

**CAPITAL FIRST HOME FINANCE LIMITED****BALANCE SHEET AS AT MARCH 31, 2017***Amounts in Rupees*

Particulars	Note No.	As at March 31, 2017	As at March 31, 2016
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	3	663,045,150	663,045,150
Reserves and Surplus	4	251,549,782	187,165,316
		<b>914,594,932</b>	<b>850,210,466</b>
<b>Non-current Liabilities</b>			
Deferred Tax Liability (Net)	5	3,295,831	-
Long term borrowings	6	3,744,500,000	2,735,000,000
Other Long term liabilities	7	70,971,472	39,400,062
Long term provisions	8	54,545,786	18,553,664
		<b>3,873,313,089</b>	<b>2,792,953,726</b>
<b>Current Liabilities</b>			
Short term borrowings	9	933,176,248	572,987,603
Trade payables	10	52,398,022	32,287,993
Other current liabilities	11	1,288,852,544	703,136,093
Short term provisions	12	7,249,690	1,120,913
		<b>2,281,676,504</b>	<b>1,309,532,602</b>
<b>TOTAL</b>		<b>7,069,584,525</b>	<b>4,952,696,794</b>
<b>ASSETS</b>			
<b>Non - Current Assets</b>			
Deferred Tax Asset	5	-	2,442,299
Long term loans and advances	13	6,001,514,709	3,878,879,562
Other non current assets	14	92,007,660	34,064,269
		<b>6,093,522,369</b>	<b>3,915,386,130</b>
<b>Current Assets</b>			
Cash and Bank Balances	15	727,598,618	770,802,225
Short term loans and advances	16	175,786,993	215,440,285
Other current assets	17	72,676,545	51,068,154
		<b>976,062,156</b>	<b>1,037,310,664</b>
<b>TOTAL</b>		<b>7,069,584,525</b>	<b>4,952,696,794</b>

Summary of significant accounting policies 2.1  
The accompanying notes are an integral part of the Financial Statements

As per our report of even date

**For S.R. BATLIBOI & CO. LLP**  
ICAI Firm Registration No. 301003E/E300005  
Chartered Accountants

**For and on behalf of the Board of Directors of  
CAPITAL FIRST HOME FINANCE LIMITED**

**per Shrawan Jalan**  
Partner  
Membership No. 102102

**V. Vaidyanathan**  
Director  
DIN No. 00082596

**Apul Nayyar**  
Director  
DIN No. 01738973

**Deepak Kundalia**  
Chief Financial Officer

**Bhavik Gala**  
Company Secretary

Place: Mumbai  
Date : May 09, 2017

Place: Mumbai  
Date : May 09, 2017

**CAPITAL FIRST HOME FINANCE LIMITED**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017**

*Amounts in Rupees*

Particulars	Note No.	For the year ended March 31, 2017	For the year ended March 31, 2016
Revenue from Operations	18	708,309,080	361,129,524
Other Income	19	3,836,944	40,764,560
<b>Total Revenue</b>		<b>712,146,024</b>	<b>401,894,084</b>
<b>Expenses</b>			
Employee benefits expense	20	46,900,318	8,586,438
Finance costs	21	404,812,898	253,396,391
Other expenses	22	163,325,524	46,543,933
<b>Total Expenses</b>		<b>615,038,740</b>	<b>308,526,762</b>
<b>Profit before tax</b>		<b>97,107,284</b>	<b>93,367,322</b>
<b>Tax expense:</b>			
- Current tax (includes tax for earlier years Rs. 4,127,557)		26,132,443	36,768,000
- Deferred tax (includes Deferred tax for earlier years Rs. 4,127,557)		5,738,130	(5,854,364)
- Tax for earlier years		852,245	34,094
		<b>32,722,818</b>	<b>30,947,730</b>
<b>Profit for the year</b>		<b>64,384,466</b>	<b>62,419,592</b>
<b>Earnings per equity share:</b>	23		
- Basic		0.97	1.17
- Diluted		0.97	1.17
Summary of significant accounting policies	2.1		
The accompanying notes are an integral part of the Financial Statements			

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## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

Amounts in Rupees

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>Cash flow from Operating Activities</b>		
Profit before tax	97,107,284	93,367,322
<u>Adjustments for:</u>		
Provision for doubtful loans and advances	29,679,177	1,721,815
Provision for standard assets	8,356,817	6,826,722
Bad loans and trade receivables written off (net of recovery)	82,521,444	8,771,251
Excess provision written back	-	(1,166,678)
Profit on sale of Investments	(3,515,891)	(39,446,878)
<b>Operating profit before Working Capital changes</b>	<b>214,148,831</b>	<b>70,073,554</b>
<u>Adjustment for changes in working capital:</u>		
Increase in Trade Payables	20,110,029	22,713,656
Increase in Long term Liabilities	31,571,411	3,341,598
Increase in Short term Liabilities	48,966,451	26,197,484
Decrease in Short term Loans & Advances	39,653,293	(143,472,305)
Increase in Long term Loans & Advances	(2,192,549,197)	(1,652,701,689)
Increase in Short term other assets	(21,608,390)	(25,346,275)
Increase in Long term other assets	(57,943,392)	(9,674,013)
Cash used in Operations	(1,917,650,964)	(1,708,867,990)
Less: Direct taxes paid	(35,507,179)	(46,234,537)
<b>Net Cash used in Operating Activities</b>	<b>(1,953,158,143)</b>	<b>(1,755,102,527)</b>
<b>Cash flow from Investing Activities</b>		
Proceeds from sale of current investments	4,399,215,891	2,794,490,566
Purchase of current investments	(4,395,700,000)	(2,467,400,000)
Net assets acquired on merger of subsidiary	-	375,499,618
<b>Net cash generated from Investing Activities</b>	<b>3,515,891</b>	<b>702,590,184</b>
<b>Cash flow from Financing Activities</b>		
Proceeds from Long term borrowings	2,315,000,000	1,400,558,083
Proceeds from Short term borrowings	6,965,873,317	2,419,478,660
Proceeds from ICD	765,000,000	-
Repayment of Long term borrowings	(768,750,000)	(487,500,000)
Repayment of Short term borrowings	(6,605,684,672)	(1,847,049,140)
Repayment of ICD	(765,000,000)	-
<b>Net Cash generated from Financing Activities</b>	<b>1,906,438,645</b>	<b>1,485,487,603</b>
<b>Net (decrease) increase in Cash and Cash Equivalents during the year</b>	<b>(43,203,607)</b>	<b>432,975,260</b>
Cash and Cash Equivalents at the beginning of the year	770,802,225	337,826,965
<b>Cash and Cash Equivalents at the end of the year</b>	<b>727,598,618</b>	<b>770,802,225</b>

	As at March 31, 2017	As at March 31, 2016
<b>Cash and Cash equivalents comprises of :</b>		
Cash on hand	8,499,753	3,770,712
Balance with banks:		
- in current accounts	719,098,865	767,031,513
<b>Total</b>	<b>727,598,618</b>	<b>770,802,225</b>

**Notes:**

1 The above Cash Flow Statement has been prepared under the "Indirect Method " as set out in Accounting Standard (AS) - 3 'Cash Flow Statements' notified under section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules 2014 and the Companies (Accounting Standards) Amendment Rules, 2016.

2 Cash and cash equivalents in the balance sheet comprises of Cash in hand and Cash at bank.

As per our report of even date

**For S.R. BATLIBOI & CO. LLP**

ICAI Firm Registration No. 301003E/E300005  
Chartered Accountants

**For and on behalf of the Board of Directors of  
CAPITAL FIRST HOME FINANCE LIMITED**

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Bhavik Gala  
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Place : Mumbai  
Date : May 09, 2017

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Date : May 09, 2017

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

**1 CORPORATE INFORMATION**

Capital First Home Finance Private Limited (the 'Company') was incorporated on December 23, 2010. The Company was converted into Public Company as Capital First Home Finance Limited, a wholly owned subsidiary of Capital First Limited. The Company is engaged in the business of housing finance without accepting public deposits.

**2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements have been prepared to comply in accordance with the Accounting Standards ('AS') notified under section 133 of the Companies Act, 2013 (the 'Act') read together with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016 and other accounting principles generally accepted in India (IGAAP) and as per The National Housing Bank Act, 1987 and Housing Finance Companies (NHB) Directions, 2010 as amended. The financial statements have been prepared on an accrual basis and under the historical cost convention. The notified Accounting Standards (AS) are followed by the Company insofar as they are not inconsistent with the NHB Direction.

**2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**(a) Current/ Non Current classification of assets and liabilities**

As required by Schedule III, the Company has classified assets and liabilities into current and non-current based on the operating cycle. An operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Since in case of Housing Finance Company normal operating cycle is not readily determinable, the operating cycle has been considered as 12 months.

**(b) Use of estimates**

The preparation of financial statements in conformity with Indian Generally Accepted Accounting Principles ("IGAAP") 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.

**(c) Change in estimates**

During the year, the Company has changed its accounting estimates related to provisioning for non performing loans. Consequent to the change in such estimates, provision and write off for the year ended March 31, 2017 is higher by Rs. 15,806,457.

**(d) Loans**

Loans are stated at the amount advanced, as reduced by the amounts received up to the balance sheet date.

**(e) Investments**

Investments that are readily realisable and intended to be held for not more than a year from the date on which such investments are made are classified as current investments. All other investments are classified as non-current investments. In accordance with the Guidelines issued by National Housing Bank (NHB), Current investments are carried at lower of cost and fair value determined on an individual investment basis and Non-Current investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments. Unquoted investments in the units of mutual funds are valued at the net asset value as per guidelines issued by the NHB.

**(f) 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**

Interest income from loans is accounted for by applying interest rate implicit in the contract. In case of non-performing assets interest income is recognised on receipt basis as per NHB guidelines.

**Income from assignment**

Income from assignment of loans and receivables is amortised over the tenure of loans.

Income on retained interest in the assigned asset, if any, is accounted on accrual basis except in case of non-performing assets wherein interest income is recognised on receipt basis as per NHB prudential norms.

**Fee income**

Fee income on loan is recognised as income over the tenor of the loan agreements. The unamortized balance is being disclosed as part of current liabilities. For the agreements foreclosed, balance of processing fees is recognised as income at the time of such foreclosure.

**Profit/ Loss on sale of investments**

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

**(g) Borrowing costs**

Borrowing costs consists of interest and other ancillary cost that an entity incurs in connection with borrowing of funds. Ancillary costs incurred in connection with the arrangement of borrowings are amortised over the tenor of borrowings.

**(h) Loan origination cost**

Loan origination costs such as credit verification, agreement stamping, direct selling agents commission and valuation charges are recognised as expense over the contractual tenor of the loan agreement. Full month's amortization is done in the month of booking of loan. For the agreements foreclosed, the unamortised portion of loan acquisition cost is recognised as charge to the Statement of Profit and Loss at the time of such foreclosure.

**(i) Income Taxes**

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

At each reporting date, the company re-assesses 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.

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

**(j) Provisioning / Write-off on assets**

*Provisioning / Write-off on Overdue assets:*

Nonperforming loans are written off / provided for, as per management estimates, subject to the minimum provision required as per Housing Finance Companies (NHB) Directions 2010, as amended.

*Provisioning for standard assets:*

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

**(k) Earnings per share**

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

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

**CAPITAL FIRST HOME FINANCE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**

**(l) Provisions**

A provision is recognised when the Company has a present obligation as a result of past event; it is probable that outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

**(m) Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

**(n) Cash and Cash Equivalents**

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 of three months and short term highly liquid investments with an original maturity of three months or less.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Particulars	Amounts in Rupees	
	As at March 31, 2017	As at March 31, 2016
<b>3 Share Capital:</b>		
<b>Authorised:</b>		
90,000,000 (Previous Year: 90,000,000) Equity shares of Rs. 10/- each	900,000,000	900,000,000
	<b>900,000,000</b>	<b>900,000,000</b>
<b>Issued, subscribed and fully paid up:</b>		
66,304,515 (Previous Year: 66,304,515) Equity shares of Rs. 10/- each	663,045,150	663,045,150
	<b>663,045,150</b>	<b>663,045,150</b>
a Reconciliation of number of equity shares and amount outstanding at the beginning and at the end of the reporting year:		
	<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>
	<b>Number</b> <b>Rs.</b>	<b>Number</b> <b>Rs.</b>
At the beginning of the reporting year	66,304,515	36,275,000
Issued during the year (Refer Note No. 32)	663,045,150	300,295,150
Bought back during the reporting year	-	-
<b>At the close of the reporting year</b>	<b>66,304,515</b> <b>663,045,150</b>	<b>66,304,515</b> <b>663,045,150</b>
b Terms / Rights 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 dividend, if any is proposed by the Board of Directors and is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.		
c Shares held by the holding company (including nominees):		
	<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>
	<b>Number</b> <b>Rs.</b>	<b>Number</b> <b>Rs.</b>
Equity shares of Rs. 10/- each Capital First Limited (including nominees)	66,304,515      663,045,150	66,304,515      663,045,150
d Particulars of equity share holders holding more than 5% of the total number of equity share capital:		
	<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>
	<b>Number</b> <b>Rs.</b>	<b>Number</b> <b>Rs.</b>
Capital First Limited (including nominees)	66,304,515      663,045,150	66,304,515      663,045,150
e Aggregate number of shares issued for a consideration other than cash during the period of five years immediately preceeding the reporting date	30,029,515	Nil
	<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>
	<b>Number</b> <b>Rs.</b>	<b>Number</b> <b>Rs.</b>
	30,029,515	Nil
<b>4 Reserves and Surplus:</b>		
a <b>Capital Reserve</b>		
Balance as per last Balance Sheet	63,774,782	-
Addition during the year (Refer Note No. 32)	-	63,774,782
	<b>63,774,782</b>	<b>63,774,782</b>
b <b>Statutory Reserve</b>		
<i>As per Section 29C of The National Housing Bank Act, 1987</i>		
Balance as per last Balance Sheet	19,956,599	7,472,681
Addition during the year	12,876,893	12,483,918
	<b>32,833,492</b>	<b>19,956,599</b>
c <b>Surplus in the Statement of Profit and Loss</b>		
Balance as per last Balance Sheet	103,433,935	41,935,577
Add: Addition on Merger	-	11,562,684
Add: Net profit for the current year	64,384,466	62,419,592
	<b>167,818,401</b>	<b>115,917,853</b>
Less: Appropriations:		
Transfer to Statutory Reserve (20% of current year)	(12,876,893)	(12,483,918)
	<b>154,941,508</b>	<b>103,433,935</b>
	<b>251,549,782</b>	<b>187,165,316</b>

Particulars	Non Current Portion		Current Maturities*	
	As at	As at	As at	As at
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
<b>6 Long term Borrowings</b>				
<b>Secured</b>				
Term Loans				
- from Bank	3,744,500,000	2,735,000,000	1,230,500,000	693,750,000
Inter Corporate borrowings	-	-	-	-
	<b>3,744,500,000</b>	<b>2,735,000,000</b>	<b>1,230,500,000</b>	<b>693,750,000</b>

\* Amount disclosed under the head 'Other current liabilities' (Refer note no. 11)

- a Term loan of Rs. 4,275,000,000 (Previous year Rs. 3,293,750,000) is secured by way of first pari passu charge on housing loan receivables and other loan assets and receivables of the Company.
- b Term loan of Rs.700,000,000 (Previous year Rs. 135,000,000) is secured by way of first exclusive charge on housing loan receivables and other current assets and receivables of the Company.

**c Terms of repayment of secured term loan from bank**

**As at March 31, 2017**

Tenor	Rate of interest	Repayment Details	Non-Current portion	Current Maturities
48-60 months	8.60% to 8.80%	Quarterly Instalments	1,050,000,000	-
36-48 months	9.70% to 9.75%	Quarterly Instalments	1,343,750,000	500,000,000
24-36 months	8.40% to 9.75%	Quarterly Instalments	1,294,500,000	620,500,000
12-24 months	9.65%	Quarterly Instalments	56,250,000	75,000,000
Upto 12 months	9.50%	Quarterly Instalments	-	35,000,000
<b>Grand Total</b>			<b>3,744,500,000</b>	<b>1,230,500,000</b>

**As at March 31, 2016**

Tenor	Rate of interest	Repayment Details	Non-Current portion	Current Maturities
48-60 months	9.70% to 9.75%	Quarterly Instalments	1,318,750,000	81,250,000
36-48 months	9.65% to 9.75%	Quarterly Instalments	1,250,000,000	437,500,000
24-36 months	9.65%	Quarterly Instalments	131,250,000	75,000,000
12-24 months	9.55%	Quarterly Instalments	35,000,000	100,000,000
<b>Grand Total</b>			<b>2,735,000,000</b>	<b>693,750,000</b>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Particulars	Amounts in Rupees	
	As at March 31, 2017	As at March 31, 2016
<b>5 Deferred tax liability (Net)</b>		
<b>Deferred tax liability</b>		
- Special Reserve	9,469,179	2,470,693
- Unamortised loan origination costs	29,346,571	13,307,036
- Unamortised bank fees	4,112,692	3,499,351
	<b>42,928,442</b>	<b>19,277,080</b>
<b>Deferred tax asset</b>		
- Merger expense	304,119	586,527
- Unamortised preliminary expenses	46,623	106,899
- Unamortised processing fees	22,803,976	14,711,067
- Provision for standard assets	7,034,868	5,301,959
- Provision for doubtful loans and advances	9,443,025	1,012,927
	<b>39,632,611</b>	<b>21,719,379</b>
Net Deferred tax liability/(Asset)	<b>3,295,831</b>	<b>(2,442,299)</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Particulars	Amounts in Rupees	
	As at March 31, 2017	As at March 31, 2016
<b>7 Other Long term liabilities</b>		
Unamortised processing fees	70,971,472	39,400,062
	<b>70,971,472</b>	<b>39,400,062</b>
<b>8 Long term provisions: (Refer note no. 28)</b>		
Provision for standard assets	23,828,589	15,540,246
Housing Loans	16,641,375	7,487,939
Loan Against Property	7,187,214	8,052,307
Provision for doubtful loans	30,717,197	3,013,418
Housing Loans	7,392,564	2,708,697
Loan Against Property	23,324,633	304,721
	<b>54,545,786</b>	<b>18,553,664</b>
<b>9 Short term borrowings</b>		
<i>Secured</i>		
Loans repayable on demand from banks	933,176,248	572,987,603
	<b>933,176,248</b>	<b>572,987,603</b>
<b>Notes</b>		
Cash Credit of Rs.933,176,248 (Previous year Rs. 572,987,603) is secured by way of first pari passu charge on housing loan receivables and other loan assets and receivables of the Company.		
<b>10 Trade Payables:</b>		
To Micro, Small and Medium Enterprises (refer note below)	-	-
Others	52,398,022	32,287,993
	<b>52,398,022</b>	<b>32,287,993</b>
<b>* Disclosure under Micro, Small and Medium Enterprises Development Act, 2006</b>		
There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at March 31, 2017. The information as required to be disclosed under Micro, Small and Medium Enterprises Development Act, 2006 (Act) has been determined to the extent such parties have been identified by the Company.		
<b>11 Other current liabilities:</b>		
Current maturities of long term debt (Refer note no. 6)	1,230,500,000	693,750,000
Unamortised processing fees & Subvention Income	8,099,180	5,093,985
Interest accrued but not due	2,394,445	1,175,117
Income received in advance	1,348,710	610,380
Advance received from customers	6,559,159	920,033
Other liabilities*	39,951,050	1,586,578
	<b>1,288,852,544</b>	<b>703,136,093</b>
* Includes payment to Related Party & statutory payments		
<b>12 Short term provisions:</b>		
Provision for standard assets (Refer note no. 28)	564,157	495,683
Housing Loans	440,628	232,796
Loan Against Property	123,529	262,887
Provision for doubtful loans	2,025,607	50,208
Housing Loans	329,955	43,735
Loan Against Property	1,695,652	6,473
Provision for doubtful advances	575,022	575,022
Provision for tax (net of advance tax)	4,084,904	-
	<b>7,249,690</b>	<b>1,120,913</b>

**CAPITAL FIRST HOME FINANCE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**

Particulars	Amounts in Rupees	
	As at March 31, 2017	As at March 31, 2016
<b>13 Long term loans and advances</b>		
<i>Secured, considered good</i>		
Loans and advances relating to financing activity	5,908,479,839	3,850,760,583
Housing Loans	4,111,676,391	1,837,683,919
Loan Against Property	1,796,803,448	2,013,076,664
<i>Secured, considered doubtful</i>		
Loans and advances relating to financing activity	68,301,311	15,992,815
Housing Loans	28,976,275	12,945,602
Loan Against Property	39,325,036	3,047,213
<i>Unsecured, considered good</i>		
Advance taxes (net of provision for tax)	24,733,559	12,126,164
Advances recoverable in cash or in kind or for value to be received		-
	<b>6,001,514,709</b>	<b>3,878,879,562</b>
<b>14 Other non current assets</b>		
Unamortised loan origination cost	83,408,490	26,748,715
Unamortised borrowing costs	8,599,170	7,315,554
	<b>92,007,660</b>	<b>34,064,269</b>
<b>15 Cash and Bank Balances:</b>		
<b>Cash and Cash Equivalents</b>		
Cash on hand *	8,499,753	3,770,712
<b>Balance with Banks</b>		
- in current accounts	719,098,865	767,031,513
	<b>727,598,618</b>	<b>770,802,225</b>
*Includes Cash in transit amounting to Rs.8,499,753 (Previous year Rs. 3,762,072)		
<b>16 Short term loans and advances</b>		
<i>Secured, considered good</i>		
Loans and advances relating to financing activity	141,039,270	123,920,724
Housing Loans	110,157,092	58,198,882
Loan Against Property	30,882,178	65,721,842
<i>Secured, considered doubtful</i>		
Loans and advances relating to financing activity	4,152,154	308,562
Housing Loans	1,293,307	243,833
Loan Against Property	2,858,847	64,729
<i>Unsecured, considered good</i>		
Advances recoverable in cash or in kind or for value to be received *	30,020,547	90,635,977
<i>Unsecured, considered doubtful</i>		
Advances recoverable in cash or in kind or for value to be received	575,022	575,022
	<b>175,786,993</b>	<b>215,440,285</b>
* Includes Rs. 7,390,383/- receivable from related party		
<b>17 Other Current Assets:</b>		
Interest accrued but not due	48,667,346	34,301,018
Unamortised loan origination cost	18,347,993	13,498,803
Unamortised borrowing costs	5,661,206	3,268,333
	<b>72,676,545</b>	<b>51,068,154</b>

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>18 Revenue from operations:</b>		
Interest income	659,859,929	342,818,712
<b>Other financial services:</b>		
Processing fees and other charges	48,449,151	18,310,812
	<b>708,309,080</b>	<b>361,129,524</b>
<b>19 Other Income</b>		
Profit on sale of Investments	3,515,891	39,446,878
Excess provision written back	-	1,166,678
Interest on Income Tax Refund	321,053	151,004
	<b>3,836,944</b>	<b>40,764,560</b>
<b>20 Employee benefits expense</b>		
Salaries and wages	46,900,318	8,586,438
	<b>46,900,318</b>	<b>8,586,438</b>
<b>21 Finance Costs:</b>		
Interest expense	376,543,109	249,178,135
Other borrowing costs	27,743,825	3,885,151
Bank charges	525,964	333,105
	<b>404,812,898</b>	<b>253,396,391</b>
<b>22 Other expenses:</b>		
Rent	177,159	116,030
Repairs others	395,204	397,930
Rates and taxes	449,267	6,734,903
Auditors' remuneration		
- as auditor	1,250,000	1,300,000
- tax audit	150,000	200,000
- for Certification and others	269,425	85,600
- for reimbursement of expenses	35,450	57,750
Travelling expenses	9,463	13,039
Communication expenses	111,771	71,984
Printing and stationery	369,108	925,636
Advertisement and publicity expenses	955,512	1,990,105
Electricity charges	40,315	32,501
Membership and subscription	3,567	7,431
Amortised loan origination cost	20,622,761	8,118,919
<b>Provision &amp; Write offs:</b>		
Provision for doubtful loans and advances	29,679,177	1,721,815
Provision for standard assets	8,356,817	6,826,722
Bad debts written off (net of recovery)	82,521,444	8,771,251
	<b>120,557,438</b>	<b>17,319,788</b>
Donations (Refer note below)	744,000	-
Legal and professional charges	16,720,355	8,595,751
Directors sitting fees	210,000	260,000
Miscellaneous expenses	254,729	316,566
	<b>163,325,524</b>	<b>46,543,933</b>

**Note**

- i) During the year, the Company has contributed Rs. 744,000 (Previous Year: Rs. Nil) towards Corporate Social Responsibility ('CSR')

**Details of CSR spent during the financial year:**

a) Gross amount required to be spent by the company during the year is Rs. 743,958

b) Amount spent during the year on:

Particulars	In cash	Yet to be paid in cash	Total
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than (i) above	744,000	-	744,000

c) Details of related party transaction as per Accounting Standard (AS-18), "Related Party Disclosures" is Rs. Nil.

**23 Earning per equity share ('EPS')****Basic & Diluted EPS**

Net Profit for the year	64,384,466	62,419,592
Weighted average number of equity shares	66,304,515	53,176,858
Nominal value per share	10	10
Earnings per equity share (Rs.)	0.97	1.17

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

## 24 Contingent liabilities

Contingent Liabilities not provided for in respect of:

Amount in Rupees

Particulars	As at March 31, 2017	As at March 31, 2016
Income-tax	9,776,517	11,381,294

## 25 Capital Commitments

Particulars	As at March 31, 2017	As at March 31, 2016
Commitments relating to loans sanctioned but undrawn	22,235,176	26,095,999

## 26 Related Party Disclosures

In terms of Accounting Standard 18 (AS-18) 'Related Party Disclosures', notified under Section 133 of the Companies Act, 2013 ('the Act') read together with paragraph 7 of the Companies (Accounts) Rules, 2014., the disclosures of transactions with the related parties as defined in AS-18 are given below:

Relationship	Name of the Party
Ultimate Holding Company	Cloverdell Investment Ltd.
Holding Company	Capital First Limited
Fellow subsidiaries	Capital First Securities Limited Capital First Commodities Limited

Refer Annexure 1 & 1A for the transactions with related parties

## 27 Segment Reporting

The main business of the Company is to provide loans for purchase or construction of residential houses. All other activities of the Company revolve around the main business and accordingly there are no separate reportable segments, as per "Accounting Standards ('AS') notified under Section 133 of the Companies Act, 2013 ('the Act') read together with Rules 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Rules, 2016.

## 28 Disclosure regarding provisions made for standard assets as per the Prudential Norms contained in the Housing Finance Companies (NHB) Directions, 2010 as amended.

Particulars	For the year ended March 31, 2017			
	Standard	Sub-Standard	Doubtful	Total
Loans				
Housing loans	4,221,833,484	30,269,582	-	4,252,103,066
Mortgage Loans	1,827,685,625	42,183,883	-	1,869,869,508
<b>Total Loans</b>	<b>6,049,519,109</b>	<b>72,453,465</b>	<b>-</b>	<b>6,121,972,574</b>

Provisions	Standard	Sub-Standard	Doubtful	Total
Housing loans *	17,082,003	7,722,519	-	24,804,522
Mortgage Loans *	7,310,743	25,020,285	-	32,331,028
<b>Total Provisions</b>	<b>24,392,746</b>	<b>32,742,804</b>	<b>-</b>	<b>57,135,550</b>

Particulars	For the year ended March 31, 2016			
	Standard	Sub-Standard	Doubtful	Total
Loans				
Housing loans	1,895,882,801	13,189,435	-	1,909,072,236
Mortgage Loans	2,078,798,506	3,111,942	-	2,081,910,448
<b>Total Loans</b>	<b>3,974,681,307</b>	<b>16,301,377</b>	<b>-</b>	<b>3,990,982,684</b>

Provisions	Standard	Sub-Standard	Doubtful	Total
Housing loans *	7,720,735	2,752,432	-	10,473,167
Mortgage Loans *	8,315,194	311,194	-	8,626,389
<b>Total Provisions</b>	<b>16,035,929</b>	<b>3,063,626</b>	<b>-</b>	<b>19,099,555</b>

\* Includes standard asset provision created in Interest accrued but not due.

## 29 Disclosure regarding penalty or adverse comments as per Housing Finance Companies (NHB) Directions, 2010, as amended. During the current year, the Company has:

a. Neither been imposed any penalty by National Housing Bank

## 30 The Company's pending litigations comprise of claims against the Company primarily by the customers and proceedings pending with Tax authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material adverse effect on its financial results at March 31, 2017. Refer note 24 for details on contingent liabilities.

## 31 The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

- 32 The Board of Directors at its meeting held on August 4, 2014, had approved a Scheme of Arrangement and Amalgamation between Capital first Home Finance Limited (Formerly known as Capital first Home Finance Private Limited ) and Capital First Investment Advisory Limited ('CFIAL') (Scheme), inter-alia in terms of which CFIAL has merged with CFHFL, under the provisions of Section 391 to 394, of the Companies Act, 1956. The Appointed Date under the Scheme is April 1, 2014. The Scheme had been approved by the Hon'ble High Court of Judicature at Bombay vide its order dated July 31, 2015. The Company had filed the court order approving the Scheme with the Registrar of Companies ('ROC'), Mumbai on August 31, 2015 as required under section 391 of the Companies Act, 1956. The said scheme became effective from August 31, 2015 but operative with retrospective effect from April 1, 2014, the appointed date.

Pursuant to the Scheme:

- a) CFIAL ('Transferor') has merged with CFHFL ('Transferee') under the purchase method;  
 b) Assets and liabilities have been transferred at book value. The Company has issued 30,029,515 equity shares of Rs. 10 each fully paid up in consideration of net assets acquired from the transferor Company.  
 c) The difference of Rs. 63,774,782 between the shares issued aggregating Rs. 300,295,150 and the net assets acquired aggregating Rs. 364,069,932 is treated as Capital Reserve of the transferee company.

- 33 The details of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016 as provided in the table below:-

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	-	33,000	33,000
(+) Permitted receipts (Refer note below)	15,215,000.00	266,209,483	281,424,483
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks (Refer note	15,215,000.00	266,023,714	281,238,714
Closing cash in hand as on 30.12.2016	-	<b>218,769</b>	<b>218,769</b>

In the ordinary course of business, Company's collection agencies have collected cash and customers have directly deposited cash amounting to Rs. 281,238,714 as part of the loan repayments in the collection bank account of the Company during the period from November 9, 2016 to December 30, 2016. The denomination wise details of such cash has been confirmed by the Company's bankers.

- 34 The additional information pursuant to Schedule III to the Companies Act, 2013 are either Nil or Not Applicable.  
 35 Additional information as per notification issued by the National Housing Bank is given in Annexure 3.  
 36 Figures for previous year have been regrouped and/or reclassified wherever considered necessary, to conform to current year classifications.

CAPITAL FIRST HOME FINANCE LIMITED

Annexure 3 of the Note No. 35 to the Financial Statements for the year ended March 31, 2017

3.1 Capital to Risk Assets Ratio (CRAR)

Particulars	Current Year	Previous Year
i) CRAR (%)	20.33%	24.11%
ii) CRAR - Tier I capital (%)	19.73%	23.63%
iii) CRAR - Tier II Capital (%)	0.60%	0.48%
iv) Amount of subordinated debt raised as Tier-II capital	-	-
v) Amount raised by issue of Perpetual Debt Instruments	-	-

3.2 Disclosure regarding Reserve fund under Section 29C of NHB Act, 1987 as per NHB Circulars dated April 7, 2014.

Particulars	Current Year	Previous Year
<b>Balance at the beginning of the year</b>		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	-	-
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	19,956,599	7,472,681
<b>c) Total</b>	<b>19,956,599</b>	<b>7,472,681</b>
<b>Addition / Appropriation / Withdrawal during the year</b>		
Add: a) Amount transferred u/s 29C of the NHB Act, 1987	-	-
b) Amount of special reserve u/s 36(1)(viii) of the Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	12,876,893	12,483,918
Less: a) Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
b) Amount withdrawn from special reserve u/s 36(1)(viii) of the Income Tax Act, 1961 which has been taken into account for the purposes of provisions u/s 29C of the NHB Act, 1987	-	-
<b>Balance at the end of the year</b>		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	-	-
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	32,833,492	19,956,599
<b>c) Total</b>	<b>32,833,492</b>	<b>19,956,599</b>

3.3 Investments

Particulars	Current Year	Previous Year
<b>3.5.1. Value of Investments</b>		
i) Gross Value of Investments		
(a) In India	NIL	NIL
(a) Outside India		
ii) Provision for Depreciation		
(a) In India	NIL	NIL
(a) Outside India		
iii) Net Value of Investments		
(a) In India	NIL	NIL
(a) Outside India		
<b>3.5.2. Movement of provisions held towards depreciation on investments</b>	NIL	NIL
i) Opening balance		
ii) Add: Provisions made during the year		
iii) Less: Write-off/ write-back of excess provisions during the year		
iv) Closing balance		

3.4 Derivatives

3.4.1 Forward Rate Agreement (FRA) / Interest Rate Swap (IRS)

Particulars	Current Year	Previous Year
(i) The notional principal of swap agreements	NIL	NIL
(ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	NIL	NIL
(iii) Collateral required by the HFC upon entering into swaps	NIL	NIL
(iv) Concentration of credit risk arising from the swaps \$	NIL	NIL
(v) The fair value of the swap book @	NIL	NIL

3.4.2. Exchange Traded Interest Rate (IR) Derivative

Particulars	Current Year	Previous Year
(i) Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument- wise)	NIL	NIL
(ii) Notional principal amount of exchange traded IR derivatives outstanding as on 31st March .....	NIL	NIL
(iii) Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective"	NIL	NIL
(iv) Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument-	NIL	NIL

### 3.4.3. Disclosures on Risk Exposure in Derivatives

#### A. Qualitative Disclosure

The Company doesn't deal in Derivatives.

#### B. Quantitative Disclosure

Particulars	Currency Derivatives	Interest Rate Derivatives
(i) Derivatives (Notional Principal Amount)	NIL	NIL
(ii) Marked to Market Positions [1]	NIL	NIL
(a) Assets (+)	NIL	NIL
(b) Liability (-)	NIL	NIL
(iii) Credit Exposure [2]	NIL	NIL
(iv) Unhedged Exposures	NIL	NIL

### 3.5 Securitisation

	Particulars	No. / Amount	
1	No of SPVs sponsored by the HFC for securitisation transactions*	NA	
2	Total amount of securitised assets as per books of the SPVs sponsored	NA	
3	Total amount of exposures retained by the HFC towards the MRR as on the date of balance sheet	NA	
	(I) Off-balance sheet exposures towards Credit Enhancements		
		a) b)	
	(II) On-balance sheet exposures towards Credit Enhancements		
		a) b)	
	4	Amount of exposures to securitisation transactions other than MRR	NA
(I) Off-balance sheet exposures towards Credit Enhancements			
		a) Exposure to own securitizations	
		i.) ii.)	
		b) Exposure to third party securitisations	
		i.) ii.)	
		(II) On-balance sheet exposures towards Credit Enhancements	
a) Exposure to own securitizations			
i.) ii.)			
b) Exposure to third party securitisations			
i.) ii.)			

\*Only the SPVs relating to outstanding securitisation transactions may be reported here

### 3.5.2. Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction

Particulars	Current Year	Previous Year
(i) No. of accounts	NIL	NIL
(ii) Aggregate value (net of provisions) of accounts sold to SC / RC	NIL	NIL
(iii) Aggregate consideration	NIL	NIL
(iv) Additional consideration realized in respect of accounts transferred in earlier years	NIL	NIL
(v) Aggregate gain / loss over net book value	NIL	NIL

### 3.5.3. Details of Assignment transactions undertaken by HFCs

Particulars	Current Year	Previous Year
(i) No. of accounts	522	NIL
(ii) Aggregate value (net of provisions) of accounts assigned	899,670,219	NIL
(iii) Aggregate consideration	899,670,219	NIL
(iv) Additional consideration realized in respect of accounts transferred in earlier years	NIL	NIL
(v) Aggregate gain / loss over net book value	NIL	NIL

### 3.5.4 Details of non-performing financial assets purchased / sold

#### A. Details of non-performing financial assets purchased:

Particulars	Current Year	Previous Year
1. (a) No. of accounts purchased during the year		
(b) Aggregate outstanding	NIL	NIL
2. (a) Of these, number of accounts restructured during the year		
(b) Aggregate outstanding	NIL	NIL

#### B. Details of Non-performing Financial Assets sold:

Particulars	Current Year	Previous Year
1 No. of accounts sold	NIL	NIL
2 Aggregate outstanding	NIL	NIL
3 Aggregate consideration received	NIL	NIL



### 3.7 Exposure

#### 3.7.1. Exposures to real estate sector

Particulars	Current Year	Previous Year
a) Direct exposure		
<b>(i) Residential Mortgages –</b>		
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 lakhs	982,816,015	195,164,836
Housing loans more than Rs. 15 lakhs	3,269,287,051	1,713,907,400
Non Housing Loans	1,869,869,508	2,081,910,447
<b>(ii) Commercial Real Estate –</b>		
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.). Exposure would also include non-fund based (NFB) limits;	-	-
<b>(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -</b>		
a. Residential,	-	-
b. Commercial Real Estate.	-	-
<b>b) Indirect Exposure</b>		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	-	-

#### 3.7.2. Exposure to Capital Market

Particulars	Current Year	Previous Year
(i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity- oriented	NIL	NIL
(ii) advances against shares / bonds / debentures or other securities or on clean basis to individuals for	NIL	NIL
(iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of	NIL	NIL
(iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares	NIL	NIL
(v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	NIL	NIL
(vi) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	NIL	NIL
(vii) bridge loans to companies against expected equity flows / issues;	NIL	NIL
(viii) All exposures to Venture Capital Funds (both registered and unregistered)	NIL	NIL
<b>Total Exposure to Capital Market</b>		

#### 3.7.3 Details of financing of parent company products

There are no such instances.

#### 3.7.4. Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the HFC

During the year, the Company has not exceeded SGL & GBL limits as prescribed under NHB Regulation.

#### 3.7.5. Unsecured Advances

There are no loans and advances secured against rights, licences, authorities etc.

### 4 Miscellaneous

Particulars	
<b>4.1. Registration obtained from other financial sector regulators</b>	
NHB registration no.	01.0131.16
Company Identification no. (CIN) :	U65192MH2010PLC211307
<b>4.2. Disclosure of Penalties imposed by NHB and other regulators</b>	
Penalties or fines pursuant to a contractual obligation are not considered as penalties or fines. Expenditure incurred for any purpose which is an offence or which is prohibited by law is restricted to items where the disclosed purpose of such payment is, to the assessee's knowledge, an offence or prohibited by law.	
<b>4.3 Related Party Transactions</b>	
Refer note no.26 for transactions with related party transactions	
<b>4.4 Ratings assigned by credit rating agencies and migration of ratings during the year</b>	
(a) Long Term Bank facility	CARE : AA+
(b) Commercial paper	CARE : A1+
(c) Non Convertible Debentures	CARE : AA+
<b>4.5 Remuneration of Directors (Non-executive)</b>	
- Sitting fees	210,000

5.1	Break up of 'Provisions and Contingencies shown under the head Expenditure in Profit and Loss Account	Current Year	Previous Year
	1. Provision for depreciation on investments	NIL	NIL
	2. Provision made towards Income tax	32,722,818	30,947,730
	3. Provision towards NPA	29,679,177	1,721,815
	4. Provision for Standard Assets (with details like teaser loan, CRE, CRE-RH,etc.)	8,356,817	6,826,722
	5. Other Provision and Contingencies (with details)		

Break up of Loan & Advances and Provisions thereon	Housing loans		Non Housing loans	
	Current Year	Previous Year	Current Year	Previous Year
<b>Standard Assets</b>				
a) Total Outstanding Amount	4,221,833,484	1,895,882,801	1,827,685,625	2,078,798,506
b) Provisions made	17,082,003	7,720,735	7,310,743	8,315,194
<b>Sub-Standard Assets</b>				
a) Total Outstanding Amount	30,269,582	13,189,435	42,183,883	3,111,942
b) Provisions made	7,722,519	2,752,432	25,020,285	311,194
<b>Doubtful Assets – Category-I</b>				
a) Total Outstanding Amount	NIL	NIL	NIL	NIL
b) Provisions made	NIL	NIL	NIL	NIL
<b>Doubtful Assets – Category-II</b>				
a) Total Outstanding Amount	NIL	NIL	NIL	NIL
b) Provisions made	NIL	NIL	NIL	NIL
<b>Doubtful Assets – Category-III</b>				
a) Total Outstanding Amount	NIL	NIL	NIL	NIL
b) Provisions made	NIL	NIL	NIL	NIL
<b>Loss Assets</b>				
a) Total Outstanding Amount	NIL	NIL	NIL	NIL
b) Provisions made	NIL	NIL	NIL	NIL
<b>Total</b>				
a) Total Outstanding Amount	4,252,103,066	1,909,072,236	1,869,869,508	2,081,910,448
b) Provisions made	24,804,522	10,473,167	32,331,028	8,626,389

### 5.3. Concentration of Public Deposits, Advances, Exposures and NPAs

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

Particulars	Current Year	Previous Year
Total Deposits of twenty largest depositors	NA	NA
Percentage of Deposits of twenty largest depositors to Total deposits	NA	NA

#### 5.3.2. Concentration of Loans & Advances

Particulars	Current Year	Previous Year
Total Loans & Advances to twenty largest borrowers	701,617,635	748,347,332
Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the HFC	11.5%	18.75%

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

Particulars	Current Year	Previous Year
Total Exposure to twenty largest borrowers /Customers	701,617,635	748,347,332
Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the HFC	11.5%	18.75%

#### 5.3.4. Concentration of NPAs

Particulars	Current Year	Previous Year
Total Exposure to top ten NPA accounts	51,261,098	16,301,377

#### 5.3.5. Sector-wise NPAs (As certified by the management and relied upon by auditors)

Sr No.	Sector	POS	PROV	Percentage of NPAs to Total Advances in that sector
A.	Housing Loans:			
1	Individuals	30,269,583	7,722,518	0.72%
2	Builders/Project Loans			
3	Corporates			
4	Others (specify)			
B.	Non-Housing Loans:			
1	Individuals	41,565,385	24,816,182	2.30%
2	Builders/Project Loans			
3	Corporates	618,498	204,104	0.97%
4	Others (specify)			

#### 5.4. Movement of NPAs

Particulars	Current Year	Previous Year
<b>(I) Net NPAs to Net Advances (%)</b>	0.65%	0.33%
(II) Movement of NPAs (Gross)		
a) Opening balance	16,301,377	4,066,094
b) Additions during the year	72,453,466	12,338,874
c) Reductions during the year	(16,301,377)	(103,591)
d) Closing balance	<b>72,453,466</b>	<b>16,301,377</b>
(III) Movement of Net NPAs		
a) Opening balance	13,237,751	2,724,283
b) Additions during the year	39,710,661	10,582,873
c) Reductions during the year	(13,237,751)	(69,406)
d) Closing balance	<b>39,710,661</b>	<b>13,237,751</b>
(IV) Movement of provisions for NPAs (excluding provisions on standard assets)		
a) Opening balance	3,063,626	1,341,811
b) Provisions made during the year	32,742,805	1,756,000
c) Write-off/write-back of excess provisions	(3,063,626)	(34,185)
d) Closing balance	<b>32,742,805</b>	<b>3,063,626</b>

#### 5.5 Overseas Assets

Particulars	Current Year	Previous Year
	NIL	NIL

#### 5.6 Off-balance Sheet SPVs sponsored

Name of the SPV sponsored	
Domestic	Overseas
NA	NA

#### 6 Disclosure of Complaints

##### 6.1. Customers Complaints (As certified by the management and relied upon by auditors)

Particulars	Current Year	Previous Year
a) No. of complaints pending at the beginning of the year	-	-
b) No. of complaints received during the year	23	-
c) No. of complaints redressed during the year	21	-
d) No. of complaints pending at the end of the year	2	-

3.6 Asset Liability Management

	1 day to 30-31 days (one month)	Over one month to 2 months	Over 2 months up to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 year to 7 years	Over 7 year to 10 years	Over 10 year	Total
<b>Liabilities</b>											
Deposits											
Borrowings from Banks	40,625,000	68,750,000	193,750,000	288,125,000	1,572,426,239	2,875,750,000	868,750,000	-	-	-	5,908,176,239
	Nil	(25,000,000)	(128,125,000)	(153,125,000)	(960,487,603)	(1,741,250,000)	(993,750,002)	-	-	-	(4,001,737,605)
Market Borrowings	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)
Foreign Currency liabilities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)
<b>Assets</b>											
Advances	11,962,879	11,493,433	11,613,032	35,569,958	74,552,122	420,159,104	570,022,064	703,120,196	1,136,284,137	3,147,195,650	6,121,972,575
	(9,200,000)	(10,100,000)	(10,100,000)	(31,000,000)	(63,900,000)	(279,300,000)	(392,400,000)	(497,400,000)	(940,482,684)	(1,757,100,000)	(3,990,982,684)
Investments	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)
Foreign Currency Assets	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)
	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)

Figures in bracket relate to previous year.

CAPITAL FIRST HOME FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Annexure 1

Transactions with Related parties

*Amount in Rupees*

Relationship	Holding Company		Fellow Subsidiaries	
	April 1, 2016 to March 31, 2017	April 1, 2015 to March 31, 2016	April 01, 2016 to March 31, 2017	April 1, 2015 to March 31, 2016
Purchase of Services	44,208,635	8,843,362	4,565,000	3,000,000
Interest expenses paid	25,170,910	475,711	-	-
Loans/ Advances taken	2,017,390,600	362,016,491	-	-
Loans/ Advances repaid	1,951,061,003	448,777,496	-	-
Inter corporate deposits taken	765,000,000	314,000,000	-	-
Inter corporate deposits repaid	765,000,000	314,000,000	-	-
<b>Closing Balances : Receivable / (Payable)</b>	<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>	<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>
Inter corporate deposits Receivable / (Payable)	-	-	-	-
Advances Recoverable / (Payable)	7,390,383	75,934,518	(4,530,750)	(1,045,000)

CAPITAL FIRST HOME FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Annexure 1A

Transactions with Related parties

Amount in Rupees

Particulars	Holding Company		Fellow Subsidiary Company	
	April 01, 2016 to March 31, 2017	April 01, 2015 to Mar 31, 2016	April 01, 2016 to March 31, 2017	April 01, 2015 to Mar 31, 2016
<b>Purchases of services</b>				
Capital First Limited	44,208,635	8,843,362		
Capital First Securities Limited		-	4,565,000	3,000,000
<b>Total</b>	<b>44,208,635</b>	<b>8,843,362</b>	<b>4,565,000</b>	<b>3,000,000</b>
<b>Interest expenses paid</b>				
Capital First Limited	25,170,910	475,711	-	-
<b>Total</b>	<b>25,170,910</b>	<b>475,711</b>		
<b>Loans/ Advances taken</b>				
Capital First Limited	2,017,390,600	362,016,491	-	-
<b>Total</b>	<b>2,017,390,600</b>	<b>362,016,491</b>		
<b>Loans/ Advances repaid</b>				
Capital First Limited	1,951,061,003	448,777,496	-	-
<b>Total</b>	<b>1,951,061,003</b>	<b>448,777,496</b>		
<b>Inter corporate deposits taken</b>				
Capital First Limited	765,000,000	314,000,000	-	-
<b>Total</b>	<b>765,000,000</b>	<b>314,000,000</b>		
<b>Inter corporate deposits repaid</b>				
Capital First Limited	765,000,000	314,000,000	-	-
<b>Total</b>	<b>765,000,000</b>	<b>314,000,000</b>		
<b>Closing Balance</b>	<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>	<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>
<b>Advances Recoverable / (Payable)</b>				
Capital First Limited	7,390,383	75,934,518	-	-
Capital First Securities Limited	-	-	(4,530,750)	(1,045,000)
<b>Total</b>	<b>7,390,383</b>	<b>75,934,518</b>	<b>(4,530,750)</b>	<b>(1,045,000)</b>