / Fl	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) Flls	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	-	-	-	-	-	=	-	-	-
2. Non-Institutions	-	-	-	-	-	-	-	-	-
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto ₹1 lakh	-	-	-	-	-	-	-	-	-
 ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh 	-	-	-	-	-	-	-	_	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	-	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Foreign Portfolio Investor -Corporate	-	-	-	-	-	-	-	-	-
Market Maker	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Directors/ Relatives	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Sub-total (B)(2)	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	_	-	-	-	-	-	-
Grand Total (A+B+C)	-	5,76,19,048	5,76,19,048	100	0	19,52,73,443	19,52,73,443	100	Nil

ii) Shareholding of Promoter-

SI. No.	Shareholder's Name	Sharehol	ding at the of the yea			olding at t of the year		% change
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	in share holding during the year
1	*M/s. Fullerton India Credit Company Limited	5,76,19,048	100		19,52,73,443	100	-	No Change

* 6 (Six Shares) Held by Individuals as Nominee Shareholders of M/s. Fullerton India Credit Company Limited.

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

No Change during the Financial Year - 2016-17

SI. No.	Particulars	Shareholdi beginning o	0	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	5,76,19,048	100	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	24 May, 2016 Rights Issue 2,38,09,524	29.23	8,14,28,572	100
		27 September, 2016 Rights Issue 2,29,35,780	21.98	10,43,64,352	100
		31 March, 2017 Rights Issue 9,09,09,091	46.55	19,52,73,443	100
	At the end of the year	1,95,273,443	100	19,52,73,443	100

iv) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

There are no Shareholders other than Promoters.

SI. No.	For Each of the Top 10 Shareholders	Shareholdir beginning o	-	Shareholding at the end of the year		
		No. of shares	% of total shares of the	No. of shares	% of total shares of the	
			company		company	
1.	Fullerton India Credit Company Ltd.	5,76,19,048	100	19,52,73,443	100	
2.	-	-	-	-	-	
3.	-	-	-	-	-	
4.	-	-	-	-	-	

v) Shareholding of Directors and Key Managerial Personnel:

None of the shares held by Directors or Key Managerial Personnel

SI. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholdiı beginning o	-	Cumulative Shareholding during the year		
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
1.	At the beginning of the year	-	-	-	-	
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-	
	At the end of the year	-	-	-	-	
2.	At the beginning of the year	-	-	-	-	
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):					
	At the end of the year		-	-	-	
3.	At the beginning of the year	-	-	-	-	
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):					
	At the end of the year	-	-	-	-	

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment, for FY 2016-17

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total (in ₹) Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
* Addition	3,22,50,00,000	23,75,63,310	-	3,462,563,310
* Reduction	-	-	-	-
Net Change	3,22,50,00,000	23,75,63,310	-	3,462,563,310
Indebtedness at the end of the financial year				
i) Principal Amount	3,22,50,00,000	23,75,63,310	-	3,462,563,310
ii) Interest due but not paid	-	-		-
iii) Interest accrued but not due	67,57,526	-	-	6,757,526
Total (i+ii+iii)	3,23,17,57,526	23,75,63,310	-	3,469,320,836

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

SI.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
No			(in ₹)

NO.				(in ₹)
		Mr. Anand Natarajan*	Mr. Rakesh Makkar**	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify	-	-	-
5	Others, please specify- (i) Co's Contribution to PF (ii) Incentive Accrued (iii) Superannuation	-	-	-

*Mr. Anand Natarajan with effect from 9 September 2016; ** Mr. Rakesh Makkar till 8 September 2016

B. Remuneration to other directors

- 1. Independent Directors
- SI

SI. No. Parti	iculars of Remuneration	Name of Dire	Name of Directors			
		Dr. Milan Robert Shuster	Ms. Renu Challu			
Fee t Meet	for attending Board/ Committee tings	7,25,000	7,25,000	14,50,000		
Com	mission	-	-	-		
Othe	ers, please specify	-	-	-		
Tota	I (B)(1)	7,25,000	7,25,000	14,50,000		

2. Other Non-Executive Directors

Particulars of Remuneration	Name of	Total Amount (in ₹)	
	Mr. Kenneth Ho	Mr. Shantanu Mitra	
Fee for attending Board/ Committee Meetings	-	-	-
Commission	-	-	-
Others, please specify	-	-	-
Total (B)(2)	-	-	-
Total (B)=(B)(1)+(B)(2)	-	-	-
	Fee for attending Board/ Committee Meetings Commission Others, please specify Total (B)(2)	Mr. Kenneth Ho Fee for attending Board/ Committee - Meetings - Commission - Others, please specify - Total (B)(2) -	Mr. Kenneth HoMr. Shantanu MitraFee for attending Board/ Committee Meetings-Commission-Others, please specify-Total (B)(2)-

C. Remuneration to key Managerial Personnel other than MD/Manager/WTD

SI. No.		Key Managerial Personnel					
		Mr. Ravindra Rao (CEO)	Mr. Pankaj Malik (CFO)	Mr. Jitendra Maheshwari (CS)	Total		
		(₹)	(₹)	(₹)	(₹)		
1	Gross salary						
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,05,44,903	-	34,25,604	1,39,70,507		
	(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	34,87,308	-		34,87,308		
3	Sweat Equity	-	-		-		
4	Commission	-	-		-		
	- as % of profit						
	- others, specify.						
5	Others, please specify						
	Co's Contribution to PF	3,78,504	-	1,26,000	5,04,504		
	Total	1,44,10,715	-	35,51,604	1,79,62,319		

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

MANAGEMENT DISCUSSION & ANALYSIS

Annexure I to the Directors' Report



Indian Economy

India has emerged as the fastest growing economy in the world as per the Central Statistics Organisation (CSO) and International Monetary Fund (IMF). This growth is complemented by a steady decrease in the Consumer Price Index and the Repo rate cut by the Reserve Bank of India. According to CSO, the retail price inflation reduced from 5.23% in February FY16 to 3.65% in February FY17. According to Nielsen, a strong consumer sentiment has resulted in India's top position in terms of the Consumer Confidence Index, which was 136 in Q4FY16. Moody's has rated the Government of India with a Baa3 rating, in light of the various reforms being initiated. Some of the key initiatives recently undertaken include:

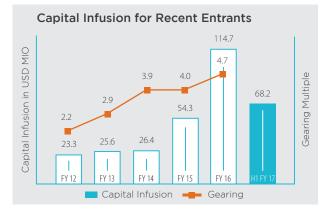
- Implementation of the Central Goods and Services Tax (CGST), Integrated GST (IGST), Union Territory GST (UTGST) and the Compensation Bill
- National Budget focused on growth stimulation, relief to the middle class and affordable housing
- New Urban Development strategy for the next 20 years, to develop the rural as well as the urban areas and providing housing for the urban poor



According to The World Bank, the Indian economy is likely to grow at 7.6% in FY18, and 7.8% in FY19. Private investments will increase as corporates and banks deleverage and infrastructure projects mature. The current monetary policy, aided by reduced food inflation due to projected good weather conditions will continue to reduce inflation. The landmark Goods and Services Tax (GST) reforms will improve and ease the process of doing business, while also supporting investments over the medium-term, raising the GDP growth by 0.5 to 2 percentage points as per the National Council of Applied Economic Research and Government of India estimates. According to the BCG report, with a shift in consumer behaviour and expenditure patterns, India is expected to be the third largest consumer economy since its consumption may triple to INR 260 trio by 2025. According to the NASSCOM report, the number of internet users in India is expected to reach 730 million by 2020. Moreover, PwC estimates that India will overtake the USA to become the second largest economy in PPP-terms by 2040.

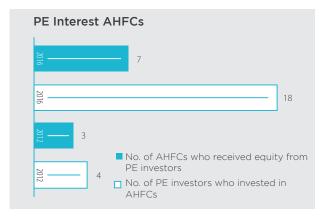
Housing Finance Industry

Investments in housing are an important driver for the overall economic growth. The housing industry in India is the second largest employment generator and is ranked fourth in terms of multiplier effects. Housing finance has steadily remained an attractive sector with INR 200 Bio of capital infused in the last 5 years. As we progress through FY17, the sector retains its charm with a rising PE interest. Recent entrants received a capital infusion in tune of INR 4.4 Bio in H1FY17.

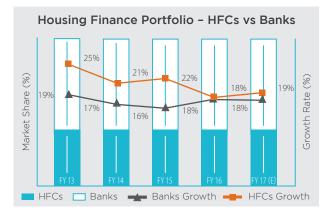




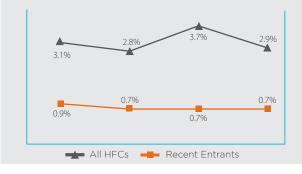
- The Ministry of Housing and Urban Poverty Alleviation, Government of India, has approved the construction of 1,17,814 affordable houses for the urban poor and has allocated INR 18bio under the Prime Minister's Pradhan Mantri Awas Yojana (PMAY) (Urban)
- Allocation of INR 480bio for the creation of 100 smart cities and INR 500bio for the transformation of 500 cities under Atal Mission for Rejuvenation and Urban Transformation (AMRUT)
- Digital India" initiative focused on creating digital infrastructure, delivering services digitally, and increasing the digital literacy



As per CRISIL's report published in May FY17, HFCs have constantly enjoyed a market share of 40% with respect to banks since FY13. The portfolio of HFCs grew by 19% in FY17, while that of banks grew by 18%. Two-year lagged GNPA for the industry has been constant at 0.7% since 2014, while that of new entrants has fluctuated between 2.8% and 3.7%.



2-Year Lagged GNPA – Traditional Home Loans vs Recent Entrants



The loan book of new players stands at INR 230 Bio in FY17 - showcasing a growth of 53% from INR 150 Bio in FY16. With 66% of the population under 35 years of age, rapid urbanisation, rising disposable incomes, falling interest rates and the Government's push towards affordable housing. the housing finance sector demonstrates more promise than ever. The Government schemes such as Housing for all by 2022, the Pradhan Mantri Awas Yojna - Credit Linked Subsidy Scheme (PMAY-CLSS) and the interest rate subsidy have further increased growth. With MCLR in place, the cost of borrowing for HFCs has come down. This sector has been brought under the Real Estate (Regulation and Development) Act, 2016 and real estate has been accorded the infrastructure status. HECs share of incremental disbursals by NHB has grown to 51% in FY16 as compared to 38% in 2013 as per a report published by India Ratings.

However, the overall sector remains concentrated, with the top four HFCs (loan book > INR 500bio) having a market share of 79%, as compared to 17% for mid-sized HFCs (loan book of INR 50-500bio) and 4% for smaller HFCs (loan book < INR 50bio). The number of HFCs in India has grown from 55 in FY14 to 70 in FY16, and 80 licences are awaiting approval from NHB. Most of the new entrants are focused on the affordable housing segment.

Opportunities

Growing Sector: A CAGR of 17% is expected in the next 3 years and the profitability of HFCs is expected to remain largely stable in the near term.

Rising Investments: Masala Bonds and an increased limit on ECBs for affordable housing are expected to attract more investments. With affordable housing being treated as a priority sector, banks too may lend more to HFCs.

Lowered Interest Rates: Interest rate cuts are expected to be passed on to the consumers by the developers, and will subsequently boost demand.

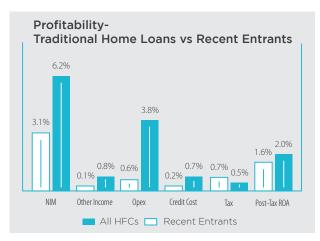
Favourable Demographic Dividend, Rapid Urbanisation and Increasing Disposable Income: With 65% of the population being younger than 35 years of age and 50% being younger than 25, India is one of the youngest nations in the world. Such a demographic dividend coupled with rapidly increasing levels of urbanisation and income promises a huge sustained opportunity in the long run.

With 100% FDI in the sector, and an exemption in service tax and income tax for developers, an accelerated growth is expected in the housing sector.

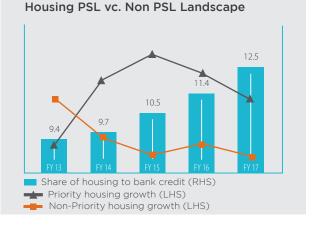
Government's Push for Housing: Various urban and rural development plans, interest subsidy schemes, tax-exemptions for developers, GST and MCLR are bound to accelerate the growth of the housing segment. There is an INR 100bio capital support for public sector banks and NHB plans up to INR 200bio for the refinancing of individual housing loans. A new avenue of opportunity has opened up as 800 square-feet apartments in non-metro locations have been classified under affordable housing. With a 100% FDI in the sector and an exemption in service tax and income tax for developers, an accelerated growth is expected. Developer financing is now a lucrative avenue for business.

Threats

Affordable Housing is a Risky Segment: Although the affordable housing segment exhibits a promising growth potential, it should be noted that this segment calls for much higher operating expenses of 3.8% against the industry average of 0.6%, higher credit costs of 0.7% against the industry average of 0.2%, and much higher GNPAs (CRISIL Report on Affordable Housing, May FY17). The growth rate of non-priority housing has largely remained stable while that of priority housing has been constantly slowing down since FY15.







Industry Offers Thin Margins: Increased competition from banks in the salaried segment, increasing number of players and lower average loan sizes due to moderating real estate prices could lead to moderation in growth for housing finance companies in the next fiscal. The fall in spreads on home loans is expected to put pressure on the margins of housing finance companies. Coupled with this, the volatility in self-employed segment needs a stronger credit mitigant to maintain the risk adjusted yield.

Underdeveloped Indian Debt Market: India's corporate bond market is still underdeveloped and therefore unable to meaningfully share the credit burden of the banking system. Several committees, most notably the RH Patil Committee in 2005, the Percy Mistry Committee in 2007, Committee on Financial Sector Reforms in 2008, and most recently the HR Khan Committee in 2016, recommended measures to augment bond market liquidity. Many of these measures involved market-driven initiatives, such as setting up trade repositories and allowing exchanges to offer dedicated debt segments for corporate bonds so as to enable trading based on a transparent ordermatching mechanism.

While similar measures in the government securities market helped generate liquidity to some extent, they failed to create a meaningful impact on the corporate debt market. Most corporate bond issuances today take place through private placements, where there are fewer disclosure requirements, lower issuance costs, and faster processes compared to public issuance on exchanges. A more fundamental reason, however, why both issuers and investors prefer private placements over public issues can be better explained by studying the microstructure of security markets, an essential principle of which is that liquidity attracts liquidity.

Business Update

Since its inception in the year 2015, Grihashakti has expanded its presence to 41 locations across 9 states. With an average loan ticket size of INR 2mio, your Company has reached an AUM of INR 5bio across 2380 accounts in less than 2 years, far outshining all other HFCs that received licenses in FY15. As on date, your Company offers the following products:

- Home Loans
- Loans against Property
- Plot + Construction (Composite) Loans
- Commercial Property Loans

The Company maintains a balanced portfolio by targeting the entire spectrum ranging from self-employed micro-entrepreneurs to salaried individuals. The gross NPA of the Company stands at c20bps. Grihashakti has been rated AA+ by CARE for long-term debt.

The following guiding principles have been the key drivers of business:

- Measured growth by gradually expanding the customer base, product portfolio and market presence
- Pro-actively adapting to the changing environment, new government schemes and regulatory norms
- Targeting the Tier 2 to Tier 5 locations and suburban areas of metros that have witnessed a robust growth in the housing sector
- Exploring new opportunities such as Developer Finance, alliances with third-party lead generators.
- Staying vigilant for opportunities in new and unexplored markets
- Achieve a desired ROE in the highly competitive sector



The Company maintains a balanced portfolio by targeting the entire spectrum, ranging from self-employed microentrepreneurs to salaried individuals.

The Company is gradually moving towards a less volatile portfolio, shifting from a ticket-size approach to a segmentation approach, reducing intermediaries and moving towards a higher ticket size from INR 2mio to INR 2.5mio. The Company plans to expand its reach to newer geographies with a high urban population. Your company has been abreast with various government initiatives like the PMAY and CLSS, and has also translated these into business opportunities.

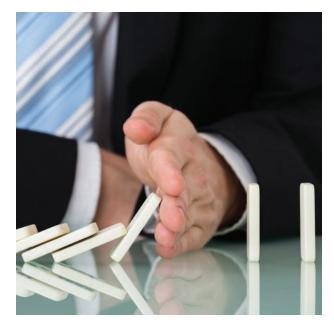
Digitalisation

The Company is working towards setting up dedicated Alternate Channel vertical for generating business through digital leads, cross-selling and staff-referrals. The said digital platform will be set up with services like online lending, customer portal and mobility solutions. Avenues are being explored for alliances with digital marketing and lead aggregator platforms, and your company plans to make this channel a mainstream source of business.

Risk Management

The Company has a well-developed, dedicated risk management team to manage credit, market, operational, fraud, legal and compliance risks. Prudence is ascertained through a strong underwriting vertical. The risk management framework ensures minimum delinquency. A comprehensive underwriting process is followed, which covers the following:

- Understanding business model
- Income/Cash Flow Assessment (Income and Expense both)
- Promoter Skills and Alternative job prospects
- Collaterals
- Personal Discussions with customers in 100% cases of SEP, SENP and Cash Salaried. In SEP & SENP cases, PD takes place at both places i.e. residence and business



- 3 Tier process (customer declaration, sales officer assessment and credit manager assessment) for cash flow analysis to evaluate the ability to pay
- Risk Mitigation by taking an insurance cover to secure the loan
- Three Tier Collateral checks are considered before disbursing the loan
 - Valuation from empanelled valuer (2 Valuations for loans >50 Lacs)
 - In-house technical team to assess collateral value
 - Preventive collateral fraud check by the FCU team



- Title Search & Legal Opinion to determine free, clear and marketable title
 - From external lawyer
 - Title search report to check encumbrance and registration for minimum 13 years
 - Vetting the original title deed by a lawyer
 - In house legal team to support validation of property title
- A Periodical Post Disbursal collateral health check done by the Fraud Control Unit

Funding/Liquidity Management

The company started external borrowings in this financial year. Ensuring adequate liquidity for business and debt servicing remained the key focus area. A majority of the company's borrowing comprised lending from banks, lending stability and renewability to the funding profile. During the year the company also raised funds from capital market sources aggregating Rs. 2,500 lakh thereby broad basing its funding sources. Strong management of this activity was ensured through various levels of supervision and Board oversight as funding and liquidity are key aspects of the overall company growth trajectory.

A healthy pipeline of bank funding is maintained at all times to add resilience to the funding profile. Further, for efficiency, capital market sources are added as and when they suit the funding profile.

The company maintained adequate liquidity buffers in high quality liquid assets to remain funded for lending and repayments. Throughout the year, liquidity maintained was in excess of regulatory requirements. Diversification and maintenance of adequate liquidity remained key objectives. New and deep pocketed lenders were added over the year to create durable and renewable funding sources.

Capital Adequacy

During the year the Company received additional funding of ₹ 300 crores from its parent entity to support its growth plan. The Company manages its capital effectively and efficiently keeping in view the interest of its shareholders, regulators, lenders, rating agencies and other stakeholders. The Company had a capital adequacy ratio of 93.99% as on 31st March 2017 as against requirement of 12% as prescribed by the National Housing Bank.

Human Resource Management

The company strongly believes that people are the source of its competitive advantage. It emphasises in creating an ecosystem where every employee can realise his or her potential, people are respected and performance is rewarded. To support the fast-paced growth, the Company has been actively hiring highly competent individuals, who have strong domain knowledge. Training on product, processes, systems and compliance is undertaken periodically. Our focus continues to be on on-the-job training and we encourage supervisors to provide time to coach their teams.

Forward Looking Statement

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

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

The following discussions on our financial condition and result of operations should be read together with our audited financial statement and the notes to these statements included in the Annual Report. Unless otherwise specified or the context otherwise requires, all references herein to "we", "us", "our", "the Company", "FIHFC", "FIHFCL" or "Fullerton India Home Finance" are to Fullerton India Home Finance Company Limited.



REPORT ON CORPORATE GOVERNANCE

I. Corporate Governance Philosophy and Practice

Fullerton India Home Finance Company Ltd (FIHFC) believes in adopting and adhering to the best recognized corporate governance practices and regularly benchmarks itself against such practise. It also understands and respects its fiduciary role and responsibility towards its shareholders, customers, employees and other stakeholders and strives to meet their expectations.

The Company believes that best Board practise and transparent disclosures are necessary for creating shareholders' value. The Company has infused the philosophy of corporate governance into all its activities. The cardinal principles such as independence, accountability, responsibility, transparency, fair and timely disclosures, credibility, etc., serve as the means for implementing the philosophy of corporate governance in letter and spirit. In addition to compliance with regulatory requirements, FIHFC endeavors to ensure highest standards of ethical and responsible conduct.

The Company continually focuses on upgrading its governance practise and systems to effectively meet new challenges encountered by the Company. It is focused on raising the standards of governance and adopting best systems and processes. It is also committed to achieve and maintain the highest standards of corporate governance by timely and accurate disclosure of information regarding the performance of the Company.

The constitution of the Board and its committees are in compliance with the provisions of the Companies Act, 2013 and the NHB regulations. Although the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015 (hereinafter "LODR, 2015") did not apply as on 31 March, 2017, as its securities were not listed on any stock exchange, the Company voluntarily followed the spirit of LODR, 2015 to the extent possible.

II. Board of Directors

The Corporate Governance principles of the Company ensures that the Board remains informed, independent and provides guidance to the Company. Further the Board is fully aware of its fiduciary responsibilities and recognizes its responsibilities to stakeholders to uphold the highest standards in all matters concerning FIHFC.

Annexure II to the Directors' Report

All the Directors of the Company are well qualified persons of proven competence and possess the highest level of personal and professional ethics, integrity and values. The Directors exercise their objective judgment independently. The Board is committed towards representing the long term interests of its stakeholders. The Board members actively participate in all strategic issues which are crucial for the long term development of the organization.

As on date, the Board comprises five Directors, with one Executive Director (Managing Director), two Independent Directors and two Non-Executive Directors. The Chairman of the Board is a Non-Executive Director.

None of the Independent and Non-Executive Directors have any material pecuniary relationship or transactions with the Company.

Four Board meetings were held during the year on:

- i. 18 May, 2016
- ii. 7 September, 2016
- iii. 1 December, 2016
- iv. 15 March, 2017

The time gap between any two meetings was less than one twenty days and at least one meeting was held every quarter.

As a matter of good governance the dates of the Board meetings are fixed in advance for the full calendar year to enable maximum attendance and participation from all the Directors. The relevant background materials of the agenda items are distributed in advance. All material information is presented for meaningful deliberations at the meeting. The Board on a continual basis reviews the actions and decisions taken by it and by the Committees constituted by it.

The Board members meet the senior management personnel from time to time.

The names of the Directors, attendance at Board Meetings and Annual General Meeting (AGM) during the year, the number of other Directorships and Committee Memberships held by them as on 31 March 2017 are as follows:

Name of the Director	Category of Directorship (i)	Board meetings attended out of 4 held	Attendance at the last AGM held on July 14, 2016	Number o Directo		Number of Committee memberships (iv)
				in other Indian public limited companies (ii)	in other Companies (iii)	
Mr. Shantanu Mitra	NED	4/4	Yes	1	2	Nil
Mr. Anand Natarajan						
(Appointed As MD w.e.f 9 September, 2016)	MD	2/4	NA	Nil	1	Nil
Mr. Rakesh Makkar						
(Resigned w.e.f 8 September, 2016	MD	2/4	Yes	Nil	Nil	Nil
Mr. Kenneth Ho Tat Meng	NED	4/4	No	1	Nil	Nil
Dr. Milan Robert Shuster	ID	4/4	No	1	Nil	1
Ms. Renu Challu	ID	4/4	No	7	1	8

Notes: *"Others" excludes the Company itself

Category of Directorship:

i

- MD Managing Director
- ED Executive Director
- NED Non Executive Director
- ID Independent Director
- ii. Comprises public limited companies incorporated in India.
- iii. Comprises private limited companies incorporated in India, foreign companies and Section 8 companies.
- Only membership/chairmanship of the Audit Committee and Shareholders'/Investors Grievance Committee held in other public limited companies have been considered.
- v. None of the Directors of the Company hold Directorship in more than 10 Public Companies or is a member in more than 10 Committees or acts as Chairman of more than 5 Committees across all companies in which he or she is a Director.

Separate Meeting of Independent Directors

During the year under review, in line with requirements of schedule IV to the Companies Act, 2013 read with the provisions of Section 149(8) of the Companies Act, 2013, the independent directors of the Company had a separate meeting on 15 March, 2017 without the presence of the management team and nonindependent directors of the Company.

Director seeking reappointment

Mr. Kenneth Ho Tat Meng will be retiring at the forthcoming AGM. He being eligible has offered himself for re-appointment. The profile of Mr. Kenneth Ho Tat Meng is as under:

Mr. Kenneth Ho Tat Meng was appointed as the Non-Executive Director of the Company with effect from 9 December, 2015. He also holds the position of the Non-Executive Director in Fullerton India Credit Company Limited (the Company's holding company).

Mr. Kenneth Ho Tat Meng carries more than two decades of Consumer and Commercial Banking experience. He is a graduate in Economics from Flinders University of South Australia and a Master of Business Administration holder from University Putra Malaysia. Currently, he is the Senior Vice President, Consumer Banking for Fullerton Financial Holdings (International) Pte Ltd. Previously he was with Citibank for 10 years covering the roles of Regional Director, Consumer Secured Lending of Citibank Asia Pacific regional office and in Citibank Singapore Pte Ltd as Head of Auto business and Citibusiness (Commercial Banking). Prior to joining Citibank, he also had substantial exposure in EON Bank Berhad, Malaysia, including managing the entire Auto Loans business (national) and covering numerous roles in Branch Banking as well.

Mr. Kenneth Ho Tat Meng does not hold any shares in the Company.

The terms of appointment of Dr. Milan Robert Shuster and Ms. Renu Challu as an Independent Director on the Board of the Company expires on 30 September, 2017. It is proposed to re-appoint them for a further period of three years, with effect from 1 October, 2017.

Brief profiles of Dr. Milan Robert Shuster and Ms. Renu Challu are as under:

Dr. Milan Robert Shuster:

Dr. Shuster, is a professional with decades of experience in the banking sector. He is currently Chairman of the Audit Committee at Bank Danamon Indonesia. He served at Asian Development Bank, ING Bank, National Bank of Canada, Nippon Credit Bank in various capacities. After working as the President and CEO of P. T. Bank PDFCI, he served Bank Danamon Indonesia in various capacities. He became its president and CEO and later its Independent Commissioner. He has also served many other entities in Directorial and advisory capacities.

He holds Ph.D. in International Law and Economics from Oxford University, Master of Law from London School of Economics, Bachelor of Law from University of Western Ontario and Bachelor of Business Administration from Ivey Business School.

Dr. Shuster does not hold any shares in the Company.

Ms. Renu Challu:

Ms. Challu is a seasoned banker with over 38 years of professional experience in investment banking and financial services with State Bank of India. Experience covers strategizing, planning and achievement of goals in all areas of commercial banking: (corporate banking, international banking, retail banking). Some of the positions held at State Bank of India (SBI) include President & COO at SBI Capital Markets, MD & CEO at SBI DFHI, MD of State Bank of Hyderabad and Deputy MD, Corporate Strategy and New Business Development at SBI. Ms. Challu has co-chaired The Centre for Rural Credit and Development Banking in NIRD, Hyderabad (National Institute of Rural Development), and Chaired the Hyderabad chapter of PRMIA (Professional Risk Managers International Association). Ms. Challu has also represented Associate Banks in the Management Committee of Indian Banks' Association (IBA). Ms. Challu currently serves as an Independent Director on the Boards of diverse set of companies.

She is a MA in Economics (Gold Medalist) from University of Lucknow

Ms. Challu does not hold any shares in the Company.

Your Directors recommend the above reappointments.

The detailed profiles of these Directors, particulars of their experience and other information are set out in the Notice convening the AGM.

III. Board Committees

(a) Audit Committee Terms of Reference

The powers and terms of reference of the Audit Committee are comprehensive and include the requirements as set by Section 177 of the Companies Act, 2013. The Committee is vested with necessary powers as defined in its charter to achieve its objectives. The role of the Committee in brief includes the following:

- To review appointment, removal, remuneration and terms of appointment of internal and external auditors;
- To monitor the auditors' independence and performance, and effectiveness of internal and external audit process
- To review financial statements and to oversee the financial reporting process;
- Examination of the internal and external auditors' reports and findings
- Reviewing the adequacy, sufficiency, appropriateness and compliance of internal control systems
- To review and approve related party transactions of the company
- To conduct scrutiny of inter-corporate loans and investments
- To approve valuation of undertakings or assets or net worth of a company or its liabilities
- To oversee the vigil mechanism
- To approve provision of any other services by auditors apart from audit

Composition

The Audit Committee currently comprises of two independent directors and one non-executive director. All the members of the Audit Committee are financially literate and persons of proven competence and integrity. The Company Secretary acts as the Secretary to the Committee. The Statutory Auditors and Internal Auditors are invited to the meeting to bring out the issues which they may have with regards to finance, operations, processes, systems and other allied matters.

Meetings

The Audit Committee Meeting was held four times during the year on the following dates and the necessary quorum was present at the meeting.

- i. 18 May, 2016
- ii. 7 September, 2016
- iii. 1 December, 2016
- iv. 15 March, 2017

The details of the composition of the Committee and attendance at its Meetings are set out in the following table:

Name of Member	Number of Meetings Attended
Mr. Shantanu Mitra (Chairman)	4/4
Ms. Renu Challu	4/4
Dr. Milan Robert Shuster	4/4

The proceedings of the Audit Committee Meetings were noted by the Board of Directors at its meeting.

(c) Nomination and Remuneration Committee

The Company has a Nomination & Remuneration Committee (NRC) pursuant to the requirements of Section 178 of the Companies Act, 2013. The Committee is vested with necessary powers, as per its Charter approved by the Board.

The Terms of Reference of Nomination and Remuneration Committee in brief is as under:

Nomination Functions:

- Review the structure, size and composition of the Board
- Formulate the criteria for determining qualifications, positive attributes and independence of directors
- Be responsible for identifying and nominating for the approval of the Board, persons who are qualified to become directors and who are "fit and proper" and may be appointed in senior management in accordance with the criteria laid dow
- Carry out evaluation of the Directors' performance

- Evaluate suitable candidates and approve the appointment of the managing director, key managerial personnel and the Company's leadership team members
- Formulate plans for succession of the managing director, key managerial personnel and the leadership team members
- Re-appoint any non-executive director at the conclusion of his or her specified term of office
- Recommend re-election of director retiring by rotation

Remuneration Functions:

- Finalise a policy, relating to the remuneration for the directors, key managerial personnel and other employees
- Determine the remuneration payable to the directors
- Recommend the compensation for the managing director, key managerial personnel and each of the leadership team members
- Review deployment of key Human Capital strategies and tools.

Composition

The Nomination and Remuneration Committee currently comprises of two independent directors and one non-executive Director.

Meetings

The Nomination and Remuneration Committee met three times during the year on the following dates and the necessary quorum was present at the meeting.

- i. 18 May, 2016
- ii. 7 September, 2016
- iii. 15 March, 2017

The Committee meets on need basis.

The details of the composition of the Committee and attendance at its meetings are set out in the following table:

Name	Number of Meetings Attended
Dr. Milan Robert Shuster (Chairman)	3/3
Ms. Renu Challu	3/3
Mr. Shantanu Mitra	3/3

The proceedings of the Nomination and Remuneration Committee meeting was noted by the Board of Directors at its meeting.

Your Company has constituted a Risk Oversight Committee (ROC) as prescribed vide Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated 9 February, 2017 issued by the National Housing Bank (NHB). The said Committee has been constituted to identify, review and control key risk areas, across the organization, as per NHB guidelines. The Terms of Reference of the Risk Oversight Committee, in brief, is as under:

- Oversee the development of risk policies and strategies;
- Implement risk policies relevant to business;
- Ensure that activities conducted are in compliance with the requirements of National Housing Bank and within the framework of the policies and controls established by the Company;
- Review and approve risk acceptance policies/ framework, interest rate risk, currency risk and other financial risk;
- Formulating policy on raising resources based on the perceived risk parameters;
- Determining the terms of sanction such as interest rate, security, repayment, documents etc. within the overall credit policy of the company.

The ROC controls and manages the inherent risks relating to the Company's activities in the following categories:

- Credit Risk
- Market Risk / Liquidity Risk
- Liquidity Risk Management
- Currency Risk
- Interest Rate Risk
- Operational Risk
- Regulatory/ Reputational Risk, etc.

Composition

The Risk Oversight Committee currently comprises of one Independent Director, one Executive Director and one Non-Executive Director.

Name

Mr. Kenneth Ho Tat Meng (Chairman)		
Ms. Renu Challu		
Mr. Anand Natarajan		

Meetings

Since the Committee had been recently constituted, it did not meet during the FY2016-17.

Your Company has other management committee under the nomenclature of Asset Liability (Management) Committee (ALCO) formed in terms of circular no. NHB/ND/DRS/ Pol No. 35/ 2010-11 dated 11 October 2010 issued by the National Housing Bank (NHB).

IV. Code of Conduct

The Company adopted the code of conduct approved by the Board of Directors which is binding on the employees of the Company and the same has been complied with.

V. Directors & Officers Liability Insurance coverage

The Company's holding company viz. Fullerton India Credit Company Limited has obtained Directors and Officers Liability Insurance coverage from HDFC Ergo General Insurance Company Ltd to the extent of INR 20 crores along with entity cover under Employees' Practices Liability and any other legal action that might be initiated against the Directors. The said policy cover extends to the Company as well.

VI. General Body Meetings

The details of the General Body Meetings held in the last three financial years are given below:

General Body Meeting	Day, Date	Time	Venue
Extra ordinary	Wednesday, 18	2:30 PM	Corp Office: Floor 6, B Wing, Supreme Business Park,
General Meeting	October, 2016		Supreme City, Mumbai - 400076
Annual General Meeting	Tuesday, 14 July, 2016	2:30 PM	Regd. Office: Megh Towers, 3rd Floor, Old No. 307, New No. 165, Poonamallee High Road, Maduravoyal, Chennai - 600095
Extra ordinary	Tuesday,	11:30 AM	Corp Office: Floor 6, B Wing, Supreme Business Park,
General Meeting	22 April, 2016		Supreme City, Powai, Mumbai – 400076
Extra ordinary	Friday,	11:30 AM	Corp Office: Floor 6, B Wing, Supreme Business Park,
General Meeting	15 January, 2016		Supreme City, Mumbai - 400076
Extra-ordinary	Thursday,	11:30 AM	Corp Office: Floor 6, B Wing, Supreme Business Park,
General Meeting	26 November, 2015		Supreme City, Mumbai – 400076
Annual General Meeting	Thursday, 16 July, 2015	11:00 AM	Regd. Office: Megh Towers, 3rd Floor, Old No. 307, New No. 165, Poonamallee High Road, Maduravoyal, Chennai - 600095
Annual General Meeting	Wednesday, 20 August, 2014	11:20 AM	Regd. Office: Megh Towers, 3rd Floor, Old No. 307, New No. 165, Poonamallee High Road, Maduravoyal, Chennai - 600095

The details of the special resolutions passed in General Meetings held in the previous three financial years are given below:

General Body Meeting	Day, Date	Resolu	ution
Extra ordinary General Meeting	Wednesday, 18 October, 2016		ppointment of Mr. Anand Natarajan as Managing irector of the Company;
Annual General Meeting	Tuesday, 14 July, 2016	No sp	ecial resolution/s passed
Extra ordinary General Meeting	Tuesday, 22 April, 2016	Cr	ower to borrow funds to the extent of INR 2000 rores, under section 180(1)(c) of the Companies ct, 2013;
		to	ower to create charge on assets of the Company the extent of borrowings under section 180(1)(c) f the Companies Act, 2013;
		pr Ac	ower to issue debt securities pursuant to the rovisions of section 42 and 71 of the Companies ct, 2013 on private placement basis not exceeding 1000 crores;
			ower to issue subordinated debt qualifying to iise Tier II capital not exceeding ₹ 300 crores;
Extra ordinary General Meeting	Friday, 15 January, 2016		ppointment of Dr. Milan Robert Shuster as an dependent Director
			ppointment of Ms. Renu Challu as an Independent irector
			ppointment of Mr. Kenneth Ho Tat Meng as a on-Executive Director

General Body Meeting	Day, Date	Resolution
Extra ordinary General Meeting	Thursday, 26 November, 2015	 Appointment of Mr. Rakesh Makkar as Managing Director for a period of 1 year with effect from 9th September 2015
		2. Amendment to Main Objects clause of Memorandum of Association of the Company
		3. Amendment to clauses III(B) and III(C) of the Memorandum of Association of the Company
		4. Amendment to clause IV of Memorandum of Association of the Company
		5. Amendment to clause V of Memorandum of Association of the Company
		6. Adoption of new set of Articles of Association of the Company
Annual General Meeting	Thursday, 16 July, 2015	No special resolution/s passed
Annual General Meeting	Wednesday, 20 August, 2014	No special resolution/s passed

All the resolutions were passed by show of hands and no resolutions were passed by postal ballot.

VI. Disclosures

i. Disclosures on materially significant related party transactions that may have potential conflict with the interests of company at large:

The particulars of the transactions between the company and 'related parties' are provided at Note No. 24 in Notes to accounts published elsewhere in the Annual Report. None of the transactions are likely to have any conflict with Company's interest.

ii. Details of non-compliance by the company, penalties, strictures imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years - NIL

VIII. CEO/CFO Certificate:

The CEO and the CFO of the Company have certified to the Board with regard to the financial statements and other matters. This certificate is included as Annexure III to the Directors' Report.

Annexure III to Directors Report

CERTIFICATION BY CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO)

To,

The Shareholders and the Board of Directors Fullerton India Home Finance Company Limited

We, Ravindra Rao, Chief Executive Officer and Pankaj Malik, Chief Financial Officer, of Fullerton India Home Finance Company Limited, to the best of our knowledge and belief, certify that:

- a. We have reviewed the financial statements and the cash flow statements for the year ended 31 March, 2017 (hereinafter referred to as the year) and that to the best of our knowledge and belief:
 - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's internal policies
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and have taken requisite steps to rectify these deficiencies.
- d. We have indicated to the Auditors and the Audit Committee;
 - i. Significant changes in internal control over financial reporting during the year; and
 - ii. Significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements.
- e. There had been no instances of fraud reported by the Company to the Board. The Company is registered as a non-deposit-taking housing finance company.

Sd/-**Ravindra Rao** Chief Executive Officer -/Sd/-**Pankaj Malik** Chief Financial Officer

Place: Mumbai Date: 17 May, 2017

SECRETARIAL AUDIT REPORT

Annexure IV to the Directors' Report

Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017 [Pursuant to Section 204(1) of the Companies Act, 2013 and Rule no.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To, The Members, Fullerton India Home Finance Company Limited

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

Based on our verification of the Company's books. papers, minute books, forms and returns filed and other records maintained by the Company (as per Annexure 1, hereinafter referred to as "Books and Papers") and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the period covered by our audit, that is to say, from April 01, 2016 to March 31, 2017 (hereinafter referred to as "Audit Period"), complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the Books and Papers maintained by the Company for the Audit Period according to the provisions of:

- 1. The Companies Act, 2013 ("the Act") and the rules made thereunder;
- 2. Laws specifically applicable to the industry to which the Company belongs, as identified by the management, that is to say:
 - a. National Housing Bank Act, 1987;
 - b. The Housing Finance Companies (NHB) Directions, 2010;
 - c. Guidelines on KYC and AML Measures;
 - d. Returns to be submitted by HFC;
 - e. Guidelines for Asset Liability Management System in Housing Finance Companies;

- f. Housing Finance Companies Corporate Governance (National Housing Bank) Directions, 2016;
- g. Guidelines on Fair Practices Code (FPC) for all HFCs;
- h. Miscellaneous Circulars;
- i. Policy Circulars.
- j. Insurance Regulatory and Development Authority of India (Registration of Corporate Agents) Regulations, 2015

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

a. Secretarial Standards 1 and 2 issued by the Institute of Company Secretaries of India;

We report that during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above.

Management Responsibility:

- i. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit;
- ii. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion;
- We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company or examined any books, information or statements other than Books and Papers;
- iv. We have not examined any other specific laws except as mentioned above;

- v. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulation and happening of events etc.;
- vi. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis;
- vii. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the Audit Period were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Resolutions have been approved with unanimous consent.

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

We further report that during the Audit Period, the Company has not incurred any specific event/ action listed below that can have a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc., except as follows:

i. Rights Issue of Equity Shares:

During the Audit Period, the Company made following allotments on rights basis to Fullerton India Credit Company Limited, the holding company:

- 2,38,09,524 equity shares of face value INR
 10 each at a premium of INR 11 per share on
 24 May, 2016;
- 2,29,35,780 equity shares of face value INR
 10 each at a premium of INR 11.80 per share on 27 September, 2016;
- 9,09,09,091 equity shares of face value INR 10 each at a premium of INR 12 per share on 31 March, 2017.

ii. Increase of borrowing limit to INR 20 bio:

Special resolution, in terms of section 180 (1) (a) & (c) was passed in the extraordinary general meeting held on 22 April, 2016 to affirm the borrowing powers of the Company to the extent of INR 2000 crores as per details provided in the resolution passed.

Thanking You Yours sincerely

For M/s. Vinod Kothari & Company

Practising Company Secretaries UIN P1996WB042300

Sd/-**Vinita Nair** Partner

C. P. No. 11902

Place: Mumbai Date: 2 May, 2017

INDEPENDENT AUDITOR'S REPORT

To the Members of Fullerton India Home Finance Company Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Fullerton India Home Finance Company Limited ("the Company"), which comprise the balance sheet as at 31 March 2017, the statement of profit and loss, the cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

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

is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

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

Report on Other Legal and Regulatory Requirements

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 said Order.

As required by Section 143 (3) of the Act, we report that:

- (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
- (d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

- (e) on the basis of the written representations received from the directors as on 31 March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 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"; and
- (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company does not have any pending litigations as on 31 March 2017 which would impact its financial position;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses -;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. As referred to in note 33 to the financial statement, 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 8 November 2016 to 30 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 B S R & Co. LLP Chartered Accountants Firm's Registration No: 101248W/W-100022

Place: Mumbai Date: 17 May, 2017 Sd/-Manoj Kumar Vijai Partner Membership No: 046882

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON FINANCIAL STATEMENTS OF FULLERTON INDIA HOME FINANCE COMPANY LIMITED

- (i) a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - a. The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified every year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
 - b. According the information and explanations given to us, the Company is not having any immovable property
- (ii) The Company is a Housing Finance Company. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable to the Company.
- (iii) During the year, 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. Thus, paragraph 3(iii)(a) is not applicable.
- (iv) According to the information and explanations given to us, the Company has not advanced any loan or given any guarantee or provided any security or made any investment covered under Section 185 and 186 of the Act. Thus, paragraph 3(iv) of the Order is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of Section 73 to Section 76 or any other relevant provisions of the Act and the rules framed there under apply.
- (vi) The Central Government has not prescribed the maintenance of cost records under sub section
 (1) of section 148 of the Act for any of the activities conducted/ services rendered by the Company. Thus, paragraph 3(vi) of the Order is not applicable.
- (vii) a. According to the information and explanations given to us and on the basis of our examination of the records of the

Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, service tax, employees' state insurance professional tax and other material statutory dues have generally been deposited regularly during the year by the Company to the appropriate authorities. As explained to us, the Company did not have any dues on account of Sales-tax, duty of customs, duty of excise, and value added tax as at 31 March 2017.

- b. According to the information and explanations given to us, there are no dues of provident fund, employees' state insurance, income tax or service tax which have not been deposited to appropriate authorities on account of any dispute.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of borrowings or loan from financial institution or banks. The Company did not have any outstanding borrowings or loan from government or dues to debenture-holders during the year.
- (ix) During the year, the Company has not raised money by way of initial public offer or further public offer (including debt instrument). According to the information and explanations given to us, the term loans obtained during the year were, prima facie, applied by the Company for the purpose for which they were obtained, other than temporary deployment pending application.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the explanation and information given to us, no material fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations given to us and based on examination of the relevant records of the Company, the Company has not paid/provided for managerial remuneration as covered by the provisions of section 197 of the Act read with Schedule V to the Act.

- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Thus, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and on the basis of our examination of the relevant records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details of such transactions have been disclosed in the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the relevant records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Thus, paragraph 3(xiv) of the Order is not applicable.
- (xv) According to the information and explanations given to us, the company has not entered into any noncash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company being a Housing Finance Company is registered with National Housing Bank and thus not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For B S R & Co. LLP Chartered Accountants Firm's Registration No: 101248W/W-100022

Place: Mumbai Date: 17 May, 2017 Sd/-Manoj Kumar Vijai Partner Membership No: 046882

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON FINANCIAL STATEMENTS OF FULLERTON INDIA HOME FINANCE COMPANY LIMITED

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

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

Management's 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 and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the 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

The 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. The 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 31 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 B S R & Co. LLP Chartered Accountants Firm's Registration No: 101248W/W-100022

Place: Mumbai Date: 17 May, 2017 Sd/-Manoj Kumar Vijai Partner Membership No: 046882

BALANCE SHEET as at March 31, 2017

Particulars	Notes	March 31, 2017	March 31, 2016
	Notes		
Shareholders' funds			
Share capital	3	1,95,27,34,430	57,61,90,480
Reserves and surplus	4	1,48,05,00,828	(2,11,08,897)
	4	1,40,00,00,020	(2,11,00,007)
Non-current liabilities			
Long-term borrowings	5	3,10,00,00,000	-
Other long term liabilities	6	6,12,79,467	26,50,959
Long-term provisions	7	4,94,89,137	19,47,290
Current liabilities			
Short-term borrowings	8	23,75,63,310	-
Other current liabilities	9	1,42,69,12,824	8,76,71,428
Short-term provisions	7	31,56,821	41,094
TOTAL		8,31,16,36,817	64,73,92,354
ASSETS			
Non-current assets			
FIXED ASSETS			
Tangible assets	10	53,19,448	34,03,309
Intangible assets	11	12,87,281	-
Long-term loans and advances	12	4,62,37,60,301	23,86,29,255
Other non-current assets	13	48,36,30,984	15,11,454
Current assets			
Current investments	14	2,86,72,89,572	25,25,67,405
Cash and bank balances	15	16,03,36,123	14,24,83,971
Short-term loans and advances	12	12,68,69,080	73,74,256
Other current assets	13	4,31,44,028	14,22,704
TOTAL		0 71 16 76 017	64,73,92,354
Summary of significant accounting policies	2.1	8,31,16,36,817	04,/3,92,334
Summary of significant accounting policies	∠.1		

The accompanying notes are an integral part of the financial statements As per our report of even date

For B S R & Co LLP Chartered Accountants Firm's Registration No: 101248W/W-100022

Sd/-**Manoj Kumar Vijai** Partner Membership No: 046882

Place : Mumbai Date : May 17, 2017 For and on behalf of the Board of Directors of Fullerton India Home Finance Company Limited

Sd/-**Shantanu Mitra** Chairman

Sd/-**Pankaj Malik** Chief Financial Officer

Place : Mumbai Date : May 17, 2017 Sd/-Anand Natarajan Managing Director

Sd/-Jitendra Maheswari Company Secretary

STATEMENT OF PROFIT AND LOSS for the year ended March 31, 2017

Particulars	Notes	March 31,2017	March 31,2016
Income			
Revenue from operations	16	23,28,27,883	1,11,14,596
Other income	17	2,37,16,675	1,20,01,853
Total income (I)		25,65,44,558	2,31,16,449
Expenses			
Employee benefit expenses	18	15,22,01,883	2,68,87,928
Other expenses	19	10,01,23,962	4,48,13,606
Depreciation and amortization expenses	10&11	21,04,898	3,52,696
Finance cost	20	7,61,94,656	-
Provisions and write-offs	21	4,77,65,494	9,73,413
Total expenses (II)		37,83,90,893	7,30,27,643
Profit before tax (III) =(I)-(II)		(12,18,46,335)	(4,99,11,194)
Tax expense (IV)		-	-
Profit after tax for the year (III)-(IV)		(12,18,46,335)	(4,99,11,194)
Earnings per equity share (₹) (Face value ₹10 per share)	22		
Basic (Computed on the basis of total profit for the period)		(1.36)	(1.89)
Diluted (Computed on the basis of total profit for the period)		(1.36)	(1.89)
Significant accounting policies	2.1		
The accompanying notes are an integral part of the financial statements			

As per our report of even date

For B S R & Co LLP Chartered Accountants Firm's Registration No: 101248W/W-100022

Sd/-Manoj Kumar Vijai Partner Membership No: 046882

Place : Mumbai Date : May 17, 2017 For and on behalf of the Board of Directors of Fullerton India Home Finance Company Limited

Sd/-Shantanu Mitra Chairman

Sd/-Pankaj Malik Chief Financial Officer

Place : Mumbai Date : May 17, 2017 Sd/-Anand Natarajan Managing Director

Sd/-Jitendra Maheswari Company Secretary

CASH FLOW STATEMENT for the year ended March 31, 2017

Particulars	March 31,2017	March 31, 2016
A. Cash flow from operating activities:		
Profit before tax	(12,18,46,335)	(4,99,11,194)
Adjustment for computing operating profit before working capital changes:		
Depreciation and amortization	21,04,898	3,52,696
Interest on fixed deposits and bonds	(1,25,15,956)	(86,23,805)
Interest on investments	(15,84,922)	-
Discount on Commercial Paper	58,67,310	
Profit on sale of investments	(2,36,59,095)	(1,20,01,853)
Provision for standard/sub standard assets and bad debts written off	4,77,65,494	9,73,413
Provision for employees benefits	28,92,081	10,14,970
Amortisation of ancillary borrowing costs	3,88,132	-
Unamortised loan origination costs	3,07,64,268	16,95,810
Unamortised loan processing fees	(34,14,221)	(64,679)
Operating profit before working capital changes	(7,32,38,345)	(6,65,64,642)
Movements in working capital :		
- Increase/(decrease) in current liabilities	1,21,42,41,396	8,75,53,297
- Increase/(decrease) in other long term liabilities	6,20,42,728	27,15,639
- (Increase)/decrease in long term loans and advances	(4,38,54,11,255)	(23,73,67,198)
- (Increase)/decrease in short term loans and advances	(11,94,94,825)	(73,74,256)
- (Increase)/ decrease in other non current assets	(2,79,71,809)	(15,11,454)
- (Increase)/decrease in other current assets	(6,66,44,335)	(30,47,827)
Net cash used in operations	(3,39,64,76,445)	(22,55,96,440)
- Income Taxes paid	2,71,851	(11,51,674)
Net cash used in operating activities (A)	(3,39,62,04,593)	(22,67,48,114)
B. Cash flow from investing activities:		
Purchase of tangible and intangible assets	(53,08,318)	(37,56,005)
Purchase of current investments	(22,01,70,04,650)	(3,42,76,00,000)
Sale/maturity of investments	19,42,75,18,858	3,18,70,34,448
Fixed deposit placed during the year	(45,00,00,000)	(8,65,00,000)
Fixed deposit matured during the year	8,65,00,000	10,28,75,000
Interest received on fixed deposits and bonds	80,93,019	1,06,31,302
Interest received on investments	16,000	-
Net cash used in investing activities (B)	(2,95,01,85,091)	(21,73,15,254)

	Particulars	March 31,2017	March 31, 2016
С.	Cash flow from financing activities		
	Proceeds from issuance of share capital (including share premium)	3,00,00,00,010	50,00,00,004
	Availment of long term borrowings from banks and financial institutions	3,22,50,00,000	-
	Availment of short term borrowings from banks and financial institutions	73,16,96,000	-
	Repayment of short term borrowings from banks and financial institutions	(50,00,00,000)	-
	Payment of ancillary borrowing costs	(59,54,174)	-
	Net cash generated from financing activities (C)	6,45,07,41,836	50,00,00,004
	Net increase/(decrease) in cash and cash equivalents (A)+(B)+(C)	10,43,52,152	5,59,36,636
	Cash and cash equivalents as at the beginning of the year	5,59,83,971	47,336
	Cash and cash equivalents as at the end of the year (refer note 25)	16,03,36,123	5,59,83,971
	Components of cash and cash equivalents as at the end of the year		
	Cash and cheques on hand		
	With banks - on current account	5,03,36,123	5,59,83,971
	- on deposit account	11,00,00,000	-
	Cash and cash equivalents as at the end of the year	16,03,36,123	5,59,83,971
	Significant accounting policies		

As per our report of even date

For B S R & Co LLP Chartered Accountants Firm's Registration No: 101248W/W-100022

Sd/-**Manoj Kumar Vijai** Partner Membership No: 046882

Place : Mumbai Date : May 17, 2017 For and on behalf of the Board of Directors of Fullerton India Home Finance Company Limited

Sd/-**Shantanu Mitra** Chairman

Sd/-**Pankaj Malik** Chief Financial Officer

Place : Mumbai Date : May 17, 2017 Sd/-Anand Natarajan Managing Director

Sd/-**Jitendra Maheswari** Company Secretary

NOTES

1 Background

Fullerton India Home Finance Company Limited ('The Company') has been incorporated on August 12, 2010, with the main object of providing finance for purchase, repairs, construction, and enlargement, erection of house or apartments or building. The Company is registered with the National Housing Bank of India (the NHB) vide Registration number 07.0122.15 dated July 14, 2015.

2 Basis of preparation

The accompanying financial statements of the Company have been prepared in accordance with the accounting principles generally accepted in India (Indian GAAP) and comply with the Accounting Standards notified under Section 133 of the companies Act, 2013 (the Act) read together with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act, Schedule III to the Act and Housing Finance Companies (NHB) Directions, 2010 as amended from time to time. The financial statements have been prepared under the historical cost convention on an accrual basis.

The financial statements are presented in Indian Rupees.

The accounting policies adopted in the preparation of financials statement are consistent with those of previous year.

The Company being a Housing Finance Company registered with the NHB follows the guidelines issued by the NHB, in respect of income recognition, provisioning for nonperforming assets and valuation of investments.

2.1 Significant Accounting Policies

(a) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based on management's knowledge of current event and actions, uncertainty about these assumptions and estimates could result in the outcome requiring material adjustments to the carrying amounts of assets and liabilities in future periods. Any revision to the accounting estimates is recognised prospectively in current and future periods

(b) Fixed assets and depreciation Tangible fixed assets

Fixed assets are stated at cost less accumulated depreciation and impairment loss, if any. Cost of fixed assets comprises purchase price and any directly attributable cost of bringing the asset to its working condition for the intended use.

Gain or loss arising from de-recognition of a fixed asset is measured as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss when the asset is derecognised.

Intangible assets

Costs relating to acquisition and development of computer software are capitalised in accordance with the AS 26 'Intangible Assets' issued by the Institute of Chartered Accountants of India ('ICAI') and are amortised using the straight line method over a period of five years, which is the management's estimate of its useful life. Any expenses on such software for support and maintenance are charged to Statement of Profit and Loss.

Depreciation on tangible fixed assets

Depreciation on is provided on pro-rata basis using the Straight Line Method ('SLM') from the date the asset is ready for its intended use or put to use whichever is earlier. In respect of assets sold, depreciation is provided up to the date of disposal.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013. Useful life of the assets has been assessed based on internal assessment, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

	Management estimate of Useful life (in years)	Useful life as per the limits prescribed in Schedule II to the Companies Act, 2013 (in years)
Computer Server and Other Accessories	4	6
Computer Desktop and Laptops	3	3
Furniture and Fixtures	5	10
Office Equipments	5	55

Assets individually costing Rupees Five Thousand or less are fully depreciated in the year of purchase or acquisition.

(c) Impairment

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such estimated recoverable amount of the asset is less than its carrying amount, the carrying amount is reduced to its estimated recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss.

If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

(d) Investments

Investments are classified into long term investments and current investments. Investments which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

Current investments are carried in the financial statements at lower of cost and fair value determined in accordance with the NHB directions. The comparison of cost and fair value is done separately in respect of each category of investment. Investments in the units of mutual funds in the nature of current investments that have been valued at the net asset value (NAV) declared by the mutual fund in respect of each particular scheme

Long-term investments are carried at cost less diminution in value which is other than temporary, determined separately for each investment. Provision for diminution in the value of investments is made in accordance with the guidelines issued by the NHB and the accounting standard on "Accounting for Investments" (AS 13)

(e) Asset classification and Provisioning/ write-off of Assets

- Loans are classified as standard and non-performing assets (NPA) in accordance with The Housing Finance Companies (NHB) Directions, 2010 as amended from time to time.
- (ii) Loans are provided for/written off, in accordance with Company's policy, subject to the minimum provision required as per The Housing Finance Companies (NHB) Directions, 2010 as amended from time to time.
- (iii) Provision for standard assets is being made on total outstanding amount of standard loans including accrued interest on such loans, on the basis of prudential norms laid down by the NHB and as mentioned in Notes 6 to the financial statements.

(f) Operating Leases

Lease arrangements where the Lessor effectively retains, substantially, all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

(g) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Interest Income

Interest income on loans given is recognised on accrual basis, except in case of non-performing assets where interest is recognised on realisation, as per NHB guidelines. Loans are repaid by way of Equated Monthly Installments (EMI), which comprise of principal and interest. Interest is calculated on outstanding balance at the EMI dates. EMIs generally commence only after the entire loan is disbursed. Pending commencement of EMIs, pre-EMI interest is charged every month and is accounted on accrual basis.

Interest income on deposits with banks is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

Fee income

Processing fee collected are amortised over the contractual tenor of the loan agreement in proportion to the interest accrued during the year. The unamortised balance is disclosed under "Other current/non-current liabilities" based on unexpired tenor of loan. For the agreements foreclosed or transferred through assignment, the unamortised portion of the fee is recognised as income to the Statement of Profit and Loss at the time of such foreclosure/transfer through assignment.

Additional charges such as penal, cheque bouncing charges, foreclosure charges, loan conversion charges etc. are recognised on receipt basis.

Profit/Loss in sale of investments

Profit/loss earned on sale of investments is recognised on trade date basis. On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss. Profit / loss on sale of investments is determined on average cost basis.

Income on discounted instruments

Income on discounted instruments is recognised over the unexpired tenor of the instrument on straight line basis.

- (h) Retirement and Other Employee benefitsi) Short Term Employee Benefits
 - All short term employee benefits are accounted on undiscounted basis

during the accounting period based on services rendered by employees.

ii) Defined Contribution Plans

The Company contributes to a recognised provident fund which is a defined contribution scheme. The contributions as specified by law are made to the Regional Provident Fund Commissioner and charged to the Statement of Profit and Loss of the year when the contribution to the respective fund is due. There are no obligations other than contribution payable to the provident fund.

iii) Defined Benefit Plans

The Company's gratuity scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit is calculated by estimating the amount of future benefit that the employees have earned in return for their service in the current and prior periods, that benefit is discounted to determine its present value.

The present value of the obligation under such benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method which recognises each period of service that give rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at present values of estimated future cash flows. The discounted rates used for determining the present value are based on the market yields on Government Securities as at the balance sheet date.

Actuarial gains and losses comprising of experience adjustments and the effects of changes in actuarial assumptions are recognised immediately in the statement of profit and loss.

iv) Leave benefits

Accumulated leave balance, which is expected to be utilised within the next twelve months, is treated as short term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to incur as a result of unused entitlement that has accumulated at the reporting date.

(i) Income taxes

Tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the Income-tax Act, 1961) and deferred tax charge / credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). Current income tax is recognised on an annual basis under the taxes payable method, based on the estimated tax liability computed after taking credit for allowances and exemption in accordance with Income-tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised when there is reasonable certainty that the assets can be realised in future, however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised to the extent there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonable / virtually certain (as the case may be) to be realised

Minimum alternate tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The Company recognises MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognises MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the Statement of Profit and Loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

(j) Earnings per share

The Company reports basic and diluted earnings per share in accordance with Accounting Standard 20 - Earnings Per Share as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. Basic earnings per share is calculated by dividing the net profit after tax / net loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit after tax / net loss attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

(k) Provisions & Contingencies

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an economic benefit will arise, the asset and related income are recognised in the period in which the change occurs.

(I) Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank and cash in hand and short term balances with original maturity of three months or less from the date acquisition, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

(m) Loan origination costs

Loan origination costs such as credit verification, contact point verification, agreement stamping and direct selling agents commission directly attributable to disbursed loans are amortised over the contractual tenor of the loan agreements in proportion to the interest accrued during the year. The unamortised balance is disclosed as part of "Other Assets" based on unexpired tenor of loan. For the agreements foreclosed or transferred through assignment, the unamortised portion of such loan origination costs are recognised as charge to the Statement of Profit and Loss at the time of such foreclosure/transfer through assignment.

(n) Current-non-current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria :

- (a) it is expected to be realised in, or is intended for sale or consumption in, the company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is expected to be realised within 12 months after the reporting date; or
- (d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting dated.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria :

- (a) it is expected to be settled in the company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is due to be settled within 12 months after the reporting dated; or
- (d) the company does not have an unconditional right to defer settlement

of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include the current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

(o) Foreign currency transactions

Foreign currency transactions are recorded at the rates of exchange prevailing on the date of the transaction. Exchange differences, if any, arising out of transactions settled during the year are recognised in the statement of profit and loss for the year.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date. The resultant exchange differences, if any, are recognised in the statement of profit and loss and related assets and liabilities are accordingly restated in the balance sheet.

Non-monetary balances, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate on the date of the transaction

Exchange differences

Exchange differences arising on the settlement of monetary balances or on the restatement of the Company's monetary balances at rates different from those at which they were initially recorded during the year, or reported in the previous financial statements, are recognised as income or as expense in the year in which they arise.

(p) Stock appreciation rights

In case of stock appreciation rights, measurement and disclosure of the employee share-based payment plan is done in accordance with the Guidance Note on Accounting for Employee Sharebased Payments, issued by the ICAI. The Company measures compensation cost relating to stock appreciation rights using the fair value method. Compensation

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expense is amortised over the vesting period of the option on a straight line basis. Full provision is made in case of options vested and exercisable.

(q) Borrowing costs

Ancillary borrowing costs incurred in connection with the arrangement of borrowings is amortised over the contractual tenor of the borrowing in proportion to the interest accrued during the year. The unamortised balance is disclosed as part of "Other Assets" based on unexpired tenor of borrowing. For the borrowings foreclosed, the unamortised portion of such borrowing costs is recognised as charge to the Statement of Profit and Loss at the time of such foreclosure.

(r) Commercial papers

Commercial papers issued by the Company are recognised at redemption value net of unamortised finance charges. The difference between redemption price

3. SHARE CAPITAL

and issue price is amortised on a straight line over the residual tenor of commercial paper and is disclosed separately under finance cost.

(s) Cash flow statement

Cash flows are reported using the indirect method, whereby profit/(loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.2 Change in estimates

(a) During the current year, the Company has revised the estimate of provision on standard assets. Had the Company used the estimate applicable in previous year the provision on standard assets would have been lower by ₹ 25,989,182.

Particulars	March 31, 2017	March 31, 2016
Authorised Shares		
1,500,000,000 (March 31, 2016: 1,500,000,000) equity shares of ₹ 10 each	15,000,000,000	15,000,000,000
	15,000,000,000	15,000,000,000
Issued, subscribed and fully paid up shares		
195,273,443 (March 31, 2016: 57,619,048) equity shares of ₹10 each	1,95,27,34,430	57,61,90,480
	1,95,27,34,430	57,61,90,480

Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity Shares	March 31, 2017		March 31	, 2016
	No. of shares	Rupees	No. of shares	Rupees
At the beginning of the year	5,76,19,048	57,61,90,480	1,00,00,000	10,00,00,000
Issued during the year	13,76,54,395	1,37,65,43,950	4,76,19,048	47,61,90,480
Outstanding at the end of year	19,52,73,443	1,95,27,34,430	5,76,19,048	57,61,90,480

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 held.

Any Dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. Dividend is declared and paid in Indian rupees.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all the preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Shares held by holding /ultimate holding company and/or their subsidiaries/associates

Out of equity shares issued by the Company, shares held by its holding company, ultimate holding company and their subsidiaries/associates are as below:

	March 31, 2017	March 31, 2016
Fullerton India Credit Company Limited, the holding company and its nominees 19,52,73,443 (March 31, 2016: 5,76,19,048) equity shares of ₹10 each)	1,95,27,34,430	57,61,90,480

Details of shareholders holding more than 5% shares in the Company

Equity shares of ₹ 10	March 31, 2017		March 31, 2016	
each fully paid	No. of shares	% holding in the class	No. of shares	% holding in the class
Fullerton India Credit Company Limited, the holding company and its nominees	19,52,73,443	100.00%	5,76,19,048	100.00%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

4. RESERVE AND SURPLUS

Particulars		March 31, 2017	March 31, 2016
Securities Premium Account			
Opening Balance		23,809,524	-
Add: on issue of shares during the year		1,623,456,060	23,809,524
Closing Balance	(A)	1,647,265,584	23,809,524
Statutory Reserve under Section 29C(i) of the NHB Act, 1987*			
Balance as per the last financial statements		-	-
Add: Amount transferred from statement of profit and loss		-	-
Closing Balance	(B)	-	-
(Deficit) in the statement of profit and loss			
Opening balance		(44,918,421)	4,992,773
Add: Profit/(loss) for the year		(121,846,335)	(49,911,194)
Net deficit in the statement of profit and loss	(C)	(166,764,756)	(44,918,421)
Total reserves and surplus (A+B+C)		1,480,500,828	(21,108,897)

* As per Section 29C of the National Housing Bank Act, 1987, the Company is required to transfer at least 20% of its net profits every year to a statutory reserve before any dividend is declared. The Company commenced commercial operations as Housing Finance Company during the financial year 2015-16. No amount has been transferred to statutory reserve as the Company has incurred losses.

5. LONG TERM BORROWINGS

Particulars	Non Curre	nt portion	Current maturities		
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	
Term Loans					
Indian rupee loan from banks (secured)*	3,10,00,00,000	-	12,50,00,000	-	
Total	3,100,000,000	-	125,000,000	-	
The above amount includes					
Secured Borrowings	3,100,000,000	-	125,000,000	-	
Less: Amount disclosed under the head other urrent liabilities (refer note 9)	-	-	125,000,000	-	
Total	3,100,000,000	-	-	-	

*Loan from banks are secured by first pari passu charge over all loan receivables of the Company.

Repaymen frequency			nt	Yearly repayment	Total	
Original ma of loan (in no. of d		731-1095 More than 1460		in 1460	731-1095	
Rate of int	terest	09% - 11%	08% - 09%	09% - 11%	09% - 11%	
Due with- in 1 year	No. of install- ments	2	-	-	-	2
	Rupees	125,000,000	-	-	-	125,000,000
Due 1 to 2 Years	No. of install- ments	7	4	2	1	14
	Rupees	433,313,333	162,500,000	41,666,667	49,980,000	687,460,000
Due 2 to 3 Years	No. of install- ments	8	7	2	2	19
	Rupees	441,686,667	595,833,333	41,666,667	100,020,000	1,179,206,667
More than 3 Years	No. of install- ments	-	14	2	-	16
	Rupees	-	1,191,666,667	41,666,667	-	1,233,333,333
Total	Rupees	1,000,000,000	1,950,000,000	125,000,000	150,000,000	3,225,000,000

Following are the terms of repayment of term loans as on March 31, 2017

There were no term loans outstanding as on March 31, 2016

6. OTHER LONG TERM LIABILITIES

Particulars	March 31, 2017	March 31, 2016
Employee benefits payable	8,532,016	-
Unamortised loan processing fees	52,747,451	2,650,959
Total	61,279,467	2,650,959

7. **PROVISIONS**

Particulars	Long Term		Short Term	
Particulars	March 31,2017	March 31, 2016	March 31,2017	March 31, 2016
Provision for employee benefits				
Provision for gratuity (refer note 29)	2,228,212	998,275	24,999	16,695
Provision for leave benefits	-	-	1,653,840	-
Other provisions				
Provision for standard assets	46,143,903	949,015	1,477,982	24,399
Provision for sub-standard assets	11,17,022	-	-	-
Total	49,489,137	1,947,290	3,156,821	41,094

8. Short-term borrowings

Particulars	March 31, 2017	March 31, 2016
Unsecured		
Commercial paper	237,563,310	-
Total	237,563,310	-

Commercial paper carries interest rate of 7.90% p.a. and tenure of 365 days repayable in bullet payment.

9. OTHER CURRENT LIABILITIES

Particulars	March 31, 2017	March 31, 2016
Other liabilities		
Current maturities of long term borrowings (refer note 5)	125,000,000	-
Expenses and other payable (refer note 30 for details of dues to Micro Small and Medium Enterprises)	46,716,917	10,662,171
Employee benefits payable	30,111,938	5,320,157
Book overdraft	1,162,438,841	64,716,380
Interest accrued but not due on borrowings		
On bank loans	6,757,526	-
Undisputed statutory dues payable	8,495,728	2,204,284
Others	41,426,444	4,044,274
Unamortised loan processing fees	5,965,430	724,162
Total	1,426,912,824	87,671,428

10. Tangible assets

Particulars (Rupees)	Office Equipments	Furniture & Fixtures	Computers & Accessories	Total
Cost				
At March 31,2015	-	-	-	-
Addition during the year	-	-	3,756,005	3,756,005
Deductions/adjustments during the year	-	-	-	-

Particulars (Rupees)	Office Equipments	Furniture & Fixtures	Computers & Accessories	Total
At March 31, 2016	-	-	3,756,005	3,756,005
Addition during the year	4,831	1,541,172	2,337,527	3,883,530
Deductions/adjustments during the	-	-	-	-
year				
At March 31, 2017	4,831	1,541,172	6,093,532	7,639,534
Depreciation				-
At March 31, 2015	-	-	-	
Charge for the year	-	-	352,696	352,696
Deductions/adjustments during the	-	-	-	-
year				
At March 31,2016	-	-	352,696	352,696
Charge for the year	4,831	198,951	1,763,608	1,967,390
Deductions/adjustments during the				
year				
At March 31,2017	4,831	198,951	2,116,304	2,320,086
Net Block				
At March 31,2016	-	-	3,403,309	3,403,309
At March 31,2017	-	1,342,220	3,977,228	5,319,448
Capital Work in Progress				
At March 31,2016	-	-	-	-
At March 31,2017	-	-	-	-

11. INTANGIBLE ASSETS

Particulars	Software
(RUPEES)	
Cost	
At March 31, 2015	-
Addition during the year	-
Deductions/adjustments during the year	-
At March 31,2016	-
Addition during the year	1,424,788
Deductions/adjustments during the year	-
At March 31,2017	1,424,788
Amortisation	
At March 31, 2015	-
Charge for the year	-
Deductions/adjustments during the year	-
At March 31,2016	-
Charge for the year	137,507
Deductions/adjustments during the year	-
At March 31,2017	137,507
Net Block	
At March 31,2016	-
At March 31,2017	1,287,281
Capital Work in Progress	
At March 31,2016	-
At March 31,2017	-

12. LOANS AND ADVANCES

		Non current		Current	
	Particulars	March 31,2017	March 31, 2016	March 31,2017	March 31, 2016
		Rupees	Rupees	Rupees	Rupees
Α	Portfolio loans				
	a. Secured, considered good*				
	Housing	2,628,278,408	174,381,580	52,469,239	3,223,954
	Non Housing	1,986,111,905	62,871,867	61,073,687	1,708,191
	b. Secured, considered doubtful**				
	Housing	7,446,814	-	-	-
	Sub-Total	4,621,837,127	237,253,447	113,542,926	4,932,145
В	Advances recoverable in cash or in kind or for value to be received				
	Unsecured, considered good	380,602	159,385	475,592	-
	Sub-Total	380,602	159,385	475,592	-
С	Other loans and advances				
	Advance Income Tax (net ofprovision for tax)	944,572	1,216,423	-	-
	Prepaid expenses	-	-	1,565,026	573,563
	Others	-	-	11,285,536	1,868,548
	Sub-Total	944,572	1,216,423	12,850,562	2,442,111
D	Capital advances				
	Unsecured, considered good	598,000	-	-	-
	Sub-Total	598,000	-	-	-
	Total (A+B+C+D)	4,623,7,60,301	238,629,255	126,869,080	7,374,256

Loans granted by the Company are secured by equitable mortgage of the property. * Represents standard assets in accordance with Company's asset classification policy (refer note 2.1 (e)) ** Represents non-performing assets in accordance with Company's asset classification policy (refer note 2.1 (e))

No loans have been granted by the Company against the collateral of gold jewellery.

13. Other Assets

-	Non current		Current	
Particulars	March 31,2017	March 31, 2016	March 31,2017	March 31, 2016
Non Current bank balances (refer note 15)	450,000,000	-	-	-
Unamortised ancillary cost of borrowings	4,147,721	-	1,418,321	-
Unamortised loan Origination costs Interest accrued and due	29,483,263	1,511,454	2,976,816	184,357
On secured loans	-	-	2,250,131	-
Interest Accrued but not due				
On deposits placed with banks	-	-	4,493,624	70,688
On secured loans	-	-	32,005,136	1,167,659
Total	483,630,984	1,511,454	43,144,028	1,422,704

14. CURRENT INVESTMENTS

Par	ticulars	March 31, 2017	March 31, 2016
	rent investments (valued at lower of cost and fair value, ess stated otherwise)		
a)	Unquoted: Certificate of deposits		
	2,500 (March 31, 2016: Nil) units of ₹ 100,000 each of HDFC Bank	247,245,094	-
	2,500 (March 31, 2016: Nil) units of ` 100,000 each of Axis Bank	247,069,365	-
	3,000 (March 31, 2016: Nil) units of ` 100,000 each of IDFC Bank	296,470,505	-
	2,500 (March 31, 2016: Nil) units of ₹ 100,000 each of Kotak Mahindra Bank	247,077,563	-
	7,500 (March 31, 2016: Nil) units of ` 100,000 each of ICICI Bank	732,502,636	-
	2,500 (March 31, 2016: Nil) units of `100,000 each of Credit Suisse	246,955,781	-
	4,000 (March 31, 2016: Nil) units of ₹ 100,000 each of SIDBI	376,666,059	-
	5,000 (March 31, 2016: Nil) units of ₹ 100,000 each of NABARD	473,302,569	-
b)	Unquoted: Mutual funds (At net asset value)		
	Birla Sun Life Cash Plus - Growth - Direct Plan	-	53,051,239
	DSP BlackRock Liquidity Fund - Direct Plan - Growth	-	53,050,213
	ICICI Prudential Money Market Fund Option - Direct Plan - Growth	-	53,043,712
	Reliance Liquid Fund - Cash Plan - Direct Plan - Growth Plan - Growth Option	-	55,377,973
	Franklin India Treasury Management Account - Super Instittutional - Direct - Growth	-	38,044,268
	Total Value	2,867,289,572	252,567,405
	Aggr egate Amount of unquoted investment (at Cost Price ₹ 2,865,720,650 (March 31, 2016: ₹ 252,200,000))	2,867,289,572	252,567,405

15 CASH AND BANK BALANCES

	Non current		Current	
Particulars	March 31,2017	March 31, 2016	March 31,2017	March 31, 2016
Cash and cash equivalents:				
Cash on hand	-	-	-	-
Balances with banks				
- in Current accounts	-	-	50,336,123	55,983,971
- in fixed deposits with original maturity of less than 3 months	-	-	110,000,000	-
(A)	-	-	160,336,123	55,983,971
Other bank balances				
- in fixed deposits with original maturity for more than 12 months	450,000,000	-	-	-
- in fixed deposits with original maturity for more than 3 months but less than 12 months	-	-	-	86,500,000
(B)	450,000,000	-	-	86,500,000
	450,000,000	-	160,336,123	142,483,971
Less: amount disclosed under non current assets (refer note13)	(45,00,00,000)	-	-	-
Total ((A)+(B))	-	-	160,336,123	142,483,971

16. REVENUE FROM OPERATIONS

Particulars	For the year ended March 31,2017 Rupees	For the year ended March 31, 2016 Rupees
Interest income		
Interest income on loans	209,233,870	2,142,386
Interest on bank deposits	12,515,956	8,623,805
Interest on investments	1,584,922	-
Other operating revenue		
Processing fees	3,414,221	64,679
Ancillary income from operations	6,078,914	283,726
Total	232,827,883	11,114,596

17. OTHER INCOME

Particulars	For the year ended March 31,2017	For the year ended March 31, 2016
Profit on sale of current investments	23,659,095	11,734,448
Unrealised Gain on investment in mutual fund	-	267,405
Miscellaneous income	57,580	-
Total	23,716,675	12,001,853

18. EMPLOYEE BENEFIT EXPENSE

Particulars	For the year ended March 31,2017	For the year ended March 31, 2016
Salaries, bonus and allowances	143,126,502	25,437,663
Contribution to provident and other funds	4,356,832	886,184
Gratuity expense (refer note no. 29)	1,238,241	390,603
Staff welfare expenses	3,480,308	173,478
Total	152,201,883	26,887,928

19. OTHER EXPENSES

Particulars	For the year ended March 31,2017	For the year ended March 31, 2016
Printing and stationery	12,33,074	100,294
Rates and taxes	29,308	24,204,816
Business promotion expenses	7,603,103	3,278,027
Commission, brokerage & lead generation	3,926,810	11,393
Legal charges	1,544,656	1,648,202
Professional Charges (including collection & credit cost)	32,588,659	5,461,979
Courier charges	42,080	1,799
Repairs and maintenance		

Particulars	For the year ended March 31,2017	For the year ended March 31, 2016
Office premises	261,150	363
Others	96,041	84,158
Directors' sitting fees	1,580,250	518,750
Travelling and conveyance expenses	4,961,482	1,079,022
Telecommunication expenses	488,624	113,041
Payment to auditor (refer details below)	1,135,595	1,026,000
Recruitment expenses	2,388,736	1,206,264
Training expenses	400,809	138,958
Fees and subscription	109,911	-
Miscellaneous expenses	1,262,892	430,168
Support service cost	40,470,782	5,510,372
Total	100,123,962	44,813,606
As auditor:		
Audit fee	776,878	645,000
Tax audit fee	110,983	107,500
In other capacity:		
Other services (certification fees)	138,621	273,500
Reimbursement of expenses	109,114	-

20. FINANCE COSTS

Particulars	For the year ended March 31,2017	For the year ended March 31, 2016
Interest		
On loans from banks	56,611,349	-
On inter corporate deposits	10,356,166	-
Discount on commercial papers	5,867,310	-
Amortisation of ancillary borrowing costs	388,132	-
Financial and bank charges	2,971,699	-
Total	76,194,656	-

21. PROVISIONS AND WRITE OFFS

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Provision against standard assets	46,648,472	973,413
Provision against sub standard assets	1,117,022	-
Total	47,765,494	973,413

22. EARNINGS PER SHARE

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Profit after Tax	(121,846,335)	(49,911,194)
Weighted average number of shares used in computing basic earnings per share	89,908,187	26,393,443
Add: Weighted average number of equity shares for Nil consideration arising on grant of equity stock options under Employee Stock Option Plan"	-	-
Weighted average number of equity shares in calculating diluted EPS	89,908,187	26,393,443
Earnings per Share :		
Basic (₹)	(1.36)	(1.89)
Diluted (₹)	(1.36)	(1.89)
[Face value of shares ₹ 10 each (Previous Year : ₹ 10)]		

23. Segment Reporting

The Company's main business is to provide loans for purchase or construction of residential houses. All other activities of the Company revolve around the main business. Since the business operations of the Company are primarily concentrated in India, the Company is considered to operate only in the domestic segment.

As the Company's business activity fall within a primary business segment, the financial statements are reflective of information required under the Accounting Standard 17 on Segment Reporting notified under section 133 of the Companies Act 2013 read together with paragraph 7 of the Companies (Accounts) Rule 2014 and the provisions of the Companies Act, 2013.

24. Related Party Disclosures

As per the Accounting standard on 'Related party disclosures (AS 18)', the related parties of the Company with whom the Company has carried out transactions are as following:

Ultimate Holding Company	Temasek Holdings (Private) Limited (Holding Company of 'FFH')*
	Fullerton Financials Holdings Pte Ltd ('FFH', Holding Company of 'Angelica')*
	Angelica Investments Pte Ltd, Singapore ('Angelica', Holding Company of 'FICCL')*
Holding Company	Fullerton India Credit Company Limited ('FICCL', Holding Company)
Fellow subsidiary	Fullerton India Foundation for Social & Economic Development (Not for profit Company, Subsidiary of 'FICCL')*
Other related companies	Fullerton Securities & Wealth Advisors Ltd. (Subsidiary of 'Angelica') st
	Fullerton Financial Holdings (International) Pte Ltd (Subsidiary of 'FFH')*
	Temasek International (Private) Limited (Subsidiary of Temasek Holdings)*
Key Management Personnel	Mr. Anand Natarajan, Managing Director since Sep 9, 2016*
	Mr. Rakesh Makkar, Managing Director till Sep 8, 2016*

* No transactions during the year

These transactions were carried out in ordinary course of business and were at arm's length price.

Transations during the year	Holding Company	
Transactions during the year	March 31,2017	March 31, 2016
Expenses as per Resource sharing agreement	43,193,875	5,645,655
Reimbursement of expense incurred on behalf of Company	-	185,844
Expenses paid by Company on behalf of other	3,487,308	-
Inter corporate loan received	500,000,000	-
Inter corporate loan repayment	510,356,166	-
Fee for committed credit line	1,105,576	-
Issue of share capital (including securities premium)	3,000,000,010	500,000,004
Balance outstanding as at the year end		
Other Payable (net)		
Fullerton India Credit Company Limited	5,322,498	2,808,430

Remuneration to key management personnel is paid by the Holding Company, hence no disclosures has been made by the Company.

25. Cash and cash equivalents for the purpose of cash flow statement

Particulars	March 31,2017	March 31, 2016
Cash and Bank Balance (refer note 15)	160,336,123	142,483,971
Less: Other bank balances (refer note 15)	-	86,500,000
Balance considered as Cash and Cash Equivalents for Cash Flow Statement	160,336,123	55,983,971

26. Contingent Liability and commitments

- a) Contingent Liabilities: The Company doesn't have contingent liabilities.
- b) Capital and other commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for as at March 31, 2017 is ₹231,273 (March 31, 2016: ₹ Nil).

Loans sanctioned not yet disbursed as at March 31, 2017 were ₹ 180,675,466 (March 31, 2016: ₹ 9,236,775).

27. Expenditure in Foreign currency

Particulars	March 31,2017	March 31, 2016
Director sitting fees	8,50,763	-

28. Employee Stock Appreciation Rights

Holding Company has an Employee Share based payment scheme, under which grants were made to employees of the Company as per details provided below:

	Grant 6
Date of Grant	1 April 2016
Value of the Grant	₹7,000,000
Performance Condition	Achievement of Profit before tax (PBT) and Return on Equity (ROE) targets as per approved business plan
Graded Vesting (subject to achievement of performance condition given above)	Tranche I: 33% vesting on 1st December 2019
	Tranche II: 33% vesting on 1st December 2020
	Tranche III: 34% vesting on 1st December 2021
Vesting period (including performance period)	Tranche I: 3 years 8 months
	Tranche II: 4 years 8 months
	Tranche III: 5 years 8 months
Exercise period	Within 30 days from each vesting date but not later than 2 years from the date of last vesting.
Method of Settlement	Cash Payout

The estimated fair value of the grant at a notional value of \mathbf{R} 10 per unit (as at the date of grant) is as below:

Particulars	Grant 6
As at 31 March 2017	₹10.89

Fair value is computed using the method provided in the scheme for estimating the valuation of the grant which is linked to the Net Book Value of the Holding Company.

Adjustment has been made for the resignations during the year ended 31 March 2017 and the consequential impact of forfeiture of the grant.

The movement of the stock appreciation rights granted during the year is as under:

Year ended 31 March 2017

Particulars (No. of options)	Total
Grants outstanding at the beginning of the year	1,287,600
Grants made during the year	700,000
Grants forfeited on resignation of employees	-
Grants vested	191,400
Grants exercised	191,400
Grants outstanding - unvested at the end of the year	1,796,200
Grants outstanding - vested and exercisable	-
Expense arising from the grants made till 31 March 2017	7,437,328

Year ended 31 March 2016	
Particulars (No. of options)	Total
Grants outstanding at the beginning of the year	1,020,800
Grants made during the year	400,000
Grants forfeited on resignation of employees	-
Grants vested	133,200
Grants exercised	133,200
Grants outstanding - unvested at the end of the year	1,287,600
Grants outstanding - vested and exercisable	-
Expense arising from the grants made till 31 March 2016	-

Expenses for the year ended March 31, 2016 was incurred by Holding Company as grants were issued to employee of the Holding Company.

Summary for grants given to employees transferred from Holding company is provided in below:

	Grant 2	Grant 3	Grant 4	Grant 5	
Date of Grant	1 April 2013	1 April 2013	1 April 2014	1 April 2015	
Value of the Grant	₹2,800,000	₹ 3,000,000	₹4,000,000	₹ 4,000,000	
Performance Condition	Achievement of F	Profit before tax (F	BT) and Return o	n Equity (ROE)	
	targets as per ap	proved business p	lan		
Graded Vesting (subject to	Tranche I: 33%	Tranche I: 33%	Tranche I: 33%	Tranche I: 33%	
achievement of performance	vesting on 1st	vesting on 1st	vesting on 1st	vesting on 1st	
condition given above)	December 2015	December 2016	December 2017	December 2018	
	Tranche II: 33%	Tranche II: 33%	Tranche II: 33%	Tranche II: 33%	
	vesting on 1st	vesting on 1st	vesting on 1st	vesting on 1st	
	December 2016	December 2017	December 2018	December 2019	
	Tranche III: 34%	Tranche III: 34%	Tranche III: 34%	Tranche III: 34%	
	vesting on 1st	vesting on 1st	vesting on 1st	vesting on 1st	
	December 2017	December 2018	December 2019	December 2020	
Vesting period (including	Tranche I: 2	Tranche I: 3	Tranche I: 3	Tranche I: 3	
performance period)	years 8 months	years 8 months	years 8 months	years 8 months	
	Tranche II: 3	Tranche II: 4	Tranche II: 4	Tranche II: 4	
	years 8 months	years 8 months	years 8 months	years 8 months	
	Tranche III: 4	Tranche III: 5	Tranche III: 5	Tranche III: 5	
	years 8 months	years 8 months	years 8 months	years 8 months	
Exercise period	Within 30 days from each vesting date but not later than 2 years from				
	the date of last ve	ate of last vesting			
Method of Settlement	Cash Payout				

The estimated fair value of the grant at a notional value of \mathbf{R} 10 per unit (as at the date of grant) is as below:

Particulars	Grant 1	Grant 2	Grant 3	Grant 4	Grant 5	Grant 6
As at 31 March 2017	₹27.56	₹ 19.97	₹ 19.97	₹ 17.01	₹13.74	₹ 10.89
As at 31 March 2016	₹ 24.97	₹18.22	₹18.22	₹ 15.52	₹12.54	Nil
As at 31 March 2015	₹19.49	₹14.53	₹14.53	₹12.38	Nil	Nil
As at 31 March 2014	₹ 15.36	₹ 11.74	₹ 11.74	Nil	Nil	Nil
As at 31 March 2013	₹ 12.78	Nil	Nil	Nil	Nil	Nil
As at 31 March 2012	₹10.42	Nil	Nil	Nil	Nil	Nil
Exercise price Vest 1	₹ 12.78	₹. 14.53	₹18.22	Nil	Nil	Nil
Exercise price Vest 2	₹ 15.36	₹18.22	Nil	Nil	Nil	Nil
Exercise price Vest 3	₹ 19.49	Nil	Nil	Nil	Nil	Nil

29. Retirement and other employee benefits

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.

The following tables summaries the components of net benefit expense recognised in the Statement of Profit and Loss and the amounts recognised in the balance sheet for the plan.

Statement of Profit and Loss

Gratuity expense (recognised in Employee benefit expense):

Particulars	March 31,2017	March 31, 2016
Current service cost	546,704	3,90,603
Interest cost on benefit obligation	79,066	-
Net actuarial (gain)/loss recognised in the year	612,471	-
Past service cost	-	-
Net Benefit Expense	1,238,241	3,90,603

Balance Sheet

Details of Provision for gratuity:

Particulars	March 31,2017	March 31, 2016
Defined benefit obligation	2,253,211	10,14,970
Less: Unrecognised Past Service Cost	-	-
Plan asset/(liability)	2,253,211	10,14,970

Changes in the present value of the defined benefit obligation are as follows:

Particulars	March 31,2017	March 31, 2016
Opening defined benefit obligation	1,014,970	-
Interest cost	79,066	-
Current service cost	546,704	3,90,603
Benefits paid	-	-
Actuarial (gains)/losses on obligation	612,471	-
Liability Transferred In / Acquisitions	-	6,24,367
Closing defined benefit obligation	2,253,211	10,14,970

The principal assumptions used in determining gratuity liability for the Company's plans are shown below:

Particulars	March 31,2017	March 31, 2016
Discount rate	7.09%	7.79%
Employee attrition	For service 4 years and below 25.30% p.a.	
For service 5 years and above 2.00% p.a.	For service 4 years and below 23.10% p.a.	
For service 5 years and above 2.00% p.a.		
Salary escalation	10.00%	10.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Amounts for the current period and previous periods are as follows:

Particulars	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Defined benefit obligation	2,253,211	10,14,970	_	_	-
Plan assets	-	-	-	-	-
Surplus/(deficit)	(2,253,211)	(10,14,970)	-	-	-
Experience adjustments on plan liabilities	-	-	-	-	-

30. Based on information available with the Company, there are no amounts payable to Small Scale Industrial Undertakings and Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMEDA) as on the balance sheet date. This information has been relied upon by the statutory auditors.

Sr No	Particulars	March 31, 2017	March 31, 2016
1	The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year	-	-
2	The amount of interest paid by the buyer in terms of section 16 of the Micro Small and Medium Enterprise Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
3	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	-	-
4	The amount of interest accrued and remaining unpaid at the end of each accounting year;	-	-
5	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006.	-	-

31. Deferred Tax Asset

Particulars	March 31,2017	March 31, 2016
Deferred tax asset		
Provision on standard assets	16,480,982	336,879
Provision on sub-standard assets	386,579	-
Unamortised loan processing fee income	20,319,354	1,168,062
Unabsorbed carried forward losses	28,894,237	7,791,560
Provision for Gratuity	563,710	135,180
Provision for leave availment	572,361	-
Preliminary expenses	4,944,000	-
Α	72,161,223	9,431,681
Deferred tax liability		
Difference in depreciation as per financial statements and tax books	690,150	267,902
Unamortised borrowing costs	1,9 26,296	-
Unamortised loan origination costs	11,233,784	586,886
В	13,850,230	854,788
Net deferred tax assets (A-B)	58,310,993	8,576,893
Net deferred tax assets recognised	-	-

The Company has not recognised net deferred tax assets as it has carry forward business loss and there is no virtual certainty supported by convincing evidence that sufficient taxable income will be available in future years against which such deferred tax asset can be realised. The composition of deferred tax asset is given above.

32. Support service cost

During the year, the Company carried out its operations out of premises leased by Fullerton India Credit Company Limited, the Holding Company. The Company has entered into resource sharing agreement with the Holding Company, as per which Holding Company has agreed to share premises and other resources and thereby to facilitate achieve economies of scale and avoid duplication. The reimbursement of cost is calculated on the basis of number of employees, area occupied, time spent by employees for other companies, actual identification, etc.

During the year Company has been charged with ₹ 43,193,875 (including service tax) (Previous year ₹ 5,645,655) on account of above mentioned arrangement.

Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 as required by notification no. G.S.R 308 (E) dated March 30, 2017

SBNs	SBNs	Other denomination notes	Total	
	(A)	(B)	(C)	
Closing cash in hand as on 08.11.2016	22,000	61	22,061	
(+) Permitted receipts	-	599,277	599,277	
(-) Permitted payments	-	-	-	
(-) Amount deposited in Banks	22,000*	599,338	621,338	
Closing cash in hand as on 30.12.2016	-	-	-	

Note: In addition to the above, amount of ₹ 9,000 was deposited by borrowers of the Company, towards loan obligations, in the collection bank accounts of the Company during the period 8 November 2016 to 30 December 2016.

34. Corporate Social Responsibility (CSR) expenses

Gross amount required to be spent by the Company during the year: Nil The average of profits for last three years is a loss, hence no amount was required to be spent on CSR activities.

35. Disclosures as required by NHB Directions 2010 and circular no. NHB/ND/DRS/Pol-No.35/2010-11 dated October 11, 2010, issued by National housing Bank

a) Capital to Risk Assets ratio (CRAR)

Items	Particulars	March 31, 2017	March 31, 2016
i)	CRAR (%)	93.99%	134.06%
ii)	CRAR - Tier I Capital (%)	92.74%	133.82%
iii)	CRAR - Tier II Capital (%)	1.25%	0.24%
iv)	Amount of subordinated debt raised as Tier-II capital	-	-
$\vee)$	Amount raised by issue of Perpetual Debt Instruments	-	-

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

Please refer note 4

c) Details of Investments

Sr. No.	Particulars	March 31, 2017	March 31, 2016
Α	Value of Investments		
(i)	Gross Value of Investments		
	(a) In India	2,867,289,572	252,567,405
	(b) Outside India,	-	-
(ii)	Provisions for Depreciation		
	(a) In India	-	-
	(b) Outside India,	-	-
(iii)	Net Value of Investments		
	(a) In India	2,867,289,572	252,567,405
	(b) Outside India,	-	-
В	Movement of provisions held towards depreciation on investments		
(i)	Opening balance	-	-
(ii)	Add : Provisions made during the year	-	-
(iii)	Less : Write-off / write-back of excess provisions during the year	-	-
(iv)	Closing balance	-	-

d) Derivatives

The Company has not entered into any forward rate agreements, interest rate swaps, exchange traded interest rate derivatives. Hence, no disclosure is made for the same

e) Securitisation, Direct assignment, Financials assets sale and purchase

- i) The Company has not entered into any agreement for securitisation and direct assignment. Hence, no disclosure is made for the same
- ii) The Company has not entered into any agreement for sale or purchase of financial assets. Hence, no disclosure is made for the same

f) Assets Liability Management (Maturity pattern of certain items of Assets Liabilities)

Particulars Advances* Inv		Investm	estments** Borro		rowings	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Up to 30/31 days	453,525	222,232	2,977,289,572	252,567,405	-	-
Over 1 month upto 2 Months	7,941,527	390,205	-	-	-	-
Over 2 months upto 3months	9,924,004	394,491	-	-	-	-
Over 3 months & up to 6 months	30,462,744	1,196,523	100,000,000	-	-	-
Over 6 Months & up to 1 year	64,761,125	2,728,694	350,000,000	86,500,000	362,563,310	-
Over 1 year & up to 3 years	275,476,294	11,880,477	-	-	1,866,666,667	-
Over 3 years & up to 5 years	349,011,338	15,450,923	-	-	1,233,333,333	-
Over 5 years & up to 7 years	443,577,424	20,019,982	-	-	-	-
Over 7 years & up to 10 years	836,477,115	24,961,935	-	-	-	-
Over 10 years	2,717,294,955	164,940,128	-	-	-	-
Total	4,735,380,053	242,185,592	3,427,289,572	339,067,405	3,462,563,310	-

* Represents interest bearing loans

**Investments includes deposit with banks

In computing the above information, certain estimates and adjustments have been made by the management which are consistent with the guidelines provided by National Housing Bank.

g) Exposures

i)	Exposure to real estate sector		
Sr. No.	Particulars	March 31, 2017	March 31, 2016
a)	Direct exposure		
i)	Residential Mortgages - Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented		
	a) Individual housing loan upto ₹ 15 lakhs	587,133,306	73,300,259
	b) Other	3,751,843,764	154,893,805
ii)	Commercial Real Estate - Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based limits	430,658,250	15,159,187
iii)	Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
	a) Residential	-	-
	b) Commercial Real Estate	-	-
b)	Indirect exposure		
	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-

ii) Exposure to capital market

The Company has no exposure to the capital markets directly or indirectly in the current and previous year.

iii) Details of financing of parent company products

The Company does not finance any of it's holding/parent company products.

iv) Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC

The Company has not lent / invested / lent and invested in any borrower / group of borrower in excess of limits prescribed by the NHB.

v) Unsecured advances

Refer note 14 for unsecured advances. The Company has not given any advances against the rights, licenses, authorizations, etc.

h) Registration with other financial sector regulator

The Company is not registered with any other financial sector regulator. During the year, the Company has applied to Insurance Regulatory and Development Authority for registration as corporate agent.

- i) No penalties imposed by NHB and any regulator during the current year and previous year.
- j) Refer note 24 for related party transactions during the current and previous year.
- **k)** Ratings assigned by credit rating agencies and migration of ratings during the year

Particulars		2016-17
	-	CARE
LT	NCD / SD	AA+
	TL	AA+
ST	STD	A+
	CP	A+

LT – Long Term	ST – Short Term
NCD – Non Convertible Debentures	CP – Commercial Paper
TL – Term Loan	STD – Short Term Debt

I) Net Profit or Loss for the period, prior period items and changes in accounting policies.

Refer Statement of Profit and Loss for profit or loss in the current and the previous year. The accounting policies followed in preparation of financial statements are consistent with those of the previous year.

n) Break up of 'Provisions and Contingencies' shown under the head Expenditure in the State ment of Profit and Loss

	eak up of 'Provisions and Contingencies' shown under the ad Expenditure in Profit and Loss Account	March 31, 2017	March 31, 2016
1.	Provisions for depreciation on Investment	-	-
2.	Provision made towards Income tax	-	-
3.	Provision towards NPA	1,117,022	-
4.	Provision for Standard Assets		
	Housing	26,404,478	713,925
	Non Housing (incl. CRE)	20,243,993	259,488
5.	Other Provision and Contingencies (with details)	-	-
То	tal	47,765,494	973,413

The total provision carried by the Company in terms of paragraph 29 (2) of the Housing Finance Companies (NHB) Directions, 2010 and the National Housing Bank (NHB) circular no. NHB (ND) / DRS / pol-no. 09/2004-05 dated 18 May 2005 in respect of Housing and Non-Housing loans is as follows:

Break up of Loan & Advances and Provisions there on	Hou	sing	Non Ho	ousing
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Standard Assets				
a) Total Outstanding Amount	2,680,747,647	177,605,534	2,047,185,592	64,580,058
b) Provisions made	26,807,476	710,422	20,471,856	258,320
Sub-Standard Assets				
a) Total Outstanding Amount	7,446,814	-	-	-
b) Provisions made	1,117,022	-	-	-
Doubtful Assets - Category-I				
a) Total Outstanding Amount	-	-	-	-
b) Provisions made	-	-	-	-
Doubtful Assets - Category-II				
a) Total Outstanding Amount	-	-	-	-
b) Provisions made	-	-	-	-

Break up of Loan & Advances and Provisions there on	Hou	sing	Non Housing	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Doubtful Assets - Category-III				
a) Total Outstanding Amount	-	-	-	-
b) Provisions made	-	-	-	-
Loss Assets				
a) Total Outstanding Amount	-	-	-	-
b) Provisions made	-	-	-	-
TOTAL				
a) Total Outstanding Amount	2,688,194,461	177,605,534	2,047,185,592	64,580,058
b) Provisions made	27,924,499	710,422	20,471,856	258,320

Draw down from reserves 0)

The Company has not withdrawn any amount from any of the reserves during the year ended March 31, 2017 (Previous year : Nil)

p) Concentration of Deposits, Advances, Exposures and NPAs

(i) Concentration of Deposits

The Company has not accepted any deposits during the current and previous year. Also there are no outstanding deposit from earlier years.

(ii) Concentration of Advances	March 31, 2017	March 31, 2016
Total advances to twenty largest borrowers	540,721,469	115,278,003
Percentage of advances to twenty largest borrowers to total advances of the Company	11%	48%
(iii) Concentration of Exposures	March 31, 2017	March 31, 2016
Total exposure to twenty largest borrowers / customers	543,499,792	115,754,985
Percentage of exposures to twenty largest borrowers / customers to Total Exposure of the Company on borrowers / customers	11%	48%
(iv) Concentration of Non Performing Accounts	March 31, 2017	March 31, 2016

(iv) Concentration of Non Performing Accounts	March 31, 2017	March 31, 2
Total Exposure to top ten NPA accounts	7,446,814	

(v) Sector-wise Non performing accounts			f NPAs to Total n that sector
Sr. No.	Sector	March 31, 2017	March 31, 2016
Α	Housing Loans		
1	Individuals	0.3%	-
2	Buider/Project loans	-	-
3	Corporates	-	-
4	Others	-	-
В	Non Housing Loans		
1	Individuals	-	-
2	Buider/Project loans	-	-
3	Corporates	-	-
4	Others	-	-

q) Movement of NPAs, provision, net NPA

Sr. No.	Particulars	March 31, 2017	March 31, 2016
(i)	Net NPA to Net Advances (%)	0.13%	0.00%
(ii)	Movement in Gross NPAs		
	(a) Opening Balance	-	-
	(b) additions during the year	7,467,308	-
	Sub Total (A)	7,467,308	-
	(a) Up gradations	-	-
	(b) Recoveries	20,494	-
	(c) Write-Offs	-	-
	Sub Total (B)	20,494	-
	Gross NPAs as on 31 Mar (A-B)	7,446,814	-
(iii)	Movement in provisions for NPAs		
	(a) Opening Balance	-	-
	(b) Provisions made during the year	1,120,096	-
	(c) Write off / Write back of excess provisions	3,074	-
	(d) Closing Balance	1,117,022	-
(iv)	Movement in Net NPAs		
	(a) Opening Balance	-	-
	(b) additions during the year	6,347,212	-
	(c) Reductions during the Year	17,420	-
	(d) Closing Balance	6,329,792	-

r) The Company has not invested in any overseas assets in the current and previous year. Also there are no outstanding investments from earlier years.

s) The Company has not sponsored any off-Balance Sheet SPV in the current and previous year which are required to be consolidated as per accounting norms. Also there are no outstanding investments from earlier years.

t)	Disclosure on complaints					
	(a)	No. of complaints pending at the beginning of the year	-			
	(b)	No. of complaints received during the year	1			
	(C)	No. of complaints redressed during the year	1			
	(d)	No. of complaints pending at the end of the year	-			

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

Particulars		As at March 31, 2017	As at March 31, 2016
	Balance at the beginning of the year	-	-
a)	Statutory Reserve u/s 29C of the NHB Act, 1987*	-	-
b)	Amount of Special Reserve u/s 36(1)(viii) of Income Tax	-	-
	Addition / Appropriation / Withdrawal during the year Add:		
a)	Amount transferred u/s 29C of the NHB Act, 1987*	-	-
b)	Amount of Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve u/s 29C of the NHB Act, 1987 Less:	-	-
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 29C of the NHB Act, 1987	-	-
	Balance at the end of the year		
a)	Statutory Reserve 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 29C of the NHB Act, 1987	-	-

*As per Section 29C of the National Housing Bank Act, 1987, the Company is required to transfer at least 20% of its net profits every year to a statutory reserve before any dividend is declared. The Company commenced commercial operations as Housing Finance Company during the financial year 2015-16. No amount has been transferred to statutory reserve as the Company has incurred losses.

36. The Company has reclassified/regrouped previous year figures to conform to current year's classification, where applicable.

For B S R & Co LLP Chartered Accountants Firm's Registration No: 101248W/W-100022

Sd/-**Manoj Kumar Vijai** Partner Membership No: 046882

Place : Mumbai Date : May 17, 2017 For and on behalf of the Board of Directors of Fullerton India Home Finance Company Limited

Sd/-**Shantanu Mitra** Chairman Sd/-Anand Natarajan Managing Director

Sd/-Jitendra Maheswari Company Secretary

Place : Mumbai Date : May 17, 2017

Pankaj Malik

Chief Financial Officer

Sd/-

Notes

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Fullerton India Home Finance Co. Ltd.

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