

Aviom India Housing Finance Private Limited
Financial Statements for the year
ended 31 March 2017

B S R & Associates LLP

Chartered Accountants

Building No.10, 8th Floor, Tower-B
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Independent Auditor's Report To the Members of Aviom India Housing Finance Private Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Aviom India Housing Finance Private 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 significant accounting policies and other explanatory information (collectively referred to as 'financial statements').

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial



reporting and the effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

Report on Other Legal and Regulatory Requirements

- 1 As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we enclose in the "Annexure A" a statement on the matters specified in the paragraph 3 and 4 of the said Order, to the extent applicable.
- 2 As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (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 at 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) The Company has been exempted from the requirements of its auditor reporting on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls (clause (i) of section 143(3)); and

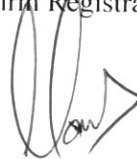


- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company did not have any pending litigations which would impact the financial position of the Company;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. The Company does not have any derivative contracts for which there were any material foreseeable losses – Refer to Note 2.22 to the financial statements;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and
 - iv. The Company 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 – Refer to Note 2.23 of the financial statements.

For B S R & Associates LLP

Chartered Accountants

Firm Registration No.: 116231W/ W-100024



Manish Gupta

Partner

Membership No.: 095037

Place: Gurugram

Date: 28 September 2017

Annexure A to the Independent Auditor's Report

(Referred to in our report of even date).

- i. (a) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) According to the information and explanations given to us, the Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified annually. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its fixed assets. As explained to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of books of accounts, no immovable properties are owned by the Company. Hence, the provisions of paragraph 3(i) (c) of the Order is not applicable.
- ii. The Company is a housing finance company, engaged in the business of providing loans. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable.
- iii. According to the information and explanations given to us, 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. Accordingly, paragraph 3(iii) of the Order is not applicable.
- iv. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not undertaken any transactions in respect of loans, guarantees and securities covered under section 185 of the Companies Act, 2013. The Company has not made any investment as referred in section 186(1) of the Act, other requirements relating to section 186 of the Act do not apply to the Company.
- v. According to the information and explanations given to us, the Company has not accepted any deposits as mentioned in the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3 (v) of the Order is not applicable.
- vi. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the business activities carried out by the Company.
- 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 of Provident Fund, Employees' State Insurance, Income-tax, Service tax and other statutory dues have not generally been regularly deposited with the appropriate authorities though the delays in deposit have not been serious. As explained to us, the provisions of Sales-tax, Duty of Customs, Duty of Excise and Value added tax and cess are not applicable to the Company.



- According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Service tax and other statutory dues were in arrears as at 31 March 2017 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues in respect of Income-tax and Service tax which have not been deposited with the appropriate authorities on account of any dispute. As mentioned above, the Company did not have any dues on account of Sales-tax, Duty of Customs, Duty of Excise and Value added tax and Cess during the year.
- viii. According to the information and explanations given to us, the Company did not have outstanding loans or borrowings to a financial institution, bank, government or dues to debenture holders during the year. Hence, the provisions of paragraph 3(viii) of the Order is not applicable.
- ix. According to the information and explanations given to us, the Company has not raised money by way of initial public offer/ further public offer (including debt instruments) and term loans. Thus, paragraph 3(ix) of the Order is not applicable.
- x. According to the information and explanations given to us, no fraud by the Company or 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, the provisions for managerial remuneration of Section 197 read with Schedule V of the Act is not applicable to the Company, hence paragraph 3(xi) of the Order is not applicable to the Company.
- xii. According to the information and explanations given to us, the Company is not a Nidhi Company, hence paragraph 3(xii) of the Order is not applicable.
- xiii. The Company is a private limited company and accordingly the requirements as stipulated by the provisions of section 177 of the Act are not applicable to the Company. According to the information and explanations given to us, transactions with the related parties are in compliance with section 188 of the Act where applicable and 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, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3 (xiv) of the Order is not applicable.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.



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- xvi. According to the information and explanations given to us, the Company is not required to be registered under Section 45-1A of the Reserve Bank of India Act, 1934, and accordingly, paragraph 3(xvi) of the Order is not applicable.

For B S R & Associates LLP

Chartered Accountants

Firm Registration No.: 116231W/ W-100024



Manish Gupta

Partner

Membership No.: 095037

Place: Gurugram

Date: 28 September 2017

Aviom India Housing Finance Private Limited
Balance Sheet as at 31 March 2017
 (All amounts are in Indian Rupees)

	Note	As at 31 March 2017	As at 31 March 2016
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2.1	121,810,000	101,510,000
Reserves and surplus	2.2	(13,062,638)	(711,109)
		108,747,362	100,798,891
Non-current liabilities			
Long-term provisions	2.3	236,034	-
		236,034	-
Current liabilities			
Trade payables	2.4	-	-
Total outstanding due of micro and small enterprises		-	-
Total outstanding due of creditors other than micro and small enterprises		1,280,380	52,250
Other current liabilities	2.5	9,296,791	5,000
Short-term provisions	2.3	1,487	16,330
		10,578,658	73,580
TOTAL		119,562,054	100,872,471
ASSETS			
Non-current assets			
Property, plant and equipment	2.6	838,506	-
Intangible assets under development	2.6	2,071,750	-
Long-term loans and advances	2.7	25,677,365	-
Other non-current assets	2.8	5,000,000	-
		33,587,621	-
Current assets			
Cash and bank balances	2.9	84,001,585	100,377,575
Short-term loans and advances	2.10	1,272,512	-
Other current assets	2.11	700,336	494,896
		85,974,433	100,872,471
TOTAL		119,562,054	100,872,471

Significant accounting policies 1

Notes to the financial statements 2 to 2.28

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

For **B S R & Associates LLP**
 Chartered Accountants
 Firm registration number: 116231W/ W-100024



Manish Gupta
 Partner
 Membership No.: 095037

Place: Gurugram
 Date: 28 September 2017

For and on behalf of the Board of Directors of
Aviom India Housing Finance Private Limited


Kaajal Ahaz Ilmi
 Director
 DIN No.: 01390771


Om Parkash Sikka
 Director
 DIN No.: 05138374


Mansi Arora
 Company Secretary
 Membership No.: 21282

Place: New Delhi
 Date: 28 September 2017

Aviom India Housing Finance Private Limited
Statement of Profit and Loss for the year ended 31 March 2017
 (All amounts are in Indian Rupees)

	Note	For the year ended 31 March 2017	For the period from 18 February 2016 to 31 March 2016
Revenue			
Revenue from operations	2.12	2,681,834	-
Other income	2.13	6,951,808	494,896
Total revenue		9,633,642	494,896
Expenses			
Employee benefits expense	2.14	14,736,951	-
Finance costs	2.15	82,232	50
Depreciation	2.6	174,488	-
Other expenses	2.16	6,991,500	1,140,135
Total expenses		21,985,171	1,140,185
Loss before tax		(12,351,529)	(645,289)
Tax expense			
Current tax		-	65,820
(Loss) after tax		(12,351,529)	(711,109)
Earning per share (face value of Rs. 10 each)			
Basic earnings per share		(1.14)	(0.07)
Diluted earnings per share		(1.14)	(0.07)

Significant accounting policies

1

Notes to the financial statements

2 to 2.28

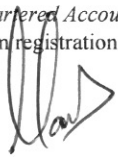
The notes referred to above form an integral part of the financial statement

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For BSR & Associates LLP

Chartered Accountants

Firm registration number: 116231W/ W-100024

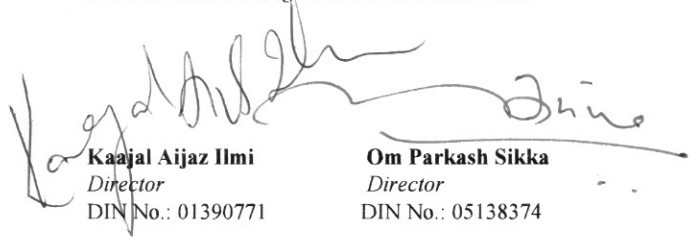


Manish Gupta

Partner

Membership No.: 095037

For and on behalf of the Board of Directors of
 Aviom India Housing Finance Private Limited



Kaajal Aijaz Ilmi

Director

DIN No.: 01390771

Om Parkash Sikka

Director

DIN No.: 05138374



Mansi Arora

Company Secretary

Membership No.: 21282

Place: Gurugram

Date: 28 September 2017

Place: New Delhi

Date: 28 September 2017

Aviom India Housing Finance Private Limited
Cash Flow Statement for the year ended 31 March 2017
 (All amounts are in Indian Rupees)

	For the year ended 31 March 2017	For the period from 18 February 2016 to 31 March 2016
Cash flow from Operating activities		
Net (Loss) before tax	(12,351,529)	(645,289)
Adjustments for:		
Depreciation expense	174,488	-
Housing Loans:		
Contingent provision against standard assets	96,628	-
Non Housing Loans:		
Contingent provision against standard assets	6,359	-
Interest on fixed deposits	-	(494,896)
Operating profit before working capital changes	<u>(12,074,054)</u>	<u>(1,140,185)</u>
Adjustments for :		
(Increase)/decrease in long term loans and advances	(25,677,365)	-
(Increase)/decrease in short-term loans and advances	(576,478)	-
(Increase)/decrease in other current assets	(205,440)	(544,386)
Increase/(decrease) in trade payables	1,228,130	-
Increase/(decrease) in current liabilities	8,577,791	57,250
Increase/(decrease) in long term and short-term provisions	134,534	-
Cash used in operations	<u>(28,592,882)</u>	<u>(1,627,321)</u>
Income taxes paid (previous period Rs. Nil)	(712,364)	-
Net cash used in operating activities (A)	<u>(29,305,246)</u>	<u>(1,627,321)</u>
Cash flow from Investing activities		
Decrease / (Increase) in fixed deposits	48,121,757	(100,000,000)
Purchase of fixed assets, intangible assets under development and capital work in progress	(2,370,744)	-
Interest received on fixed deposits	-	494,896
Net cash used in investing activities (B)	<u>45,751,013</u>	<u>(99,505,104)</u>
Cash flow from Financing activities		
Proceeds from issue of equity shares	20,300,000	101,510,000
Net cash generated from financing activities (C)	<u>20,300,000</u>	<u>101,510,000</u>
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	36,745,767	377,575
Cash and cash equivalents as at the beginning of the year	377,575	-
Cash and cash equivalents as at the end of the year	<u><u>37,123,342</u></u>	<u><u>377,575</u></u>
Notes:		
Components of Cash and cash equivalent:		
Cash in hand	332,958	-
- in current accounts	13,290,384	377,575
- in deposit accounts (maturity with less than 3 months)	23,500,000	-
	<u>37,123,342</u>	<u>377,575</u>

Notes:

- a) The cash flow statement has been prepared in accordance with the 'Indirect Method' as set out in the Accounting Standard (AS)-3 on 'Cash Flow Statement', specified under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder.
 b) Negative figures have been shown in brackets.

As per our report of even date attached

For **B S R & Associates LLP**
 Chartered Accountants
 Firm registration number: 116231W/ W-100024

Manish Gupta
 Partner
 Membership No.: 095037

Place: Gurugram
 Date: 28 September 2017

For and on behalf of the Board of Directors of
Aviom India Housing Finance Private Limited

Kaajal Aijaz Ilmi
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 DIN No.: 05138374

Mansi Arora
 Company Secretary
 Membership No.: 21282

Place: New Delhi
 Date: 28 September 2017

Aviom India Housing Finance Private Limited

Significant accounting policies and Notes to the financial statements for the year ended 31 March 2017

(All amounts are in Indian Rupees)

1A. Background

Aviom India Housing Finance Company Limited (the 'Company') was incorporated in India on 18 February 2016 as a private limited company under the Companies Act 2013. The Company is registered with the National Housing Bank (NHB) as a Housing Finance Company vide Certificate No. 08.0140.16 dated 16 August 2016. The Company is in the business of providing housing and non-housing loans.

1B. Significant accounting policies

a) Basis of preparation and presentation of financial statements

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting, in accordance with the Indian Generally Accepted Accounting Principles (GAAP), Accounting Standards specified under Section 133 of the Companies Act, 2013 ('the Act'), read with relevant rules issued thereunder and the provisions of the Companies Act, 2013, as adopted consistently by the Company.

The Company complies with the prudential norms relating to income recognition, accounting standards, asset classification and the minimum provisioning for standard assets, substandard assets, doubtful assets and loss assets, specified in the directions issued by the NHB in terms of The Housing Finance Companies (NHB) Directions, 2010, as applicable to it.

b) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from these estimates. Any changes in estimates are adjusted prospectively.

c) 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 date.

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;



Aviom India Housing Finance Private Limited

Significant accounting policies and Notes to the financial statements for the year ended 31 March 2017

(All amounts are in Indian Rupees)

- c. it is due to be settled within 12 months after the reporting date; 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.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

d) Revenue recognition

The Company follows the Housing Finance Companies (NHB) Directions, 2010 issued by the NHB and Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 for income recognition. Reversal of income on non-performing assets necessitated by these guidelines, are netted-off from the income from operations.

Interest is accounted on accrual basis except for non-performing assets in respect of which income is recognised on receipt. Pending commencement of Equated Monthly Instalments (EMIs), pre-EMI interest is payable every month. No income is accrued on accounts delinquent for more than 90 days.

Income from loan transactions

- i. Interest income on loans disbursed is accounted for by applying the Internal Rate of Return (IRR), implicit in the agreement, on the diminishing balance of the financed amount, over the period of the agreement so as to provide a constant periodic rate of return on the net amount outstanding on the contracts.

Processing fee and other charges

- i. Loan processing fees is recognized on upfront basis.
- ii. Other charges (penal interest, cheque bouncing charges etc.) are recognised on receipt basis.

Interest income on fixed deposits

- i. Interest on fixed deposits is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable on the fixed deposit.

e) Provision for standard and non-performing assets

Provision for standard assets and non-performing assets are created in accordance with prudential norms and guidelines issued by NHB. Also, specific provisions in respect of standard assets and non-performing assets are created based on the management's best estimates, which are determined having regard to overall loan portfolio quality, asset growth, economic conditions and other risk factors.

In accordance with Para 29 of The Housing Finance Company (NHB) Directions, 2010, the Company has separately shown provision for loans under short-term/ long-term provisions (as applicable) without netting off from loans.



Aviom India Housing Finance Private Limited
Significant accounting policies and Notes to the financial statements for the year ended 31 March 2017
(All amounts are in Indian Rupees)

f) Property, plant and equipment/ intangible assets under development and depreciation

Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition less accumulated depreciation. The cost of an item of Property, plant and equipment comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use.

Intangible assets

Intangible assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation/depletion and impairment loss, if any. The cost comprises purchase price and any cost directly attributable to bringing the asset to its working condition for the intended use.

Intangible assets which are not ready for their intended use are shown as Intangible Assets under development.

Depreciation

Property, plant and equipment are depreciated on written down value method basis useful life specified in Part 'C' of Schedule II to the Act.

Depreciation on additions is being provided on pro rata basis from the date of such additions. Similarly, depreciation on assets sold / disposed off during the year is being provided up to the dates on which such assets are sold / disposed off. Modification or extension to an existing asset, which is of capital nature and which becomes an integral part thereof is depreciated prospectively over the remaining useful life of that asset.

g) Impairment

The carrying amounts of assets are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated. For assets that are not yet available for use, the recoverable is estimated at each Balance Sheet date. An impairment loss is recognised whenever the carrying amount of an asset or cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation, if no impairment loss had been recognised.

h) Earnings per share

The basic earnings per share is computed by dividing the net profit attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year. Dilutive earnings per share is computed and disclosed after adjusting the effects of all dilutive potential equity shares, if any, except when the results will be anti-dilutive.

i) Operating Leases

Leases where the lessor effectively retains substantially all the risk and rewards of ownership over the lease term are classified as operating leases. Lease payments for assets taken on operating lease are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

j) Income taxes



Aviom India Housing Finance Private Limited

Significant accounting policies and Notes to the financial statements for the year ended 31 March 2017

(All amounts are in Indian Rupees)

Income 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 or benefit (reflecting the tax effect of timing differences between accounting income and taxable income for the year).

Provision for current tax is recognised based on estimated tax liability computed after adjusting for allowances, disallowances and exemptions in accordance with the tax laws applicable.

The deferred tax charge or benefit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted as at the Balance Sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the asset can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of the 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.

k) Employee benefits

Short term employee benefits

Employee benefits payable/available within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages and bonus, etc. are recognised in the Statement of Profit and Loss in the period in which the employee renders the related service.

Defined contribution plans

The Company's employee provident fund scheme is a defined contribution plan. A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions and will have no obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in the Statement of Profit and Loss in the year when the employee renders the related service. The contribution towards provident fund has been deposited with Regional provident fund commissioner and is charged to Statement of Profit and Loss.

Defined benefit plans:

A defined benefit plan i.e. gratuity is a post-employment benefit plan other than defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employee have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognized past service costs and the fair value of any plan assets are deducted. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations. The calculation is performed annually by an independent actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognised asset is limited to the net total of any unrecognized past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.

Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs.

l) Provisions and contingencies

A provision is recognised if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The provisions are measured on an undiscounted basis.



Aviom India Housing Finance Private Limited

Significant accounting policies and Notes to the financial statements for the year ended 31 March 2017

(All amounts are in Indian Rupees)

Provision in respect of loss contingencies relating to claims, litigation, assessment, fines, penalties, etc. are recognised when it is probable that a liability has been incurred and the amount can be estimated reliably.

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

m) Cash and cash equivalents

Cash and cash equivalents comprises of cash balance with bank and highly liquid investments with maturity period of three months or less from the date of investment.



Aviom India Housing Finance Private Limited
Notes to financial statements for the year ended 31 March 2017
(All amounts are in Indian Rupees)

	As at 31 March 2017		As at 31 March 2016	
	Number of shares	Amount	Number of shares	Amount
2.1 Share capital				
Authorised				
Equity shares of Rs. 10 each	15,000,000	150,000,000	10,250,000	102,500,000
	<u>15,000,000</u>	<u>150,000,000</u>	<u>10,250,000</u>	<u>102,500,000</u>
Issued, subscribed and fully paid up				
Equity shares of Rs. 10 each	12,181,000	121,810,000	10,151,000	101,510,000
	<u>12,181,000</u>	<u>121,810,000</u>	<u>10,151,000</u>	<u>101,510,000</u>

(a) (i) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year/ period

	As at 31 March 2017		As at 31 March 2016	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	10,151,000	101,510,000	-	-
Add: Share issued during the year/ period	2,030,000	20,300,000	10,151,000	101,510,000
Outstanding at the end of the year/ period	<u>12,181,000</u>	<u>121,810,000</u>	<u>10,151,000</u>	<u>101,510,000</u>

(ii) Rights, preference and restrictions attached to equity shares

The Company has only one class of equity shares having the par value of the each share is Rs.10. Each shareholder shall have voting right equal to shareholding percentage of the total of the shares issued. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amount, in proportion to their shareholdings.

(iii) Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company

	As at 31 March 2017		As at 31 March 2016	
	Number of shares	% holding in the class	Number of shares	% holding in the class
Ms. Kajal Aijaz Iimi	9,559,167	78.48%	10,150,000	99.99
Mr. Samir Malik	1,000,000	8.21%	-	-
Mr. Kunal Sikka	1,162,500	9.54%	-	-

2.2 Reserves and surplus

Deficit in the Statement of Profit and Loss

	As at 31 March 2017	As at 31 March 2016
Balance as at the beginning of the year / period	(711,109)	-
Add: (Loss) during the year / period	(12,351,529)	(711,109)
Balance as at the end of the year / period	<u>(13,062,638)</u>	<u>(711,109)</u>



Aviom India Housing Finance Private Limited
Notes to financial statements for the year ended 31 March 2017
(All amounts are in Indian Rupees)

	Long-term		Short-term	
	As at 31 March 2017	As at 31 March 2016	As at 31 March 2017	As at 31 March 2016
2.3 Provisions				
Provision for employee benefits				
- Gratuity (refer to note 2.17)	133,746	-	788	-
Other provisions (refer to note 2.8.1)				
Housing loans:				
Contingent provision against standard assets	95,972	-	656	-
Provision for non-performing assets	-	-	-	-
Non housing loans:				
Contingent provision against standard assets	6,316	-	43	-
Provision for income-tax	-	-	-	16,330
(Net of tax deducted at source previous year Rs.49,490)				
	<u>236,034</u>	<u>-</u>	<u>1,487</u>	<u>16,330</u>
2.4 Trade payables			As at 31 March 2017	As at 31 March 2016
Trade payables				
- Total outstanding due of micro and small enterprises			-	-
- Total outstanding due of creditors other than micro and small enterprises			1,280,380	52,250
			<u>1,280,380</u>	<u>52,250</u>
2.5 Other current liabilities			As at 31 March 2017	As at 31 March 2016
Employee benefits payable			233,181	-
Loans pending disbursement			6,998,000	-
Statutory dues payable			1,226,353	5,000
Payable for capital goods			714,000	-
Other payables			125,257	-
			<u>9,296,791</u>	<u>5,000</u>
2.7 Long term loans and advances (refer note 2.8.1)			As at 31 March 2017	As at 31 March 2016
(Unsecured, considered good unless stated otherwise)				
<i>To parties other than related parties</i>				
Housing loans - secured				
Individuals				
- Considered good	23,992,787	-	163,930	-
Non Housing loans - secured				
Individuals				
- Considered good	1,578,578	-	10,786	-
Security deposits	106,000	-	108,000	-
	<u>25,677,365</u>	<u>-</u>	<u>282,716</u>	<u>-</u>

* Amount disclosed under " Short-term loans and advances"



Aviom India Housing Finance Private Limited
Notes to financial statements for the year ended 31 March 2017
 (All amounts are in Indian Rupees)

2.7.1 Classification of loans and advances and provisions thereon

(in accordance with the directions issued by the NHB in terms of The Housing Finance Companies (NHB) Directions, 2010)

Particulars	As at 31 March 2017			
	Loans and advances		Provisions	
	Housing loans Individuals	Non Housing loans Individuals	Housing loans Individuals	Non Housing loans Individuals
Standard assets	24,156,717	1,589,364	96,628	6,359
	<u>24,156,717</u>	<u>1,589,364</u>	<u>96,628</u>	<u>6,359</u>
			As at 31 March 2017	As at 31 March 2015
2.8 Other non-current assets (Unsecured, considered good)				
Fixed deposits (due to mature after 12 months from the reporting date) (refer to note 2.10)			5,000,000	-
			<u>5,000,000</u>	<u>-</u>
2.9 Cash and bank balances				
Cash and cash equivalents				
Cash on hand			332,958	-
Balances with bank			13,290,384	377,575
- on current accounts			23,500,000	-
- on deposit accounts (with original maturity of 3 months or less)				
Other bank balances				
Fixed deposits (with remaining maturity within 12 months from the reporting date)			46,878,243	100,000,000
			<u>84,001,585</u>	<u>100,377,575</u>
Details of bank balances/ deposits				
Fixed deposits with original maturity of 3 months or less included under "Cash and cash equivalents"			23,500,000	-
Fixed deposits due to mature within 12 months of the reporting date included under "Other bank balances"			46,878,243	100,000,000
Fixed deposits due to mature after 12 months of the reporting date included under "Other non-current assets"			5,000,000	-
			<u>75,378,243</u>	<u>100,000,000</u>



Aviom India Housing Finance Private Limited
Notes to financial statements for the year ended 31 March 2017
(All amounts are in Indian Rupees)

2.6 Property, plant and equipment and intangible assets

Description	Gross block			Accumulated depreciation		Net block As at 31 March 2017
	As at 1 April 2016	Additions during the year	As at 31 March 2017	As at 1 April 2016	For the year 31 March 2017	
Property, plant and equipment						
Computer	-	708,891	708,891	-	151,750	557,141
Furniture and fixtures	-	146,504	146,504	-	15,420	131,084
Office equipments	-	157,599	157,599	-	7,318	150,281
Total	-	1,012,994	1,012,994	-	174,488	838,506

Description	As at 1 April 2016	Additions during the year	Adjusted / Transferred to Intangibles during the year	As at 31 March 2017
	Intangible assets under development			
Software	-	2,071,750	-	2,071,750
	-	2,071,750	-	2,071,750



Aviom India Housing Finance Private Limited

Notes to financial statements for the year ended 31 March 2017

(All amounts are in Indian Rupees)

	As at 31 March 2017	As at 31 March 2016
2.10 Short term loans and advances		
(Unsecured, considered good unless stated otherwise)		
<i>To parties other than related parties</i>		
Housing loans - secured		
-Considered good	163,930	-
-Considered doubtful	-	-
Non Housing loans - secured		
-Considered good	10,785	-
-Considered doubtful	-	-
Security deposits	108,000	
Service tax receivable	24,985	-
Advances to employees	268,777	-
Tax deducted at source	696,035	-
	<u>1,272,512</u>	<u>-</u>
2.11 Other current assets		
Interest accrued but not due on loans	194,781	-
Interest accrued but not due on:		
- Fixed deposits	505,555	494,896
	<u>700,336</u>	<u>494,896</u>



Aviom India Housing Finance Private Limited
Notes to financial statements for the year ended 31 March 2017
(All amounts are in Indian Rupees)

	For the year ended 31 March 2017	For the period from 18 February 2016 to 31 March 2016
2.12 Revenue from operations		
Interest on housing and non housing loans	541,771	-
Processing fees and other charges	2,140,063	-
	<u>2,681,834</u>	<u>-</u>
2.13 Other income		
Interest income on fixed deposits	6,949,460	494,896
Miscellaneous	2,348	-
	<u>6,951,808</u>	<u>494,896</u>
2.14 Employee benefits		
Salaries, bonus and allowances	14,110,784	-
Contribution to provident and other funds	437,381	-
Gratuity	134,534	-
Staff welfare	54,252	-
	<u>14,736,951</u>	<u>-</u>
2.15 Finance costs		
Bank charges	82,232	50
	<u>82,232</u>	<u>50</u>
2.16 Other expenses		
Housing Loans:		
Contingent provision against standard assets	96,628	-
Non-Housing Loans:		
Contingent provision against standard assets	6,359	-
Legal and professional*	3,464,392	57,250
Rent ##	1,319,651	-
Travelling and conveyance	883,019	-
Rates and taxes	569,030	10,000
Printing and stationery	66,775	-
Customer acquisition cost	57,798	-
Communication	50,332	-
Postage and courier	30,053	-
Advertisement	12,873	-
Preliminary expenses	-	1,072,885
Miscellaneous	434,590	-
	<u>6,991,500</u>	<u>1,140,135</u>

The Company has taken various office premises on operating lease. The office premises are generally rented for a term between 1 to 3 years on a cancellable basis. Lease payments during the year are charged to Statement of Profit and Loss.

Note 2.16 (a)- Payment to auditors*^

As auditor		
- Statutory audit	500,000	57,250
- Outlays	28,750	-
	<u>528,750</u>	<u>57,250</u>

^ excluding service tax



Aviom India Housing Finance Private Limited
Significant accounting policies and Notes to the financial statements for the year ended 31 March 2017
 (All amounts are in Indian Rupees)

2.17 Employee Benefits:

- (i) The following table sets out the status of un-funded gratuity plan and the amounts recognised in the Company's financial statements as at 31 March 2017 and 31 March 2016:

Particulars	For the year ended 31 March 2017	For the period from 18 February 2016 to 31 March 2016
a) Change in present value of obligation		
Present value of obligation at the beginning of the year/period	-	-
Current service cost	134,534	-
Interest cost	-	-
Benefit paid	-	-
Actuarial (gain)/ loss on obligation	-	-
Present value of obligations at the end of the year/ period	134,534	-
b) Amount recognized in the Balance Sheet		
Present value of obligations at the end of the year/period	134,534	-
Net liability recognized in the Balance Sheet	134,534	-
Current liability at the end of the year/period	788	-
Non-Current liability at the end of the year/period	133,746	-
c) Expenses recognized in the Statement of Profit and Loss		
Current service cost	134,534	-
Interest cost	-	-
Net actuarial (gain)/ loss recognized in the year/period	-	-
Expenses recognized in the Statement of Profit and Loss	134,534	-
d) Assumptions used for actuarial valuation		
Discount rate	7.20%	-
Rate of increase in compensation	10.00%	-
Withdrawal rate	15.00%	-
Mortality rate	Indian Assured Lives Mortality (2006-2008) ultimate table	-

- e) Company's best estimate of contribution to during next year is Rs. 342,798.

(ii) Defined contribution plan

A sum of Rs. 368,256 (previous year Rs. Nil) on account of provident fund is recognised as an expense and included in "contribution to provident fund" in the Statement of Profit and Loss.



Aviom India Housing Finance Private Limited**Significant accounting policies and Notes to the financial statements for the year ended 31 March 2017**

(All amounts are in Indian Rupees)

Particulars	For the year ended 31 March 2017	For the period from 18 February 2016 to 31 March 2016
Contribution to Provident Fund	368,256	Nil
Contribution to Employees' State Insurance	69,125	Nil

2.18 Segment Reporting

The Company provides Housing loans and Non-Housing loans and the entire services are governed by same set of risk and returns. Hence, the Company has been considered to have only one primary segment. The said treatment is in accordance with the guiding principles enunciated in the Accounting Standard-17 on Segment Reporting as specified under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder.

2.19 Commitments

Particulars	As at 31 March 2017	As at 31 March 2016
Other commitments		
Undisbursed amount of loans sanctioned	27,289,938	Nil
Committed amount against capital assets	8,080,000	Nil

2.20 Related party disclosures**(a) List of related parties**

S.N.	Nature of relationship	Name of the related party
1	Individuals with control over the enterprise	Ms.Kaajal Aijaz Ilmi
2	Key Managerial Personnel	Ms.Kaajal Aijaz Ilmi Mr. Om Parkash Sikka
3	Enterprises over which KMP exercises significant influence	Kaajal Realtors & Promoters Private Limited Kaajal Real Estate & Consultants Private Limited

(b) Transaction with related parties

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Equity shares issued during the year / period		
Ms. Kaajal Aijaz Ilmi	830,000	10,15,00,000
Mr. Om Prakash Sikka	-	10,000
Loan taken by the Company during the year / period		
Ms. Kaajal Aijaz Ilmi	29,00,000	-
Loan repaid by the Company during the year / period		
Ms. Kaajal Aijaz Ilmi	25,00,000	-
Conversion of loan into equity shares	400,000	-
Remuneration for the year / period		
Ms. Kaajal Aijaz Ilmi	30,02,500	-



Aviom India Housing Finance Private Limited
Significant accounting policies and Notes to the financial statements for the year ended 31 March 2017
(All amounts are in Indian Rupees)

Reimbursement of expenses		
Ms. Kaajal Aijaz Ilmi	22,500	10,72,885

(c) Balances outstanding with related parties

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Equity share capital		
Ms. Kaajal Aijaz Ilmi	95,591,670	10,15,00,000
Mr. Om Prakash Sikka	10,000	10,000
Reimbursement payable		
Ms. Kaajal Aijaz Ilmi	22,500	-

2.21 Deferred Tax Asset/ (Liabilities)

The break-up of deferred tax asset on account of timing differences between accounting and tax books is as under:

Particulars	As at 31 March 2017	As at 31 March 2016
Deferred tax liability		
Excess of depreciation on property, plant and equipment provided in accounts over depreciation under income-tax law	29,944	-
Deferred tax asset		
Provision for gratuity	40,185	-
Housing Loans:		
Contingent provision against standard assets	28,862	
Non housing loan:		
Contingent provision against standard assets	1,899	
Carry forward losses	3,599,242	-
Preliminary expenses	192,282	-
Total	3,944,535	-
Net deferred tax asset	3,914,591	-

* In the absence of virtual certainty regarding availability of sufficient future taxable income, deferred tax asset has not been recognised.

2.22 Long-term contracts

The Company has a process whereby periodically all long-term contracts are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law / accounting standards for material foreseeable losses on such long-term contracts has been made in the books of account.



Aviom India Housing Finance Private Limited**Significant accounting policies and Notes to the financial statements for the year ended 31 March 2017**

(All amounts are in Indian Rupees)

2.23 Disclosure on specified bank notes (SBNs)

During the year, the Company had Specified Bank Notes (SBN's) or other denomination notes as defined in the MCA notification G.S.R. 308(E) dated 30 March 2017 on the details of SBN held and transacted during the period from 08 November 2016 to 30 December 2016, the denomination wise SBN's and other notes as per the notification is given below: -

Particulars	SBN's*	Other denomination notes	Others#	Total
Closing cash in hand as on 8 November 2016	-	-	-	-
Add: Permitted Receipts	26,000	191,619		213,119
Less: Permitted Payments		-		-
Less: Amount deposited in Banks	26,000	165,669	6,300	193,469
Closing Cash in hand as on 30 December 2016	-	19,650	-	19,650

* For the purpose of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407 (E), dated 08 November 2016.

Out of total deposit of Rs. 193,469 the Company has received bank confirmations for Rs. 187,169 for deposits in the bank accounts of the Company in SBN/other denominations. The remaining amount Rs. 6,300 has been disclosed as "Others".

2.24 Earnings per share

Basic and diluted earnings per equity share have been computed by dividing net profit after tax by the weighted average number of equity shares outstanding for the year.

S.N.	Particulars	Units	Year ended 31 March 2017	Period ended 31 March 2016
(a)	Loss after tax attributable to equity shareholders	Rs.	(12,351,529)	(711,109)
Computation of weighted average number of equity shares of Rs.10 each				
	Number of shares at the beginning of the year	Nos.	10,151,000	-
	Number of shares issued during the year	Nos.	20,30,000	10,151,000
	Total number of equity shares outstanding at the end of the year	Nos.	12,181,000	10,151,000
(b)	Weighted average of number of equity shares used in computing basic and diluted earnings per share	Nos.	10,844,753	10,151,000
(c)	Basic and Diluted Earnings per equity share of Rs.10 each (a/b)	Nos.	(1.14)	(0.07)

2.25 Disclosure regarding penalty or adverse comments as per Housing Finance Companies (NHB) Directions, 2010. During the current year ended 31 March 2017:

- There has been no penalty imposed by National Housing Bank; and
- There has been no adverse comments in writing from National Housing Bank on regulatory compliances, which require a specific communication by the Company to the public.

2.26 The previous year financial statements were audited by another firm of Chartered Accountants.

Aviom India Housing Finance Private Limited

Significant accounting policies and Notes to the financial statements for the year ended 31 March 2017

(All amounts are in Indian Rupees)

2.27 The previous period is from 18 February 2016 to 31 March 2016 whereas the current year is from 1 April 2016 to 31 March 2017, and therefore, figures for the current year are not comparable with the previous period.

2.28 Comparatives

To conform to the current year's presentation, all previous year's figures have been regrouped.

As per our report of even date attached

For **B S R & Associates LLP**

Chartered Accountants

Firm registration number: 116231W/ W-100024

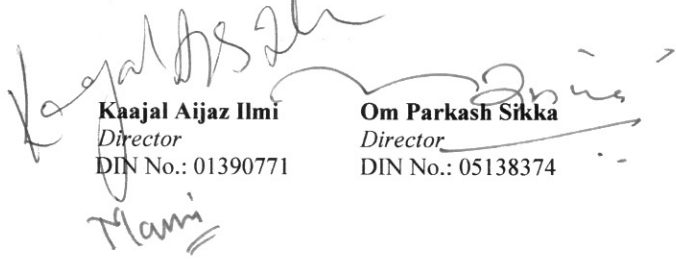


Manish Gupta

Partner

Membership No.: 095037

For and on behalf of the Board of Directors of
Aviom India Housing Finance Private Limited



Kaajal Aijaz Ilmi

Director

DIN No.: 01390771

Om Parkash Sikka

Director

DIN No.: 05138374



Mansi Arora

Company Secretary

Membership No.: 21282

Place: Gurugram

Date: 28 September 2017

Place: New Delhi

Date: 28 September 2017

B S R & Associates LLP

Chartered Accountants

Building No.10, 8th Floor, Tower-B
DLF Cyber City, Phase - II
Gurugram - 122 002, India

Telephone: + 91 124 719 1000
Fax: + 91 124 235 8613

Additional Auditor's Report

To the Board of Directors of
Aviom India Housing Finance Private Limited

Report on the Financial Statements

In addition to our audit report issued under Section 143 of the Companies Act, 2013 ("the Act") on the financial statements of Aviom India Housing Finance Private Limited ("the Company") for the year ended 31 March 2017 and as required by Housing Finance Companies – Auditor's Report (National Housing Bank) Directions, 2016 vide Notification No. NHB.HFC.AR-DIR.1/MD&CEO/2016 dated 3 February 2017 and amended thereto ("the Directions"), we separately report on the matters specified in paragraph 3 and 4 of the Directions to the extent applicable.

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

The Company's management is responsible for ensuring that the Company complies with the requirements of the Directions. This responsibility includes the design, implementation and maintenance of internal control relevant to the compliance with the Directions.

Auditor's Responsibility

Pursuant to the requirements of the Directions, it is our responsibility to examine the books and records of the Company and report on the matters specified in the Directions to the extent applicable to the Company.

We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India (the 'ICAI'). The Guidance Note requires that we comply with the independence and other ethical requirements of the Code of Ethics issued by ICAI.



We have complied with the relevant applicable requirements for the Standard on the Quality Control ('SQC') I, Quality Control for Firms that Perform Audit and Reviews of Historical Financial Information, and Other Assurance and Related Service Engagements.

Opinion

Based on our examination of the financial statements as at and for the year ended 31 March 2017, books of accounts and records of the Company as produced for our examination and according to the information and explanation given to us we report that:

- i. The Company was incorporated on 18 February 2016 and was registered as a non-deposit taking housing finance Company with the National Housing Bank ('NHB') vide certificate of registration No.08.0140.16 dated 16 August 2016;
- ii. According to the information and explanations given to us, the Company is meeting the Net Owned Funds requirements as prescribed under Section 29A of the NHB Act;
- iii. The Company has incurred losses during the year, therefore, the provisions relating to statutory reserves under Section 29C of the National Housing Bank Act, 1987 is not applicable.
- iv. The Board of Directors of the Company has passed the resolution on 29 April 2016 for non-acceptance of any public deposits.
- v. According to the information and explanations given to us, the Company has not accepted any public deposits during the year ended 31 March 2017.
- vi. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not taken any borrowings during the year. Therefore, the provisions of 3(C)(iv) is not applicable.
- vii. According to the information and explanations given to us, the Company has complied with the prudential norms on income recognition, accounting standards, asset classification, loan-to-value ratio, provisioning requirements, disclosure in balance sheet, investment in real estate, exposure to capital market and engagement of brokers, and concentration of credit/investments as specified in the Housing Finance Companies (NHB) Directions, 2010, to the extent applicable.
- viii. In our opinion the capital adequacy ratio as disclosed in the Schedule II return submitted to the National Housing Bank in terms of the Housing Finance Companies (NHB) Directions, 2010 has been correctly determined in all material aspects based on the unaudited results of the Company. Further, such ratio is in compliance with the minimum capital to risk weighted asset ratio as prescribed by the National Housing Bank in the Directions.
- ix. The housing finance company has furnished to the Bank within the stipulated period the Schedule-II return as specified in the Housing Finance Companies (NHB) Directions, 2010.
- x. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is not having any Statutory Liquid Assets as specified in the Housing Finance Companies (NHB) Directions, 2010, during the year. Therefore, the provisions of 3(C)(viii) is not applicable.



B S R & Associates LLP

- xi. According to information and explanations given to us, the Company has complied with requirements contained in the Housing Finance Companies (NHB) Directions, 2010 relating to opening of new branches /offices. The Company did not close any existing branches/offices during the year ended 31 March 2017.
- xii. The housing finance company has complied with the provisions contained in paragraph 38 and 38A of the Housing Finance Companies (NHB) Directions, 2010.

Restriction of use

This report is addressed to and provided to the Board of Directors solely in connection with the above mentioned purpose and for submission to NHB, if required, and should not be used by any other person or for any other purpose. Accordingly, our report should not be quoted or referred to in any other document or made available to any other person or persons without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any person whom this report is shown or into whose hands it may come without our prior consent in writing.

For B S R & Associates LLP

Chartered Accountants

Firm Registration No.: 116231W /W-100024



Manish Gupta

Partner

Membership No.: 095037

Place: Gurugram

Date: 28 September 2017