

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## 1 SIGNIFICANT ACCOUNTING POLICIES

### i. Basis of Accounting

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (IGAAP) under the historical cost convention on the accrual basis and guidelines issued by the National Housing Bank. IGAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified).

All assets and liabilities have been classified as current or non-current as per CFHL's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of its activities, CFHL has determined its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

### ii. Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires that the management makes estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of financial statements and the reported amounts of revenue and expenses during the reported period. Although such estimates were on a reasonable and prudent basis taking into account all available information, actual results could differ from these estimates and such differences are recognized in the period in which the results are ascertained.

### iii. Revenue Recognition

#### a) Interest on Housing/ Non-Housing Loans

Repayment of loans is by way of Equated Monthly Instalments (EMIs) comprising of principal and interest. EMIs commence once the entire loan is disbursed or based on the agreed upon commencement date as specified in the Most Important Terms & Conditions (MITC). Pending commencement of EMIs, Pre-EMI interest is receivable every month. Interest is calculated on annual/ monthly rest basis.

Income is recognised on accrual basis in respect of performing Assets and on receipt basis for non-performing Assets in accordance with the Prudential Norms issued by National Housing Bank for Housing Finance Companies.

Fees and additional interest income on delayed EMI /Pre-EMI are recognized on accrual basis.

#### b) Income from Processing fees/ Other Charges

Processing fees and other loan related charges are recognised when it is reasonable to expect ultimate collection which is generally at the time of sanction/disbursement of the loan.

#### c) Insurance commission

Commission on sale of insurance policies are recognised on an accrual basis in accordance with the agreed rates with the customer.

#### d) Income from Investments

Interest income on Investments are recognized on accrual basis.

### iv. Advances & Provision for Standard & Non-Performing Loans

Loans to the extent, the instalments have not become due as at the year-end and suit filed accounts are being shown under loan asset.

All loans and other credit exposures where the instalments are overdue for ninety days and more are classified as NPAs in accordance with the prudential norms prescribed by the National Housing Bank (NHB).

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The provision on Standard and Non-Performing Loans is made as per the prudential norms prescribed in the Housing Finance Companies (NHB) Directions, 2010 as amended. Additional provisions (over and above the prudential norms) is made as per the Guidelines approved by the Board of Directors from time to time as a measure of abundant caution and prudence and are carried under Provision for Contingencies Account.

## v. Property, Plant & Equipment

Fixed Assets are stated at cost of acquisition, or construction inclusive of expenses incidental thereto less accumulated depreciation and impairment loss, if any. Costs includes purchase cost and cost specifically attributable to the acquisition and installation of fixed assets like freight and other costs are capitalised till the assets are ready to be put to use.

## vi. Depreciation

Depreciation on tangible assets is provided on the written down value method over the useful lives of assets prescribed in Schedule II of the Companies Act, 2013, except in case of servers, where the useful life is estimated to be 3 years.

## vii. Impairment Loss

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 recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Profit and Loss Statement. If at the Balance Sheet date there is an indication that if 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 depreciated/amortised historical cost.

## viii. Investments

In accordance with the Guidelines issued by National Housing Bank (NHB) and the Accounting Standard (AS -13) – “Accounting for Investments” notified under the relevant provisions of the Act, current investments are carried at lower of cost & fair value and long-term investments are carried at cost. However, provision is made to recognize decline other than temporary in the carrying amount of long-term investments. Unquoted investments in the units of mutual funds in the nature of current investments are valued at the net asset value declared by mutual funds in respect of each particular scheme as per the guidelines issued by the NHB.

## ix. Employee Benefits

### a) Defined Contribution Plans

#### Employee Pension & Insurance

The Company's contribution to State Plans namely Employee's Pension Scheme and Employee State Insurance is a defined contribution plan and contribution paid or payable is recognised as an expense in the period in which the employee renders services.

### b) Defined Benefit Plans

#### Gratuity

Gratuity is a post-employment benefit and is a defined benefit plan. The liability recognised in the Balance Sheet represents the present value of the defined benefit obligation at the Balance Sheet date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs. Independent actuaries using the projected unit credit method calculate the defined benefit obligation annually. Actuarial gains or losses arising from experience adjustments and changes in actuarial assumptions are credited or charged to the Statement of Profit and Loss in the year in which such gains or losses arises.

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## Compensated Absences

Liability in respect of compensated absences becoming due or expected to be availed within one year from the Balance Sheet date is recognised on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. Liability in respect of compensated absences becoming due or expected to be availed more than one year after the Balance Sheet date is estimated on the basis of actuarial valuation in a manner similar to gratuity liability and is recognised in the balance sheet net of the fair value of the plan assets.

## Provident fund

Liability in respect of contribution to Exempt Provident Fund is estimated on the basis of actuarial valuation in a manner similar to gratuity liability and is recognised in the balance sheet net of the fair value of the plan assets.

## Leave Travel Concession

All confirmed employees are entitled to leave travel concession once in two years, the liability in this respect is estimated on the basis of actuarial valuation in a manner similar to gratuity liability and is recognised in the balance sheet.

## c) Other short-term benefits

All employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits. Expense in respect of other short-term benefits including salaries, short term compensated absences, performance bonus (individual performance)/ ex-gratia is recognised on the basis of amount paid or payable for the period during which the employees render services.

## x. Borrowing Expenses

Expenses incurred for issue of Non convertible Debentures & Commercial Papers [CP's] such as ROC fee, Stamp Duty etc., are charged to Profit & Loss Statement in the year of issue. Discount on CPs are amortised to the Statement of Profit & Loss over the tenure of the CP.

## xi. Operating Leases

Assets acquired on lease where significant portions of the risks and rewards incidental to the ownership are retained by the lessors are classified as operating leases. Lease rentals are charged to the Statement of Profit and Loss on accrual basis.

## xii. Taxation

Tax expense comprises Current and Deferred Taxes. Provision for Current Taxes is measured at amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961 on the basis of estimated taxable income for the current accounting period.

Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. If the company has carried forward unabsorbed depreciation and tax losses, deferred tax assets are recognized only if there is virtual certainty that such deferred tax assets can be realized against future taxable profits. Unrecognized deferred tax assets of earlier years are re-assessed and recognized to the extent that it has become reasonably or virtually certain that future taxable income will be available against which such deferred tax assets can be realized.

## xiii. Provisions and Contingencies

The Company creates a provision when there is a 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. Where 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. Contingent Assets are neither recognised nor disclosed in the financial statements.

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## 2 SHARE CAPITAL

₹ in Lakh

Particulars	As at	As at
	March 31, 2018	March 31, 2017
<b>Authorised</b>		
35,00,00,000 Equity Shares of ₹2 each (PY 2016-17: 7,00,00,000 Equity Shares of ₹10 each)	7,000.00	7,000.00
<b>Issued and Subscribed</b>		
13,32,27,875 Equity Shares of ₹2 each (PY 2016-17: 2,66,45,575 Equity Shares of ₹10 each)	2,664.56	2,664.56
<b>Paid Up</b>		
13,31,54,125 Equity shares of ₹2 each (PY 2016-17: 2,66,20,242 Equity shares of ₹10 each)	2,663.08	2,662.02
Add : Forfeited Shares	0.23	0.23
	<b>2,663.31</b>	<b>2,662.25</b>

Reconciliation of Number of shares outstanding at the beginning and at the end of the reporting period is as under.

Particulars	As at March 31, 2018		As at March 31, 2017	
	No	₹ in lakh	No	₹ in lakh
	(of ₹2 each)		(of ₹10 each)	
Equity Shares outstanding as at the beginning of the year	133,101,210	2,662.25	26,620,242	2,662.25
Add: Equity shares issued during the year (Refer Note 2.2)	52,915	1.06	-	-
Equity Shares outstanding as at the end of the Year	<b>133,154,125</b>	<b>2,663.31</b>	<b>26,620,242</b>	<b>2,662.25</b>

### Details of each shareholder holding more than 5% in the Company

Particulars	As at March 31, 2018		As at March 31, 2017	
	No	% of shares	No	% of shares
	(of ₹2 each)	held to total shares	(of ₹10 each)	held to total shares
Canara Bank	39,930,365	29.99	7,986,358	30.00
Chhattisgarh Investments Ltd	13,013,105	9.78	2,670,000	10.03
Caladium Investment Pte Ltd	17,904,245	13.45	3,580,849	13.45

**2.1** The Company has subdivided the face value of its equity shares from ₹10 each to ₹2 each w.e.f 13/10/17 (Record date). In view of the same, the number of equity shares under Authorised Capital has increased to 35,00,00,000 shares of ₹2 each and the number of shares under Issued & Subscribed Capital has increased to 13,32,27,875 equity shares of ₹2 each. The number of equity shares under Paid up Capital has increased to 13,31,01,210 consequent to sub-division and for the reasons stated in Note no. 2.2 the aggregate number of Paid up Equity shares of the Company as at March 31, 2018 stands at 13,31,54,125 shares of ₹2 each.

**2.2** During the financial year 2017-18, 52,915 equity shares of ₹2 each (in lieu of 10,583 equity shares of ₹10 each, which were kept in abeyance during the Rights Issue made by the Company in March 2015) were allotted as per the judgement of Hon'ble High Court of Kerala.

**2.3** Terms and rights attached to Equity Shares: The Company has one class of Equity shares having a face value of ₹2/- per share and each shareholder is eligible for one vote per share held. 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.

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2.4 For the period of five years immediately preceding the FY 2017-18

- (A) Aggregate number and class of shares allotted as fully paid-up pursuant to contract(s) without payment being received in cash is NIL
- (B) Aggregate number and class of shares allotted as fully paid-up by way of bonus shares is NIL
- (C) Aggregate number and class of shares bought back is NIL

## 3 RESERVES AND SURPLUS

Particulars	₹ in Lakh	
	As at March 31, 2018	As at March 31, 2017
<b>Special Reserve (Refer Note 3.1)</b> (in terms of Section 36(1)(viii) of Income Tax Act, 1961)		
Opening Balance	37,121.00	30,721.00
Add: Transferred from P&L account (Refer Note 3.2)	8,300.00	6,400.00
	<b>45,421.00</b>	<b>37,121.00</b>
<b>General Reserve</b>		
Opening Balance	24,855.21	19,355.21
Less: Creation of DTL on Special Reserve (Refer Note 3.3)	-	3,700.00
Add: Transferred from P&L account	12,000.00	9,200.00
	<b>36,855.21</b>	<b>24,855.21</b>
<b>Additional Reserve (u/s 29C of The NHB Act)</b>		
Opening Balance	12,500.00	7,700.00
Add: Transferred from P&L account (Refer Note 3.2)	6,100.00	4,800.00
	<b>18,600.00</b>	<b>12,500.00</b>
<b>Security Premium Reserve</b>		
Opening Balance	27,250.97	27,250.97
Add: Received during the year (Refer Note 2.2)	46.57	-
	<b>27,297.54</b>	<b>27,250.97</b>
<b>Profit and Loss Account</b>		
Opening Balance	3,240.46	114.57
Add: Surplus in the statement of Profit and Loss account	30,177.43	23,525.88
	<b>33,417.89</b>	<b>23,640.46</b>
Less: Appropriation for:		
Special Reserve	8,300.00	6,400.00
General Reserve	12,000.00	9,200.00
Additional Reserve (u/s 29C of the NHB Act)	6,100.00	4,800.00
Dividend (Refer Note 3.5 & 3.6)	2,663.08	-
Corporate Dividend Tax thereon	542.18	-
	<b>3,812.63</b>	<b>3,240.46</b>
	<b>131,986.37</b>	<b>104,967.64</b>

3.1 Special Reserve has been created over the years in terms of Income Tax Act 1961, out of the distributable Profits of the Company.

3.2 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 reserve before any dividend is declared. For this purpose, any Special Reserve created by the Company under Section 36(1) (viii) of the Income Tax Act, 1961 is considered to be an eligible Transfer U/S 29C of the NHB Act, 1987 also. The Company has transferred a sum of ₹8,300 lakh (previous year ₹6,400 lakh) to Special Reserve which is in terms of Section 36(1)(viii) of the Income Tax Act, 1961 and ₹6,100 lakh (previous year ₹4,800 lakh) to Additional Reserve U/S 29C of the NHB Act, 1987 during the FY 2017-18.

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- 3.3** Vide Circular NHB(ND)/DRS/Pol.62/2014 dated May 27, 2014, the National Housing Bank (NHB) had directed Housing Finance Companies (HFCs) to provide for deferred tax liability in respect of the balance in the "Special Reserve" created under section 36(1)(viii) of the Income Tax Act, 1961 as on March 31, 2014 and permitted to adjust the same from Retained Earnings. Further, vide Circular NHB(ND)/DRS/Pol.65/2014 dated August 22, 2014, NHB has permitted HFCs to adjust the Deferred Tax Liability in a phased manner, over a period of three years in the ratio of 25:25:50 starting from FY 2014-15. Accordingly the Company had to create ₹7399.96 lakh DTL in three years. The Company had transferred the third and final tranche of 50% being ₹3700 lakh in the previous year ending March 31, 2017 from the General Reserves to DTL (₹3700 lakh transferred in the preceding two years).
- 3.4** Further, Deferred Tax Liability (net) of ₹2759.52 lakh (previous year ₹1977.65 lakh) is charged off to the Statement of Profit & Loss, on account of various components of assets & liabilities including Special Reserve appropriated during the current year.
- 3.5** The Company has paid dividend of ₹10/- per share on the equity shares of face value of ₹10/- each pertaining to FY 2016-17, post approval by the members in the 30th AGM held on 28th June, 2017.
- 3.6** The Board of Directors, have recommended final dividend of ₹2/- per equity share, this dividend will be paid after the approval of the members at the ensuing AGM. According to the requirements of AS 4 (Revised)- Contingencies and events occurring after Balance sheet date, proposed dividend and tax thereon are not required to be recognised as a liability in the books of account for the year it pertains to. However it will be recorded as a liability on approval by members.
- 3.7** Presentation of Reserve Fund as per NHB's policy circular reference NHB(ND)/ DRS/ Pol.Circular.61/ 2013-14 dated April 7, 2014 and Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by National Housing bank.

Particulars	₹ in Lakh	
	Current Year	Previous Year
<b>Reserves &amp; Surplus</b>		
Statutory Reserve (As per section 29C of the National Housing Bank Act, 1987)		
Opening Balance	12,500.00	7,700.00
Additions during the year	6,100.00	4,800.00
Appropriations during the year	-	-
<b>Closing Balance</b>	<b>18,600.00</b>	<b>12,500.00</b>

Particulars	₹ in Lakh	
	Current Year	Previous Year
<b>Balance at the beginning of the year</b>		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	12,500.00	7,700.00
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	37,121.00	30,721.00
<b>Total</b>	<b>49,621.00</b>	<b>38,421.00</b>
<b>Addition/ Appropriation / Withdrawal during the year</b>		
<b>Add:</b>		
a) Amount transferred u/s 29C of the NHB Act, 1987	6,100.00	4,800.00
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purpose of Statutory Reserve u/s 29C of the NHB Act, 1987.	8,300.00	6,400.00

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Particulars	₹ in Lakh	
	Current Year	Previous Year
<b>Less:</b>		
a) Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
b) Amount withdrawn from the Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 which has been taken into account for the purpose of provision u/s 29C of the NHB Act, 1987.	-	-
<b>Balance at the end of the year</b>		
a) Statutory Reserve u/s 29c of the National Housing Bank Act, 1987	18,600.00	12,500.00
b) Amount of Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into Account for the purpose of Statutory Reserve u/s 29C of the NHB Act, 1987.	45,421.00	37,121.00
<b>Total</b>	<b>64,021.00</b>	<b>49,621.00</b>

## 4 SHARE APPLICATION MONEY PENDING ALLOTMENT

Particulars	₹ in Lakh	
	As at March 31, 2018	As at March 31, 2017
The application money in respect of 52,915 equity shares ₹2 each under the Rights Issue. (Refer Note 2.2)	-	47.62

## 5 LONG TERM BORROWINGS

	₹ in Lakh	
	As at March 31, 2018	As at March 31, 2017
<b>SECURED (Refer Note 5.1)</b>		
National Housing Bank	182,365.69	298,680.84
Term Loans:		
- from Related parties*	199,999.97	99,902.31
- from HDFC Bank	25,714.29	42.11
- from State Bank of India	64,050.00	43,746.56
Secured Redeemable Non Convertible Non-Cumulative Taxable Debentures (Refer Note 5.3)	335,200.00	340,200.00
	<b>807,329.95</b>	<b>782,571.81</b>
<b>UNSECURED</b>		
Unsecured Redeemable Non Convertible Debenture in the nature of Tier II Capital (Refer Note 5.4)	10,000.00	10,000.00
Deposits (Refer Note 5.5 & 15.1)	11,938.26	10,253.05
Term Loan from Federal Bank ( ROI@7.95% for 7 yrs tenure)	42,857.14	-
	<b>872,125.34</b>	<b>802,824.86</b>

\*Represents the advances availed from Canara Bank

**5.1** The borrowings from National Housing Bank, Canara Bank, HDFC Bank, and State Bank of India are secured by way of specific charge on book debts, outstanding, receivables, etc.,/ promissory notes and / or a negative lien on assets of the Company. The tenure of the Long term borrowings are more than one year and upto 15 years and that of short term borrowings is less than 1 year.

**5.2** There is no amount of continuing default as on the Balance Sheet date in terms of repayment of loans & interest on Borrowings of the Company.

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**5.3** During the year the Company has issued Secured Redeemable Non-Convertible Non-Cumulative Taxable Debentures worth ₹1,40,000 lakh (previous year ₹1,86,200 lakh) through private placement. These debentures are secured by way of floating charge on the assets i.e., loan receivables specifically earmarked for the purpose.

**The details of the Secured Redeemable Non Convertible Taxable Debentures as on March 31, 2018 are as follows:**

Date of Issue	Date of Redemption	Rate of Interest	₹ In Lakh
18-05-2017	18-05-2022	7.89%	60,000.00
15-11-2016	15-11-2021	7.77%	12,200.00
29-11-2017	26-02-2021	7.64%	20,000.00
17-10-2017	17-01-2021	7.44%	20,000.00
26-07-2017	26-10-2020	7.32%	40,000.00
10-09-2015	10-09-2020	8.69%	10,000.00
27-02-2017	27-05-2020	7.68%	20,000.00
12-01-2017	12-04-2020	7.57%	40,000.00
24-10-2016	24-01-2020	7.73%	44,000.00
16-09-2016	16-12-2019	7.85%	30,000.00
27-05-2016	27-08-2019	8.55%	10,000.00
17-02-2016	17-05-2019	8.85%	16,500.00
07-01-2016	06-04-2019	8.60%	12,500.00
22-12-2015	22-03-2019	8.55%	10,000.00
22-04-2016	22-03-2019	8.37%	30,000.00
24-11-2015	22-02-2019	8.45%	10,000.00
30-10-2015	30-01-2019	8.41%	15,000.00
08-10-2015	08-10-2018	8.44%	10,000.00
07-08-2015	07-08-2018	8.71%	20,000.00
02-07-2015	02-07-2018	8.80%	20,000.00
28-05-2015	28-05-2018	8.70%	10,000.00
28-04-2015	28-04-2018	8.69%	20,000.00
<b>Total</b>			<b>480,200.00</b>

**5.4** Further, the Company has issued Unsecured Debentures in the nature of Tier II capital worth ₹10000 lakh in the financial year 2014-15 for a term of 10 years through private placement. These Debentures are subordinated to present and future senior indebtedness of the Company and qualify as Tier II Capital under the National Housing Bank (NHB) guidelines for assessing capital adequacy. Based on the balance term to maturity as at March 31, 2018, 100% of the book value of the subordinated debt is considered as Tier II Capital for the purpose of Capital Adequacy computation.

**The details of the Unsecured Non Convertible Debentures in the nature Tier II capital as on March 31, 2018 are as follows:**

Date of Issue	Date of Redemption	Rate of Interest	Amount in Lakh
03-12-2014	03-12-2024	8.94%	10,000.00
<b>Total</b>			<b>10,000.00</b>

**5.5** As per the Directions of the National Housing Bank, the Company has created floating charge on Statutory Liquid Assets (Investments in Govt. Securities and Deposits in Commercial Banks) in favour of the Trustees of the depositors in a manner prescribed by the National Housing Bank in terms of sub-sections (1) & (2) of section 29B of the NHB Act, 1987.



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## 5.6 Maturity Profile of Term Loans

₹ in Lakh

Description	As at March 31, 2018		As at March 31, 2017	
	Term loans from Banks	National Housing Bank (Refinance)	Term loans from Banks	National Housing Bank (Refinance)
<b>Non Current</b>	(Rupee Term loan)	(Refinance)	(Rupee Term loan)	(Refinance)
	(ROI 6.95% to 8.10%)	(ROI 6.46% to 8%)	(ROI 8.00% to 9.65%)	(ROI 6.70% to 8.75%)
Over 1 year to 3 years	76,457.14	64,381.84	70,042.11	100,391.67
Over 3 to 5 years	76,457.14	49,757.99	20,000.00	81,173.37
Over 5 to 7 years	76,457.14	32,193.92	20,000.00	51,877.31
Over 7 years	103,250.00	36,031.93	33,648.86	65,238.49
<b>Total</b>	<b>332,621.43</b>	<b>182,365.69</b>	<b>143,690.97</b>	<b>298,680.84</b>

## 6 LONG TERM PROVISIONS

₹ in Lakh

Particulars	As at March 31, 2018	As at March 31, 2017
Employee Benefits (Refer Note 30)	947.62	1,020.25
Contingencies (Refer Note 6.1)	900.97	600.00
Standard Asset Provisions (Refer Note 6.1 & 14.5)	6,475.00	6,265.00
Provisions for Doubtful Debts (Refer Note 6.1 & 14.4)	3,586.83	2,791.11
Interest on Income Tax Refund	-	273.44
	<b>11,910.42</b>	<b>10,949.80</b>

### 6.1 The movement in Provisions for Loan Assets during the year is as under:

Current Year:

₹ in Lakh

Particulars	Standard Assets	NPAs	Prov for Contingencies	Total
Opening Balance (A)	6,265.00	2,791.11	600.00	9,656.11
Charged during the year (B)	210.00	3,488.28	300.97	3,999.25
Reversed during the Year (C)	-	1,108.21	-	1,108.21
Accounts written off (D)	-	1,584.34	-	1,584.34
Amounts recovered from accounts written off (E)	-	380.07	-	380.07
Net charged during the year (F=B-C-E)	210.00	2,000.00	300.97	2,510.97
<b>Closing balance (G= A+F+E-D)</b>	<b>6,475.00</b>	<b>3,586.83</b>	<b>900.97</b>	<b>10,962.80</b>

Previous Year:

₹ in Lakh

Particulars	Standard Assets	NPAs	Prov for Contingencies	Total
Opening Balance (A)	5,200.00	1,975.73	600.00	7,775.73
Charged during the year (B)	1,065.00	1,295.34	-	2,360.34
Reversed during the Year (C)	-	479.96	-	479.96
Net charged during the year (D=B-C)	1,065.00	815.38	-	1,880.38
<b>Closing balance (E=A+D)</b>	<b>6,265.00</b>	<b>2,791.11</b>	<b>600.00</b>	<b>9,656.11</b>

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## 7 SHORT TERM BORROWINGS

₹ in Lakh

Particulars	As at	
	March 31, 2018	March 31, 2017
<b>SECURED (Refer Note 5.1)</b>		
Loans & Advances from Related parties (Refer Note 7.1)	29,299.43	39,276.38
<b>UNSECURED</b>		
Overdraft / WCDL Accounts from:		
Related party - Canara Bank	27,505.30	30,003.47
State Bank of India	25,669.49	6,773.31
HDFC Bank Ltd	5.56	0.09
Laxmi Vilas Bank	33,993.82	-
Commercial Paper (Refer Note 7.3)	207,561.56	232,061.75
Deposits with less than 1 year tenure	500.00	-
	<b>324,535.17</b>	<b>308,115.01</b>

**7.1** The Overdraft account with related party includes ₹12,929.97 lakh (previous year ₹15,106.07 lakh) being the cheques issued towards disbursements to borrowers and towards expenses but not encashed as on March 31, 2018.

### 7.2 ROI & tenure of Term Loans

₹ in Lakh

Description	As at March 31, 2018		As at March 31, 2017	
	ROI %	Facility	ROI %	Facility
<b>Short Term</b>				
Canara Bank	7.90 to 8.30	WCDL / OD	9.35 to 9.65	WCDL / OD
State Bank of India	7.80 to 8.00	WCDL / OD	8.90 to 9.15	WCDL / OD
HDFC Bank Ltd	9.30	OD	-	-
Laxmi Vilas Bank	7.74 to 7.75	WCDL	-	-
Oriental Bank of Commerce	-	-	9.70	OD

**7.3** Commercial Paper of the Company have a maturity value of ₹2,15,000.00 lakh (Previous year ₹2,37,000.00 lakh)

**Details of the Commercial Paper outstanding as on March 31, 2018 are as follows.**

S.No.	Value Date	Period in days	Discount Rate	Face value (in Lakh)
1	15-Jun-17	365	7.02%	25,000.00
2	05-Jul-17	365	7.00%	20,000.00
3	20-Jul-17	365	6.805%	40,000.00
4	14-Aug-17	273	6.73%	30,000.00
5	05-Jan-18	360	7.77%	30,000.00
6	09-Jan-18	262	7.67%	20,000.00
7	09-Mar-18	365	7.91%	50,000.00
<b>Total</b>				<b>215,000.00</b>

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## 8 TRADE PAYABLES

Particulars	₹ in Lakh	
	As at March 31, 2018	As at March 31, 2017
- Due to Micro & Small Enterprises	-	-
- Due to others	869.61	232.67
	<b>869.61</b>	<b>232.67</b>

**8.1** Trade payables include ₹ Nil (Previous Year ₹ Nil) payable to “Suppliers” registered under The Micro, Small & Medium Enterprises Development Act 2006. No interest has been paid by the company during the year to the “suppliers” covered under The Micro, Small & Medium Enterprises Development Act, 2006. The above information takes into account only those suppliers who have responded to enquiries made by the company for this purpose.

## 9 OTHER CURRENT LIABILITIES

Particulars	₹ in Lakh	
	As at March 31, 2018	As at March 31, 2017
Current maturities of Long term debts <b>(Refer Note 5.1)</b>		
- National Housing Bank - Refinance	25,943.85	38,822.28
- Term Loans from Federal Bank	7,142.86	-
- Term Loans from Canara Bank	-	-
- Term Loans from HDFC Bank Ltd	4,285.71	21.05
- Term Loans from State Bank of India	3,050.00	5,000.00
- Secured Redeemable Non Convertible Debentures	145,000.00	20,000.00
- Deposits from Public	10,391.72	12,411.82
	<b>195,814.14</b>	<b>76,255.15</b>
Statutory Liabilities	271.04	133.68
Unclaimed Deposits <b>(Refer Note 9.2)</b>	881.23	2,009.45
Provision for Expenses	16.78	15.42
Dues to Employees	149.70	220.00
Interest Accrued but not due on Borrowings <b>(Refer Note 9.3)</b>	22,798.93	15,050.65
Unclaimed Dividend	147.97	124.18
Advance Receipts for Charges	256.36	309.45
Dues to Capital Vendors	4.87	1.87
Other Liabilities <b>(Refer Note 9.1)</b>	627.64	662.07
	<b>220,968.66</b>	<b>94,781.92</b>

### 9.1 Other liability includes :-

Particulars	₹ in Lakh	
	As at March 31, 2018	As at March 31, 2017
(i) Cheques pending presentation	45.38	116.00
(ii) Time barred cheques	80.80	110.46
(iii) Cheques pending realisation	54.99	259.27
(iv) LS General	309.34	89.95
(v) Others	137.14	86.39

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

**9.2** As required under Section 125 of the Companies Act, 2013, the Company has transferred ₹10.41 lakh (Previous Year ₹0.72 lakh) to Investor Education and Protection Fund (IEPF) during the year as of March 31, 2018, except to the extent of ₹56.37 lakh (previous year ₹63.44 lakh) in respect of claims that are disputed. As of March 31, 2018, no amount was due for transfer to the IEPF.

**9.3** Interest accrued but not due on Borrowings includes Interest on Debentures of ₹21,755.89 lakh (previous year ₹14,702.75 lakh).

## 10 SHORT TERM PROVISIONS

₹ in Lakh

Particulars	As at	As at
	March 31, 2018	March 31, 2017
Income Tax	344.42	810.71
Dividend on Shares kept in abeyance	-	2.14
Employee Benefits (Refer Note 30)	1,169.83	1,092.80
	<b>1,514.26</b>	<b>1,905.65</b>

## 11 PROPERTY, PLANT & EQUIPMENT

₹ in Lakh

Particulars	GROSS BLOCK AT COST			DEPRECIATION			NET BLOCK			
	As at	Additions	Deductions	As at	As at	Additions	Deductions	As at	As at	As at
	April 1, 2017			March 31, 2018	April 1, 2017			March 31, 2018	March 31, 2018	March 31, 2017
Freehold Land*	100.27	-	1.59	98.69	-	-	-	-	98.69	100.27
	(97.77)	(2.50)	-	(100.27)	-	-	-	-	(100.27)	-
Buildings	207.45	-	-	207.45	119.27	5.31	-	124.58	82.87	88.18
	(184.10)	(23.35)	-	(207.45)	(173.59)	(4.53)	(58.85)	(119.27)	(88.18)	(108.28)
Furniture and Fixtures	879.98	123.04	4.75	998.28	500.62	118.84	3.83	615.63	382.64	379.36
	(740.17)	(150.28)	(10.46)	(879.99)	(386.20)	(121.27)	(6.85)	(500.62)	(379.37)	(353.97)
Computers	589.81	40.34	0.26	629.89	517.97	63.02	0.26	580.73	49.17	71.85
	(508.04)	(87.75)	(5.98)	(589.81)	(404.57)	(119.25)	(5.85)	(517.97)	(71.84)	(103.47)
Office Equipments	66.67	2.75	0.38	69.04	41.48	12.32	0.34	53.45	15.59	25.20
	(46.31)	(21.21)	(0.84)	(66.68)	(26.98)	(15.01)	(0.52)	(41.47)	(25.21)	(19.32)
Electrical Equipments	591.59	71.50	14.07	649.02	310.85	84.88	10.32	385.42	263.61	280.74
	(471.12)	(135.20)	(14.72)	(591.60)	(235.93)	(86.77)	(11.85)	(310.85)	(280.75)	(235.18)
Vehicles - Cars	74.99	10.96	4.49	81.47	50.62	10.73	3.73	57.63	23.84	24.37
	(72.58)	(7.18)	(4.76)	(75.00)	(43.70)	(11.32)	(4.40)	(50.62)	(24.38)	(28.88)
Vehicles - Two wheelers	99.84	8.45	5.87	102.41	52.84	13.56	4.58	61.82	40.60	47.00
	(78.74)	(22.58)	(1.49)	(99.83)	(39.10)	(15.07)	(1.33)	(52.84)	(46.99)	(39.64)
<b>Total</b>	<b>2,610.62</b>	<b>257.03</b>	<b>31.40</b>	<b>2,836.25</b>	<b>1,593.65</b>	<b>308.66</b>	<b>23.06</b>	<b>1,879.25</b>	<b>957.00</b>	<b>1,016.97</b>
<b>Previous Year</b>	<b>(2,198.83)</b>	<b>(450.05)</b>	<b>(38.25)</b>	<b>(2,610.63)</b>	<b>(1,310.07)</b>	<b>(373.22)</b>	<b>(89.65)</b>	<b>(1,593.64)</b>	<b>(1,016.99)</b>	<b>(888.74)</b>

1. Freehold land includes value of undivided share in the land in case of certain properties.

2. Figures within parenthesis represents previous year's figures

3. During the previous year an amount of ₹281.27 lakh shown under the head Land & Building was bifurcated into Land (₹97.77 lakh) and Building (₹187.10 lakh). This has resulted in reversal of accumulated depreciation and thereby increase in profit by ₹58.85 lakh during the previous year which is disclosed as Prior Period Adjustment in the statement of Profit & Loss.

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## 12 NON CURRENT INVESTMENTS

Particulars	₹ in Lakh			
	As at March 31, 2018		As at March 31, 2017	
	Units	(₹ in Lakh)	Units	(₹ in Lakh)
(At Cost, Non Trade in Government or Trust Securities- Quoted)				
06.05% Government of India Securities,2019	500,000	500.00	500,000	500.00
06.01% Government of India Securities,2028	500,000	500.00	500,000	500.00
05.64% Government of India Securities,2019	500,000	493.50	500,000	493.50
09.19% Kerala SDL Bond , 2024	100,000	100.00	100,000	100.00
	<b>1,600,000</b>	<b>1,593.50</b>	<b>1,600,000</b>	<b>1,593.50</b>
Notes:				
Aggregate face value of quoted investments.		1,600.00		1,600.00
Market value of quoted Investments		1,544.11		1,548.52

The above investments are made to comply with the Statutory Liquidity Assets to be maintained under NHB Act. These carry a floating charge created in favour of trustees of depositors. The total investments under Statutory Liquidity Assets include ₹1593.50 lakh (previous year ₹1593.50 lakh) in Government securities and ₹1680.11 lakh (previous year ₹1654.00 lakh) in deposits with Nationalised Bank.

### 12.1 Presentation of Investments as per Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by the National Housing bank.

Particulars	₹ in Lakh	
	Current Year	Previous Year
<b>Value of Investments</b>		
i) Gross Value of investments		
a) In India	<b>1,593.50</b>	<b>1,593.50</b>
b) Outside India	-	-
ii) Provisions for Depreciation		
a) In India	-	-
b) Outside India	-	-
iii) Net value of Investments		
a) In India	<b>1,593.50</b>	<b>1,593.50</b>
b) Outside India	-	-
<b>Movement of provisions held towards depreciation on investments</b>		
i) Opening Balance	-	-
ii) Add Provisions made during the year	-	-
iii) Less Write-off / Written-back of excess provisions during the year	-	-
iv) Closing Balance	-	-

## 13 DEFERRED TAX ASSET / LIABILITY

In view of Accounting Standard 22 "Accounting for Taxes on Income", adjustment to the deferred tax liability (net) of ₹2,759.52 lakh {Previous year ₹1,977.65 lakh} has been made and is adjusted against provision for tax for the current year. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted as at the reporting date. The tax effects of significant timing (temporary) differences that resulted in deferred tax assets and liabilities and description of the financial statement items are as follows:

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

₹ in Lakh

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Deferred Tax Assets:</b>		
Provision for Doubtful debts	496.93	385.91
Provision for Employee Benefits	952.54	731.32
Depreciation on Fixed Assets	88.62	57.72
<b>Sub-Total (A)</b>	<b>1,538.09</b>	<b>1,174.95</b>
<b>Deferred Tax liability:</b>		
On Special Reserve (Refer Note 3.3)	15,662.25	12,539.59
<b>Sub-Total (B)</b>	<b>15,662.25</b>	<b>12,539.59</b>
<b>Deferred Tax Liability/(Asset) (B-A)</b>	<b>14,124.16</b>	<b>11,364.63</b>

## 14 LONG TERM LOANS AND ADVANCES

₹ in Lakh

Particulars	As at March 31, 2018	As at March 31, 2017
<b>(i) Secured, Considered Good. (Refer Note 14.1)</b>		
a) Housing Loans - Individuals/staff	1,355,080.14	1,144,138.61
b) Housing Loans -Corporate Bodies & Others	21.83	1,615.68
c) Non Housing Loans	152,574.90	144,680.32
	<b>1,507,676.87</b>	<b>1,290,434.60</b>
d) Loans against deposits	83.42	60.42
<b>(ii) Unsecured, Considered Good</b>		
a) Staff loans	78.80	103.17
b) Security Deposits	289.11	264.98
c) Advance Tax and Tax Deducted at Source (Net of Provisions)	1,380.86	1,377.86
	<b>1,509,509.06</b>	<b>1,292,241.03</b>

**14.1** Loans and instalments due from borrowers are secured, partly secured or otherwise by:

- Equitable mortgage of property and/or
- Other securities, assignment of life insurance policies and/or
- Bank guarantees, company guarantees or personal Guarantees and/or
- Negative lien and/or
- Undertaking to create a security.

**14.2** The Company has acquired certain assets under SARFAESI Act which are retained for the purpose of sale under the rules and regulations of SARFAESI Act involving market value of ₹667.62 Lakh (PY 2016-17: ₹533.71 Lakh), which are part of NPA portfolio aggregating to ₹559.68 Lakh (PY 2016-17: ₹500.80 lakh) for which necessary provisions have already been made. These assets are accounted as and when they are realized.

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## 14.3 Classification of loans and provisions made Standard and Non-performing assets is given hereunder

₹ in Lakh

Particulars	Housing loans (including instalments due from borrowers)		Non Housing Loans	Total Loans	Provisions			Additional Provisions			Total Provisions	
	Individuals	Corporate bodies			HL Individuals	Corporate bodies	Non housing loans	Individuals	Corporate Bodies	Non housing loans		
<b>As on</b>	Standard	1,403,299.15	17.20	164,252.21	1,567,550.68	3,508.25	0.17	2,032.38	934.20			6,475.00
<b>March 31,</b>	Sub-	4,422.81	20.93	868.34	5,312.08	663.42	3.14	130.25	597.71	17.79	738.09	2,150.40
<b>2018</b>	standard											
	Doubtful 1	390.38	-	97.75	488.13	97.59	-	24.44	292.79	-	73.31	488.13
	Doubtful 2	142.54	-	14.35	156.89	57.02	-	5.74	85.52	-	8.61	156.89
	Doubtful 3	17.88	-	-	17.88	17.88	-	-	-	-	-	17.88
	Loss	614.81	-	158.72	773.53	614.81	-	158.72	-	-	-	773.53
	<b>Total</b>	<b>1,408,869.69</b>	<b>38.13</b>	<b>165,391.37</b>	<b>1,574,299.19</b>	<b>4,958.97</b>	<b>3.31</b>	<b>2,351.53</b>	<b>1,910.22</b>	<b>17.79</b>	<b>820.01</b>	<b>10,061.83</b>
<b>As on</b>	Standard	1,174,404.63	1,495.71	152,614.88	1,328,515.22	4,697.62	14.96	1,552.42	-	-	-	6,265.00
<b>March 31,</b>	Sub-	868.40	141.93	293.00	1,303.33	130.26	21.29	43.95	738.14	120.64	249.05	1,303.33
<b>2017</b>	standard											
	Doubtful 1	511.78	-	23.42	535.20	127.94	-	5.86	383.84	-	17.56	535.20
	Doubtful 2	272.18	-	5.91	278.09	108.87	-	2.36	163.31	-	3.55	278.09
	Doubtful 3	401.42	-	9.77	411.19	401.43	-	9.77	-	-	-	411.19
	Loss	263.29	-	-	263.29	263.29	-	-	-	-	-	263.29
	<b>Total</b>	<b>1,176,721.70</b>	<b>1,637.64</b>	<b>152,946.98</b>	<b>1,331,306.32</b>	<b>5,729.41</b>	<b>36.25</b>	<b>1,614.36</b>	<b>1,285.29</b>	<b>120.64</b>	<b>270.16</b>	<b>2,791.10</b>

**14.4** Recognition of income and provision for non-performing assets has been made in accordance with the guidelines on prudential norms applicable as of March 31, 2018. Provision of loans is required to be maintained as per NHB guidelines on prudential norms to the extent of ₹1,773.01 lakh (Previous year ₹1,115.02 lakh) against which the company, by way of prudence and abundant caution has maintained cumulative provision of ₹3586.83 lakh (Previous year ₹2791.11 lakh).

The Company has provided 63 % provision for Non-Performing assets. Additional Provision provided in the current year is ₹2000.00 lakh (previous year ₹815.38 lakh).

**14.5** As per the National Housing Bank Circulars NHB.HFC.DIR.4/CMD/2012 dated January 19, 2012 & NHB.HFC.DIR.9 /CMD/2013 dated September 6, 2013, and vide notification no. NHB.HFC.DIR.18/MD&CEO/2017 dated August 2, 2017, all housing finance companies are required to carry a general provision (i) at the rate of 1% of Standard Assets in respect of Commercial Real Estates other than Residential Housing, (ii) at the rate of 0.75% of Standard Assets in respect of Commercial Real Estate – Residential Housing and (iii) at the rate of 0.25% of the total outstanding amount of loans which are Standard Assets other than (i) and (ii) above. Loans to individuals for 3rd dwelling units onwards shall be treated as Commercial Real Estate (CRE) exposure.

National Housing Bank (NHB) vide notification no. NHB.HFC.DIR.18/MD&CEO/2017 dated August 2, 2017 reduced the provisioning requirement on Standard Individual Housing Loans from 0.40% to 0.25%. In terms of the said notification, as of March 31, 2018, the Company carries a cumulative provision of ₹6,475 lakh which is higher than the revised regulatory requirement of minimum ₹5540.80 lakh. Accordingly the Company has made provision for Standard assets as detailed below.

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

₹ in Lakh

Particulars	2017-18		2016-17	
	Outstanding	Provisions	Outstanding	Provisions
(i).Standard Assets – Commercial Real Estate	118,416.08	1,184.16	112,737.32	1,127.37
(ii).Standard Assets – Commercial Real Estate – Residential Housing	97,840.15	978.40	78,379.75	587.85
(iii).Standard Assets – Other than (i) & (ii) above	1,351,294.45	3,378.24	1,137,398.15	4,549.59
<b>Total Standard Assets &amp; Provisions required</b>	<b>1,567,550.68</b>	<b>5,540.80</b>	<b>1,328,515.22</b>	<b>6,264.81</b>
<b>Total Provision made for Standard Assets</b>		<b>6,475.00</b>		<b>6,265.00</b>

## 15 OTHER NON CURRENT ASSETS

₹ in Lakh

Particulars	As at	As at
	March 31, 2018	March 31, 2017
Others:		
Deposits with Canara Bank for SLR (Refer Note 15.1)	920.01	748.23
	<b>920.01</b>	<b>748.23</b>

**15.1** The above deposits are held to comply with the Statutory Liquidity Assets required to be maintained under NHB Act. These carry a floating charge created in favour of trustees of depositors.

## 16 CASH AND BANK BALANCES

₹ in Lakh

Particulars	As at	As at
	March 31, 2018	March 31, 2017
a) Cash and Cash Equivalents		
Balance with Banks	2.25	9.80
Cash on hand	27.25	43.70
Cheques on hand	43.92	116.00
b) Other Bank Balances		
Deposits with Banks held for SLR*	760.10	905.77
Balance with Banks – Dividend A/c	147.97	124.18
Balance with Banks –Share application A/c (Refer Note 2.2 & 4)	-	47.62
	<b>981.49</b>	<b>1,247.06</b>

\* The above deposits are held to comply with the Statutory Liquidity Assets required to be maintained under NHB Act. These carry a floating charge created in favour of trustees of depositors.

## 17 TRADE RECEIVABLES

₹ in Lakh

Particulars	As at	As at
	March 31, 2018	March 31, 2017
(Unsecured, considered good)		
Outstanding for a period exceeding 6 months from due date	-	-
Other Trade Receivables		
Due from Related Parties	21.05	-
	<b>21.05</b>	<b>-</b>



# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## 18 SHORT TERM LOANS AND ADVANCES

Particulars	₹ in Lakh	
	As at March 31, 2018	As at March 31, 2017
<b>(i) Unsecured, Considered Good</b>		
Other advances	25.23	81.14
Staff Advances	29.44	30.82
GST Input Credit	17.27	-
	<b>71.94</b>	<b>111.96</b>

## 19 OTHER CURRENT ASSETS:

Particulars	₹ in Lakh	
	As at March 31, 2018	As at March 31, 2017
<b>(i) Secured, Considered Good. (Refer Note 14.1)</b>		
Current Maturities of Long term Advances		
- Housing Loans - Individuals / staff	53,789.54	32,583.10
- Housing Loans - corporate bodies & others	16.30	21.97
- Non Housing Loans	12,816.47	8,266.67
	<b>66,622.32</b>	<b>40,871.73</b>
Interest accrued on bank deposits held for SLR	20.81	21.58
Other assets	0.11	-
	<b>66,643.25</b>	<b>40,893.30</b>

## 20 REVENUE FROM OPERATIONS

Particulars	₹ in Lakh	
	Year Ended March 31, 2018	Year Ended March 31, 2017
<b>(i) INTEREST INCOME</b>		
Housing Loans Individuals	127,703.19	110,774.48
Housing Loan Corporate Bodies & others	130.14	356.71
Non Housing Loans	20,994.44	19,243.00
Staff Loans	8.51	9.99
Loans against deposits	7.32	8.06
Investments and Deposits		
a) Interest on Bank Deposits	114.58	115.55
b) Interest on Government Securities	97.96	94.01
	<b>149,056.14</b>	<b>130,601.80</b>
<b>(ii) FEES AND OTHER INCOME FROM OPERATIONS</b>		
Processing and other Fees	5,121.11	4,598.98
Bad debts recovered	95.70	10.30
Insurance Commission Income	19.49	-
Miscellaneous income	97.29	95.23
	<b>5,333.58</b>	<b>4,704.51</b>
	<b>154,389.72</b>	<b>135,306.31</b>

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## 21 OTHER INCOME

Particulars	₹ in Lakh	
	Year Ended March 31, 2018	Year Ended March 31, 2017
Profit on sale of fixed assets	11.77	-
Provision no longer required written back	273.44	-
Dividend Income from Investment in Mutual Fund	31.27	5.91
	<b>316.48</b>	<b>5.91</b>

## 22 EMPLOYEE BENEFIT EXPENSES

Particulars	₹ in Lakh	
	Year Ended March 31, 2018	Year Ended March 31, 2017
Salary and Wages (Refer Note 25.3)	3,378.52	3,393.91
Contribution to Provident Fund and other Funds (Refer Note 22.1)	845.88	381.80
Staff Training and Welfare Expenses	191.84	160.24
	<b>4,416.24</b>	<b>3,935.95</b>

**22.1** Employee Benefit Expenses include ₹612.87 lakh (Previous Year ₹459.21 lakh) towards provision made in respect of Gratuity, accumulated leave salary (PL encashment), Statutory Provident Fund and Leave Travel Assistance which is in the nature of Long Term Employee Benefits and has been actuarially determined as per the Accounting Standard on Employee Benefits (AS 15).

## 23 FINANCE COSTS

Particulars	₹ in Lakh	
	Year Ended March 31, 2018	Year Ended March 31, 2017
Interest on Deposits	1,870.25	2,233.82
Interest on Borrowings	95,379.07	85,628.99
Other Financial charges	828.56	539.94
	<b>98,077.88</b>	<b>88,402.74</b>

## 24 DEPRECIATION AND AMORTIZATION EXPENSES

Particulars	₹ in Lakh	
	Year Ended March 31, 2018	Year Ended March 31, 2017
Depreciation on Fixed Assets	308.66	373.22
	<b>308.66</b>	<b>373.22</b>

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## 25 OTHER EXPENSES

Particulars	₹ in Lakh	
	As at March 31, 2018	As at March 31, 2017
Advertising	98.53	116.09
Bad debts written off	-	85.31
Bank Charges	22.96	25.83
Direct Selling Agent's commission	916.05	990.70
Director's sitting Fees	15.60	12.60
Electricity charges	128.81	115.03
Insurance	56.38	53.81
Miscellaneous Expenses	70.52	65.24
Business Development Expenses	32.23	29.47
Seminar and Meetings Expenses	40.51	22.54
Donations	2.25	5.52
Postage, Courier & Telephone	124.71	115.76
Printing and Stationery	42.91	33.35
Professional Fees	172.55	134.70
Professional Fees - IBS (Refer Note 25.1)	329.23	299.35
Auditors Fees (Refer Note 25.2)	38.82	31.68
Rates and Taxes	170.89	96.68
Rent	938.73	796.48
House Keeping Expenses	65.47	52.62
Repairs & Maintenance	97.22	91.30
Travelling and Conveyance	185.63	149.03
Corporate Social Responsibility (CSR) (Refer Note 36)	337.85	435.79
Loss on sale of Fixed Assets	-	3.37
	<b>3,887.85</b>	<b>3,762.25</b>

**25.1** The Company has entered into lease cum licence agreement with M/s Encore Theme Technologies Pvt. Ltd., for implementation of Integrated Business Suit (IBS) software. The expenditure incurred in this regard amounting to ₹329.23 lakh (Previous Year ₹299.35 lakh) is charged off to the P & L account under Professional fees – IBS.

### 25.2 Auditor's remuneration (net of Service Tax/GST)

Particulars	₹ in Lakh	
	For the year ended	
	March 31, 2018	March 31, 2017
Audit Fees (Including Branch Statutory Auditors fees)	31.48	23.87
Tax Matters	5.88	5.51
Other Services (Certificates etc.,)	1.46	2.30
Out of Pocket Expenses	4.75	5.05
<b>Total</b>	<b>43.56</b>	<b>36.73</b>

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## 25.3 Remuneration to Managing Director/s (net of Service Tax/GST)

₹ in Lakh

Particulars	For the year ended	
	March 31, 2018	March 31, 2017
(i) Salaries – Shri S K Hota	16.83	15.55
(ii) Incentive –Shri S K Hota	3.40	3.00
(iii) Provident Fund - Shri S K Hota	0.99	0.94
(iv) Reimbursement of Rent - Shri S K Hota	8.19	-
(v) Salaries – Shri C Ilango	-	2.24
(vi) Incentives – Shri C Ilango	-	3.29
(vii) Provident Fund/Gratuity/ Leave Salary - Shri C Ilango	-	7.79
<b>Total</b>	<b>29.41</b>	<b>32.81</b>

## 26 CONTINGENT LIABILITIES (NET OF PROVISIONS)

₹ in Lakh

Nature of claims	Risk involved	As at	As at
		March 31, 2018	March 31, 2017
Disputed Income Tax matters under appeal:	<ol style="list-style-type: none"> <li>The Income Tax Appeals filed by the Department for the Asst. Years 1996-97 to 1999-2000 have been dismissed by the Hon'ble High Court of Karnataka and allowed in favour of the Company. The Department has filed two separate appeals before the Hon'ble Supreme Court of India for the Asst. Year 1996-97 which has since been dismissed. Hence no longer considered as disputed tax/contingent liability. Further, provision created for the said purpose for an amount of ₹300.96 lakh as on March 31, 2018 has been utilised for AY 2006-07 and AY 2007-08 disputed tax.</li> <li>The appeals filed by the Company for the Asst. Year 2006-07 and 2007-08 were dismissed by the 2nd appellate authority and the Company has preferred appeals before the Hon'ble High Court of Karnataka which are admitted and yet to be heard. The alleged demand for the Asst. Year 2006-07 (under appeal) has been recovered by the Department to the extent of ₹535 lakh out of the refunds determined to the Company. The alleged demand for the Asst. Year 2007-08 (under appeal) amounting to ₹448.13 lakh towards the alleged Income Tax and interest, is also adjusted by the department. Further, ₹375.80 lakh has been paid by the company under protest. Provision created in the books of account for the said purpose and balance as on March 31, 2018 is ₹600.00 lakh and the excess provision as per point 1 above to the extent of ₹300.96 lakh has been utilised for provision against disputed tax of AY 2006-07 &amp; 2007-08. The short provision to the extent of , ₹113.85 continued to be shown as such under disputed Tax.</li> <li>An amount of ₹3.55 lakh demanded for the Asst. Year 2003-04. However as per Company there is no tax due for the said Asst.Year. Company is yet to receive rectification order. Hence shown under disputed tax.</li> <li>An amount of ₹15.61 lakh demanded for the Asst. Year 2004-05. However as per Company there is no tax due for the said Asst.Year. Company is yet to receive rectification order. Hence shown under disputed tax.</li> </ol>	149.46	780.81

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Nature of claims	Risk involved	₹ in Lakh	
		As at March 31, 2018	As at March 31, 2017
	5. An amount of ₹16.44 lakh demanded for the Asst. Year 2011-12 continues to be shown under disputed tax, pending receipt of rectification orders against which the Company has determined a liability of ₹1.97 lakh to be adjusted against the refund due to the Company.		
Claims made by borrowers of the company before various Consumer Forums.	There are ten cases in Consumer Forums, out of which one case is pending before State Consumer redressal Forum and one case is pending before High Court where compensation is sought against the Company.	45.94	21.07

Based on the professional advice no material liabilities are expected, and hence no provision is made in the financial statements for the same.

## 27 EARNINGS PER SHARE HAS BEEN COMPUTED BASED ON THE PROFIT AFTER TAX AND THE WEIGHTED AVERAGE NUMBER OF SHARES DURING THE YEAR AS BELOW:

Particulars	₹ in Lakh	
	For the year ended	
	March 31, 2018	March 31, 2017
Profit after tax (₹ in lakh) (a)	30,177.43	23,525.88
Weighted average No. of shares (₹ in lakh) (b)	1,331.06	1,331.00
Basic earnings per share (₹) (a/b)	22.67	17.68
Diluted earnings per share (₹) (a/b)	22.67	17.68
Nominal value per share (₹)	2.00	2.00

## 28 OTHER DISCLOSURES REQUIRED AS PER NATIONAL HOUSING BANK (NHB)

The following additional disclosures have been given in terms of the circular no. NHB/ND/DRS/Pol-No.35/2010-11 dt. October 11, 2010 and Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by the National Housing bank.

### 28a) Capital to Risk Assets Ratio (CRAR)

Particulars	Current Year	Previous Year
i) CRAR (%)	19.08%	18.50%
ii) CRAR – Tier I Capital (%)	16.96%	16.01%
iii) CRAR – Tier II Capital (%)	2.12%	2.49%
iv) Amount of subordinated debt raised as Tier – II Capital (₹ in lakh)	10,000.00	10,000.00
v) Amount raised by issue of Perpetual Debt Instruments (₹ in lakh)	-	-

Note: Tier II capital includes Provision for Standard Assets.



# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## 28h) Registration obtained from other financial sector regulators :

- The Company has obtained a registration certificate from the Trade Mark Registry for registration of Logo of the Company. (not financial sector).
- The Company has registered itself with Insurance Regulatory and Development Authority for carrying out the 'Corporate Agency Business'.
- RBI has issued a notification No. RBI/2017-18/82.DBR.NO.BP.BC.92/21.04.048/2017-18 dated 02/11/2017 for introduction of Legal Entity Identifier (LEI) to be obtained by large corporate borrowers. The company has obtained a LEI registration number: 335800EJ9Y3XDP5ZDH81
- The Company has registered itself with the Information Utility [NeSL (National E Governance Services Ltd.)] as required under Insolvency & Bankruptcy Code, 2016

## 28i) Rating assigned by Credit Rating Agencies and migration of rating during the year:

Credit Rating agency	Type	Credit Rating FY 2017-18	Credit Rating FY 2016-17
ICRA	Public Deposits	ICRA MAAA (Negative)	ICRA MAAA (Negative)
ICRA	Commercial Papers	A1+	A1+
ICRA	Long Term Bank Loans	ICRA AAA	ICRA AAA
ICRA	Short Term Bank Loans	A1+	A1+
ICRA	Non Convertible Debentures	ICRA AAA (Outlook Negative)	ICRA AAA
CARE	Non Convertible Debentures	CARE AAA (Under credit watch with developing implications)	CARE AAA
CARE	Commercial Papers	A1+ (Under credit watch with developing implications)	A1+
FITCH	Non Convertible Debentures	IND AAA (Outlook Negative)	IND AAA
FITCH	Commercial Papers	IND A1+	IND A1+

## 28j) Revenue Recognition

No revenue recognition has been postponed pending the resolution of significant uncertainties.

## 28k) Accounting Standard 21 – Consolidated Financial Statements (CFS)

The subject Standard is not applicable for the Company.

## 28l) Provisions and Contingencies

Break up of Provisions and Contingencies shown under the head Expenditure in Profit & Loss Account	₹ in Lakh	
	Current Year	Previous Year
Provision for depreciation on Investment	-	-
Provision made towards Income Tax	12,792.62	11,513.00
Provision towards NPA	2,000.00	815.38
Provisions for Standard Assets (for details like teaser loan, CRE, CRE-RH etc Refer Note 14.5)	210.00	1,065.00
Other Provisions & Contingencies	-	-

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## 28m) Draw Down from Reserves

There was no draw down from Reserves during the year 2017-18 .

## 28n) Concentration of Public Deposits, Advances, Exposures and NPAs

### i) Concentration of Public Deposits (for Public Deposit taking/holding HFCs)

₹ in Lakh

Particulars	Current Year	Previous Year
Total Deposits of twenty largest depositors	6158.83	6115.3
Percentage of Deposits of twenty largest depositors to Total Deposits of the HFC	25.97%	26.98%

### ii) Concentration of Loans & Advances

₹ in Lakh

Particulars	Current Year	Previous Year
Total Loans & Advances to twenty largest borrowers	3,686.00	4326.01
Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the HFC	0.23%	0.32%

### iii) Concentration of all Exposure (including off-balance sheet exposure)

₹ in Lakh

Particulars	Current Year	Previous Year
Total Exposure to Twenty largest borrowers / customers	3,686.00	4,326.01
Percentage of exposure to twenty largest borrowers / customers to Total Exposure of the HFC on borrowers / customers	0.23%	0.32%

### iv) Concentration of NPAs

₹ in Lakh

Particulars	Current Year	Previous Year
Total Exposure to Top ten NPA accounts	703.14	673.27

### v) Sector-wise NPAs

Sector	Percentage of NPAs to Total Advances in that sector
<b>A Housing Loan</b>	
1 Individuals	0.39
2 Builders / Project Loans	55.26
3 Corporates	0.00
4 Others ( specify)	0.00
<b>B Non – Housing Loans</b>	
1 Individuals	0.72
2 Builders / Project Loans	0.00
3 Corporates	0.00
4 Others ( specify)	0.00



# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## vi) Movement of NPAs

Particulars	Current Year	Previous Year
<b>1 Net NPAs to Net Advances (%)</b>	0.20	0.00
<b>2 Movement of NPAs (Gross) (₹ in lakh)</b>		
a Opening balance	2,791.11	1,975.73
b Additions during the year	5,568.63	1,295.34
c Reductions during the year	1,611.23	479.96
d Closing balance	<b>6,748.51</b>	<b>2,791.11</b>
<b>3 Movement of Net NPAs (₹ in lakh)</b>		
a Opening balance	-	-
b Additions during the year	3,161.68	815.38
c Reductions during the year	-	815.38
d Closing balance	<b>3,161.68</b>	-
<b>4 Movement of provisions for NPAs (excluding provisions on standard assets) (₹ in lakh)</b>		
a Opening balance	2,791.11	1,975.73
b Provisions made during the year	3,488.28	850.00
c Write-off / Write-back of excess provisions	2,692.55	34.62
d Closing balance	<b>3,586.83</b>	<b>2,791.11</b>

## vii) Overseas Assets

Particulars	₹ in Lakh	
	Current Year	Previous Year
NIL	NIL	NIL

## viii) Off-Balance Sheet SPVs sponsored (which are required to be consolidated as per accounting Norms)

Name of the SPV sponsored	₹ in Lakh	
	Domestic	Overseas
	NIL	NIL

## ix) Disclosure of Complaints

### Customer Complaints

Particulars	Current Year	Previous Year
1) No. of Complaints pending at the beginning of the year	9	1
2) No. of Complaints received during the year	306	261
3) No. of Complaints redressed during the year	295	253
4) No. of Complaints pending at the end of the year	20	9

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## 29 PARTICULARS OF DIVIDEND PAID TO NON-RESIDENT SHAREHOLDERS:

Year in which dividend paid	2017-18	2016-17
No of Shareholders	933	595
No of Shares held @ ₹10/- per share	308,174	267,294
Gross amount of Dividend (Rupees)	3,081,740	2,672,940

## 30 DISCLOSURE ON EMPLOYEE BENEFITS – AS 15 REVISED

	₹ in Lakh	
Defined Contribution Plans	2017-18	2016-17
Employer's Contribution to Provident and Pension Fund	290.45	266.45
Employer's Contribution to Employees State Insurance	14.19	5.51

### DEFINED BENEFIT PLANS

Gratuity is an Employee Benefit payable on retirement / superannuation / resignation on completion of 5 years of service.

Privilege Leave is an employee benefit wherein confirmed Officer/Employee is entitled to 30 days of PL every year, which can be accumulated upto a max of 240 days.

Provident Fund is a statutory employee benefit wherein contributions are made by the employee and employer in prescribed proportion.

Sick Leave is a Benefit, which an Officer/Employee is entitled to 15 days in a year, which can be accumulated upto a maximum of 270 days.

Leave Fare Concession is an employee benefit wherein all confirmed Employees/Officers are entitled once in two years.

#### i. Reconciliation of Present Value of Projected Benefit Obligation

Particulars	₹ in lakh									
	Gratuity		Exempt PF		Sick Leave		LTC		Long Term Compensated Absence	
	17-18	16-17	17-18	16-17	17-18	16-17	17-18	16-17	17-18	16-17
1) Present value of Projected Benefit obligation as on 01/04/16 & 01/04/17	945.32	857.28	2,839.92	2,496.86	88.52	71.05	-	-	918.17	695.47
2) Service Cost	61.73	52.05	549.12	496.75	10.71	8.73	-	94.20	49.28	39.53
3) Interest Cost	67.75	66.33	258.58	226.51	6.46	5.61	-	-	62.60	51.76
4) Past Service Cost	-	-	-	-	-	-	-	-	-	-
5) Actuarial Gains (+) / Losses (-)	65.02	4.93	-64.39	-217.94	22.58	3.13	-	-	-34.84	211.84
6) Benefit Paid	34.34	35.28	-184.65	162.26	-	-	-	-	-121.39	80.43
7) Present Value of Projected Benefit Obligations as on 31/03/17 & 31/03/18 (1+2+3+4+5- 6)	1,460.91	945.32	3,398.57	2,839.92	83.11	88.52	-	94.20	873.82	918.17

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## ii. Expenses recognised in the statement of Profit and Loss account for the year ended March 31, 2018

₹ in lakh

Particulars	Gratuity		Exempt PF		Sick Leave		LTC		Long Term Compensated Absence	
	17-18	16-17	17-18	16-17	17-18	16-17	17-18	16-17	17-18	16-17
Service Cost	61.73	52.05	549.12	496.75	10.71	8.73	-	94.20	49.28	39.53
Past Service Cost	-	-	-	-	-	-	-	-	-	-
Interest Cost	67.75	66.33	258.58	226.51	6.46	5.61	-	-	62.60	51.76
Actuarial Gains (-) Losses (+)	-63.65	2.83	-24.09	-194.63	-22.58	3.13	-	-	-34.84	211.84
Expected Return on Plan Assets	10.08	11.37	283.51	233.67	-	-	-	-	-	-
Benefits paid	-	-	-	-	-	-	-	-	-	-
Amount charged to Employees remuneration And benefits & other Expenses	541.24	109.84	500.09	294.96	-5.41	17.47	-	94.20	77.04	303.13

## iii. Reconciliation of Opening balances and Closing balances of Plan Assets

₹ in lakh

Particulars	Gratuity		Exempt PF		Sick Leave		LTC		Long Term Compensated Absence	
	17-18	16-17	17-18	16-17	17-18	16-17	17-18	16-17	17-18	16-17
Opening Balance	143.13	154.58	2,973.78	2,428.93	-	-	-	-	-	-
Expected Return	10.08	11.37	283.51	233.67	-	-	-	-	-	-
Actuarial Gains (+) Losses (-)	-1.37	2.10	-40.30	-23.30	-	-	-	-	-	-
Contribution by employees	-	10.36	549.12	496.75	-	-	-	-	121.39	80.43
Benefits paid	34.34	35.28	-184.65	162.26	-	-	-	-	121.39	80.43
Closing balance	117.50	143.13	3,581.46	2,973.78	-	-	-	-	-	-

## iv. Actuarial Assumptions

S.No.	Discription	As on March 31, 2018	As on March 31, 2017
1	Discount Rate per annum	7.72%	7.30%
2	Rate of Return on Plan Assets	Gratuity 8.00% Exempted PF 8.65%	Gratuity 8.00% Exempted PF 8.65%
3	Mortality Rate	Indian Assured Lives (2006-08) Ultimate Table	Indian Assured Lives (2006-08) Ultimate Table
4	Withdrawal rates (per annum)	3.50%	3.50%
5	The estimates of future salary increases considered in actuarial valuation, take into account escalation, inflation, seniority, Promotion and other relevant factors	7.50% for the next five years	8.50% for the next five years

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## v. Investment pattern (in %)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Gratuity - Funded</b>		
Funds managed by Insurer	100%	100%
<b>Total</b>	<b>100%</b>	<b>100%</b>
<b>Exempt PF- Funded</b>		
Government of India Securities	12.21%	17.86%
State Government Securities	36.07%	31.46%
High Quality Corporate Bonds	40.25%	40.13%
Special Deposits Scheme	2.72%	3.29%
Mutual Funds	5.65%	4.73%
Bank Deposits	3.09%	2.53%
<b>Total</b>	<b>100%</b>	<b>100%</b>

## vi. Present value of defined benefit obligation, plan asset and experience adjustments

Particulars	2017-18	2016-17	2015-16	2014-15	2013-14
<b>Gratuity - Funded</b>					
Present value of obligations	1,460.91	945.31	857.28	792.82	672.86
Fair value of plan assets	117.50	143.13	154.58	175.82	165.58
Funded Status [(Surplus)/Deficit]	1,343.41	802.17	702.70	617.00	507.28
Experience [(Gain)/Loss] adjustment on plan liabilities	-27.49	3.00	-44.48	-7.79	-25.98
Experience [Gain/(Loss)] adjustment on plan assets	-0.49	-3.56	2.10	-9.92	-
<b>Long Term Compensated Absences - Funded</b>					
Present value of obligations	873.82	918.17	695.47	479.14	390.83
Fair value of plan assets	-	-	-	-	-
Funded Status [(Surplus)/Deficit]	873.82	918.17	695.47	479.14	390.83
Experience [(Gain)/Loss] adjustment on plan liabilities	-45.20	-152.99	-151.99	-54.18	-74.73
Experience [Gain/(Loss)] adjustment on plan assets	-	-	-	-	-
<b>Exempt PF- Funded</b>					
Present value of obligations	3,398.57	2,839.92	2,496.86	2,028.06	1,602.13
Fair value of plan assets	3,581.46	2,973.78	2,428.93	1,986.51	1,571.19
Funded Status [(Surplus)/Deficit]	-182.89	-133.86	67.93	41.55	30.94
Experience [(Gain)/Loss] adjustment on plan liabilities	-64.39	-182.05	0.44	-0.60	-6.98
Experience [Gain/(Loss)] adjustment on plan assets	-40.30	-23.30	-34.01	-22.93	-25.41
<b>Sick Leave- Unfunded</b>					
Present value of obligations	83.11	88.52	71.05	43.92	52.41
Experience [(Gain)/Loss] adjustment on plan liabilities	18.07	0.32	-4.35	2.02	2.16
<b>LTC- Unfunded</b>					
Present value of obligations	-	94.20	65.43	46.52	37.14
Experience [(Gain)/Loss] adjustment on plan liabilities	-	-	-	-	-

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

**31** Segment Reporting – The company's primary business is of housing finance. During the year the Company has commenced corporate insurance agency business activity and it is not a separate reportable segment as per Accounting Standard on Segment reporting (AS-17) and hence the Segment reporting is not applicable to the Company.

**32** The transactions with related parties as per Accounting Standard 18 "Related Party Disclosures" issued by the Institute of Chartered Accountants of India and as required under the Listing Agreement with Stock Exchanges are furnished below:

## A) Related Parties:

Canara Bank	Sponsor Bank
Canbank Factors Ltd.	
Canbank Computer Services Ltd.	
Canbank Financial Services Ltd.	Subsidiaries of Canara Bank
Canbank Venture Capital Fund	
Canara Bank Securities Ltd	
Canara HSBC Oriental Bank of Commerce Life Insurance Company Ltd.	Joint Venture with Canara Bank
Canara Robeco Asset Management Company Ltd.	

## B) Key Management Personnel:

Shri S K Hota	Managing Director
Shri Atanu Bagchi	Deputy General Manager & Chief Financial Officer (CFO)
Smt. Veena G Kamath	Company Secretary

## C) Transactions with Related Parties:

Related Party	Nature of Transaction	₹ in Lakh	
		2017-18	2016-17
1. Canara Bank	Term Loans & other credit facilities	256,804.71	169,182.16
	Interest paid for the year	10,831.32	8,895.33
	Deposits	1,680.11	1,654.00
	Interest earned for the year	114.58	115.55
	Rent paid for the year	41.94	48.19
	Bank charges for the year	22.71	25.78
	Sitting Fees to Directors	3.80	3.30
	Salary & other benefits of Managing Director/s	29.41	32.81
	Other Payments for the year	4.80	5.38
	Rent Received from Bank	0.24	1.10
	Discount on Commercial Paper	-	541.40
	Current A/c Balances	150.06	133.97
2. Canbank Computer Services Ltd	Registrar & Transfer Agency charges for the year	16.32	13.31
3. Canara Bank Employee Pension Fund, Provident Fund & Gratuity Fund	Borrowings by way of SRNCD	7,000.00	5,500.00
	Interest paid on SRNCD	467.92	84.80
4. Canara Robeco Asset Management Company Ltd.	Dividend earned during the year	19.05	5.91
	Commission earned for the year	19.49	-
<b>TOTAL</b>		<b>277,206.46</b>	<b>186,242.99</b>

(Amount written off: Nil | Amount written back: Nil | All the above are transacted in the normal course of business.)

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## 33 DISCLOSURE UNDER PARAGRAPH 29 OF THE HOUSING FINANCE COMPANIES (NHB) DIRECTIONS, 2010.

The Company has complied with requirements as per Para 29 of the Housing Finance Companies (NHB) Directions 2010 except for one instance detailed below.

National Housing Bank (NHB) in its regulatory Audit conducted during the financial year 2016-17 for F/Y 2014-15 & FY 2015-16 has raised an issue on the procedure followed by the Company since inception, on valuation of Government Securities under HTM category invested for SLR purpose. NHB vide its letter NHB(ND)/DRS/SUP/9349/2017 dated 19/09/2017 has imposed an aggregate penalty of ₹28,62,708.00 under the Provisions of Section 29B of the National Housing Bank Act, 1987 for the period 01/04/2014 to 27/07/2016 and the same is paid.

## 34 DERIVATIVES

The following additional disclosures have been given in terms of the Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by the National Housing bank.

- a) Forward Rate Agreement (FRA) / Interest Rate Swap (IRS): No exposure
- b) Exchange Traded Interest Rate (IR) Derivative: No exposure
- c) Disclosures on Risk Exposure in Derivatives : Not applicable

## 35 SECURITISATION

The following additional disclosures have been given in terms of the Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by the National Housing bank.

The Company has no exposure under Securitisation.

## 36 CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company constituted a Corporate Social Responsibility (CSR) Committee of the Board as prescribed under Section 135 of the Companies Act 2013 and has put the CSR policy in place. The Company has focussed in promoting education including special education and employment in enhancing vocation skills especially among children. The Company also focuses on women empowerment by Promoting gender equality, setting up homes and hostels for women and orphans; setting up old age homes, day care centres, livelihood enhancement projects for the elderly & the differently abled. Reducing inequalities faced by socially and economically backward group and contribution to Prime Minister's National Relief Fund also forms part of its CSR activities.

The activities undertaken by the Company under CSR is Pan India basis and the projects are executed by our branches in those areas. The total amount/ budget under CSR for the FY 2017-18 was ₹668 lakh, (previous year ₹596 lakh), out of which total amount spent under the CSR activities is ₹338 Lakh (previous year ₹436 Lakh). The unspent amount of ₹330 Lakh is carried forward as per provisions of Companies Act with the aim to go in for granular details/ appropriate projects before spending in FY 18-19. A summary of CSR details as on 31/03/18 is given below:

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Activities undertaken	₹ in Lakh	
	No. of Beneficiaries	Amount
Construction/ repair & renovation of Schools/ Hostels	7	71.57
Desks & benches/ Tables/ Almirah/ Green Board/ Chairs etc.	57	143.09
Drinking water facility/ supply of other articles of necessity etc.	12	17.62
Nalli kalli round tables/ chairs/ desk & benches/ drinking water facility etc.	25	67.56
Electrical & Electronic Items	3	2.71
Toilet Facility	1	3.36
Scholarship	1	0.35
Equipments for hospital	1	7.50
Equipments for old age home	1	1.69
Schools bags/stationery items etc.	3	4.56
Solar lighting system	1	0.34
Tree planting under environmental protection/ sustainability/ saplings with tree guards/ pots to the customers.	3	7.52
Career Digest books to the govt. schools	1	9.98
<b>Total</b>	<b>116</b>	<b>337.85</b>

**37** Previous year figures have been rearranged / regrouped wherever necessary to correspond with the current year's classification/ disclosure.

For **Varma & Varma**  
Chartered Accountants  
FRN:- 004532S

**K.N. Prithviraj**  
Chairman

**S. K. Hota**  
Managing Director

**G. Naganathan**  
Director

**R. Kesavadas**  
Partner  
Membership No: 23862

**Bharati Rao**  
Director

**T.V. Rao**  
Director

**P.V. Bharathi**  
Director

Place: Bangalore  
Date: April 28, 2018

**Atanu Bagchi**  
Chief Financial Officer

**Veena G. Kamath**  
Company Secretary