

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 comprises the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2016, its loss, and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143 (3) of the Act, we report that:



S.R. BATLIBOI & Co. LLP

Chartered Accountants

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, 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 2" to this report;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations 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 and;
 - iii. There were no amounts which were required to be transferred to the investor Education and Protection Fund by the Company.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm registration number: 301003E/E300005

Shrawan

per Shrawan Jalan
Partner
Membership No.: 102102



Place: Mumbai
Date: May 04, 2016

Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our Report of even date

Re: Aditya Birla Housing Finance Limited ("the Company")

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, the title deeds of immovable properties are held in the name of the company.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 4(ii) of the Order are not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3 (ii) (a) (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not advanced loans to directors / to a company in which the Director is interested to which provisions of section 185 of the Companies Act 2013 apply and hence not commented upon and the provisions of section 186 of the Companies Act 2013 are not applicable to the Company.
- (v) The Company does not accept any deposit from public.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013, for the services of the Company.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, wealth-tax, service tax, value added tax, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. As informed, provisions of sales tax, custom duty and excise duty are currently not applicable to the Company.
- (c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, service tax, customs duty, excise duty, value added tax and cess which have not been deposited on account of any dispute.
- (viii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders or government.
- (ix) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not raised any money by way of initial public offer or further public offer (including debt instrument), hence not commented upon.



Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our Report of even date

Re: Aditya Biria Housing Finance Limited ("the Company")

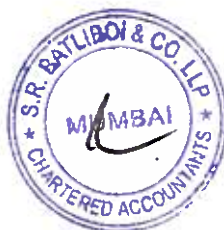
Further, monies raised by the Company by way of term loans were applied for the purpose for which those were raised, though idle/surplus funds which were not required for immediate utilization were gainfully invested in liquid assets payable on demand.

- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or on the company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence not commented upon.
- (xv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm registration number: 301003E/E300005

per Shrawan Jalan
Partner
Membership No.: 102102

Place: Mumbai
Date: May 04, 2016



ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF ADITYA BIRLA HOUSING FINANCE LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

To the Members of Aditya Birla Housing Finance Limited

We have audited the internal financial controls over financial reporting of Aditya Birla Housing Finance Limited ("the Company") as of March 31, 2016 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 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 the 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

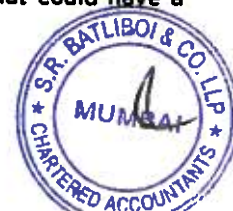
Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 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.



S.R. BATLIBOI & Co. LLP

Chartered Accountants

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

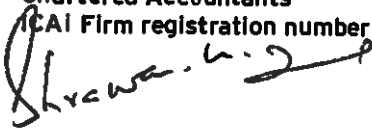
Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm registration number: 301003E/E300005



per Shrawan Jain
Partner
Membership No.: 102102



Place: Mumbai
Date: May 04, 2016



Aditya Birla Housing Finance Limited
Balance Sheet as at 31 March 2016

(Currency: Rupees in Lakhs)

| Particulars | Notes | As at 31 March 2016 | As at 31 March 2015 |
|---|-------|---------------------------|-------------------------|
| I. EQUITY AND LIABILITIES | | | |
| (1) Shareholder's Funds | | | |
| (a) Share capital | 1 | 23,925.00 | 5,005.00 |
| (b) Reserves and surplus | 2 | (3,448.89) | (427.03) |
| | | <u>20,476.11</u> | <u>4,577.97</u> |
| (2) Non-Current Liabilities | | | |
| (a) Long-term borrowings | 3a | 1,24,000.00 | . |
| (b) Other long-term liabilities | 5a | 4.37 | . |
| (c) Long-term provisions | 6a | 1,009.70 | 70.22 |
| | | <u>1,25,014.07</u> | <u>70.22</u> |
| (3) Current Liabilities | | | |
| (a) Short-term borrowings | 3b | 26,547.03 | 9,228.78 |
| (b) Trade payables | 4 | | |
| • Micro and small enterprises | 22 | | |
| • Other than micro and small enterprises | | 1,285.31 | 331.38 |
| (c) Other current liabilities | 5b | 26,117.18 | 312.45 |
| (d) Short-term provisions | 6b | 245.67 | 74.99 |
| | | <u>54,195.19</u> | <u>9,947.60</u> |
| Total | | <u><u>1,99,685.37</u></u> | <u><u>14,595.79</u></u> |
| II. ASSETS | | | |
| (1) Non-Current Assets | | | |
| (a) Fixed assets | | | |
| (i) Tangible assets | 7a | 680.26 | 77.20 |
| (ii) Intangible assets | 7b | 74.73 | 9.46 |
| (iii) Intangible assets under development | | 32.30 | 94.39 |
| (b) Long-term loans and advances | 8a | 1,87,803.08 | 13,554.09 |
| | | <u>1,88,590.37</u> | <u>13,735.14</u> |
| (2) Current Assets | | | |
| (a) Cash and bank balances * | 9 | 50.99 | 0.00 |
| (b) Short-term loans and advances | 8b | 10,094.92 | 789.03 |
| (c) Other current assets | 10 | 949.09 | 71.62 |
| | | <u>11,095.00</u> | <u>860.65</u> |
| Total | | <u><u>1,99,685.37</u></u> | <u><u>14,595.79</u></u> |

* Less than Rs.1000/-

Significant accounting policies

The accompanying notes are an integral part of the financial statements

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As per our report of even date

For S.R. Batliboi & Co. LLP

Chartered Accountants

CAI Firm Registration No: 301003E/E300005

Shrawan Jalan

per Shrawan Jalan

Partner

Membership No: 102102



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

Ajay Brinivasan

Ajay Brinivasan

Director

DIN: 00121181

Rakesh Singh

Rakesh Singh

Director

DIN: 07006067

Anjali Makhija

Anjali Makhija

Chief Financial Officer & Manager

Muthiah Ganapathy

Muthiah Ganapathy

Company Secretary

Place: Mumbai

Date: 04 May 2016



Place: Mumbai

Date: 04 May 2016

Aditya Birla Housing Finance Limited
Statement of Profit and Loss for the year ended 31 March 2016

(Currency: Rupees in Lakhs)

| Particulars | Notes | For the year ended 31 March 2016 | For the year ended 31 March 2015 |
|---|-------|-------------------------------------|-------------------------------------|
| I. Revenue from Operations | 11 | 10,144.69 | 267.09 |
| II. Other income | 12 | 0.70 | 151.22 |
| III. Total Revenue | | <u>10,145.39</u> | <u>418.31</u> |
| IV. Expenses : | | | |
| Finance costs | 13 | 5,964.69 | 63.74 |
| Employee benefit expenses | 14 | 2,806.27 | 436.82 |
| Other expenses | 15 | 3,281.05 | 352.54 |
| Depreciation and amortization expenses | 7a&b | 122.88 | 5.23 |
| Provisions against assets | 16 | 992.36 | 75.14 |
| V. Total Expenses | | <u>13,167.25</u> | <u>933.47</u> |
| VI. (Loss) before Tax (III-V) | | <u>(3,021.86)</u> | <u>(515.16)</u> |
| VII. Tax Expenses : | | | |
| (a) Current tax | | . | . |
| (b) Income tax relating to earlier years | | . | (2.60) |
| VIII. (Loss) for the Year (VI-VII) | | <u>(3,021.86)</u> | <u>(512.56)</u> |
| IX. Basic and Diluted Earnings Per Share (Face value Rs. 10) (Previous year Face value Rs. 10) | 17 | <u>(2.07)</u> | <u>(1.84)</u> |
| | | <u>(2.07)</u> | <u>(1.84)</u> |

Significant accounting policies 19
 The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S.R. Batliboi & Co. LLP
 Chartered Accountants
 CAI Firm Registration No: 301003E/E300005

Shrawan

per Shrawan Jalan
 Partner
 Membership No: 102102



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

Ajay Srinivasan

Ajay Srinivasan
 Director
 DIN: 00121181

Rakesh Singh

Rakesh Singh
 Director
 DIN: 07006067

Anjali Makhija

Anjali Makhija
 Chief Financial Officer & Manager

Muthiah Ganapathy

Muthiah Ganapathy
 Company Secretary

Place: Mumbai
 Date: 04 May 2016

Place: Mumbai
 Date: 04 May 2016



Aditya Birla Housing Finance Limited
Cash Flow Statement for the year ended 31 March 2016

(Currency: Rupees in Lakhs)

| Particulars | For the year ended 31 March 2016 | For the year ended 31 March 2015 |
|---|-------------------------------------|-------------------------------------|
| A Cash Flow From Operating Activities | | |
| Profit before tax | (3,021.86) | (515.16) |
| <i>Adjustments for:</i> | | |
| Depreciation and amortisation | 122.88 | 5.23 |
| Provision for leave encashment | 98.91 | 26.74 |
| Provision for gratuity | 43.69 | 10.69 |
| Contingent provision on standard assets | 942.36 | 75.14 |
| Provision on sub-standard asset | 50.00 | . |
| Discounting charges on commercial paper | 1,723.05 | 38.07 |
| Operating profit before working capital changes | 2,980.89 | 155.88 |
| | (40.97) | (359.28) |
| <i>Changes in working capital:</i> | | |
| (Increase)/decrease in loans and advances | (1,83,484.97) | (14,333.95) |
| (Increase)/decrease in other liabilities and trade payable | 26,738.23 | 635.42 |
| (Increase)/decrease in other assets | (877.49) | (60.93) |
| Cash used in Operations | (1,57,624.23) | (13,759.46) |
| Direct taxes paid | (69.89) | (10.01) |
| | (69.89) | (10.01) |
| Net Cash used in Operating Activities (A) | (1,57,735.09) | (14,128.75) |
| B Cash Flow From Investing Activities | | |
| Purchase of tangible assets | (688.82) | (39.68) |
| Purchase of (Intangible assets including assets under development | (40.30) | (105.74) |
| Net Cash used to Investing Activities (B) | (729.12) | (145.42) |
| C Cash Flow From Financing Activities | | |
| Proceeds from borrowings | 2,82,955.20 | 13,690.71 |
| Repayment of borrowings | (1,43,360.00) | (4,500.00) |
| Issue of equity share capital | 18,920.00 | 4,000.00 |
| Net Cash from Financing Activities (C) | 1,58,515.20 | 13,190.71 |
| Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C) | 50.99 | (1,083.47) |
| Cash and cash equivalents as at the beginning of the year | 0.00 | 1,083.47 |
| Cash and cash equivalents as at the end of the year | 50.99 | 0.00 |
| Net Increase / (Decrease) in Cash and Cash Equivalents | 50.99 | (1,083.47) |
| Components of Cash and Cash Equivalents | | |
| Balances with banks in current accounts* | 50.99 | 0.00 |
| | 50.99 | 0.00 |

* Less than Rs. 1000

As per our report of even date attached.

For S.R. Batliboi & Co. LLP
 Chartered Accountants
 ICAI Firm Registration No: 381003E/E300005

per Shrawan Jalan
 Partner
 Membership No: 102102



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

Ajay Srivastava
 Director
 DIN: 00121181

Rakesh Singh
 Director
 DIN: 07006067

Anjali Makhija
 Chief Financial Officer & Manager

Mughesh Ganapathy
 Company Secretary

Place: Mumbai
 Date: 04 May 2016

Place: Mumbai
 Date: 04 May 2016



Aditya Birla Housing Finance Limited

Notes to the financial statements for the year ended 31 March 2016

(Currency: Rupees in Lakhs)

| Particulars | As at 31 March 2016 | As at 31 March 2015 |
|--|------------------------|------------------------|
| I. Share capital | | |
| Authorised | | |
| 1,000,000,000 (Previous year: 100,000,000) equity shares of Rs 10 each | 1,00,000.00 | 10,000.00 |
| Issued, subscribed and fully paid up shares | 1,00,000.00 | 10,000.00 |
| Equity share capital | | |
| 239,250,000 (Previous year: 50,050,000) equity shares of Rs 10 each, fully paid up | 23,925.00 | 5,005.00 |
| | 23,925.00 | 5,005.00 |

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

| Equity Share | 31 March 2016 | | 31 March 2015 | |
|---|---------------------|------------------|-------------------|-----------------|
| | Number | Rs in lakhs | Number | Rs in lakhs |
| Number of shares outstanding at the beginning of the year | 500,50,000 | 5,005.00 | 100,50,000 | 1,005.00 |
| Number of shares issued during the year | 1,892,00,000 | 18,920.00 | 400,00,000 | 4,000.00 |
| Number of shares outstanding at the end of the year | 2,392,50,000 | 23,925.00 | 500,50,000 | 5,005.00 |

B) Shares held by holding company

| Name of share holder | 31 March 2016 | | 31 March 2015 | |
|---|---------------|-------------|---------------|-------------|
| | Number | Rs in lakhs | Number | Rs in lakhs |
| Aditya Birla Financial Services Limited, holding company (Formerly known as Aditya Birla Financial Services Private Limited) | 2,392,50,000 | 23,925.00 | 500,50,000 | 5,005.00 |

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

| Name of share holder | 31 March 2016 | | 31 March 2015 | |
|---|---------------|-----------------------------------|---------------|-----------------------------------|
| | Number | % of total paid-up equity capital | Number | % of total paid-up equity capital |
| Aditya Birla Financial Services Limited, holding company (Formerly known as Aditya Birla Financial Services Private Limited) | 2,392,50,000 | 100% | 500,50,000 | 100% |

Notes:

I 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 31 March 2016

(Currency: Rupees in Lakhs)

| Particulars | As at 31 March 2016 | As at 31 March 2015 |
|--|------------------------|------------------------|
| 2. Reserves and surplus | | |
| (Deficit) / Surplus as per statement of profit and loss | | |
| Opening balance | (427.03) | 85.53 |
| Addition: | | |
| (Loss) for the year | (3,021.86) | (512.56) |
| Closing (deficit) in the statement of profit and loss | (3,448.89) | (427.03) |



Aditya Birla Housing Finance Limited

Notes to the financial statements for the year ended 31 March 2016

(Currency: Rupees in Lakhs)

| Particulars | As at 31 March 2016 | As at 31 March 2015 |
|--|------------------------|------------------------|
| 3a. Long-term borrowings | | |
| Secured | | |
| Redeemable non convertible debentures | 2,500.00 | - |
| Term loan from banks | 1,21,500.00 | - |
| | <u>1,24,000.00</u> | <u>-</u> |
| 3b. Short-term borrowings | | |
| Secured | | |
| Loan repayable on demand from banks (cash credit)* | 16,678.89 | 4,322.82 |
| | <u>16,678.89</u> | <u>4,322.82</u> |
| Unsecured | | |
| Commercial papers** | 9,868.14 | 4,905.96 |
| | <u>9,868.14</u> | <u>4,905.96</u> |
| | <u>26,547.03</u> | <u>9,228.78</u> |

* Includes book overdraft amounting to Rs. Nil (31 March 2015 Rs. 3,520.67 lakhs).

** Commercial papers shown net of unamortised discounting charges Rs. 131.86 lakhs (31 March 2015 Rs. 94.04 lakhs).



Aditya Birla Housing Finance Limited

Notes to the financial statements for the year ended 31 March 2016

(Currency: Rupees in Lakhs)

| Particulars | As at 31 March 2016 | | As at 31 March 2015 | |
|--|------------------------|--------------------|------------------------|-------------|
| | Current | Non Current | Current | Non Current |
| I) Secured long term 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 after 3 year, Rate of Interest 9.30 % to 9.70 % p.a. | - | 1,21,500.00 | - | - |
| "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 after 3 year, Rate of Interest 8.95 % p.a. | - | 2,500.00 | - | - |
| | - | 1,24,000.00 | - | - |
| II) Secured short term borrowings : | | | | |
| Cash credit secured by way of first pari-passu charge on receivables of the Company * | 16,678.89 | - | 4,322.82 | - |
| | 16,678.89 | - | 4,322.82 | - |



Aditya Birla Housing Finance Limited

Notes to the financial statements for the year ended 31 March 2016

(Currency: Rupees in Lakhs)

| Particulars | As at 31 March 2016 | As at 31 March 2015 |
|--|------------------------|------------------------|
| 4. Trade payables | | |
| Under Micro, Small and Medium Enterprises (refer note 22) | - | - |
| Others | | |
| Trade payables for expenses | 948.89 | 227.89 |
| Trade payables for salaries, bonus and other employee benefits | 336.42 | 103.49 |
| | 1,285.31 | 331.38 |
| 5a. Other long term liabilities | | |
| Liability for rent straight lining | 4.37 | - |
| | 4.37 | - |
| 5b. Other current liabilities | | |
| Book overdraft | 25,358.43 | 284.80 |
| Statutory dues | 135.62 | 26.01 |
| Interest accrued but not due | 539.08 | - |
| Other payable | 84.05 | 1.64 |
| | 26,117.18 | 312.45 |
| 6a. Long term provisions | | |
| Provision for doubtful debts and advances | 50.00 | - |
| Contingent provisions against standard assets | 959.70 | 70.22 |
| | 1,009.70 | 70.22 |
| 6b. Short term provisions | | |
| Contingent provisions against standard assets | 57.81 | 4.92 |
| Provision for leave encashment | 134.62 | 36.21 |
| Provision for gratuity | 53.24 | 33.86 |
| | 245.67 | 74.99 |



Aditya Birla Housing Finance Limited

Notes to the financial statements for the year ended 31 March 2016

(Currency: Rupees in Lakhs)

Note 7a

Tangible Assets

| Particulars | Building | Plant & equipments | Furniture & fixtures | Office equipment | Leasehold improvements | Total |
|--|----------|--------------------|----------------------|------------------|------------------------|--------|
| Gross Block | | | | | | |
| As at 1 April 2014 | - | 52.64 | 1.21 | 5.25 | 21.44 | 80.54 |
| Additions | - | - | - | - | - | - |
| Deletions/Adjustment | - | - | - | - | - | - |
| As at 31 March 2015 | 262.46 | 52.64 | 1.21 | 5.25 | 21.44 | 80.54 |
| Additions | - | 159.88 | 24.48 | 28.21 | 213.79 | 688.82 |
| Deletions/Adjustment | - | - | - | - | - | - |
| As at 31 March 2016 | 262.46 | 212.52 | 25.69 | 33.46 | 235.23 | 769.36 |
| Accumulated Depreciation | | | | | | |
| As at 1 April 2014 | - | - | - | - | - | - |
| Charge for the year | - | 2.16 | 0.03 | 0.55 | 0.60 | 3.34 |
| Deletions/Adjustment | - | - | - | - | - | - |
| As at 31 March 2015 | - | 2.16 | 0.03 | 0.55 | 0.60 | 3.34 |
| Charge for the year | 2.55 | 27.78 | 13.23 | 9.86 | 32.35 | 85.76 |
| Deletions/Adjustment | - | - | - | - | - | - |
| As at 31 March 2016 | 2.55 | 29.94 | 13.26 | 10.41 | 32.95 | 89.10 |
| Net book amount as at 31 March 2015 | - | 50.48 | 1.18 | 4.70 | 20.86 | 77.20 |
| Net book amount as at 31 March 2016 | 259.91 | 182.58 | 12.43 | 23.05 | 202.28 | 680.26 |

Note 7b
Intangible Assets

| Particulars | Software | Total |
|--|----------|--------|
| Gross Block | | |
| As at 1 April 2014 | - | - |
| Additions | 11.35 | 11.35 |
| Deletions/Adjustment | - | - |
| As at 31 March 2015 | 11.35 | 11.35 |
| Additions | 102.38 | 102.38 |
| Deletions/Adjustment | - | - |
| As at 31 March 2016 | 113.73 | 113.73 |
| Accumulated Amortization | | |
| As at 1 April 2014 | - | - |
| Charge for the year | 1.89 | 1.89 |
| Deletions/Adjustment | - | - |
| As at 31 March 2015 | 1.89 | 1.89 |
| Charge for the year | 37.11 | 37.11 |
| Deletions/Adjustment | - | - |
| As at 31 March 2016 | 39.00 | 39.00 |
| Net book amount as at 31 March 2015 | 9.46 | 9.46 |
| Net book amount as at 31 March 2016 | 74.73 | 74.73 |



Aditya Birla Housing Finance Limited

Notes to the financial statements for the year ended 31 March 2016

(Currency: Rupees in Lakhs)

| Particulars | As at 31 March 2016 | As at 31 March 2015 |
|---|------------------------|------------------------|
| 8a. Long-term loans and advances | | |
| Secured | | |
| Loans and advances relating to financing activity | | |
| - Considered good | 1,86,836.94 | 13,448.42 |
| - Considered doubtful | 329.90 | - |
| | <u>1,87,166.84</u> | <u>13,448.42</u> |
| Unsecured (Considered good unless otherwise stated) | | |
| Loans and advances relating to financing activity | 195.09 | - |
| Security deposits | 233.22 | 75.16 |
| Advance payment of taxes (net of provisions for taxation Rs Nil, 31 March, 2015 Rs Nil) | 79.06 | 9.17 |
| Prepaid expenses | 3.62 | - |
| Capital advances | 125.25 | 21.34 |
| | <u>636.24</u> | <u>105.67</u> |
| | <u>1,87,803.08</u> | <u>13,554.09</u> |
| 8b. Short-term loans and advances | | |
| Secured | | |
| Loans and advances relating to financing activity | | |
| - Considered good | 9,935.69 | 743.80 |
| | <u>9,935.69</u> | <u>743.80</u> |
| Unsecured (Considered good unless otherwise stated) | | |
| Loans and advance to related parties | 0.11 | 8.11 |
| Others advances | 10.00 | 23.05 |
| Security deposits | 3.53 | 0.90 |
| Prepaid expenses | 95.47 | 8.19 |
| Service tax receivable | 50.12 | 4.98 |
| | <u>159.23</u> | <u>45.23</u> |
| | <u>10,094.92</u> | <u>789.03</u> |



Aditya Birla Housing Finance Limited

Notes to the financial statements for the year ended 31 March 2016

(Currency: Rupees in Lakhs)

| Particulars | As at 31 March 2016 | As at 31 March 2015 |
|--|------------------------|------------------------|
| 9. Cash and bank balances | | |
| Cash and cash equivalent | | |
| Balances with banks in current accounts* | 50.99 | 0.00 |
| | <u>50.99</u> | <u>0.00</u> |
| *Less than Rs. 1000/- | | |
| 10. Other current assets | | |
| Other receivables | 2.30 | 0.01 |
| Interest accrued but not due / interest receivable | 946.79 | 71.61 |
| | <u>949.09</u> | <u>71.62</u> |



Aditya Birla Housing Finance Limited

Notes to the financial statements for the year ended 31 March 2016

(Currency: Rupees in Lakhs)

| Particulars | For the year ended 31 March 2016 | For the year ended 31 March 2015 |
|---|-------------------------------------|-------------------------------------|
| 11. Revenue from operations | | |
| Income from financing activity | 8,940.85 | 185.39 |
| Syndication and other fee income | 1,203.84 | 81.70 |
| | 10,144.69 | 267.09 |
| 12. Other income | | |
| Other interest | - | 43.55 |
| Securities trading income | 0.70 | 107.67 |
| | 0.70 | 151.22 |
| 13. Finance cost | | |
| Interest expenses | 4,186.62 | 3.31 |
| Discounting charges on commercial paper | 1,723.05 | 38.07 |
| Other borrowing costs | 55.02 | 22.36 |
| | 5,964.69 | 63.74 |
| 14. Employee benefit expenses | | |
| Salaries, bonus and allowances | 2,599.48 | 410.02 |
| Contribution to provident and other funds | 130.08 | 21.09 |
| Staff welfare expenses | 76.71 | 5.71 |
| | 2,806.27 | 436.82 |
| 15. Other expenses | | |
| Rent | 237.36 | 22.54 |
| Travelling and conveyance | 168.58 | 12.79 |
| Water and electricity | 28.16 | 8.76 |
| Repairs and maintenance - others | 250.56 | 11.75 |
| Insurance | 86.06 | 0.18 |
| Communication expenses | 37.68 | 3.23 |
| Legal and professional charges (refer note no 26) | 465.55 | 37.25 |
| Rates and taxes | 232.20 | 102.40 |
| Printing and stationery | 74.31 | 1.28 |
| Contract service charges | 56.71 | 1.34 |
| Information technology expenses | 34.64 | 19.53 |
| Business / sales promotion expenses | 91.94 | - |
| Advertisement expenses | 126.36 | 5.40 |
| Postage expenses | 9.02 | 0.00 |
| Bank charges | 2.71 | 0.13 |
| Brokerage and commission | 1,245.50 | 99.36 |
| Miscellaneous expenses | 133.71 | 26.60 |
| | 3,281.05 | 352.54 |
| 16. Provisions against assets | | |
| Provision for doubtful debts and advances | 50.00 | - |
| Contingent provisions against standard assets | 942.36 | 75.14 |
| | 992.36 | 75.14 |



Aditya Birla Housing Finance Limited

Notes to the financial statements for the year ended 31 March 2016

(Currency: Rupees in Lakhs)

| Particulars | For the year ended 31 March 2016 | For the year ended 31 March 2015 |
|--|-------------------------------------|-------------------------------------|
| 17. Earnings per share | | |
| Net (loss) after tax available for equity shareholders | (3,021.86) | (512.56) |
| Weighted average number of equity shares outstanding (numbers) | 145,824,180 | 27,830,959 |
| Basic and diluted earnings per share (Rs.) | <u>(2.07)</u> | <u>(1.84)</u> |



Aditya Birla Housing Finance Limited

Notes to the financial statements for the year ended 31 March 2016

18. Corporate Information

Aditya Birla Housing Finance Limited (the 'Company' or 'ABHFL') is a public Company domiciled in India and incorporated on 27th July, 2009 under the provisions of the Companies Act 1956. The Company has received a Certificate of Registration from the National Housing Bank ('NHB') on 9th July, 2014 to commence / carry on the business of Housing Financial Institution ('HFI') without accepting public deposits.

19. 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, read together with paragraph 7 of the Companies (Accounts) Rules 2014 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.

19.1 Summary of significant accounting policies

19.1.1 Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

19.1.2 Tangible fixed assets

Tangible fixed assets 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 fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

19.1.3 Depreciation on tangible fixed assets

Depreciation on fixed assets 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 fixed assets.



Aditya Birla Housing Finance Limited

Notes to the financial statements for the year ended 31 March 2016

| <u>Asset</u> | <u>Useful Life as prescribed by Schedule II of the Co's Act,2013</u> | <u>Estimated useful life</u> |
|---|--|--------------------------------------|
| 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 |

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.

19.1.4 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 recognized in the statement of profit and loss when the asset is derecognized.

19.1.5 Impairment of tangible 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.

19.1.6 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.



Aditya Birla Housing Finance Limited

Notes to the financial statements for the year ended 31 March 2016

10.1.7 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 long-term 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 recognize 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.

19.1.8 Revenue Recognition

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

Interest income 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.

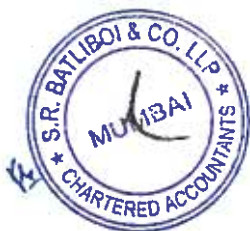
Dividend income on investments is accounted for when the right to receive the payment is established by the reporting date.

19.1.9 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 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 unrecognized 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.

At each reporting date, the Company reassesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset 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 realized.



Aditya Birla Housing Finance Limited

Notes to the financial statements for the year ended 31 March 2016

19.1.10 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 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.

19.1.11 Borrowing costs

Borrowing costs consists of interest and other ancillary cost incurred in connection with borrowing of funds.

All other borrowing costs are expensed in the period in which they occur.

19.1.12 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.

19.1.13 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.

19.1.14 Provision and contingencies

Provisions are recognized 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.



Aditya Birla Housing Finance Limited

Notes to the financial statements for the year ended 31 March 2016

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.

19.1.15 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.

19.1.16 Special reserve

The Company creates special reserve every year out of its profits in terms of Section 29C of the National Housing Bank Act, 1987.

20. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. 44.06 Lakh (31 March 2015 Rs. Nil).

21. Contingent liabilities:

Contingent liability as on 31 March 2016 is Rs. Nil (31 March 2015: Rs. Nil).

22. The Company is in the process of identifying the parties which are covered under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). As of 31 March 2016, the outstanding balance due to parties covered under MSMED Act is Rs. Nil (31 March, 2015: Rs. Nil).

23. Related party disclosures

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

(A) Where control exists:-

- Aditya Birla Financial Services Limited (ABFSL) (Holding Company) (formerly known as Aditya Birla Financial Services Private Limited)
- Aditya Birla Nuvo Limited (Ultimate Holding Company)

(B) Fellow Subsidiaries :-

- Aditya Birla Finance Limited (ABFL)
- Aditya Birla Customer Services Limited (ABC SL)
- Birla Sun Life Insurance Company Limited (BSL ICL)
- Birla Sunlife Asset Management Company Limited (BSLAMCL)
- Aditya Birla Money Limited (ABML)

(C) Key management personnel

- Mrs. Anjali Makhija (w.e.f. - 01.12.2014)



Aditya Birla Housing Finance Limited

Notes to the financial statements for the year ended 31 March 2016

II) Transactions with related parties

(Rs. in Lakhs)

| Particulars | Referred in (A) above | Referred in (B) above | Referred in (C) above | Total |
|----------------------------------|--------------------------|--------------------------|--------------------------|-------------------------|
| Remuneration* | - (-) | - (-) | 65.17 (14.47) | 65.17 (14.47) |
| Other operating expenses | 0.14 (-) | 290.62 (14.86) | - (-) | 290.76 (14.86) |
| Advertisement expenses | - (-) | - (5.62) | - (-) | - (5.62) |
| Employee cost reimbursement | - (-) | - (54.76) | - (-) | - (54.76) |
| Interest expenses | - (-) | 5.29 (1.47) | - (-) | 5.29 (1.47) |
| Recovery of expenses | - (-) | 190.54 (55.10) | - (-) | 190.54 (55.10) |
| Purchase of assets | - (-) | - (56.05) | - (-) | - (56.05) |
| Loan obtained (including ICBs) | - (-) | 8,360.00 (1,240.00) | - (-) | 8,360.00 (1,240.00) |
| Loans repaid (including ICBs) | - (-) | 8,360.00 (1,240.00) | - (-) | 8,360.00 (1,240.00) |
| Issue of debentures | - (-) | 500.00 (-) | - (-) | 500.00 (-) |
| Equity share capital issued | 18,920.00 (4,000.00) | - (-) | - (-) | 18,920.00 (4,000.00) |
| Equity share capital outstanding | 23,925.00 (5,005.00) | - (-) | - (-) | 23,925.00 (5,005.00) |
| Debentures outstanding | - (-) | 500.00 (-) | - (-) | 500.00 (-) |
| Amount payable | - (-) | 37.98 (57.56) | - (-) | 37.98 (57.56) |
| Amount receivable | - (-) | 0.11 (8.11) | - (-) | 0.11 (8.11) |

*Expenses towards bonus, gratuity and leave encashment provisions are determined actuarially on an overall Company basis at the end of each year and, accordingly, have not been considered in the above information.



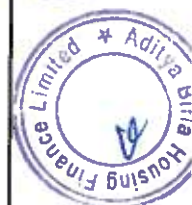
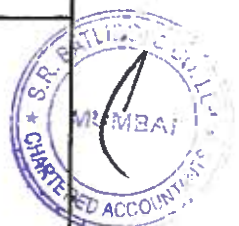
Aditya Birla Housing Finance Limited

Notes to the financial statements for the year ended 31 March 2016

III) Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the year:

(Rs.in Lakhs)

| Particulars | 31 March 2016 | 31 March 2015 |
|--|---------------|---------------|
| Remuneration | | |
| Mrs. Anjali Makhija | 65.17 | 14.47 |
| Other operating expenses | | |
| Aditya Birla Finance Limited | 284.36 | 14.86 |
| Aditya Birla Nuvo Limited | 0.14 | - |
| Aditya Birla Money Limited | 2.50 | - |
| Birla Sunlife Insurance Company Limited | 0.11 | - |
| Birla Sunlife Asset Management Company Limited | 3.65 | - |
| Advertisement expenses | | |
| Aditya Birla Customer Services Limited | - | 5.62 |
| Employee cost reimbursement | | |
| Aditya Birla Finance Limited | - | 54.76 |
| Interest expenses | | |
| Aditya Birla Finance Limited | 4.06 | 1.47 |
| Birla Sunlife Insurance Company Limited | 1.23 | - |
| Recovery of expense | | |
| Aditya Birla Finance Limited | 188.51 | 46.99 |
| Birla Sun Life Insurance Company Limited | 2.03 | 8.11 |
| Loan obtained (including ICBs) | | |
| Aditya Birla Finance Limited | 8,360.00 | 1,240.00 |
| Loans repaid (including ICBs) | | |
| Aditya Birla Finance Limited | 8,360.00 | 1,240.00 |
| Issue of debentures | | |
| Birla Sun Life Insurance Company Limited | 500.00 | - |
| Share capital issued | | |
| Aditya Birla Financial Services Limited | 18,920.00 | 4,000.00 |
| Purchase of fixed assets | | |
| Aditya Birla Finance Limited | - | 56.05 |
| Equity share capital outstanding | | |
| Aditya Birla Financial Services Limited | 23,925.00 | 5,005.00 |
| Debentures outstanding | | |
| Birla Sun Life Insurance Company Limited | 500.00 | - |
| Receivable | | |
| Birla Sun Life Insurance Company Limited | 0.11 | 8.11 |
| Payable | | |
| Aditya Birla Finance Limited | 28.33 | 52.04 |
| Aditya Birla Customer Services Limited | 5.52 | 5.52 |
| Aditya Birla Money Limited | 0.80 | - |
| Birla Sunlife Asset Management Company Limited | 3.33 | - |



Aditya Birla Housing Finance Limited

Notes to the financial statements for the year ended 31 March 2016

Notes:-

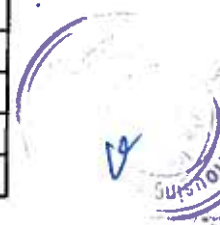
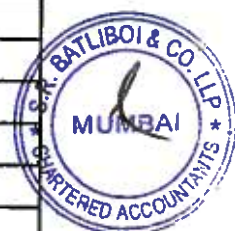
- The related party relationships have been as identified by the management on the basis of the requirements of the Accounting Standard AS-18 'Related Party Disclosures' issued by The Institute of Chartered Accountants of India and the same have been relied upon by the auditors.
- The relationships as mentioned above except where control exists pertain to those related parties with whom transactions have taken place during the year.
- Figures in brackets represent corresponding amounts of previous year.

24. Gratuity and other post employment benefits

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

(Rs.in Lakhs)

| Amount recognized in the Balance Sheet in respect of gratuity | | |
|--|------------------------|------------------------|
| | As at 31 March 2016 | As at 31 March 2015 |
| Present value of funded/unfunded defined benefit obligation at the end of the year | 89.70 | 33.86 |
| Fair value of plan assets | 36.46 | - |
| Net liability / (assets) | 53.24 | 33.86 |
| Amount recognized in salary, wages and employee benefits in the statement of profit and loss in respect of gratuity: | | |
| Current service cost | 14.70 | 1.58 |
| Interest on defined benefit obligation | 3.86 | 0.54 |
| Expected return on plan assets | - | - |
| Net actuarial (gains) / loss recognized during the year | 25.13 | 8.57 |
| Net gratuity cost | 43.69 | 10.69 |
| Actual return on plan assets | 2.60 | - |
| Reconciliation of present value of the obligation and the fair value of the plan assets: | | |
| | As at 31 March 2016 | As at 31 March 2015 |
| Opening defined benefit obligation | 33.86 | 0 |
| Current service cost | 14.70 | 1.59 |
| Interest cost | 3.86 | 0.54 |
| Actuarial losses / (gain) | 27.73 | 8.57 |
| Liabilities assumed on acquisition/ (settled on divesture) | 9.55 | 23.16 |
| Benefit paid | - | - |
| Closing defined benefit obligation | 89.70 | 33.86 |
| Change in plan assets | | |
| Opening fair value of the plan assets | - | - |
| Expected return on plan assets | - | - |
| Actuarial gains / (losses) | 2.60 | - |
| Contributions by the employer | 33.86 | - |
| Assets acquired on acquisition/ (distributed on divesture) | - | - |
| Benefit paid | - | - |
| Closing fair value of the plan assets | 36.46 | - |



Aditya Birla Housing Finance Limited

Notes to the financial statements for the year ended 31 March 2016

| Investment details of plan assets | | |
|-----------------------------------|--------------|----------|
| Government of India securities | 7.65 | - |
| Corporate bonds | 0.15 | - |
| Special deposit schemes | 0.77 | - |
| Insurer managed funds | 20.19 | - |
| Others | 7.70 | - |
| Total | 36.46 | - |

| Experience adjustment | 2016 | 2015 | 2014 | 2013 | 2012 |
|--|---------|---------|------|------|------|
| Defined benefit obligation | 89.70 | 33.86 | - | - | - |
| Plan assets | 36.46 | - | - | - | - |
| Surplus / (deficit) | (53.24) | (33.86) | - | - | - |
| Experience adjustment on plan liabilities | 24.94 | 8.57 | - | - | - |
| Experience adjustment on plan assets | 2.60 | - | - | - | - |
| Principal actuarial assumptions at the balance sheet date:- | | | | | |
| Discount rate (p.a.) | 7.80% | 8.00% | - | - | - |
| Expected rate of return on assets (p.a.) | 7.80% | - | - | - | - |

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

Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields as at Balance Sheet date.

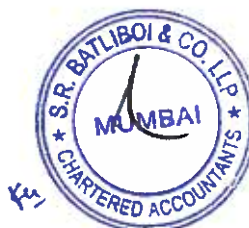
Estimated amount of contribution expected to be paid to the Gratuity Fund during the annual period after the Balance Sheet date is Rs. 35.00 lakh (31 March 2015 Rs. 0.46 lakh).

During the year the following cost has been incurred on account of:

Defined contribution plans

Amount recognised as an expense and included in Note 17 - "Contribution to Provident and Other funds:-

| Sr. No. | Particulars | (Rs. In Lakhs) | |
|---------|--|----------------|---------------|
| | | 31 March 2016 | 31 March 2015 |
| i) | Contribution to Govt. Employees Provident Fund | 86.02 | 10.14 |



Aditya Birla Housing Finance Limited

Notes to the financial statements for the year ended 31 March 2016

(Currency: Rupees in Lakhs)

25 Disclosure of details as required under amended guidelines on Asset Liability Management (ALM) issued by NHB vide circular dated October 11, 2010.

Capital to Risk Ratio (CRAR) :

| Sl. No. | Items | 31 March 2016 | 31 March 2015 |
|---------|----------------------------|---------------|---------------|
| (i) | CRAR (%) | 12.38% | 39.47% |
| (ii) | CRAR - Tier I capital (%) | 11.80% | 34.82% |
| (iii) | CRAR - Tier II Capital (%) | 0.58% | 0.65% |

Exposure to Real Estate Sector

| Category | | (Rs. in Lakhs) | |
|------------------------|--|----------------|---------------|
| | | 31 March 2016 | 31 March 2015 |
| Direct exposure | | | |
| i) | Residential Mortgages - Lending fully secured by mortgage on residential property that is or will be occupied by the borrower or that is rented, housing loans up to Rs. 12 lakhs* | | |
| | housing loans more than Rs. 12 lakhs* | 1,368.83 | 42.63 |
| | Other Loans | 89,444.61 | 9,395.35 |
| ii) | Commercial Real Estate - Lending secured by mortgage 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.) Exposure would also include non-fund based (NFB) limits. | 40,891.59 | 2,597.50 |
| | Investments in Mortgage Backed Securities (MBS) and other securitized exposures : a. Residential b. Commercial Real Estate | NIL NIL | NIL NIL |
| iii) | Indirect Exposure Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs) | NIL | NIL |

* based on the sanctions

Asset Liability Management

Maturity pattern of certain items of Assets and Liabilities

| Particulars | (Rs. in Lakhs) | | | | | | | | | | Total | |
|---------------------|---------------------------------|---------------------------|---------------------------|-------------------------|------------------------|-------------------------|-------------------------|--------------------------|---------------|-----------|-------|-------------|
| | 1 day to 30/31 days (one month) | Over 1 months to 3 months | Over 3 months to 6 months | Over 6 months to 1 year | Over 1 year to 2 years | Over 2 years to 3 years | Over 3 years to 5 years | Over 5 years to 10 years | Over 10 years | | | |
| Liabilities | | | | | | | | | | | | |
| Drawings from banks | - | - | - | - | 16,679.00 | - | 86,500.00 | 33,000.00 | - | - | - | 1,38,179.00 |
| Market borrowings * | - | 9,868.14 | - | - | - | - | 500.00 | - | 3,000.00 | - | - | 12,368.14 |
| Assets | | | | | | | | | | | | |
| Advances ** | 608.31 | 680.64 | 737.73 | 2,564.69 | 3,344.29 | 22,531.90 | 32,769.98 | 24,196.07 | 40,678.19 | 77,163.99 | - | 1,97,297.67 |

* Net of unamortized discounting charges on Commercial Paper amounting to Rs. 191.86 lakhs.

** 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.

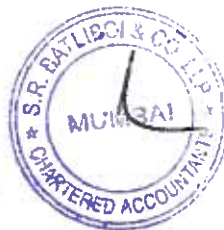
Disclosure regarding provisions made for standard assets as per Prudential Norms contained in the Housing Finance

Housing Loans

| Assets Classification | (Rs. in Lakhs) | | | |
|-----------------------|--------------------|---------------|-----------------|--------------|
| | 31 March 2016 | | 31 March 2015 | |
| | Loans balance | Provisions | Loans balance | Provisions |
| Standard assets | 1,02,999.86 | 453.90 | 9,437.78 | 37.39 |
| Sub standard assets | 329.90 | 50.00 | - | - |
| Totals | 1,03,328.76 | 503.90 | 9,437.78 | 37.39 |

Non Housing Loans

| Assets Classification | (Rs. in Lakhs) | | | |
|-----------------------|------------------|---------------|-----------------|--------------|
| | Current Year | | Previous Year | |
| | Loans balance | Provisions | Loans balance | Provisions |
| Standard assets | 94,007.83 | 563.61 | 4,354.44 | 37.39 |
| Totals | 94,007.83 | 563.61 | 4,354.44 | 37.39 |



Aditya Birla Housing Finance Limited

Notes to the financial statements for the year ended 31 March 2016

26. Details of auditors remuneration

(Rs. In Lakhs)

| Particulars | 31 March 2016 | 31 March 2015 |
|--|---------------|---------------|
| Audit fees (including limited review fees) | 8.00 | 4.50 |
| Tax audit fees | 1.50 | 1.50 |
| Certification work | 2.50 | 2.50 |
| Out of pocket expenses | 0.61 | 0.53 |

27. 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 read with Rule 7 of the Companies Act Rules, 2014. The Company operates in a single geographical segment i.e. domestic.

28. 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. 237.36 Lakhs (31 March 2015: Rs. 22.54 Lakhs).

Non-cancellable operating lease rentals payables (minimum lease payments) under these leases are as follows:

(Rs. In Lakhs)

| Particulars | 31 March 2016 | 31 March 2015 |
|---|---------------|---------------|
| Not later than one year | 38.61 | 28.48 |
| Later than one year and not later than five years | 130.19 | 117.58 |
| Later than five years | - | 7.11 |
| (Total) | 168.81 | 153.18 |

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

For S.R. Batliboi & Co. LLP
Chartered Accountants

ICAI Firm Registration No: 301003E/E300005

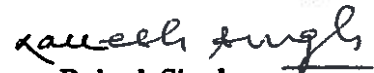


per Shrawan Jalan
Partner
Membership No: 102102



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



Anjali Makhija
Chief Financial Officer & Manager


Muthiah Ganapathy
Company Secretary

Place: Mumbai
Date: 04 May 2016



Place: Mumbai
Date: 04 May 2016