

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ADITYA BIRLA HOUSING FINANCE LIMITED
Report on the Financial Statements**

We have audited the accompanying financial statements of **ADITYA BIRLA HOUSING FINANCE LIMITED** (the "Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the "Act") with respect to the preparation 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 Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended ("Accounting Standards"), and other accounting principles generally accepted in India.

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.

In conducting 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 and the Order issued under section 143(11) of the Act.

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

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

We believe that the audit evidence obtained by us 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 Standards and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report, to the extent applicable 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 prescribed under section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Company as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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2. As required by the Companies (Auditor's Report) Order, 2016 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Mukesh Jain
(Partner)
(Membership No. 108262)

Place: Mumbai
Date: 2 May, 2018



ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls over financial reporting of the Company as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

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

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Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Mukesh Jain
(Partner)
(Membership No. 108262)

Place: Mumbai
Date: 2 May, 2018



ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

1. In respect of its fixed assets:
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - b) The fixed assets were physically verified during the previous year by the Management in accordance with a regular programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.
 - c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.
2. According to the information and explanations given to us, the Company is engaged primarily in services related to Housing Finance and its activities do not require it to hold any inventories and hence reporting under clause (ii) of the CARO 2016 is not applicable.
3. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Act.
4. According to the information and explanations given to us, the Company has not granted any loans, made investments or provide guarantees and hence reporting under clause (iv) of the CARO 2016 is not applicable.
5. According to the information and explanations given to us, the Company has not accepted any deposit during the year.
6. Having regard to the nature of the Company's business / activities, reporting under clause (vi) of the CARO 2016 is not applicable.
7. According to the information and explanations given to us in respect of statutory dues:
 - a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Family Pension Fund, Income Tax, Service-tax, Goods and Service Tax and other statutory dues applicable to it with the appropriate authorities. To the best of our knowledge and belief, the Company was not required to deposit or pay any dues in respect of Employee's State Insurance, Sales-tax, Duty of Customs, Duty of Excise, Value Added Tax and Cess during the year.
 - b) There were no undisputed amounts payable in respect of Provident Fund, Family Pension Fund, Income-tax, Service Tax, Goods and Service Tax and other material statutory dues in arrears as at 31st March, 2018 for a period of more than six months from the date they became payable.
 - c) There were no dues in respect of Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Duty of Customs, Duty of Excise, and Value Added Tax or Cess which have not been deposited as on 31st March, 2018 on account of disputes.

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8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government and dues to debenture holders.
9. According to the information and explanations given to us the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 is not applicable.
10. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
11. In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
12. According to the information and explanations given to us the Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 is not applicable.
13. In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
14. According to the information and explanations given to us during the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the CARO 2016 is not applicable to the Company.
15. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Act are not applicable.
16. According to the information and explanations given to us the Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Mukesh Jain
Partner
(Membership No. 108262)

MUMBAI, 2 May, 2018

Aditya Birla Housing Finance Limited

Balance Sheet as at March 31, 2018


(Currency: Rupees in Lakh)

Particulars	Notes	As at March 31, 2018	As at March 31, 2017
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share capital	1	41,256.97	33,305.00
(b) Reserves and surplus	2	33,749.44	3,443.43
		<u>75,006.41</u>	<u>36,748.43</u>
(2) Non-Current Liabilities			
(a) Long-term borrowings	3a	4,71,766.67	2,41,600.00
(b) Other long-term liabilities	4a	1,961.79	560.53
(c) Long-term provisions	6a	4,478.84	2,301.77
		<u>4,78,207.30</u>	<u>2,44,462.30</u>
(3) Current Liabilities			
(a) Short-term borrowings	3b	2,42,561.25	1,32,330.70
(b) Trade payables	5	-	-
-Due to micro, small & medium Enterprises		-	-
-Due to others		1,971.69	1,260.96
(c) Other current liabilities	4b	25,995.29	3,259.54
(d) Short-term provisions	6b	459.49	406.01
		<u>2,70,987.72</u>	<u>1,37,257.21</u>
Total		<u><u>8,24,201.43</u></u>	<u><u>4,18,467.94</u></u>
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed assets			
(i) Tangible assets	7a	1,101.42	818.83
(ii) Intangible assets	7b	302.93	129.29
(iii) Intangible assets under development		89.68	29.66
(b) Deferred tax assets (net)	8	1,802.41	-
(c) Long-term loans and advances	9a	7,73,708.90	3,93,944.87
		<u>7,77,005.34</u>	<u>3,94,922.65</u>
(2) Current Assets			
(a) Trade receivable	10	145.99	-
(b) Cash and cash equivalent	11	16.43	51.68
(c) Short-term loans and advances	9b	42,173.58	21,229.54
(d) Other current assets	12	4,860.09	2,264.07
		<u>47,196.09</u>	<u>23,545.29</u>
Total		<u><u>8,24,201.43</u></u>	<u><u>4,18,467.94</u></u>

Significant accounting policies

The accompanying notes are an integral part of the financial statements.


In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants
ICAI Firm Registration No: 117366W/W-100018


Mukesh Jain
Partner
Membership No: 108262



Place: Mumbai
Date: May 02, 2018

For and on behalf of the Board of Directors of
Aditya Birla Housing Finance Limited


Ajay Srinivasan
Director
DIN: 00121181


Rakesh Singh
Director
DIN: 07006067


Tushar Kotecha
Chief Financial Officer


Muthiah Ganapathy
Company Secretary

Place: Mumbai
Date: May 02, 2018

Aditya Birla Housing Finance Limited

Statement of Profit and Loss for the year ended March 31, 2018

(Currency: Rupees in Lakh)

Particulars	Notes	For the year ended March 31, 2018	For the year ended March 31, 2017
I. Revenue from Operations	13	61,512.21	31,469.76
II. Other Income	14	2.06	-
III. Total Revenue		61,514.27	31,469.76
IV. Expenses :			
Finance costs	15	39,829.45	21,121.01
Employee benefit expenses	16	9,501.96	5,121.17
Other expenses	17	7,050.86	5,125.56
Depreciation and amortization expenses	7a & 7b	471.22	299.64
Provisions against assets	18	2,288.75	1,352.06
V. Total Expenses		59,142.24	33,019.44
VI. Profit/ (Loss) before Tax (III-V)		2,372.03	(1,549.68)
VII. Tax Expenses			
(a) Current tax		916.45	-
(b) Deferred tax	8	(1,802.40)	-
Total tax expenses		(885.95)	-
VIII. Profit/ (Loss) for the year (VI-VII)		3,257.98	(1,549.68)
IX. Basic and Diluted Earnings Per Share (Face value Rs. 10) (Previous year Face value Rs. 10)	19	0.86	(0.49)
		0.86	(0.49)

Significant accounting policies

The accompanying notes are an integral part of the financial statements.

In terms of our report attached

For Deloitte Haskins & Sells LLP

Chartered Accountants

ICAI Firm Registration No: 117366W/W-100018



Mukesh Jain

Partner

Membership No: 108262

Place: Mumbai

Date: May 02, 2018



For and on behalf of the Board of Directors of
Aditya Birla Housing Finance Limited



Ajay Srinivasan

Director

DIN: 00121181



Tushar Kotecha

Chief Financial Officer

Place: Mumbai

Date: May 02, 2018



Rakesh Singh

Director

DIN: 07006067



Muthiah Ganapathy

Company Secretary

Aditya Birla Housing Finance Limited

Notes to the financial statements for the year ended March 31, 2018

(Currency: Rupees in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017
1. Share capital		
Authorised		
1000,000,000 (March 31, 2017 : 1000,000,000) equity shares of Rs 10 each	1,00,000.00	1,00,000.00
	1,00,000.00	1,00,000.00
Issued, subscribed and fully paid up shares		
412,569,679 (March 31, 2017: 333,050,000) equity shares of Rs 10 each, fully paid up	41,256.97	33,305.00
	41,256.97	33,305.00

A) Reconciliation of the number of shares outstanding at the beginning and at the end of the year

Particulars	March 31, 2018		March 31, 2017	
	Number	Rs in lakh	Number	Rs in lakh
Number of shares outstanding at the beginning of the year	3330,50,000	33,305.00	2392,50,000	23,925.00
Number of shares issued during the year	795,19,679	7,951.97	938,00,000	9,380.00
Number of shares outstanding at the end of the year	4125,69,679	41,256.97	3330,50,000	33,305.00

B) Shares held by holding company

Name of share holder	March 31, 2018		March 31, 2017	
	Number	Rs in lakh	Number	Rs in lakh
Aditya Birla Capital Limited (formerly known as Aditya Birla Financial Services Limited), the holding company	4125,69,679	41,256.97	3330,50,000	33,305.00

C) Details of shareholders holding more than 5% shares in the company

Name of share holder	March 31, 2018		March 31, 2017	
	Number	% of total paid-up equity capital	Number	% of total paid-up equity capital
Aditya Birla Capital Limited (formerly known as Aditya Birla Financial Services Limited), the holding company	4125,69,679	100%	3330,50,000	100%

Notes:

1 Term/right attached to equity shares:

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed if any, by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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



Aditya Birla Housing Finance Limited

Notes to the financial statements for the year ended March 31, 2018

(Currency: Rupees in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017
2. Reserves and surplus		
(I) Special reserves		
Special reserve u/s 29C of National Housing Bank Act, 1987		
Opening balance	-	-
Addition: amount transferred from surplus balance in the Statement of Profit and Loss	79.98	-
Closing balance	<u>79.98</u>	-
Reserve u/s 36(1)(viii) of the Income Tax Act, 1961		
Opening balance	-	-
Addition: amount transferred from surplus balance in the Statement of Profit and Loss	571.61	-
Closing balance	<u>571.61</u>	-
	<u>651.59</u>	<u>-</u>
(II) Share premium account		
Opening balance	8,442.00	-
Addition during the year	27,048.03	8,442.00
	<u>35,490.03</u>	<u>8,442.00</u>
(III) (Deficit) / Surplus as per statement of profit and loss		
Opening balance	(4,998.57)	(3,448.89)
Addition:		
Profit / (Loss) for the year	3,257.98	(1,549.68)
Less: appropriations		
Transfer to reserve u/s 36(1)(viii) of the Income Tax Act, 1961	(571.61)	-
Transfer to special reserve u/s u/s 29C of NHB Act, 1987	(79.98)	-
Closing balance (deficit) in the statement of profit and loss	<u>(2,392.18)</u>	<u>(4,998.57)</u>
Total reserves	<u>33,749.44</u>	<u>3,443.43</u>

Foot note:

As per Section 29C(i) of the National Housing Bank Act, 1987, the Company is required to transfer at least 20% of its net profit 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. The Company has transferred an amount of Rs 571.61 lakh (Previous year Rs Nil) to special reserve in terms of Section 36(1)(viii) of the Income Tax Act, 1961.

The Company has transferred an amount of Rs 79.98 lakh (Previous year Rs Nil) to statutory reserve u/s 29C of the National Housing Bank Act, 1987.



Aditya Birla Housing Finance Limited

Notes to the financial statements for the year ended March 31, 2018

(Currency: Rupees in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017
3a. Long-term borrowings		
Secured		
Redeemable non convertible debentures	77,600.00	62,600.00
Term loan from banks	3,74,166.67	1,72,500.00
	<u>4,51,766.67</u>	<u>2,35,100.00</u>
Unsecured		
Sub ordinate debts - debentures	20,000.00	6,500.00
	<u>20,000.00</u>	<u>6,500.00</u>
	<u>4,71,766.67</u>	<u>2,41,600.00</u>
3b. Short-term borrowings		
Secured		
Term loan from banks	60,000.00	16,000.00
Loan repayable on demand from banks	86,304.02	41,500.12
Overdraft	10,054.64	15,243.75
	<u>1,56,358.66</u>	<u>72,743.87</u>
Unsecured		
Commercial papers*	84,402.59	59,586.83
Loan from related parties	1,800.00	-
	<u>86,202.59</u>	<u>59,586.83</u>
	<u>2,42,561.25</u>	<u>1,32,330.70</u>

* Commercial papers are shown net of unamortised discounting charges Rs. 597.40 lakh (March 31, 2017 Rs. 413.17 lakh).



Aditya Birla Housing Finance Limited

Notes to the financial statements for the year ended March 31, 2018

(Currency: Rupees in Lakh)

	As at March 31, 2018		As at March 31, 2017	
	Current	Non Current	Current	Non Current
Secured borrowings				
"The term loans from banks are secured by way of first pari passu charge on the receivables of the Company."				
The repayment terms and rate of interest of term loans are as under-				
Repayment terms : maturing between 1 year to 3 year, rate of interest 8.15 % to 8.45 % p.a.	6,333.33	88,500.00	-	30,666.67
Repayment terms : maturing after 3 year, rate of interest 7.57 % to 8.45 % p.a.	-	2,85,666.67	-	1,41,833.33
"Debentures secured by way of mortgage of the immovable property and first pari- passu charge on current assets of the Company."				
The repayment terms and rate of interest of debentures are as under-				
Repayment terms : maturing between 1 year to 3 year, rate of interest 7.80% to 8.95 % p.a.	10,000.00	39,100.00	-	49,100.00
ABHFL NCD A2 - FY 2015-16, 8.95% p.a. ; maturity date : 22 March 2021	-	500.00	-	500.00
ABHFL NCD I2 - FY 2016-17, 7.80% p.a.(XIRR basis); maturity date : 13 August 2020	-	5,000.00	-	5,000.00
ABHFL NCD L1 FY 2016-2017, 7.85% p.a.; maturity date : 9 June 2020	-	3,000.00	-	3,000.00
ABHFL NCD L4 FY 2016-2017,7.90 % p.a.(XIRR basis); maturity date : 16 April 2020	-	6,000.00	-	6,000.00
ABHFL NCD K1 FY 2016-2017, 8.05% p.a.; maturity date : 14 February 2020	-	7,100.00	-	7,100.00
ABHFL NCD I3 FY 2016-2017, 7.80% p.a. ; maturity date : 20 December 2019	-	5,000.00	-	5,000.00
ABHFL NCD I1 - FY 2016-17, 7.80 % p.a ; maturity date : 13 December 2019	-	5,000.00	-	5,000.00
ABHFL NCD F2 - FY 2016-17, 8.30% p.a.(XIRR basis); maturity date : 12 September 2019	-	7,500.00	-	7,500.00
ABHFL NCD F1 - FY 2016-17, 8.15 % p.a.; maturity date : 21 September 2018	10,000.00	-	-	10,000.00
Repayment terms : maturing after 3 year, rate of interest 7.60% to 8.95 % p.a.	-	38,500	-	13,500
ABHFL NCD A1 - FY 2015-16, 8.95 % p.a.; maturity date :20 March 2026	-	2,000.00	-	2,000.00
ABHFL NCD F1 - FY 2017-18, 7.60 % p.a.; maturity date : 08 September 2022	-	2,000.00	-	-
ABHFL NCD C1 - FY 2017-18, 8.00 % p.a.; maturity date : 07 June 2022	-	10,000.00	-	-
ABHFL NCD A1 - FY 2017-18, 8.00 % p.a.; maturity date : 01 April 2022	-	4,500.00	-	-
ABHFL NCD L3 - FY 2016-17, 8.00 % p.a.; maturity date :18 March 2022	-	5,000.00	-	5,000.00
ABHFL NCD L2 - FY 2016-17, 8.00 % p.a.; maturity date :10 March 2022	-	5,000.00	-	5,000.00
ABHFL NCD E1 - FY 2017-18, 7.60 % p.a.; maturity date : 30 June 2021	-	8,500.00	-	-
ABHFL NCD A1 - FY 2016-17, 8.75 % p.a.; maturity date : 20 April 2021	-	1,500.00	-	1,500.00
"Short-term term loan from banks are working capital facilities secured by way of first pari-passu charge on receivables of the Company"				
Repayment terms : repayable on demand, rate of interest 7.85% to 8.00 % p.a.	60,000.00	-	16,000.00	-
"Loan repayable on demand from banks are cash credit facilities secured by way of first pari-passu charge on receivables of the Company"				
Repayment terms : repayable on demand, rate of interest 8.05% to 8.60 % p.a.	86,304.02	-	41,500.12	-
"Overdraft on account of cheques issued but not presented as on balance sheet date backed by cash credit facilities which are secured by way of first pari-passu charge on receivables of the Company"				
	10,054.64	-	15,243.75	-
	1,72,691.99	4,51,766.67	72,743.87	2,35,100.00
Unsecured borrowings				
"Sub ordinate debts - debentures"				
The repayment terms and rate of interest of debentures are as under-				
Repayment terms : maturing after 3 year, rate of interest 8.50% to 9.10 % p.a.	-	20,000.00	-	6,500.00
ABHFL Sub Debt Series 'SDC1' FY 2017-18, 8.50 % p.a; maturity date - 1 June 2027	-	7,500.00	-	-
ABHFL Sub Debt Series 'SDB1' FY 2017-18, 8.50 % p.a; maturity date - 14 May 2027	-	6,000.00	-	-
ABHFL Sub Debt Series 'SD4' FY 2016-17, 8.99 % p.a; maturity date - 24 July 2026	-	2,500.00	-	2,500.00
ABHFL Sub Debt Series 'SD3' FY 2016-17, 9.10 % p.a; maturity date - 13 July 2026	-	1,500.00	-	1,500.00
ABHFL Sub Debt Series 'SD2' FY 2016-17, 9.10 % p.a; maturity date - 7 July 2026	-	1,000.00	-	1,000.00
ABHFL Sub Debt Series 'SD1' FY 2016-17, 9.10 % p.a; maturity date - 3 July 2026	-	1,500.00	-	1,500.00
"Commercial papers"				
The repayment terms of commercial papers are as under-				
Repayment terms : maturing within 1 year	84,402.59	-	59,586.83	-
"Loan from related parties"				
The repayment terms of commercial papers are as under-				
Repayment terms : repayable on demand , rate of interest 7.30% to 7.55 % p.a.	1,800.00	-	-	-
	86,202.59	20,000.00	59,586.83	6,500.00



Aditya Birla Housing Finance Limited

Notes to the financial statements for the year ended March 31, 2018

(Currency: Rupees in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017
4a. Other long term liabilities		
Provision for employee benefits	-	120.00
Interest accrued but not due	1,960.03	437.77
Liability for rent straight lining	1.76	2.76
	1,961.79	560.53
4b. Other current liabilities		
Current maturities of long term borrowings	16,333.33	-
Payable for salaries, bonus and other employee benefits	1,912.01	712.39
Statutory dues	275.69	131.02
Interest accrued but not due	5,151.96	1,963.25
Trade payable for capital expenditure	137.10	70.44
Other payable	2,185.20	382.44
	25,995.29	3,259.54
5. Trade payables		
Trade payables (refer note 27)	1,971.69	1,260.96
	1,971.69	1,260.96
6a. Long term provisions		
Provision for doubtful debts and advances	865.53	242.91
Contingent provisions against standard assets	3,613.31	2,058.86
	4,478.84	2,301.77
6b. Short term provisions		
Contingent provisions against standard assets	229.50	117.81
Provision for compensated absences	226.84	224.90
Provision for gratuity	3.15	63.30
	459.49	406.01



Aditya Birla Housing Finance Limited

Notes to the financial statements for the year ended March 31, 2018

(Currency: Rupees in Lakh)

Note 7a

Tangible assets (property, plant and equipments)

Particulars	Building	Plant & machinery	Furniture & fixtures	Office equipment	Leasehold improvements	Vehicles	Total
Gross block							
As at April 01, 2016	262.46	212.52	25.69	33.46	235.23	-	769.36
Additions	-	138.08	11.82	47.56	127.18	38.57	363.21
Deletions/adjustment	-	-	-	-	-	-	-
As at March 31, 2017	262.46	350.60	37.51	81.02	362.41	38.57	1,132.57
Additions	-	339.15	15.95	51.43	78.92	123.05	608.50
Deletions/adjustment	-	-	-	-	-	-	-
As at March 31, 2018	262.46	689.75	53.46	132.45	441.33	161.62	1,741.07
Accumulated depreciation							
As at April 01, 2016	2.54	29.94	13.26	10.41	32.95	-	89.10
Charge for the year	4.38	69.43	8.46	20.60	118.77	3.00	224.64
Deletions/adjustment	-	-	-	-	-	-	-
As at March 31, 2017	6.92	99.37	21.72	31.01	151.72	3.00	313.74
Charge for the year	4.38	130.04	10.82	26.02	131.83	22.82	325.91
Deletions/adjustment	-	-	-	-	-	-	-
As at March 31, 2018	11.30	229.41	32.54	57.03	283.55	25.82	639.65
Net book amount as at March 31, 2017	255.54	251.23	15.79	50.01	210.69	35.57	818.83
Net book amount as at March 31, 2018	251.16	460.34	20.92	75.42	157.78	135.80	1,101.42

Note 7b

Intangible Assets

Particulars	Software	Total
Gross block		
As at April 01, 2016	113.73	113.73
Additions	129.56	129.56
Deletions/adjustment	-	-
As at March 31, 2017	243.29	243.29
Additions	318.95	318.95
Deletions/adjustment	-	-
As at March 31, 2018	562.24	562.24
Accumulated amortization		
As at April 01, 2016	39.00	39.00
Charge for the year	75.00	75.00
Deletions/adjustment	-	-
As at March 31, 2017	114.00	114.00
Charge for the year	145.31	145.31
Deletions/adjustment	-	-
As at March 31, 2018	259.31	259.31
Net book amount as at March 31, 2017	129.29	129.29
Net book amount as at March 31, 2018	302.93	302.93

Foot note:
Company does not have any internally generated intangible assets.



Aditya Birla Housing Finance Limited

Notes to the financial statements for the year ended March 31, 2018

(Currency: Rupees in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017
8 Deferred tax assets (net)		
Deferred tax asset		
<u>Timing differences on account of</u>		
Contingent provision against standard assets	1,329.92	-
Provision for sub standard and doubtful assets	299.54	-
Provision for employee benefits	365.41	-
Provision for employee benefits restricted upto the amount of deferred tax liability	-	27.14
Differences in depreciation as per income tax & as charged in financials	5.36	-
Deferred tax asset (A)	2,000.23	27.14
Deferred tax liability		
<u>Timing differences on account of</u>		
On creation of reserve u/s 36(1)(viii) of the Income Tax Act, 1961	197.82	-
Differences in depreciation as per income tax & as charged in financials	-	27.14
Deferred tax liability (B)	197.82	27.14
Deferred tax asset (net) (A-B)	1,802.41	-

Foot note:

Tax expenses includes credit arised on account of deferred tax on timing differences which was originated in the earlier years and recognised in the current year since it meets the criteria for recognition during the current year.



Aditya Birla Housing Finance Limited

Notes to the financial statements for the year ended March 31, 2018

(Currency: Rupees in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017
9a. Long-term loans and advances		
Secured		
Loans and advances relating to financing activity		
- Considered good	7,68,051.15	3,91,590.76
- Considered doubtful	4,328.38	1,394.05
	<u>7,72,379.53</u>	<u>3,92,984.81</u>
Unsecured (Considered good unless otherwise stated)		
Security deposits	594.72	318.35
Advance payment of taxes (net of provisions for taxation Rs 916.45 lakh, March 31, 2017 : Rs Nil)	711.01	609.45
Prepaid expenses	3.33	2.79
Capital advances	20.31	29.47
	<u>1,329.37</u>	<u>960.06</u>
	<u>7,73,708.90</u>	<u>3,93,944.87</u>
9b. Short-term loans and advances		
Secured		
Loans and advances relating to financing activity		
- Considered good	41,279.01	20,704.55
	<u>41,279.01</u>	<u>20,704.55</u>
Unsecured (Considered good unless otherwise stated)		
Loans and advance to related parties	143.70	56.01
Others advances	15.66	2.40
Security deposits	30.36	3.68
Prepaid expenses	412.34	170.26
Goods and service tax credit receivable	292.51	292.64
	<u>894.57</u>	<u>524.99</u>
	<u>42,173.58</u>	<u>21,229.54</u>



Aditya Birla Housing Finance Limited

Notes to the financial statements for the year ended March 31, 2018

(Currency: Rupees in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017
10. Trade receivable (Unsecured, considered good unless otherwise stated)		
Dues for a period exceeding six months	-	-
Other debts	145.99	-
	<u>145.99</u>	<u>-</u>
11. Cash and cash equivalent		
Balances with banks in current accounts	16.43	51.68
	<u>16.43</u>	<u>51.68</u>
12. Other current assets		
Other receivables	80.57	1.11
Interest accrued but not due / interest receivable	4,779.52	2,262.96
	<u>4,860.09</u>	<u>2,264.07</u>



Aditya Birla Housing Finance Limited

Notes to the financial statements for the year ended March 31, 2018

(Currency: Rupees in Lakh)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
13. Revenue from operations		
Income from financing activity	57,028.43	29,769.73
Processing and other fee income	4,483.78	1,700.03
	61,512.21	31,469.76
14. Other income		
Other interest	2.06	-
	2.06	-
15. Finance cost		
Interest expenses	31,895.63	17,376.52
Discounting charges on commercial paper	7,812.09	3,639.10
Other borrowing costs	121.73	105.39
	39,829.45	21,121.01
16. Employee benefit expenses		
Salaries, bonus and allowances	8,823.50	4,730.77
Contribution to provident and other funds	287.27	223.16
Employee stock option expenses (refer note 26)	94.30	-
Staff welfare expenses	296.89	167.24
	9,501.96	5,121.17



Aditya Birla Housing Finance Limited

Notes to the financial statements for the year ended March 31, 2018

(Currency: Rupees in Lakh)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
17. Other expenses		
Rent	752.22	505.08
Travelling and conveyance	344.28	190.51
Water and electricity	106.15	68.04
Repairs and maintenance - others	457.68	251.90
Insurance	173.13	68.32
Communication expenses	119.69	81.77
Legal and professional charges	1,521.33	758.91
Rates and taxes	179.36	93.57
Printing and stationery	159.28	87.66
Contract service charges	188.45	142.49
Information technology expenses	21.70	16.61
Business / sales promotion expenses	76.00	54.22
Advertisement expenses	93.23	1,231.18
Postage expenses	73.94	32.60
Bank charges	7.21	4.87
Brokerage and commission	2,545.24	1,398.47
Miscellaneous expenses	231.97	139.36
	7,050.86	5,125.56
18. Provisions against assets		
Provision for doubtful debts and advances	622.62	192.91
Contingent provisions against standard assets	1,666.13	1,159.15
	2,288.75	1,352.06



Aditya Birla Housing Finance Limited

Notes to the financial statements for the year ended March 31, 2018

(Currency: Rupees in Lakh)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
19. Earnings per share		
Net profit / (loss) after tax available for equity shareholders	3,257.98	(1,549.68)
Weighted average number of equity shares outstanding (in numbers)	3783,31,563	3138,52,192
Basic and diluted earnings per share (Rs.)	<u>0.86</u>	<u>(0.49)</u>



Aditya Birla Housing Finance Limited

Notes to the financial statements for the year ended March 31, 2018

(Currency: Rupees in Lakh)

20 Corporate information

Aditya Birla Housing Finance Limited (the 'Company' or 'ABHFL') is a public company domiciled in India and incorporated on July 27, 2009 under the provisions of the Companies Act, 1956. The Company received the Certificate of Registration from the National Housing Bank ('NHB') on July 09, 2014 to commence / carry on the business of Housing Financial Institution ('HFI') without accepting public deposits.

21 Basis of preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material aspects of the Accounting Standards (AS) notified under Section 133 of the Companies Act 2013 and the provisions of the National Housing Bank Act, 1987 and the Housing Finance Companies, (NHB) Directions, 2010 as amended from time to time. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

21.1 Summary of significant accounting policies

21.1.1 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

21.1.2 Property, plant and equipments

Property, plant and equipments are stated at historical cost, net of accumulated depreciation and impairment loss if any. The cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Gains or losses arising from derecognition of property, plant and equipments are measured as the difference between the net disposal proceeds and the carrying amount of the assets and are recognised in the statement of profit and loss when the asset is derecognised.

Capital work in progress

Projects under which property, plant and equipments are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

21.1.3 Depreciation on property, plant and equipments

Depreciation on property, plant and equipments is provided on straight line basis using the rates arrived at based on the useful lives estimated by the Management. The Company has used the following useful life to provide depreciation on its property, plant and equipments.

Asset class	Useful life as prescribed by Schedule II of the Companies Act, 2013	Estimated useful life
Office computers and electronic equipments	3 years	4 Years
Vehicles	8 years	5 Years
Furniture, fixtures and other office equipments	10 years	7 Years
Buildings	60 years	60 years
Leasehold improvements	Over the primary period of the lease	Over the primary period of the lease or 3 years whichever is lower



Aditya Birla Housing Finance Limited

Notes to the financial statements for the year ended March 31, 2018

(Currency: Rupees in Lakh)

21.1.3 Depreciation on property, plant and equipments (Continued)

Useful life of assets different from prescribed in Schedule II has been estimated by management supported by technical assessment.

Depreciation on assets acquired / sold during the year is recognised on a pro-rata basis to the statement of profit and loss from/ till the date of acquisition or sale.

21.1.4 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight line basis over a period of 3 years.

Depreciation on the intangible assets added/disposed off/discarded during the year is provided on pro-rata basis with reference to the month of addition/disposal/discarding.

The amortization period and the amortization method are reviewed at least at each financial year end. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognized.

Intangible assets under development

Expenditure on research and development eligible for capitalisation are carried as intangible assets under development where such assets are not yet ready for their intended use.

21.1.5 Impairment of property, plant and equipments and intangible assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

21.1.6 Loans

Loans and other credit facilities are classified as standard, sub-standard, doubtful, and loss assets in accordance with the extant Housing Finance Companies, (NHB) Directions, 2010, as amended from time to time.

21.1.7 Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as non - current investments.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis and Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of investments. Unquoted investments in the units of mutual funds are valued at the net asset value as per guidelines issued by the NHB.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.



Aditya Birla Housing Finance Limited

Notes to the financial statements for the year ended March 31, 2018

(Currency: Rupees in Lakh)

21.1.8 Revenue recognition

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

Interest income is recognised in the statement of profit and loss on accrual basis, except in the case of non-performing assets wherein the interest is recognised on receipt basis as per NHB guidelines.

Processing fees and other charges collected upfront are recognised at the inception of the loan.

Syndication fees and other fee incomes are recognised in the statement of profit and loss on accrual basis.

21.1.9 Taxation

Tax expense comprises of current tax and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred income taxes reflect the impact of 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 as at the balance sheet date. Deferred tax assets are recognised 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 realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

The unrecognised Deferred tax assets are re-assessed by the Company at each balance sheet date and are recognised to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

21.1.10 Retirement and other employee benefits

i) Defined contribution plan

The Company makes defined contribution to government managed Employee Provident Fund, government managed Employee Pension Fund, Employee Deposit Linked Insurance and Employee State Insurance which are recognised in statement of profit and loss on accrual basis.

ii) Defined benefit plan

The Company's liabilities under Payment of Gratuity Act, 1972 (as amended from time to time) and long term compensated absences are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method. Actuarial gain and losses are recognised immediately in statement of profit and loss as income or expense. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the balance sheet date on government bonds where the currency and terms of the government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

The Company presents the entire leave as a current liability in the balance sheet, since it does not have any unconditional right to defer its settlement for twelve months after the reporting date.

iii) Long term incentive benefit

Other Long Term Incentive Benefits includes future encashment or availment, at the option of the employee subject to the rules framed by the Company which are expected to be availed or encashed beyond 12 months from the end of the year and long term incentive payable to employees on fulfilment of criteria prescribed by the Company. Long Term Incentive Benefits are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date.



Aditya Birla Housing Finance Limited

Notes to the financial statements for the year ended March 31, 2018

(Currency: Rupees in Lakh)

21.1.11 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

21.1.12 Cash and cash equivalent

Cash and cash equivalents for the purpose of cash flow statement comprise cash in hand and cash at bank including fixed deposit with original maturity period three months or less, which are subject to an insignificant risk of changes in value.

21.1.13 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

21.1.14 Provision and contingencies

Provisions are recognised when there is a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined based on best estimate required to settle the obligation at the balance sheet date.

The provisioning / write-off on overdue assets is as per the management estimates, subject to the minimum provision required as per Housing Finance Companies (NHB) Directions 2010, as amended.

Provision on standard assets is made as per the Housing Finance Companies (NHB) Directions 2010, as amended.

Contingent liabilities are possible but not probable obligations as on balance sheet date, based on the available evidence. Contingent Liabilities are not provided for and disclosed by way of notes.

21.1.15 Leases

Leases where significant portion of risk and reward of ownership are retained by the Lessor are classified as operating leases and lease rentals thereon are charged to statement of profit and loss on straight line basis over the primary lease period.

21.1.16 Special reserve

The Company creates Special Reserve every year out of its profits in terms of Sec 36(1) (viii) of the Income Tax Act, 1961 read with Sec 29C of the National Housing Bank Act, 1987.

21.1.17 Operating cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

21.1.18 Cash flow statement

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



Aditya Birla Housing Finance Limited

Notes to the financial statements for the year ended March 31, 2018

(Currency: Rupees in Lakh)

22 Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) on account of property, plant and equipments Rs. 20.96 Lakh (March 31, 2017: Rs. 14.01 Lakh) and on account of intangible assets Rs. 95.54 Lakh (March 31, 2017: Rs. 8.86 Lakh).

23 **Contingent liabilities:**
Contingent liability as on March 31, 2018 is Rs. 0.06 Lakh (March 31, 2017: Rs. Nil).

24 **Related party disclosures**

I) **List of related parties as per AS -18 with whom transactions have taken place during the year.**

(A) **Where control exists**

Aditya Birla Capital Limited (Holding Company) (formerly known as Aditya Birla Financial Services Limited)
Aditya Birla Nuvo Limited (Ultimate Holding Company) (upto June 30, 2017)
Grasim Industries Limited (Ultimate Holding Company) (w.e.f July 01, 2017)

(B) **Fellow subsidiaries**

Aditya Birla Finance Limited
Aditya Birla MyUniverse Limited (formerly known as Aditya Birla Customer Services Limited)
Aditya Birla Sun Life Insurance Company Limited (formerly known as Birla Sun life Insurance Limited)
Aditya Birla Sun life Asset Management Company Limited
Aditya Birla Money Limited
Aditya Birla Health Insurance Limited
Aditya Birla Financial Shared Services Limited
Aditya Birla Insurance Brokers Limited

(C) **Key management personnel**

Mrs. Anjali Makhija, CFO and Manager (upto July 20, 2017)
Mr. Tushar Kotecha, CFO and Manager (w.e.f. August 01, 2017)

II) **Transactions with related parties**

a) **Purchase and sale of services**

	For the year ended March 31, 2018	For the year ended March 31, 2017
Referred in (A) above		
<u>Other operating expenses</u>		
Aditya Birla Capital Limited*	368.48	28.70
<u>Employee stock option plan expenses</u>		
Aditya Birla Capital Limited	94.30	-
<u>Interest expenses</u>		
Aditya Birla Capital Limited	411.82	-
Referred in (B) above		
<u>Other operating expenses</u>		
Aditya Birla Finance Limited	310.32	217.98
Aditya Birla Money Limited	6.09	5.63
Aditya Birla Sun life Insurance Company Limited	2.60	-
Aditya Birla MyUniverse Limited	0.20	0.26
Aditya Birla Health Insurance Limited	1.49	1.57
Aditya Birla Financial Shared Services Limited	266.31	120.00
<u>Insurance premium expenses</u>		
Aditya Birla Sun life Insurance Company Limited	24.73	13.42
Aditya Birla Health Insurance Limited	96.43	143.32
<u>Interest expenses</u>		
Aditya Birla Sun life Insurance Company Limited	119.04	44.75
<u>Recovery of other operating expenses</u>		
Aditya Birla Finance Limited	674.10	287.43
Aditya Birla Insurance Brokers Limited	0.19	-
Referred in (C) above		
<u>Managerial remuneration</u>		
Mrs. Anjali Makhija	-	35.88
Mr. Tushar Kotecha	38.20	-

*includes Rs. 17.60 Lakh (March 31, 2017 : Rs 17.50 Lakh) paid to key management personnel, Mrs. Anjali Makhija.



Aditya Birla Housing Finance Limited

Notes to the financial statements for the year ended March 31, 2018

(Currency: Rupees in Lakh)

24 Related party disclosures (Continued...)

b) Outstanding balances arising from purchase and sale of services

	As at March 31, 2018	As at March 31, 2017
Referred in (A) above		
<u>Payable</u>		
Aditya Birla Capital Limited	116.48	2.97
Referred in (B) above		
<u>Receivable</u>		
Aditya Birla Finance Limited	142.30	56.01
Aditya Birla Sunlife Asset Management Company Limited	1.21	-
Aditya Birla Insurance Brokers Limited	0.19	-
<u>Payable</u>		
Aditya Birla MyUniverse Limited	0.19	-
Aditya Birla Money Limited	3.03	0.66
Aditya Birla Health Insurance Limited	0.36	0.62
Aditya Birla Financial Shared Services Limited	29.88	20.14
<u>Other balances (Outstanding prepaid balances)</u>		
Aditya Birla Sun Life Insurance Company Limited	11.77	6.31
Aditya Birla Health Insurance Limited	40.74	143.32
c) Loans from related parties	March 31, 2018	March 31, 2017
Referred in (A) above		
Aditya Birla Capital Limited		
Loan balance at the beginning of the year	-	-
Loan obtained (including inter corporate borrowings)	58,000.00	-
Loans repaid (including inter corporate borrowings)	56,200.00	-
Loan balance at the end of the year	1,800.00	-
Interest accrued but not due on above	-	-
Referred in (B) above		
Aditya Birla Sun Life Insurance Company Limited		
Loan balance at the beginning of the year (debentures)	500.00	500.00
Loan obtained (issue of debentures)	1,000.00	-
Loans repaid	-	-
Loan balance at the end of the year (debentures)	1,500.00	500.00
Interest accrued but not due on above	75.51	1.23
d) Other transactions	For the year ended March 31, 2018	For the year ended March 31, 2017
Referred in (A) above		
Aditya Birla Capital Limited		
Share capital issued *	35,000.00	17,822.00

*Includes securities premium of Rs. 27,048.03 lakh (March 31, 2017 : Rs 8,442.00 lakh)

Notes:

a) The related party relationships have been as identified by the management on the basis of the requirements of the Accounting Standard AS-18 'Related Party Disclosures' issued by The Institute of Chartered Accountants of India.

b) The relationships as mentioned above except where control exists pertain to those related parties with whom transactions have taken place during the year.



Aditya Birla Housing Finance Limited

Notes to the financial statements for the year ended March 31, 2018

(Currency: Rupees in Lakh)

25 Gratuity and other post employment benefits

The details of the Company's defined benefit plans for its employees are given below:-

Amount recognized in the balance sheet in respect of gratuity

	As at March 31, 2018	As at March 31, 2017
Present value of funded/unfunded defined benefit obligation at the end of the year	167.28	157.16
Fair value of plan assets	(164.13)	(93.86)
Net liability / (assets)	3.15	63.30

Amount recognized in salary, wages and employee benefits in the statement of profit and loss in respect of gratuity

	For the year ended March 31, 2018	For the year ended March 31, 2017
Current service cost	93.61	52.22
Interest on defined benefit obligation	18.12	11.03
Expected return on plan assets	(8.55)	(4.17)
Net actuarial (gains) / loss recognized during the year	(106.41)	12.20
Net gratuity cost	(3.24)	71.28
Actual return on plan assets	6.97	4.16

Reconciliation of present value of the obligation and the fair value of the plan assets

	March 31, 2018	March 31, 2017
<u>Change in obligation</u>		
Opening defined benefit obligation	157.16	89.70
Current service cost	93.61	52.22
Interest cost	18.12	11.03
Actuarial losses / (gain)	(108.00)	12.19
Liabilities assumed on acquisition/ (settled on divesture)	14.43	(7.98)
Benefit paid	(8.04)	-
Closing defined benefit obligation	167.28	157.16
<u>Change in plan assets</u>		
Opening fair value of the plan assets	93.86	36.46
Expected return on plan assets	8.55	4.18
Actuarial gains / (losses)	(1.59)	(0.02)
Contributions by the employer	71.35	53.24
Assets acquired on acquisition/ (distributed on divesture)	-	-
Benefit paid	(8.04)	-
Closing fair value of the plan assets	164.13	93.86

Investment details of plan assets

	March 31, 2018	March 31, 2017
Government of India securities	17.25	11.18
Corporate bonds	0.66	0.39
Special deposit schemes	-	2.03
Insurer managed funds	98.53	56.06
Others	47.69	24.20
Total	164.13	93.86



Aditya Birla Housing Finance Limited

Notes to the financial statements for the year ended March 31, 2018

(Currency: Rupees in Lakh)

28 Disclosure of details as required under amended guidelines on Housing Finance Companies- Corporate Governance (National Housing Bank) Directions, 2016 issued by NHB vide circular dated February 9, 2017, to the extent applicable to the Company.

I) Capital to risk ratio (CRAR) :

	As at March 31, 2018	As at March 31, 2017
CRAR (%)	14.25%	12.52%
CRAR - Tier I capital (%)	10.73%	10.12%
CRAR - Tier II Capital (%)	3.52%	2.40%
Amount of subordinated debt raised as Tier- II Capital	20,000.00	6,500.00
Amount raised by issue of perpetual debt instruments	-	-

II) Reserve fund u/s 29C of National Housing Bank Act, 1987

Particulars	As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the year	-	-
Statutory reserves u/s 29C of the National Housing bank Act, 1987	-	-
Amount of special reserve u/s36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of statutory reserve under Section 29C of the National Housing Bank Act, 1987	-	-
Total	-	-
Addition/ appropriation/ withdrawal during the year		
Add:		
Amount transferred u/s 29C of the National Housing Bank Act, 1987	79.98	-
Amount of special reserve u/s36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of statutory reserve under Section 29C of the National Housing Bank Act, 1987	571.61	-
Less:		
Amount appropriated from the statutory reserve u/s 29C of the National Housing Bank Act, 1987	-	-
Amount withdrawn from the special reserve u/s36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of provision u/s 29C of the National Housing Bank Act, 1987	-	-
Balance at the end of the year		
Statutory reserve u/s 29C of the National Housing Bank Act, 1987	79.98	-
Amount of special reserve u/s36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of statutory reserve under Section 29C of the NHB Act, 1987	571.61	-
Total	651.59	-

III) Investments

Since the company has not made any kind of investments in the current year, the above note is not applicable.

IV) Derivatives

The company has not entered into any kind of derivative contracts hence the disclosure under this clause is not applicable.

V) Securitisation

The company has not entered into any kind of transaction in the nature of Securitisation and hence the disclosure under this clause is not applicable.

VI) Exposure to real estate sector

Direct exposure to

	As at March 31, 2018	As at March 31, 2017
i) Residential mortgages -		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented;		
housing loans up to Rs. 15 lakh	23,744.62	4,976.72
housing loans more than Rs. 15 lakh	4,02,232.88	1,78,268.98
Other loans	2,02,658.34	1,24,356.59
ii) Commercial real estate -		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.)	1,85,022.70	1,06,087.07
Exposure would also include non-fund based (NFB) limits;		
iii) Investments In Mortgage backed securities (MBS) and other securitised exposures -		
Residential	Nil	Nil
Commercial real estate	Nil	Nil

Indirect exposure to

Fund base and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	Nil	Nil
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VII) Exposure to capital market

Since the company does not have any exposure in the capital market the above disclosure is not applicable.



Aditya Birla Housing Finance Limited

Notes to the financial statements for the year ended March 31, 2018

(Currency: Rupees in Lakh)

28 Disclosure of details as required under amended guidelines on Housing Finance Companies- Corporate Governance (National Housing Bank) Directions, 2016 issued by NHB vide circular dated February 9, 2017, to the extent applicable to the Company (Continued...)

VIII) Asset liability management

Maturity pattern of certain items of assets and liabilities

	March 31, 2018		Assets Advances**
	Liabilities Borrowings from banks #	Market borrowings*	
1 day to 30/31 days (one month)	57,500.00	31,638.60	2,025.58
Over one months to 2 months	2,500.00	54,563.99	2,282.96
Over 2 months to 3 months	1,000.00	-	2,317.75
Over 3 months to 6 months	500.00	10,000.00	11,056.42
Over 6 months to 1 year	91,137.02	-	28,222.01
Over 1 year to 3 years	1,09,167.00	39,100.00	1,31,338.23
Over 3 years to 5 years	1,83,250.00	36,500.00	97,874.23
Over 5 years to 7 years	81,750.00	-	89,588.30
Over 7 years to 10 years	-	22,000.00	1,44,523.55
Over 10 years	-	-	3,04,429.50
Total	5,26,804.02	1,93,802.59	8,13,658.54

does not include overdraft outstanding on account of cheques issued but not presented as on balance sheet date.

* Net of unamortized discounting charges on commercial paper amounting to Rs. 597.40 lakh (March 31, 2017: Rs. 413.17 lakh)

** Advances includes loan and advances in the nature of loans and excludes advances recoverable in cash or kind or for value to be received and advance payment of taxes and other Deposits.

IX) Details of financing of parent company products.

The company has not entered into any transaction in regards to financing of parent company's products and hence the said disclosure is not applicable.

X) Unsecured advances

The company has not made any kind of advances and hence the above disclosure is not applicable to the company.

XI) Registration obtained from other financial sector regulators-

The company has not obtained registration from any other financial sector regulators.

XII) Disclosure of penalties imposed by NHB and other regulators -

There was no penalty imposed on the company by NHB or any other regulator during the current year.

XIII) Accounting Standard 21 - Consolidated Financial Statements (CFS)

The company does not have any subsidiary and hence the above standard is not applicable.

XIV) Break up of Loan & Advances and Provisions thereon

Housing loans

	Standard assets	Sub standard assets	Doubtful I	Doubtful II	Doubtful III	Loss
As at March 31, 2018						
Loans balance	5,04,568.59	2,319.12	635.36	253.14	-	-
Provisions	2,003.62	348.20	159.34	129.95	-	-
As at March 31, 2017						
Loans balance	2,32,118.72	677.27	291.29	-	-	-
Provisions	1,117.48	102.20	72.82	-	-	-

Non housing loans

	Standard assets	Sub standard assets	Doubtful I	Doubtful II	Doubtful III	Loss
As at March 31, 2018						
Loans balance	3,04,761.57	906.88	213.87	0.01	-	-
Provisions	1,839.19	174.52	53.52	0.00	-	-
As at March 31, 2017						
Loans balance	1,80,176.59	386.88	38.60	-	-	-
Provisions	1,059.19	58.24	9.65	-	-	-



Aditya Birla Housing Finance Limited

Notes to the financial statements for the year ended March 31, 2018
(Currency: Rupees in Lakh)

28

Disclosure of details as required under amended guidelines on Housing Finance Companies- Corporate Governance (National Housing Bank) Directions, 2016 issued by NHB vide circular dated February 9, 2017, to the extent applicable to the Company (Continued...)

XV) Break up of 'Provisions and Contingencies' shown under the head expenditure in statement of profit and loss

	For the year ended March 31, 2018	For the year ended March 31, 2017
1. Provisions for depreciation on investments	-	-
2. Provision made towards income tax	(885.95)	-
3. Provision towards non performing assets	622.62	192.91
4. Provision for standard assets (with details like teaser loan, CRE, CRE-RH, etc.)	1,666.13	1,159.15
5. Other provision and contingencies (provision for employee benefits - gratuity, leave encashment and incentive plans)	707.31	293.14

XVI) Draw down from reserves

The company has not withdrawn anything from reserves and hence the said disclosure is not applicable.

XVII) Concentration of loans & advances

	As at March 31, 2018	As at March 31, 2017
Total loans & advances to twenty largest borrowers	69,396.46	52,045.26
Percentage of loans & advances to twenty largest borrowers to total advances of the company	8.53%	12.58%

XVIII) Concentration of all exposure (including off-balance sheet exposure)

	As at March 31, 2018	As at March 31, 2017
Total exposure to twenty largest borrowers / customers	79,526.31	57,581.65
Percentage of exposure to twenty largest borrowers / customers to total exposure of the company on borrowers / customers	8.19%	12.31%

XIX) Concentration of public deposits

Since the company has not accepted neither granted any public deposit the above disclosure is not applicable to the company.

XX) Concentration of NPAs

	As at March 31, 2018	As at March 31, 2017
Total Exposure to top ten NPA accounts	3,493.23	1,394.05

Sector-wise NPAs

Sector	Percentage of NPAs to total advances in that sector
Housing loans :-	
Individuals	0.63%
Builders/project loans	-
Corporates	-
Others (specify)	-
Non - housing loans :-	
Individuals	0.37%
Builders/project loans	-
Corporates	-
Others (specify)	-



Aditya Birla Housing Finance Limited

Notes to the financial statements for the year ended March 31, 2018

(Currency: Rupees in Lakh)

28

Disclosure of details as required under amended guidelines on Housing Finance Companies- Corporate Governance (National Housing Bank) Directions, 2016 issued by NHB vide circular dated February 9, 2017, to the extent applicable to the Company (Continued...)

Movement of NPAs

	As at March 31, 2018	As at March 31, 2017
(I) Net NPAs to net advances (%)	0.43%	0.28%
(II) Movement of NPAs (Gross)		
a) Opening balance	1,394.05	329.90
b) Additions during the year	3,380.93	1,064.15
c) Reductions during the year	446.60	-
d) Closing balance	4,328.38	1,394.05
(III) Movement of Net NPAs		
a) Opening balance	1,151.14	279.90
b) Additions during the year	2,690.91	871.24
c) Reductions during the year	379.20	-
d) Closing balance	3,462.85	1,151.14
(IV) Movement of provisions for NPAs (excluding provisions on standard assets)		
a) Opening balance	242.91	50.00
b) Provisions made during the year	690.02	192.91
c) Write-off/write-back of excess provisions	67.40	-
d) Closing balance	865.53	242.91

XXI) Details of customers complaints

	As at March 31, 2018	As at March 31, 2017
No of complaints pending at the beginning of the year	-	-
No of complaints received during the year	300	79
No of complaints redressed during the year	299	79
No of complaints pending at the end of the year	1	-

XXII) Overseas assets

The company does not own any overseas assets and hence the above disclosure is not applicable.

XXIII) Off- balance sheet SPVs sponsored (which are required to be consolidated as per accounting norms)

Since the company does not have any SPV, the above disclosure is not applicable.

XXIV) Credit rating as on March 31, 2018

Instrument	Amount	Rating action
Bank lines programme	7,35,500	[India Ratings]Short term A1+/Long term AAA (Stable)
Non-convertible debenture programme	2,00,000	[ICRA]AA+(stable)/[India Ratings]AAA (stable)
Subordinated debt programme	1,00,000	[ICRA]AA+(stable)/[India Ratings]AAA (stable)
Commercial paper programme	1,50,000	[ICRA]A1+ / [India Ratings]A1+

XXV) Single borrower limit (SBL) / Group borrower limit (GBL)

Company has not granted any loan to a borrower or group of borrowers exceeding the SBL or GBL as prescribed by NHB.



Aditya Birla Housing Finance Limited

Notes to the financial statements for the year ended March 31, 2018
(Currency: Rupees in Lakh)

29 Auditors remuneration (included in legal and professional expenses)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Audit fees (including limited review fees)	18.65	14.64
Tax audit fees	1.50	1.50
Certification work	3.85	3.50
Out of pocket expenses	0.74	0.87
Total	24.74	20.51

30 Segment reporting

The Company operates in a single reportable segment i.e. lending which has similar risk and returns for the purpose of AS 17 on 'Segment Reporting' notified under section 133 of the Companies Act, 2013. The Company operates in a single geographical segment i.e. domestic.

31 Operating leases

The Company has entered into lease agreements for premises at various locations for periods between 12 months to 60 months. The lease payments recognised in the statement of profit and loss are Rs. 752.22 lakh (March 31, 2017: Rs. 505.08 lakh). Non-cancellable operating lease rentals payables (minimum lease payments) under these leases are as follows:

	As at March 31, 2018	As at March 31, 2017
Not later than one year	320.50	120.70
Later than one year and not later than five years	349.26	134.18
Later than five years	-	-
Total	669.76	254.88



Aditya Birla Housing Finance Limited

Notes to the financial statements for the year ended March 31, 2018
(Currency: Rupees in Lakh)

32 Previous year figures have been regrouped/rearranged wherever necessary to conform to the current year's presentation.

For and on behalf of the Board of Directors of
Aditya Birla Housing Finance Limited



Ajay Srinivasan
Director
DIN: 00121181

Rakesh Singh
Director
DIN: 07006067

Tushar Kotecha
Chief Financial Officer

Muthiah Ganapathy
Company Secretary



Place: Mumbai
Date: May, 02 2018